

## GOOD MORNING: 06/02/17 Farm Direction - VanTrump Report

1 message

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Fri, Jun 2, 2017 at 7:05 AM



"What a strange thing is memory, and hope; one looks backward, the other forward; one is of today, the other of tomorrow. Life is what we make it, always has been, always will be." - **Grandma Moses**

**FRIDAY, JUNE 2, 2017**  
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**Morning Summary:** Money flowed into U.S. stocks to start the month of June as all three major indexes closed at new record highs yesterday. The bulls continue to argue that fresh economic data is still pointing to an expanding U.S. economy. In fact ADP's employment report yesterday showed the U.S. added a whopping 253,000 jobs in May, compared to expectations for around 170,000. Insiders are now expecting today's May Employment Report from the Labor Bureau to show 185,000 jobs added. Fed Governor Jerome Powell said that while the recent performance of the labor market might warrant a faster pace of tightening, inflation has been below target for five years, "which argues for continued patience, especially if that progress slows or stalls." He did not mention the Fed's upcoming June 13-14 meeting, but did add that if the economy performs "about as expected", it would be appropriate to continue gradually raising rates. He said he expects a total of three rate hikes this year. That follows comments from San Francisco Fed President John Williams that four increases would be appropriate if the U.S. economy gets an unexpected boost. There are no Fed officials scheduled to speak next week, but we will see another round of heavy economic data, including PMI and ISM Non-Manufacturing Indexes, Productivity and Costs and Factory Orders on Monday; JOLTS on Tuesday; Consumer Credit on Wednesday; and Wholesale Trade on Friday. Internationally, a slew of economic data is due out next week, including Chinese Inflation, EU GDP and Japanese Manufacturing and PMI. Additionally, the European Central Bank will announce their latest policy decision on Thursday. Regarding U.S. politics, the Senate Intelligence Committee confirmed yesterday that former FBI Director James Comey will testify on Thursday, June 8, in reference to Russian interference in the 2016 presidential election. This is sure to be one of the most highly anticipated events in Washington next week. If you recall, President Trump fired Comey a few weeks back and it was later suggested that Trump may have asked or pressured Comey to cease the FBI's investigation into former national security adviser Michael Flynn. This will be Comey's first appearance since he left the FBI. With Congress back in session, we can expect more work on the healthcare bill from the Senate. Investors are also hoping to see some progress on the budget as well as tax reform. We will also be digesting the backlash in the headlines from President Trump saying he would be withdrawing the U.S. from the Paris Climate Agreement. He told reporters the deal was filled with "draconian" financial and economic burdens. Trump also said, "I don't want anything to get in our way. The US will withdraw from the Paris climate accord, but begin negotiations to reenter either the Paris accord or a really entirely new transaction on terms that are fair to the United States, its businesses, its workers, its people, its taxpayers." In turn, and perhaps seeing sometime of opening, China, India, and the European Union have now doubled down on their support of the deal saying they would lead the world in fighting climate change if the U.S. wouldn't. I personally don't think that's what Trump is intending, but rather wants to negotiate a more fair deal where the U.S. isn't exclusively doing all of the heavy lifting. I should note that crude oil prices are again backpedaling this morning on thoughts that the U.S. withdrawal from the Paris Climate Accord will trigger and allow for an increase in U.S. drilling. Keep in mind the U.S. exported a record +1.3 million barrels of crude oil per day last week into the global marketplace. Gasoline demand here at home last week jumped from 9.7 to 9.8 million barrels per day, but our four-week average is still down in comparison to last year. Meanwhile improved to 9.82 million barrels per day, up from 9.7 million the prior week. I'm also hearing that Washington might be kicking around thoughts of raising the gas tax to help fund infrastructure spending... Lots of moving parts and changes in the energy space right now, pay close attention!

