

GOOD MORNING: 06/01/17 Farm Direction - VanTrump Report

3 messages

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"Attention is the rarest and purest form of generosity." —Simone Weil

THURSDAY, JUNE 1, 2017
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Morning Summary: Stock indexes have done very little this week, but nonetheless managed to close out another month in positive territory. As we begin June, the Nasdaq has now posted gains in seven consecutive months, its longest winning streak in over a decade. With earnings behind us, investors are now looking to economic data and policy developments out of Washington to guide direction. Yesterday's reports painted a somewhat mixed picture. On one hand, U.S. April Pending Home Sales declined amid extremely low supplies. On the bullish side, Chicago PMI rose more than a full percentage point to 59.4, its strongest reading since November 2014. We also have the Fed's Beige Book showing that the U.S. economy continues to expand at a modest pace, including manufacturing and most non-financial services sectors. Additionally, Fed Districts are noting more labor shortages across a broadening range of occupations and regions, along with moderate wage growth. Today, ADP will release its monthly Employment Report, giving us a sneak peak at what we might see from the official May Employment Report. Insiders are expecting ADP to show private payrolls added around +170,000 jobs for the month, with close to the +185,000 expected to be reported by the Labor Department on Friday. Today also brings May ISM Manufacturing and Construction Spending, PMI and Motor Vehicle Sales. Traders have been talking about weaker numbers in the car market as sales had been on the rise since 2010, but have declined in the first four months of this year. Auto manufacturers have been pumping out major incentives as of late so we may see a slight upward rebound carried by light trucks and SUV sales. Internationally, data points to broad improvements, with the Eurozone reporting Unemployment at an 8-year low, Japan's Industrial Production rebounding strongly in April and Canada seeing a better than expected rise in GDP. Things in Washington are still pretty quiet overall, with no movement on policy issues as Congress is still on break. Word did come down yesterday that former FBI Director James Comey is expected to testify in public before the Senate Intelligence Committee next week after being cleared by Special Counsel Robert Mueller. Comey has not yet formally agreed to testify, but sources from Washington seem to be thinking he is open to the idea. I suspect Wall Street could get a bit more nervous if major mud starts being slung. We are also keeping our eye out for President Trump's decision on the "Paris Accord", which we here might come later this afternoon.

Uber Losses With Uber Revenues: *The world's most valuable privately-held tech company started disclosing selective financial results earlier this year, providing more insight into their mega disruptive business. The latest data released showed that Uber lost just \$708 million, excluding stock compensation expenses, during the first three months of 2015. Interestingly that's a nice improvement from the reported \$991 million they supposedly lost during the three months prior to that. I should note that Uber also reported an +18% increase in revenue during Q1 which totaled a whopping \$3.4 billion. These guys are clearly tossing around massive numbers, it will be interesting to see what happens longer-term.*

A Look Inside The OPEC Oil Production Cuts: *Oil prices have continued to fall this week as rising Libyan production fuels concerns that OPEC-led output cuts are being undermined by several countries that are excluded from the deal. Bloomberg recently reported that crude production from Sharara field, Libya's largest oil field, rose by +25,000 barrels a day to 250,000 barrels. Libya's total output rose to 827,000 barrels a day. Some worry the recent increase in Libyan output may undercut OPEC's strategy to re-balance the market and prop up prices. Keep in mind Libya, the nation with Africa's biggest crude reserves, pumped as much as 1.6 million barrels a day before an uprising in 2011. The nation's current crude production is at the highest since October 2014 when it pumped 850,000 barrels a day, but still could be pushed much higher. The biggest increase in oil production for the month came from Nigeria, where the Forcados production stream began loading cargoes for export. The Forcados pipeline had been mostly shutdown since it was bombed by militants in February*

Today In History



1495, Scotch – The first known batch of scotch was recorded. The first written mention of Scotch whisky is in the Exchequer Rolls of Scotland, 1495. A friar named John Cor was the distiller at Lindores Abbey in the Kingdom of Fife. According to the Scotch Whisky Association, no one knows exactly when distilling was first practiced in Scotland, but it is known that the Ancient Celts practiced distilling, and the liquid they produced, known in ancient Gaelic as "uisge beatha" (water of life), evolved into Scotch whisky. Whisky production was first taxed in 1644, causing a rise in illegal whisky distilling in the country. Around 1780, there were about eight legal distilleries and 400 illegal ones. In 1823, Parliament eased restrictions on licensed distilleries with the "Excise Act," while at the same time making it harder for the illegal stills to operate, thereby ushering in the modern era of Scotch production. Today, Scotch whiskey is divided into five distinct categories: Single Malt Scotch whisky, Single Grain Scotch whisky, Blended Malt Scotch whisky (formerly called "Vatted Malt" or "Pure Malt"), Blended Grain Scotch whisky, and Blended Scotch whisky. All Scotch whisky must be aged in oak barrels for at least three years. Any age statement on a bottle of Scotch whisky, expressed in numerical form, must reflect the age of the youngest whisky used to produce that product.



1792, Kentucky – Kentucky is admitted as the 15th state of the United States. Kentucky, officially the Commonwealth of Kentucky, is a state located in the Upper South. The origin of Kentucky's modern name (variously spelled Cantucky, Cane-tuck-ee, Kain-tuck-ee, and Kentuckee before its modern spelling was accepted) comes from an Iroquois word meaning "meadow lands." This refers to the buffalo hunting grounds in Central Kentucky's savanna. Originally a part of Virginia, in 1792 Kentucky became the 15th state to join the Union. Kentucky is one of four U.S. states constituted as a commonwealth (the others being Virginia, Pennsylvania, and Massachusetts). Kentucky is known as the "Bluegrass State". a nickname based on the fact that

2016. The increased output from Libya and Nigeria helped lift overall OPEC output in May by +250,000 barrels per day to 32.22 million barrels per day. (Sources: Bloomberg, Reuters)