**Auto Sales Better Than Expected In May:** *New motor vehicle sales continued to chug along last month, coming in at an annual rate of 16.9 million vehicles, about the same as April. At the same time, automakers were offering increasing discounts and other incentives, which took a bite out of the bottom line in the long run. For example, dealers boosted auto financing incentives by 33%*

### Today In History



**1865, Civil War** - In an event that is generally regarded as marking the end of the Civil War, Confederate General Edmund Kirby Smith, commander of Confederate forces west of the Mississippi, signs the surrender terms offered by Union negotiators. With Smith's surrender, the last Confederate army ceased to exist, bringing a formal end to the bloodiest four years in U.S. history. The American Civil War began on April 12, 1861, when Confederate shore batteries under General Pierre G.T. Beauregard opened fire on Union-held Fort Sumter in South Carolina's Charleston Bay. During 34 hours, 50 Confederate guns and mortars launched more than 4,000 rounds at the poorly supplied fort, and on April 13 U.S. Major Robert Anderson, commander of the Union garrison, surrendered. Two days later, U.S. President Abraham Lincoln issued a proclamation calling for 75,000 volunteer soldiers to help quell the Southern "insurrection." Four long years later, the Confederacy was defeated at the total cost of 620,000 Union and Confederate dead

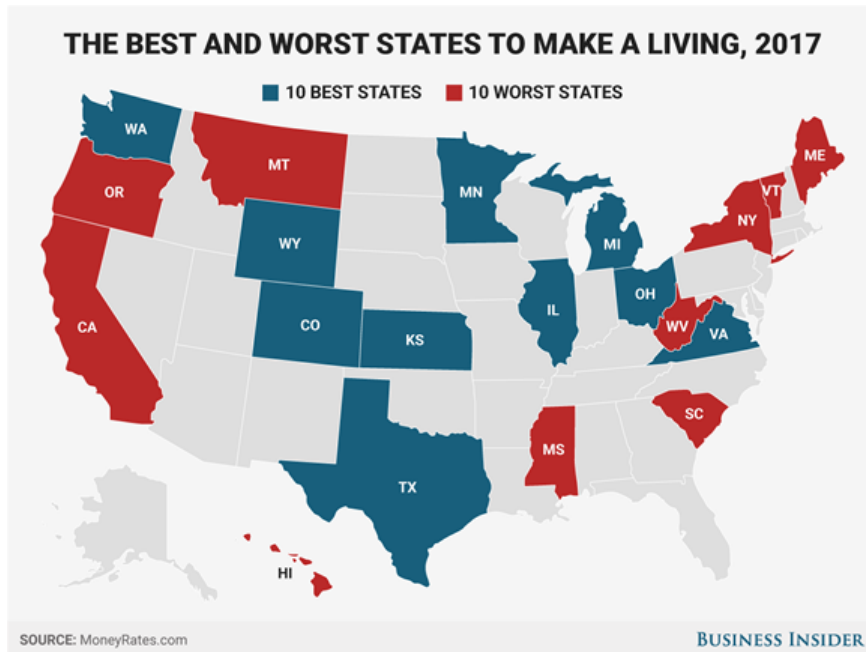


**1935, Babe Ruth** - Babe Ruth, one of the greatest players in the history of baseball, ends his Major League playing career after 22 seasons, 10 World Series and 714 home runs. The following year, Ruth, a larger-than-life figure whose name became synonymous with baseball, was one of the first five players inducted into the sport's hall of fame. George Herman Ruth was born February 6, 1895, into a poor family in Baltimore. As a child, he was sent to St. Mary's Industrial School for Boys, a school run by Roman Catholic brothers, where he learned to play baseball and was a standout athlete. At 19, Ruth was signed by the Baltimore Orioles, then a Boston Red Sox minor league team. Ruth's fellow teammates and the media began referring to him as team owner Jack Dunn's newest "babe," a nickname that stuck. Ruth would later acquire other nicknames, including "The Sultan of Swat" and "The Bambino." Ruth made his Major League debut as a left-handed pitcher with the Red Sox in July 1914 and pitched 89 winning games for the team before 1920 when he was traded to the

long term. For example, dealers boosted auto financing incentives by 33%, compared to a year earlier, Edmunds.com analyst Jessica Caldwell said in a report. On a positive note for the industry, consumers continued to pile into crossovers, SUVs and pickup trucks amid low gasoline prices and a preference shift toward roomier design. That trend fuels the bottom line because larger vehicles are generally more profitable than cars, which are flailing. In an unexpected twist, Ford actually managed to outsell main rival General Motors, the first time that has happened since March 2016. Ford witnessed a +2.2% increase in sales, led by SUVs and pickups. GM actually logged an unexpected sales decline of -1.3%. Sales of GM's Buick and Cadillac brands rose 28.5% and 9.2%, respectively. But sales of the flagship Chevrolet brand declined 3.8% and its second biggest brand, GMC, fell 5.2%. The bright spot for GM was crossovers. Vehicles such as the Chevy Equinox, Chevy Trax, Buick Encore and GMC Acadia all posted double-digit sales jumps. (Sources: MarketWatch, USA Today)

**BlackRock Strategist Does Not Foresee A Summer Sell-Off:** Summer may be a typically weak season for stocks, but noted strategist Kate Moore told CNBC she doesn't see big trouble ahead. "I don't expect the market to be on a tear throughout the summer but I also don't see a significant sell-off. I just don't feel the market sentiment is there at this point," the chief equity strategist at BlackRock said in an interview with "Power Lunch" on Thursday. She added that bears have actually been really disappointed by the magnitude and the duration of recent pullbacks. Stocks generally tend to finish June on a flat note, with average returns for the S&P 500 around 0.7 percent. Moore sees a "sustainable and stronger economic picture ahead." She believes investors need to focus on guidance from companies about their future expectations, as well as the tone coming from early announcements on second-quarter earnings. She also points out that a lot of stocks are currently under recognized by the market for their earnings potential as the bulk of investments seem to be flowing into high-flying tech stocks right now. (Source: CNBC)

**Best & Worst States To Make A Living:** Not all states are created equal when it comes to making a living. While your income might be greater in places like New York or California, high tax rates and cost of living can greatly affect your lifestyle. Personal finance site MoneyRates used several data sources, including the US Bureau of Labor Statistics, to determine the best and worst states for making a living in 2017. The ranking is based on five factors: average wages, state tax rates, cost of living, unemployment rates, and incidents of workplace injuries. With no state-income tax and the fourth-highest median wage in the country, Washington took the No. 1 spot this year, beating out last year's winner, Wyoming. For the seventh year in a row, Hawaii was named the worst state to make a living for its 67% higher cost of living than the national average. See the full list [HERE](#). (Source: Business Insider)

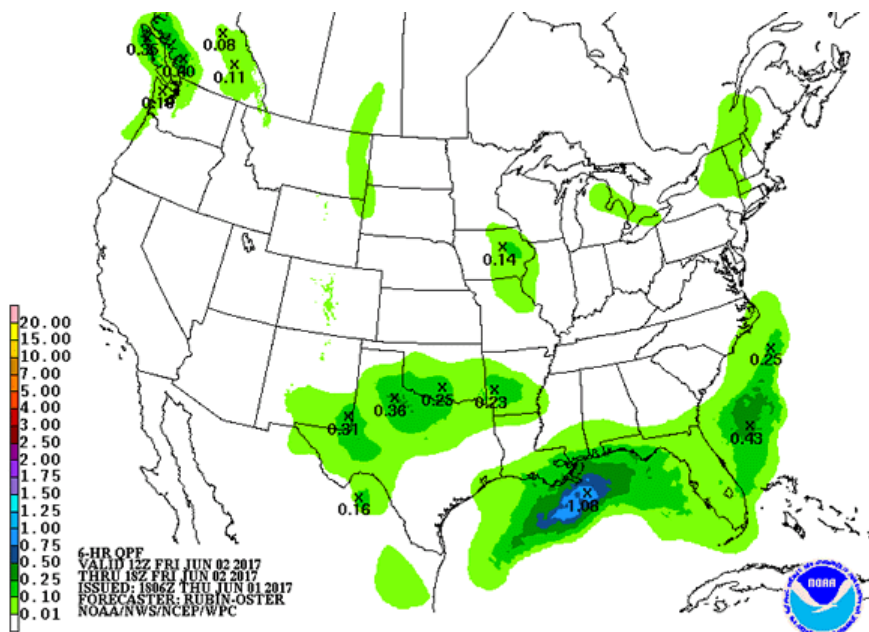


**Weather** conditions across Western and Central regions of the nation will experience a steady warming trend, whereas parts of the Mid-Atlantic, Northeast, and Great Lakes states look to remain cooler than average. Rain will return across the eastern U.S., with scattered showers in Florida providing local drought relief. Maximum rainfall over the next 5 days should occur across the South and in the Northeast, where weekend rainfall could approach 3 inches. Totals could reach 2 to 4 inches along the Gulf Coast. Warm, dry weather should persist in the Desert Southwest, with little rain also expected across the northern High Plains and the Pacific Northwest.