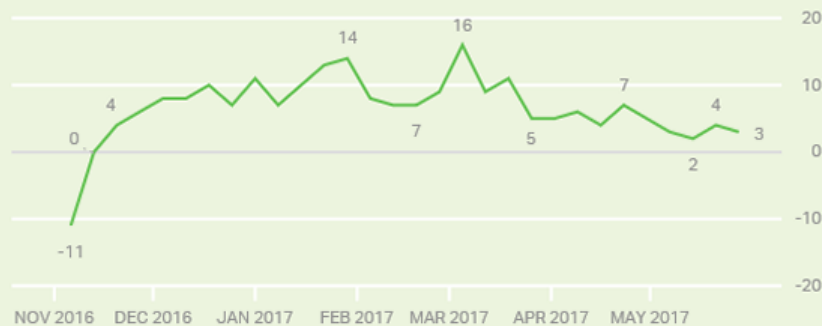
U.S. April Pending Home Sales Post Unexpected Decline: US pending home sales fell -1.3% in April compared with expectations of a +0.6% gain for the month. The March data was revised down slightly to show a decline of -0.9% and there was a -3.3% annual decline in sales. This was the first annual decline since December and the sharpest annual decline since June 2014. According to National Association of Realtors (NAR) chief economist Yun, contract activity is fading this spring because significantly weaker supply levels are undermining affordability conditions. Yun was also pessimistic that supply levels would increase in the short term which would continue to hamper sales growth. The results reinforce concerns surrounding a slowdown in the housing sector, although the situation is complicated by the fact that sales are being undermined by supply issues rather than weakness in demand. Some in the industry are hoping the potential for higher home prices will increase the number of properties on the market over the next few months, in turn helping to rebalance the market.

U.S. Economic Confidence Remains Stable: Americans' confidence in the economy remains slightly positive, with Gallup's U.S. Economic Confidence Index registering +3 for the week ending May 28. The index has ranged from +2 to +4 throughout May. Despite being positive, Americans' confidence in the economy is lower than it was after a post-election boost from December to March when the index regularly yielded scores of +10 and above. A stock market downturn in late March shook Americans' confidence, and the index has remained below +10 since. Still, the recent confidence levels are well above the largely negative ratings that Gallup recorded from 2008 through 2016. For the week ending May 28, one in three Americans (33%) assessed the economy as "excellent" or "good," while 22% said it was "poor," resulting in a score of +11 for the current conditions component -- similar to the previous week's +12. This component has been fairly stable in 2017, registering double-digit scores in nearly all weeks so far this year. Meanwhile, half of Americans (50%) said the economy is "getting worse," and 44% said it is "getting better," producing an economic outlook score of -6. Though not meaningfully different from the -4 recorded in the previous three weeks, the latest score is the lowest for this component since November's election. (Source: Gallup)

Gallup's U.S. Economic Confidence Index -- Weekly Averages

November 2016-May 2017

■ Economic Confidence Index



GALLUP DAILY

Weather across most of the nation will experience a gradual warming trend, although cool conditions will linger through week's end in the Great Lakes and Northeastern States. Meanwhile, an active, showery weather pattern will persist in many areas, with rainfall intensifying late in the week across the eastern half of the U.S. Five-day rainfall totals could reach +1 to +3 inches along and east of a line from Texas to Wisconsin, with some of the heaviest rain expected during the weekend from the Ohio Valley into the northern Mid-Atlantic States. In contrast, little or no rain will fall from the Desert Southwest to the northern High Plains.

Quick Look At Potential Storms This Weekend: Marginally severe thunderstorms with strong wind gusts and hail will be possible Friday afternoon and evening across the northern Plains and mid to upper Mississippi Valley.

bluegrass is present in many of the pastures throughout the state, because of the fertile soil. This makes the breeding of high-quality livestock, especially thoroughbred racing horses possible. It is a land with diverse environments and abundant resources, including the world's longest cave system, the Mammoth Cave National Park. It is also home to the greatest length of navigable waterways and streams in the contiguous United States, and the two largest man-made lakes east of the Mississippi River. It is also home to the highest per capita number of deer and turkey in the United States, the largest free-ranging elk herd east of Montana, and the nation's most productive coalfield. Today, Kentucky is the 37th most extensive and the 26th most populous of the 50 states.



1831, North Pole – Sir James Clark Ross, a British naval officer and explorer, discovers the North Magnetic Pole. Ross was born in London, the nephew of Sir John Ross, under whom he entered the navy in 1812, accompanying him on Sir John's first Arctic voyage in search of a Northwest Passage in 1818. Between 1819 and 1827, Ross took part in four Arctic expeditions under Sir William Perry, and between 1829 and 1833, he served again under his uncle on Sir John's second Arctic voyage. It was during this trip that he located the position of the North Magnetic Pole on June 1, 1831 on the Boothia Peninsula in the far north of Canada.