Before 1920, when he was traded to the New York Yankees. After Ruth left Boston, in what became known as "the curse of the Bambino," the Red Sox didn't win another World Series until 2004. In New York, Ruth's primary position changed to outfielder and he led the Yankees to seven American League pennants and four World Series victories. Ruth was a huge star in New York and attracted so many fans that the team was able to open a new stadium in 1923, Yankee Stadium, dubbed "The House That Ruth Built." The southpaw slugger's final season, in 1935, was with the Boston Braves. He had joined the Braves with the hope that he'd become the team's manager the next season. However, this dream never came to pass for a disappointed Ruth, who had a reputation for excessive drinking, gambling and womanizing. Many of the records Ruth set remained in place for decades. His career homerun record stood until 1974, when it was broken by Hank Aaron. Ruth's record of 60 homeruns in a single season (1927) of 154 games wasn't bested until 1961, when Roger Maris knocked out 61 homers in an extended season of 162 games. The Sultan of Swat's career slugging percentage of .690 remains the highest in Major League history. Ruth died of throat cancer at age 53 on August 16, 1948, in New York City. His body lay in state at Yankee Stadium for two days and was visited by over 100,000 fans.



**1997, Terrorism** - Timothy McVeigh, a former U.S. Army soldier, is convicted on 15 counts of murder and conspiracy for his role in the 1995 terrorist bombing of the Alfred P. Murrah Federal Building in Oklahoma City. On April 19, 1995, just after 9 a.m., a massive truck bomb exploded outside the Alfred P. Murrah Federal Building. The blast collapsed the north face of the nine-story building, instantly killing more than 100 people and trapping dozens more in the rubble. Emergency crews raced to Oklahoma City from across the country, and when the rescue effort finally ended two weeks later, the death toll stood at 168 people, including 19 young children who were in the building's day-care center at the time of the blast. On April 21, the massive manhunt for suspects in the worst terrorist attack ever committed on U.S. soil resulted in the capture of Timothy McVeigh, a 27-year-old former U.S. Army soldier who matched an eyewitness description of a man seen at the scene of the crime. On the same day, Terry Nichols, an associate of McVeigh's, surrendered at Herington, Kansas, after learning that the police were looking for him. Both men were found to be members of a radical right-wing survivalist group based in Michigan, and on August 8, John Fortier, who knew of McVeigh's plan to bomb the federal building, agreed to testify against McVeigh and Nichols in exchange for a reduced sentence. Two days later, a grand jury indicted McVeigh and Nichols on murder and conspiracy charges. On June 2, 1997, McVeigh was convicted on 15 counts of murder and conspiracy, and on August 14, under the unanimous recommendation of the jury, he was sentenced to die by lethal injection. In December 2000, McVeigh asked a federal judge to stop all appeals of his convictions.



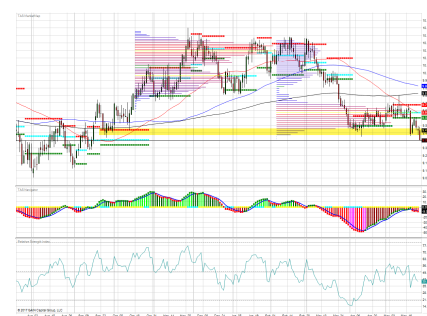
**Corn** bears are talking about improved U.S. weather with a slightly warmer and drier forecast for next week. The trade is also digesting the NOAA's longer-term three-month outlook which shows above average temps for most all of the major U.S. corn growing regions. There's also some talk that areas in northern China which were being more closely monitored due to dry conditions are going to start seeing some improved moisture. The bulls are saying the weather here in the U.S. may have already taken the top off the crop in many locations and that several areas in southern Brazil still look extremely wet. At the same time I'm hearing sources inside Brazil are bumping their total production estimate higher, several have actually pushed their production numbers well north of the USDA's current record setting estimate of 96 MMTs. In other words I'm currently getting a lot of mixed information out of Brazil, but I'm starting to think their record setting estimate might ultimately push a hair higher, despite the talk of rain complications down south. As I've mentioned the past few weeks, the massive record setting rebound in South American production has me concerned as it will eventually need to find a home and ultimately will be dumped on the market regardless of price concerns. As a producer I will be looking to use any nearby weather related rally to reduce a portion of my additional longer-term risk. Below are the recent graphics from the NOAA in regard to their combined weather forecast for June-July-August. You can see more information regarding the NOAA weather forecast by clicking [HERE](#)

judge to stop an appeals of his convictions and to set a date for his execution by lethal injection at the U.S. Penitentiary at Terre Haute, Indiana. McVeigh's execution, in June 2001, was the first federal death penalty to be carried out since 1963.

#### 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



#### Nov Soybeans

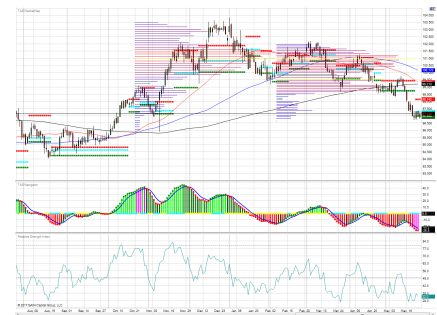
Soybeans closed on a fresh 8 month low and the charts look potentially vulnerable for a further decline toward 9.10 as the next major area of support. Old support becomes new resistance. A close back above 9/45 would be viewed as short term supportive.

[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.

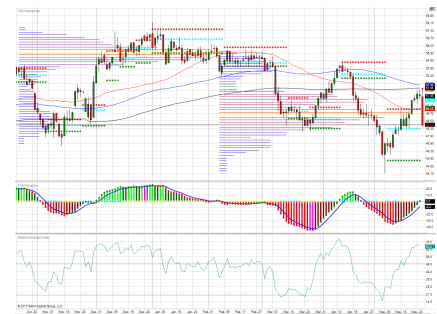
## Outside Markets



### 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.

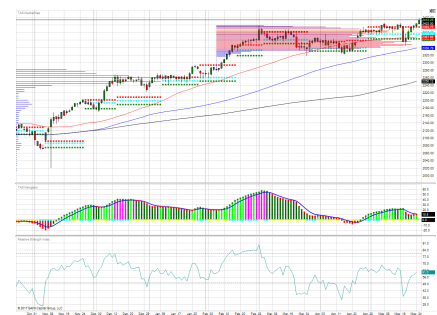
[Enlarge US Dollar Index Chart »](#)