Upcoming Events

Fri. 6/9 - USDA Supply and Demand

Tues.-Wed. 6/13-14 - FOMC Meeting

Thurs. 6/22 - Cold Storage

Fri. 6/23 - Cattle on Feed

Fri. 6/29 - Quarterly Hogs and Pigs

Fri. 6/30 - Quarterly Stocks and Acreage

Tues. 7/4 - Independence Day - Markets Closed

Wed. 7/5 - Minutes From 6/14 FOMC Meeting Released

Wed. 7/12 - USDA Supply and Demand

Fri. 7/21 - Cattle on Feed

Mon. 7/24 - Cold Storage

Tues.-Wed. 7/25-26 - FOMC Meeting

Fri. 8/10 - USDA Supply and Demand

Wed. 8/16 - Minutes From 7/26 FOMC Meeting

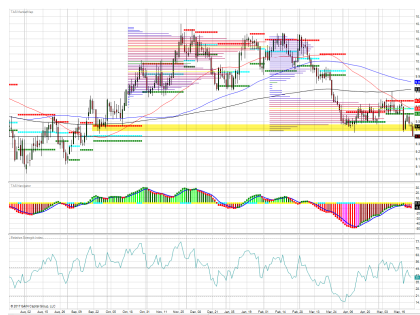
Tues. 8/22 - Cold Storage

Fri. 8/25 - Cattle on Feed

Chart Of The Week



Corn bulls are starting to get a bit louder and perhaps finding a few more followers on the heels of lower than expected USDA crop conditions and continued rainfall in many locations across the corn belt. Many inside the trade are thinking perhaps 1.0 to 1.5 million corn acres could ultimately go unplanted. There is also more thoughts of the yield backpedaling a bit from trend on fewer GDD units being available, lack of needed oxygen and shallow roots...all leading to a potentially weaker plant and overall yield drag. Depending on how you want to sharpen your pencil, there are now estimates floating around inside the trade that show ending stocks possibly moving lower to between 1.5 and 1.9 billion bushels. The bulls are also pointing to some more widespread and heavy rains in Brazil that may be causing a few nearby hiccups. Bottom-line, we are getting some bulls to bite on the current weather complications. As a producer I used the recent rally to reduce a bit more of my projected 2018 production. I now have 15% of my longer-term 2018 risk reduced at \$4.08 per bushel. This is certainly no home-run or even considered a double, but with crude oil prices moving lower and cash rents having backed off a bit I can make this number work and reduce some longer-term exposure. As for 2017 new-crop production, I want to remain patient in regard to pricing any additional bushels. I'm not incredibly happy with my current sales as my average is right around \$3.95 per bushel, but I just don't feel like we've had much opportunity. As you can see from the chart I included below, we just haven't had much of a chance to shoot many bushels flying above \$4.00. For producers who feel they might be behind in sales or a bit nervous about the downside, it looks like the market is going to add some additional opportunities. Make certain you are paying close attention. I'm afraid the bullish demand headlines might start to really dry-up in the weeks ahead. If the weather story happens to lose momentum or fizzle out at the same time it could bring a quick break or retest of the lower end of the range. Remember, today's big money and large traders like to trade the headlines. If the headlines aren't there the computers won't fire out the buy signals. Right now we have "weather" and "demand" headlines. Three or four weeks from now I'm not sure that will be the case... As long as the weather headlines continue to flow it will trump all other concerns. If the sun starts to shine and the fields and forecast turn more normal you have to ask where the bullish headlines will come from???



Nov Soybeans

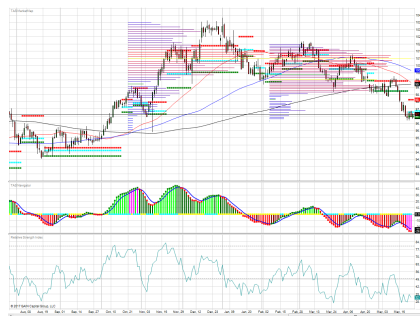
Soybeans closed on a fresh 8 month low and the charts look potentially vulnerable for a further decline toward 9.10 as the next major area of support. Old support becomes new resistance. A close back above 9/45 would be viewed as short term supportive.

[Enlarge Nov Soybeans Chart »](#)



Need more help with the "Technical" side of the market? I personally like to use Tom Dosdall at Technical Ag Knowledge. [Click here for a complimentary subscription courtesy of The Van Trump Report.](#)

Outside Markets

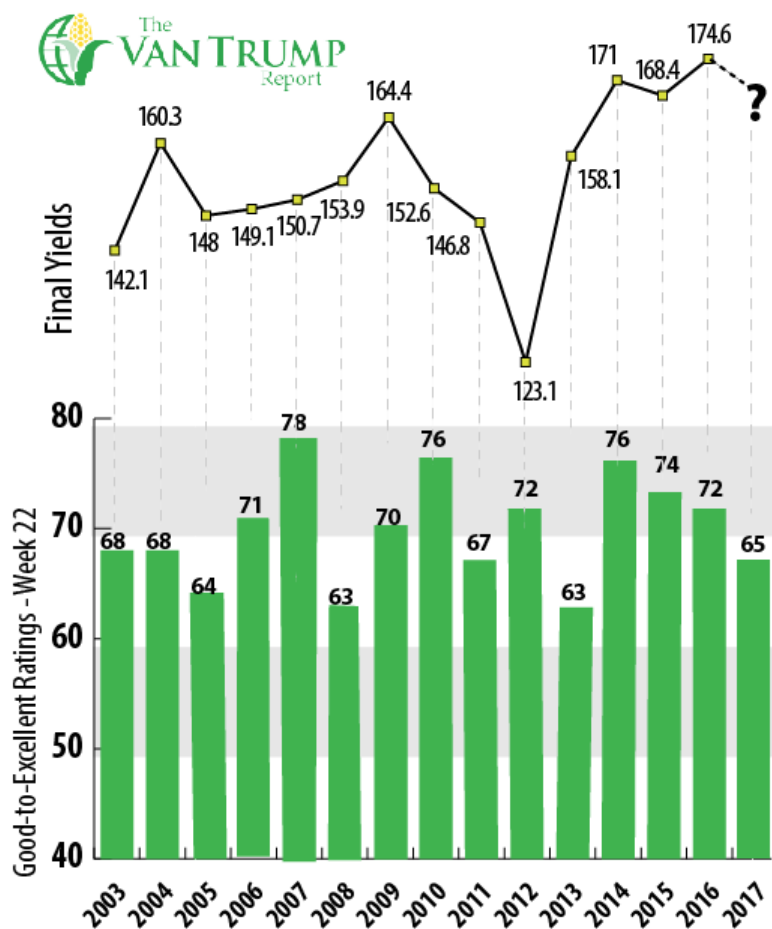


US Dollar Index

If November lows near 96.940 give out the next target down could be 94.241. TAS Navigator shows bear trend could potentially be exhausted.

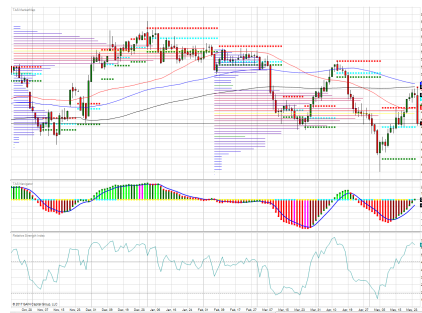
[Enlarge US Dollar Index Chart »](#)

U.S. Corn Conditions VS. Final Yields



Source: USDA

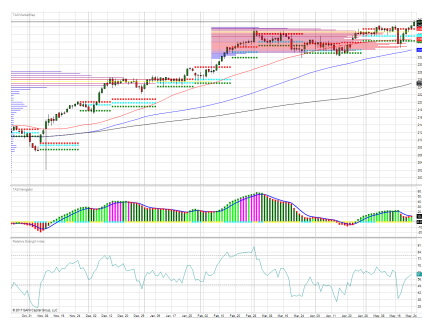
Soybean bears continue to point to record U.S. acreage going in the ground, perhaps now north of +90 million acres. The bears are also pointing to less in the way of Chinese demand for U.S. soybeans. In fact several inside sources are talking about the Chinese delaying or possibly canceling some cargoes as their crush margins are extremely poor. There's also some headwinds being created by weaker crude oil prices. The bulls are talking about a short labor strike in Argentina that has slowed the nearby moment of soybeans and the fact U.S. weather might be offering up more complications than the market is giving credit. From technical standpoint the market has been in a free-fall since early March and you would think due for sometime of bounce on over-sold conditions. The burdensome fundamentals continue to work heavily against the bulls and I suspect the new-crop NOV17 contract will eventually try and test the most recent lows down near \$9.03⁴. I hat to even say it, but several technical guru's I speak with think there's a chance the market could try and test the \$8.80 to \$8.90 level before finding more longer-term and solid footing. Rember we still have a bit of time before this market becomes wildly concerned about U.S. weather and starts to more heavily debate yield. This is certainly a different bird than the corn market, especially when too much early moisture and cool temps are the main concerns. I just think regardless of the agronomics of the argument, it's just going to be hard to spook the bears this early, especially with South America harvesting a record crop, Chinese demand for U.S. beans wavering and the U.S. producer planting a record setting +90 million acres. Hence the reason I was more aggressive than ever in pricing new-crop beans well before they were planted.



Crude Oil

The market strongly rejected the bull rally near the 100 and 200 day moving averages (\$52.00). This tilts the bias back to neutral short term.

[Enlarge Crude Oil Chart »](#)

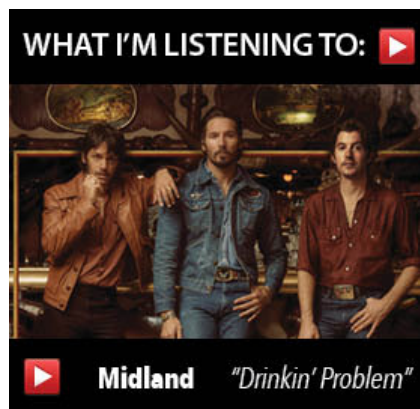


E-Mini S&P Index

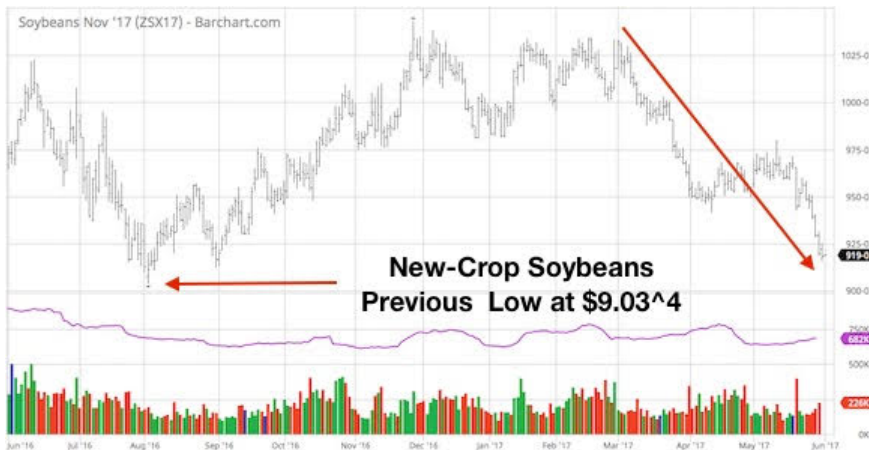
The market posts another bullish breakout on the close above 2404.50. Strength through this level could help to attract additional buying.

[Enlarge E-Mini S&P Index Chart »](#)

Kevin's Song of the Week



About the Report



Wheat headlines remain little changed and I remain conservatively bullish on thoughts of poor quality here in the U.S. and a few more weather concerns on the global horizon. The traditional supply and demand balance sheet remains burdensome from both the domestic and global perspective. Here at home I'm hearing mixed result in regard to the U.S. harvest which is now in full swing down South and advancing to the North. I think the yield are going to be debatable for the next several weeks...some producers will report good yields and good test-weights, while other will not. My question is how many acres will we ultimately see abandoned? I still think the current USDA winter wheat production estimate is too high and will eventually work itself lower. I also think the Spring wheat crop conditions could still work themselves lower as we are hearing more talk of dry conditions in some of the northern regions of the U.S. the question is will all of it be enough to aggressively reduce the balance sheet? I doubt it, but it might be enough to keep prices stabilized until some type of bullish global production card drops or we see a geopolitical wild-card thrown into the mix by military movement. Remain conservatively bullish.



> Egypt Purchases Black Sea Wheat: Egypt's GASC grain authority purchased 120,000 metric tons of wheat for an average of just under \$192 per metric ton, excluding freight. Romanian wheat was the cheapest offered at \$191.46 a metric ton, while Russian wheat was offered at \$192.24 a metric ton. The price was a little below the price paid its previous tender, two weeks ago, when US wheat won its first orders at tender from GASC in more than two years, with prices as low as \$185.40 a metric ton, more than making up for the extra cost of shipping the cargos across the Atlantic. (Source: Agrimoney)