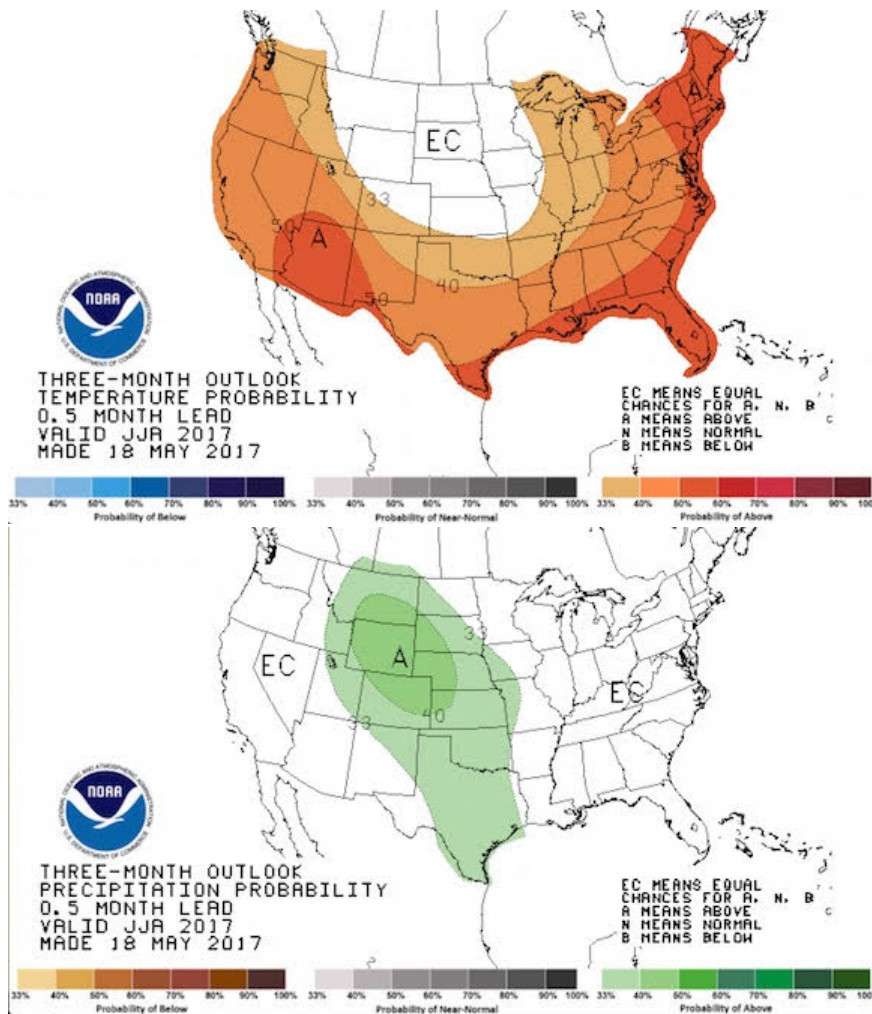
### Crude Oil

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 »](#)

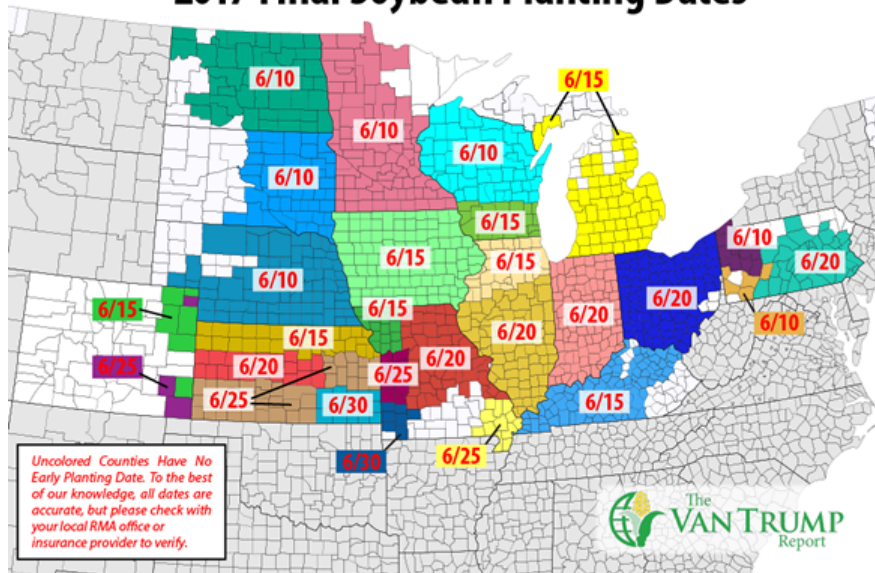


### E-Mini S&P Index



**Soybean** prices continue struggling to string together any type of upward momentum. As a bull I could argue there's some late inning complications in Argentina and a small portion of the crop that's still in the field might see some yield drag. I could also talk about the slight delay in bean movement inside Argentina as it runs into a few weather hiccups and labor strikes. Unfortunately it's not enough to overcome the slumping crush margins in China, as well as the deferred shipments and talk of cancellations coming from the worlds top buyer. I believe we also have a trade that is more openly digesting the reality of a record +90 million soybean acres being planted here in the U.S.. Obviously there's still a ton of time left on the clock in regard to final U.S. yield, meaning late-June, July and early-August weather will be closely monitored and debated in the weeks ahead. As a producer I continue to keep my deep-in-the-money puts in place, believing there's still a bit more room to the downside. I thought we might see a bit of bounce to the upside this week as the market appears to be technically "over-sold". Keep in mind we have seen the old-crop JUL17 contract tumble by by -\$1.80 per bushel from the highs posted back in early-January. At some point you would have to think the bleeding would stop or at least start to slow. I should also note the recent talk coming out of Brazil is being digested as bearish, very similar to corn. In this case I heard FC Stone bumped their Brazilian soybean production estimate higher to 113.2 MMT, up +1.4 MMT from their previous estimate, which is also now above the current USDA estimate.