> Drought Impacting E.U. Grain Production: COCERAL revised down its E.U. 2017-18 grain crop forecast to 297.6 million metric tons from the March forecast of 304.4 million. The new forecast is only slightly higher than last year's crop of 296.4 million metric tons. The wheat crop is now forecast at 141.9 million metric tons and thus almost 3 million metric tons below the previous projection of 144.8 million. However, in comparison to last year this would still be a sharp increase by 7 million metric tons. The E.U.'s barley crop forecast has been lowered from 59.5 million metric tons to 57.2 million, which would be the lowest crop since 2012. The main reason for the downward revision of the E.U.'s crop are the recent heat and drought in Spain, which have significantly reduced yield potential there, COCERAL said. On top, there was a reduction in the French crop where rains had missed the northeastern part of the country so that yield prospects are seen a bit lower there, too. The most affected crop should be spring barley. The 2017 corn crop is now in the ground. The production forecast now stands at 60 million metric tons, which is below the previous projection of 61 million metric tons and also lower than last year's level of 60.8 million tonnes. The reason for the downward revision is mainly a significantly lower than previously expected crop in Germany. If the corn crop comes in at around the projected level it would be the third corn crop in a row with disappointing results on an E.U. level, COCERAL said. (Source: World Grain)

> China Soybean Buyers Push To Delay Imports As Processing Losses Grow: China's soybean importers are pushing to postpone or cancel cargoes mainly ordered from suppliers in Brazil as they rack up hefty losses processing the commodity into cooking oil and animal feed ingredients, said three trade sources. China, which buys around 60 percent of soybeans traded worldwide, took advantage of strong crushing profits at the beginning of the year and lower prices following bumper harvests in Brazil to aggressively buy the oilseed. But those profits have swung to the biggest losses in nearly three years after China's edible oil markets were flooded with rapeseed oil

NEXT level THINKING



My goal at "The Van Trump Report" is to help readers better identify the moving parts and dynamics associated with the financial markets, geopolitical events, economics, media and culture that is currently influencing and shaping the direction of the agricultural markets. I like to believe I "Challenge the Traditional" and encourage our readers to think outside the box.

I use story telling techniques that are written in an easy to read format to help convey my current thoughts about business, markets, technology, weather, sports and life. I also like to include links, filter the noise, and pass along in-depth research and information that I believe could challenge your current thought process and help you make more informed decisions. In addition I include valuable lessons I have learned from other traders, executives and investors, along with an occasional inspirational piece about life, family and faith.

What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific individual needs. For specific investment or hedging advice please seek the help of a licensed representative that can better understand your particular situation, individual needs and overall risk tolerance. This information should ONLY be used for educational and entertainment purposes.

My family and I would like to thank you again for your support!

Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can

auctioned from national reserves and by growing imports of other alternative vegetable oils. Soybean crushers in Shandong province, a key production hub in the country's east, were this week losing 292 yuan (\$43) on each ton of soybeans processed, the worst since September 2014. Each panamax-sized vessel carries about 60,000 metric tons of soybeans, representing processing losses of about \$2.58 million if crushed in Shandong. Imports in May and June will likely hit around 9 to 9.5 million metric tons as previously booked cargoes arrive, sources said. In July, soybean cargo arrivals at Chinese ports are expected to drop to about 8 million metric tons with further declines seen in the rest of the third quarter. (Source: Reuters)

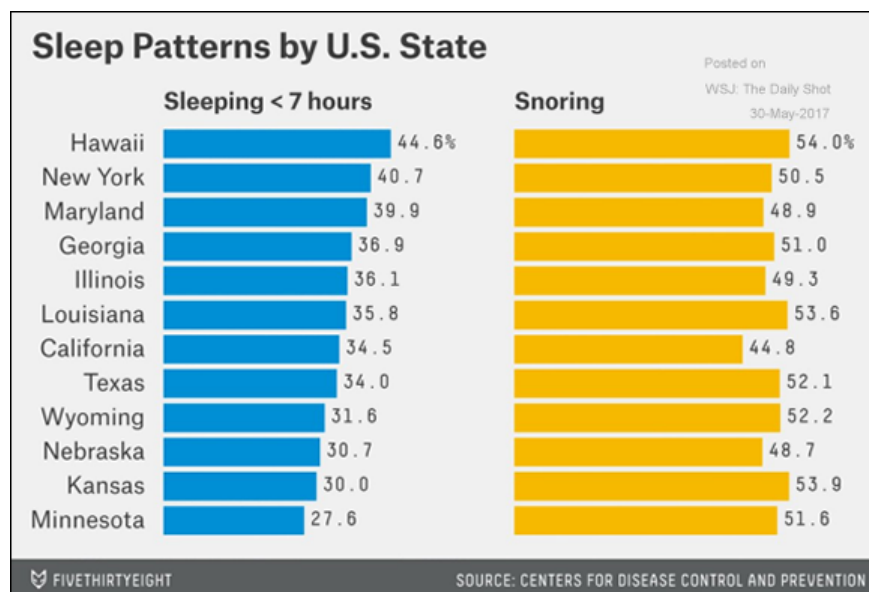
> Canadian Pig Feed Shipment Flagged By China For Banned Drug: A Canadian shipment of pig feed to China, produced by Olymel LP, has tested positive for residues of banned growth drug ractopamine and may curb future trade, Canadian government and industry officials say. China views the tainted shipment as a "systemic failure" of Canada's program that certifies pork sent to China is free of ractopamine, and the situation "could affect future pork exports," according to an email to the industry from the Canadian Food Inspection Agency (CFIA). The email circulated on Monday and was obtained by Reuters.

> Argentina Port Inspectors Begin Three-Day Strike: Phytosanitary inspectors in Argentina began a three-day strike yesterday after having failed to reach a labor agreement with the government. The strike is scheduled to last through Friday and will shut down the bulk of the country's export activity.

> Northern Brazil Terminal Sets New Grain Export Record: The Terminal of Grains of the state of Maranhão (Tegam), located in the Itaqui port in the Northeastern state, set a new record in April with exports of eleven ships loaded with grains. The total volume in the period was 726,500 metric tons. This compares to the total for the first four months of the year (including the April volume) of 1.28 million metric tons of corn and soybeans. The terminal is closer to Brazil's major state producer of soybeans, Mato Grosso, than the main ports of Santos (São Paulo), Paranaguá (Paraná), and Rio Grande (Rio Grande do Sul).

> Netflix plans to spend \$6 Billion on original content in 2017, with that number substantially increasing in the coming years. "As we grow the membership base, we want to grow the current budget," CEO Reed Hastings said at the Code Conference. He also commented on what he sees as the greatest competition, citing Amazon (AMZN) as one of the biggest threats to his business. (Source: SeekingAlpha)

> Who's Getting A good Nights Sleep? The Centers for Disease Control and Prevention (CDC) has classified insufficient sleep as a "public health epidemic," citing a higher risk of "motor vehicle crashes, industrial disasters, and medical and other occupational errors," as well as health problems such as "hypertension, diabetes, depression, and obesity" to name but a few. In a survey, the CDC asked participating adults whether they got the recommended 7 or more hours of sleep. They also asked whether they snored. You can see that more people in Hawaii are getting the recommended hours of sleep, and they also have the highest reported snoring rate. Whereas Californians have the lowest reported rate of snoring of all the states surveyed, with just a little over one-third getting less than the recommended hours of shuteye. Some other interesting stats the CDC uncovered - a greater share of people in relationships get a solid seven hours, while only 25% of retirees report getting less than 7 hours sleep. (Source: FiveThirtyEight)



ever be of any help or assistance to you in the future..."

**L.T., Assistant Deputy Administrator
for Farm Programs USDA**

[More Testimonials](#)

My Own Personal Truisms

"Not To Trade, is often considered a good trading decision..."

"First Rule of HOLES: When you are in one stop digging..."

"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."

"Bulls make money, Bears make money, but pigs get slaughtered..."

"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.

Farm Direction
RECIPES
★ **FAMILY** ★
FAVORITES
-SENT IN BY OUR READERS-



Grilled Southern Fish
Tacos w/Cabbage Slaw

CLICK TO SEE RECIPE



FROM THE FIELD

East central Illinois - Our early corn is doing just fine but anything planted after April 20th is crappy. We have already dug up 400 acres of corn and replanted them once. We are hoping the forecasted storms for Memorial Day Weekend will miss us or we could be back at replanting again. We are not sure if we are going to have to touch the 400 crappy acres from later plantings or if they will be fine, time will tell. Some of us here are more worried about the oversupply than anything in the initial budget from the Whitehouse. We are getting a little concerned on where trade relations stand and are headed. Hopefully, someone up there will secure some solid deals in the near future.

Southern Ontario - It has been terribly wet in our area and we see no relief in sight. We may get a sunny day here or there but nothing to sustain a drying pattern with the all the moisture we have and look to receive. The wheat looks fine and we barely got the corn in the ground. We are not sure what to expect for emergence under the cool wet conditions. The beans haven't been finished and we can't even predict when that will happen. Our sons are coming back to work the farm and we look forward to using one of the boy's environmental science degree. He is already sharing the benefits of cover crops and soil health management. Praying for sunny days!!

Southeast Indiana - Received another 1-2+ inches of rain the past 24 hours, making a total of 12-16" the past 30 days. Not the ideal way to start off a corn crop. Corn is 90% planted in the immediate area, but 25% could be replanted if weather allows. Soybeans are 75% planted, but looks a lot like the corn....rough and uneven. We did manage to replant 750 acres of corn the 1 1/2 days that were fit to be in the field this week. From what I hear, basis is improving in our area, but still lots of corn in bins. Have sold some at +10-12 cents this week plus a premium for low DOM. Looks like it will be 5-7 days before we get back in fields if we don't get any more rain. Trying to gear up to get 28% on as soon as it dries out. Fields will soon begin to look better, but they are hiding some pretty thin stands unless you get out and walk them.



CROSSING WIRES

A place to share intelligent thoughts...

Rural America Is The New "Inner City": In tiny communities across the country, an unprecedented shift is under way. Federal and other data show that in 2013, in the majority of sparsely populated U.S. counties, more people died than were born—the first time that's happened since the dawn of universal birth registration in the 1930s. For more than a century, rural towns sustained themselves, and often thrived, through a mix of agriculture and light manufacturing. Until recently, programs funded by counties and townships, combined with the charitable efforts of churches and community groups, provided a viable social safety net in lean times. Starting in the 1980s, the nation's basket cases were its urban areas—where a toxic stew of crime, drugs and suburban flight conspired to make large cities the slowest-growing and most troubled places. Today, however, a Wall Street Journal analysis shows that by many key measures of socioeconomic well-being, those charts have flipped. In terms of poverty, college attainment, teenage births, divorce, death rates from heart disease and cancer, reliance on federal disability insurance and male labor-force participation, rural counties now rank the worst among the four major U.S. population groupings. Read more from [The Wall Street Journal](#).

Just Another Summer Dilemma: Do you cool your beer slowly in the fridge, or risk everything by chucking it in the freezer? Neither, according to the lads at Popular Science – who suggest that a container full of ice, salt and water will cool your beer in just 10 minutes. Read more [HERE](#).

How To Stop Crushing Your Creativity: It's a myth that only highly intelligent people are creative. In fact, research shows that once you get beyond an I.Q. of about 120, which is just a little above average, intelligence and creativity are not at all related. That means that even if you're no smarter than most people, you still have the potential to wield amazing creative powers. So why are so few people highly creative? Read more [HERE](#).

If You Are A Whitewater Rafter You Need To Go To One Of These Destinations: This past winter brought some epic snowfalls to parts of the American West, which translates into fantastic whitewater rafting during the late spring and early summer months. Some parts of the country, we're looking at you, California are expecting the best rafting season in years with some great opportunities for adrenaline inducing rides.

If you're looking for the absolute best places to hit the water this summer, here are some destinations that won't disappoint. Read more [HERE](#).

How Kids See Their Place In The World Through Maps: If you want to see the world through a child's eyes, ask her to draw a map. Or you could spend some time with this collection of maps from the International Cartographic Association's (ICA) biennial children's map competition. Kids between the ages of 5 and 15 from all over the world entered the 2015 contest, whose theme was "My Place in Today's World." Their work is captivating. Read more [HERE](#).