## 2017 Final Soybean Planting Dates



**Wheat** traders continue to keep a close eye on U.S. crop conditions. The winter wheat crop here at home is currently rated at 50% "Good-to-Excellent", which I could argue might still need to be lowered. The harvest has started down south, primarily in Texas and Oklahoma, and from the data and talk I've been gathering the yields and overall quality are mostly "mixed". There seems to be a bit more buzz in the market in regard to Spring wheat conditions, as areas in the Dakotas and parts of Minnesota and Montana are being more closely monitored for overly dry conditions. Remember a big chunk of our Spring wheat production comes from this area. From what I understand, the USDAs latest drought monitor is showing about 24% of North Dakota and 20% of South Dakota now rated in some type of drought. On the flip side, it seems the weather concerns as of late in regard to dryness in parts of the EU and Ukraine are now being offset by forecasters calling for more widespread moisture.



**> Soybean Crush Falls In April:** Soybeans crushed for crude oil was 4.49 million tons (150 million bushels) in April 2017, compared to 4.80 million tons (160 million bushels) in March 2017 and 4.75 million tons (158 million bushels) in April 2016. Crude oil produced was 1.73 billion pounds down 7 percent from March 2017 and down 6 percent from April 2016. Soybean once refined oil production at 1.30 billion pounds during April 2017 decreased 7 percent from March 2017 and decreased 4 percent from April 2016.

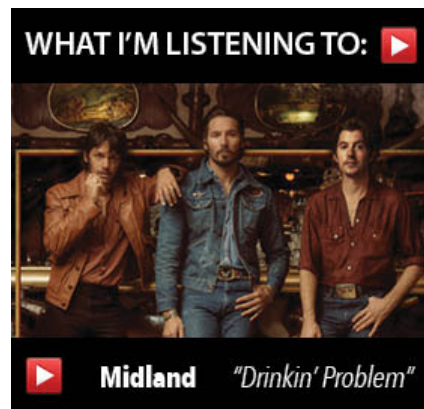
**> EU Crops Get Second Downgrade In Two Days:** The European Union grains harvest received its second downgrade in two days, as officials cut estimates for barley and corn in particular, while putting wheat stocks on course for a four-year low. The European Commission cut by 7.0m tonnes, to 304.8m tonnes, its forecast for the bloc's grain production in 2017-18. The figure still represents a 10m-tonne increase on last year's rain-reduced result, but takes the estimate well below the record high of 328m tonnes set three years ago. For barley, the commission cut its EU harvest forecast by 2.9m tonnes to a five-year low of 59.5m tonnes, in a downgrade which follows a caution from its own Mars research department last week of the dent to French and Spanish production prospects from dry weather. For corn, the production estimate was cut by 2.34m tonnes to 64.2m tonnes, reflecting in part a drop in yield prospects, but also a 260,000-hectare downgrade, to 8.98m tonnes, in the estimate for plantings. In soft wheat, the commission trimmed its production forecast by 670,000 tonnes to 141.28m tonnes, reflecting reductions to expectations for both yield and area. (Source: Agrimony)

**> Europe May Get Walloped as Temperatures Set to Swelter in June:** It looks like summer will start with a sizzle in Europe. A corridor stretching from eastern Spain into eastern Europe is forecast to be hit by a heat wave in June, according to six meteorologists surveyed by Bloomberg. While the U.K. will mostly be dreary, it may see a burst of warmer-than-normal temperatures at the end of this month, which kicks off the meteorological summer. A strong jet stream will bring heat to the south and wet, windy weather to the north of Europe, according to Tyler Roys, a meteorologist at AccuWeather Inc. in State College, Pennsylvania. The westerly air current over the north Atlantic will abate later in the month, allowing high pressure to expand north, he said. "We predict a Europe split in two halves, with higher chance of above-average

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



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



temperatures over the southern countries," Giacomo Masato, a London-based meteorologist at Marex Spectron Group Ltd., said in an email. "And around-average temperatures for the northern sectors, including the U.K., northern France and Germany, and potentially even colder than average for parts of Scandinavia." (Source: Bloomberg)

**> Russia Cuts Grain Crop Forecast:** Russia's Ag Ministry has cut its forecast for this year's grain crop to 100 million - 105 million metric tons, citing unfavorable weather. The previous forecast was as much as 110 million metric tons.