A Farmer's View Of Stewardship And Responsibility

I was recently sent this story and I felt it nailed down some key elements, so I wanted to share with those in production agriculture. At all times, but especially now in the midst of tight markets and a so called "tech revolution" in our industry, we must constantly be assessing our individual operations. I suspect many of us be doing something different on your acres in the next five to ten years, just what that is remains to be determined. It is imperative however that we first become aware of our position in the marketplace and specifically how we will compete in the future. The bottom line is to become more efficient in utilizing our resources and the available technologies. In my opinion, the story that Tom Geake shares below is marked by a constant analyzing of his situation and seeking to make the best choices for a long-term positive outcome. As you will see, sometimes that means foregoing "easy" profits for the sake of sustainability and the betterment of the neighbors and the community. I hope this helps everyone think a bit more about what they will need to do to succeed as we move forward in our ever-changing industry. I love seeing producers being supportive and transparent in their efforts to improve our industry. I wanted to thank Tom and his family for sharing. (Source: [EPA](#))

Farmer Story: What I've Learned About Protecting the Privilege of Farming - by Tom Geake

I grew up on a farm, studied agriculture in college and am the beneficiary of the wisdom handed down by the previous four generations of my family who farmed our area. Still, I keep discovering new ways to help keep our land productive for current crops and protected for future generations.

I come from a strong conservation background. My grandfather already implemented soil saving practices like grassed waterways, terraces, and no-till before I was born.

We have been mindful of soil erosion for several decades, but we didn't think very much about water conservation until a few years back when we saw algal blooms in our farm pond. This prompted us to make several changes. For instance, along with soybeans and corn, we raise hogs, so we've found a way to recycle the waste. We now inject manure below the surface of the soil to fertilize the fields and prevent the nitrogen-rich product from washing down the hills. And we test nutrient levels in the manure we use and in the tissue of the plants we grow. We don't want to use more nitrogen or phosphorous than necessary.

We have created about 42 acres of buffer strips around our pond and creeks. We also put on about 400 bushels of cover crop planting these areas. Yes, we

miss out on about 4,000 bushels of crops by not planting those areas. Yes, we might have made more money that way, but by keeping soil and nutrients out of our water supplies, we positively impact wildlife and downstream water users. We understand that our farming methods can affect many other residents.

As a fifth-generation farmer, I want to ensure that I leave our water and land in great condition so future generations continue to feel honored to farm here.

Farming the land is a privilege. It's not a right. We want our next generations to enjoy that privilege. We want to continue to feed the world. However, we never want to hurt the land; we want to build productivity. Here in Sac County, we've been fortunate to have some helpful partners, including the Natural Resources Conservation Service (NRCS) – a part of USDA. Their programs have provided guidance and cost sharing for some of the measures we take to protect soil and water. Since farming is always evolving, so is conservation. We are starting to use adaptive nitrogen management and nitrogen stabilizers that keep fertilizer from attaching to the water. Along with other farmers, we are starting to use rye as a cover crop during the cold months. It protects against wind, rain and snow-related erosion. It's nice to see the fields covered during times they might otherwise be bare and watch local wildlife snack on the plants. The rye draws up any excess nitrogen, stabilizes the soil and then turns into natural fertilizer itself when left in fields to decay. It acts similarly to the way the native prairies did by recycling nutrients and kicking soil microbe activity into high gear to build healthy soil.

These techniques have allowed us to increase our use of no-till methods of planting, which is good for several reasons, including increasing the organic matter in the soil. That allows us to use less fertilizer while still raising great crops.

As businesspeople, we applaud that. As farmers, we think it's great to see our ground living nearly all year long and know we're helping to preserve the privilege of farming.

**Tom Geake and his father, John, farm about 1,100 acres of corn and soybean near Wall Lake, Iowa and finish 15,000 hogs yearly.*



75 Years Later... We Should Never Forget!

It was on this back in 1942 that a small underground newspaper, in Warsaw called the "Liberty Brigade," broke a story and made public the news of the gassing of tens of thousands of Jews at Chelmno, a Nazi-operated death camp in Poland, some seven months after extermination of prisoners began. Following the invasion of Poland in 1939 Germany annexed this area and it became the first of the Nazi German extermination camps. From what history tells us, a van was being used by the Nazis to transport Jews from the palace at Chelmno. The people were told that they needed to take a bath after their travels, that their clothes had to be disinfected and that they could hand in any valuable items beforehand to be registered and returned. Once they undressed they were sent to the cellar of the castle and then along a passageway onto the ramp and from there into a van. In the castle, there were signs marked "to the baths". The van was large and the interior walls were lined with sheet metal. A wooden grille was set into the floor. The floor of the van had an opening which could be connected to the exhaust by means of a removable metal pipe. When the van was full of people, the double doors at the back were closed and the exhaust connected to the interior of the van. Once the engine was fired up the drivers would slip on a gas-mask and then drive to the killings fields near the forest to dump the bodies. The Nazis would later say the advantage of this form of extermination was that it was silent and invisible. Eventually, more such vans were employed in other parts of Poland. These "gas vans" would become the death chamber for a total of 360,000 Jews from more than 200 communities in Poland. (Source: Wiki; History.com)



Ghetto Fighters' House



What You Need To Know About The 2017 NBA Finals

The 2017 NBA Final is being dubbed the "Three-Match", as the Golden State Warriors will face the Cleveland Cavaliers for the third consecutive year in the NBA Finals. Each team has managed to win one Championship, so this is the rubber match. Amazingly, the two teams combined for a conference playoff record of 24-1 this post-season, with the Warriors never playing a game five. The Cavs, who won last year's championship after falling behind 3-1, became the first team in NBA history to accomplish such a feat. Thanks to a number of additions before and during the season, both rosters have been significantly reshaped and retooled making past results less than reliable for picking a winner. Below I offer some thoughts on what should be an incredible matchup: I'm taking Golden State in six even though I think it's extremely dangerous to ever bet against LeBron James. (cbssports.com; si.com)

Place Your Bets: At the time of writing Vegas had the Warriors favored by 7 points and it would take a bet of \$240 to win \$100. The over/under is a record setting 225.5 points which easily surpasses the previous record of 214 per game. Looking back at the biggest totals in NBA Finals history, there have been just 21 championship series games with a number of 200 or more points since 1991. Those contests finished 8-12-1 Over/Under, staying below the total 60 percent of the time. There have been four finals games with totals of 211 or more points in that span, and those have split 2-2 O/U. Those previous 21 NBA Finals games, with totals of 200 or more points, saw an average of 200.9 points scored. As much as I think the number is too high for a game one, the boys in Vegas are professionals.

The Most Talented Final Ever?? Pretty simply, there has never been more combined talent in an NBA Finals than the one we're about to witness. When it's all said and done, no less than seven Hall of Famers will have played in this series, all pretty much smack-dab in their primes. The collective level of basketball we're about to watch is going to be unlike anything anyone has ever seen. Think about it: In one series you've got arguably the best player ever in

LeBron, irrefutably the best shooter ever in Curry, perhaps the best all-around scorer in history in Durant, and maybe one of the great defenders in history in Draymond Green. And that's before you get to Kevin Love, Kyrie Irving and Klay Thompson, all of which, barring injury, are certainly headed to the Hall of Fame.

No Respect: For the seventh year in a row, LeBron James will be appearing in the NBA Finals. But James and his Cleveland Cavaliers are listed as NBA Finals underdogs for the third straight year at sportsbooks monitored by OddsShark.com, thanks to the Warriors starting the NBA playoffs 12-0. I can't argue with this one as the Warriors are unbelievable again this year and look on paper as if they can keep the King in check. But let's not forget James is the first player in history with consecutive 40-point performances in the NBA Finals since Shaq did it in 2000. It's going to be next to impossible to keep him James contained....should be interesting to watch.

Atonement: Granted no one has more to prove in this series than Kevin Durant, given his ringless situation and free-agency move from Oklahoma to Golden State. Draymond Green might be running is a close second. If not for his suspension-inducing kick on James in Game 4 of the Finals last season, the Warriors possibly cruise to their second consecutive title and thereby avoid all the "3-1 lead" jokes and the backlash that accompanied Durant's arrival. I'm willing to bet that cooler heads prevail when needed this time around.

No Kerr, No Problem: It appears Warriors Head Coach Steve Kerr will not be ready to lead the team when the Finals begin tonight. Remember, Steve continues to suffer from botched back surgery two years ago. Strangely enough, interim coach Mike Brown missed Monday practice due to the Flu. I believe Kerr has the team prepared as he has all year, and like well-raised kids, will make good decisions at the right time. I'm a big Steve Kerr fan, so I'm pulling for him...

Remembering Christmas: The Warriors would like to forget about the Christmas Day loss to Cleveland. Back on December 25th, Golden State gagged away a 14-point fourth-quarter lead to lose 109-108 in Cleveland as Durant faltered in the game's closing moments. That defeat raised questions about the Warriors' late-game offense and brought back bad memories of their 2016 finals collapse. The question is will Golden State let that pebble stay in their shoe?

A Mission Of Love: Kevin Love has played the best basketball of his career this season with the Cav's. Not only is hitting over 48 percent of his 3-point shots, but he's back to rebounding like a beast, working the post, and, incredibly, defending at a high level. Love's defense has never looked this sound or aggressive. He's responded to the challenge of being targeted by the opponents' matchups and become rock solid. If Love continues his strong play combined with LeBron and Irving contributions, the Warriors may have to work harder than some think.

A Perfect Post Season?: No team has ever completed a perfect postseason. The 2001 Lakers went 15-1. The 1983 Sixers went 12-1. The 1991 Bulls went 15-2. The 2007 Spurs hold the best mark of the last decade by going 16-4. Sweeping Cleveland won't be an easy task, not with James playing arguably the best basketball of his career and not when the Cavaliers boast an eye-popping 120.7 offensive rating. I have to admit that on the surface the numbers look strong for the Warriors, but I can't imagine them sweep LeBron and the Cav's.

Can Curry Raise His Game: Steph Curry's career numbers against Cleveland are not all that impressive. In these last two finals, he has shot below his normal level and average only 24 points per game. He has 64 assists and a big 58 turnovers in those 13 finals games. He has been good but nothing close to the spectacular player he can be. How much did an injury impact him a year ago? We're about to find out. I would imagine that if Curry's numbers don't improve we will be looking at a possible game seven.

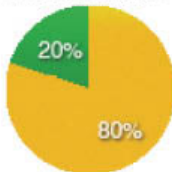
Durant's New Shoe Debuts During Game One: Kevin Durant's newest shoe, KDX "Still KD" shoe in white, will be available to purchase on Nike's SNKRS app when Durant's on the court but not when he subs out, or during halftime, or even during timeouts. If you miss out on the limited initial release on Thursday, it won't be hard to snag a pair — they go on sale to the general public the next morning without any qualifiers based on Mike Brown's substitution patterns. The shoes retail at \$150. Nike continues to innovate with marketing.



CASH SALES & HEDGING TOTALS

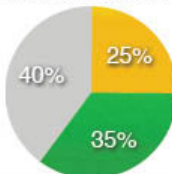
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20% HEDGED
0% UNPROTECTED



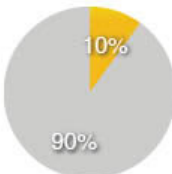
CORN 2017 CROP

25% SOLD
35% HEDGED
40% UNPROTECTED



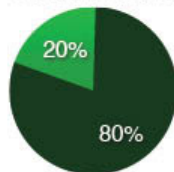
CORN 2018 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



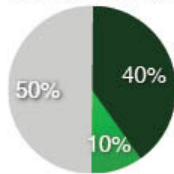
SOYBEANS 2016 CROP

80% SOLD
20% HEDGED
0% UNPROTECTED



SOYBEANS 2017 CROP

40% SOLD
10% HEDGED
50% UNPROTECTED



SOYBEANS 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



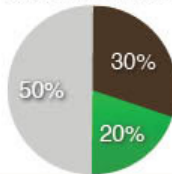
WHEAT 2016 CROP

100% SOLD
0% HEDGED
0% UNPROTECTED



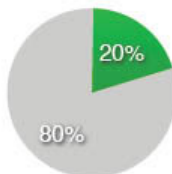
WHEAT 2017 CROP

30% SOLD
20% HEDGED
50% UNPROTECTED



WHEAT 2018 CROP

0% SOLD
20% HEDGED
80% UNPROTECTED



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