**> Supreme Court Rejects California Egg Suit Challenge:** The Supreme Court this week rejected a petition from Missouri to hear a challenge to California's law setting minimum space requirements for hens that lay eggs sold within its borders. Missouri and several other states were hoping the justices would side with them in their argument that one state shouldn't be allowed to set production standards for products from others. (Source: Politico)

**> House Ag Committee Will Hold Hearing On Foreign Food Aid:** The House Agriculture Committee will hold a hearing next week on the "The Future of International Food Aid and Agricultural Development," according to a notice from the committee, which appears to be directly aimed at pushing back against the administration's plan to eliminate those U.S. programs. While the committee had planned to review food aid programs as part of its preparation for the 2018 farm bill, it said Trump's budget proposal "makes this hearing especially timely, as supporters of these programs will have the opportunity to demonstrate how these programs truly embody an 'America first' policy." The administration's budget, released last month, looked to zero-out all foreign food aid programs.

**> Farm Credit Mid-America's Earnings Rise:** Despite a continued down economy, Farm Credit Mid-America reported a stable performance in the first quarter this year. The cooperative reports net income reached nearly \$85 million, an increase of \$4.75 million from year-end 2016; total members' equity increased to \$73.6 million; and total loan volume is down more than \$230 million to just over \$20 billion. However, the credit quality of its portfolio did decline slightly and adversely classified loans increased to just under 4 percent. Bill Johnson, president and CEO says they attribute the decrease in total loan amounts to expected seasonal repayments on production and intermediate-term loans. The increases in adversely classified loans was expected as many ag producers continue to face tight or negative margins. He says the association will continue to adapt as the ag and financial markets evolve. (Source: Brownfield Ag)

**> Conagra Approaches Pinnacle With Takeover Bid:** Reddi-wip whipped cream owner Conagra Brands has approached Pinnacle Foods, the maker of packaged foods such as Vlasic pickles, to express interest in an acquisition, people familiar with the matter said on Wednesday. Conagra's approach shows that Pinnacle Foods remains an acquisition target, three years after its \$4.3 billion sale to Hillshire Brands was canceled after Hillshire agreed to sell itself to Tyson Foods Inc for \$7.7 billion. Conagra's approach to Pinnacle Foods took place in the last few weeks, the sources said. There is no certainty that Pinnacle Foods will choose to engage, or that Conagra will pursue a potential deal further, the sources said. Conagra and Pinnacle Foods are among the companies weighing offers for Reckitt Benckiser Group's North American food business, estimated to be worth around \$3 billion, Reuters reported earlier on Wednesday.

**> China's Manufacturing Might Not Be As Good As The Government Shows:** A private gauge of China's manufacturing slipped into contractionary territory in May, contrasting with the government's PMI reading released this week, which showed steady manufacturing activity last month. The Caixin/Markit Manufacturing PMI fell to 49.6 from 50.3, marking the lowest reading since June 2016. Output fell to 50.2 vs. 51.0, reflecting a relatively muted increase in total new orders. (Source: Seeking Alpha)

**> Texas Man Lands Record Bass With Chicken McNugget:** A man in Texas reeled in a particularly large fish with a chicken nugget from McDonald's. Matthew McNellis was fishing on a lake and having little luck until his girlfriend suggested that he use a McNugget as bait. To his surprise, it worked, and he reeled in a gigantic big mouth bass, weighing around 11 pounds and measuring 24.5 inches long. He took the fish to Highview Marina in Ennis, TX, where it was declared a record-setting catch. After McNellis got the measurements, he released the bass back into the water. (Source: KPLC)

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 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

**Central Missouri** - We have been getting rain every two or three days which continues to make this a very challenging planting season. We have quite a few acres along two different rivers and one of them had its highest crest ever. The only good thing about it was that it came up very fast and then receded just as quick. I have had to replant much of my corn. We had things planted fairly early but then had all the rains which only saw about a third of it survive. We replanted everything and then got more heavy rains and now we have about two thirds that survived. I do not think that I will replant anymore but there will be some large holes in the fields. Some of the early planted corn is up and looks ok only being 2" to 4" tall. We are trying to get all of the spraying done now and we will be caught up. Our crop insurance date is tomorrow for corn and we have rain in the forecast the next three or four days. We did not get any beans in before the heavy rains. I am not too worried about the beans at this point because we have really plenty of time on the calendar. I hate to say it but it feels like 1993 because it will not quit raining. That's how that year was and the next thing you know, things were flooded very badly.

**Central Illinois** - I would say that we have almost everything in and the area as a whole may have 10% left to go. We have had some crazy rains over the past few weeks. At one point in time I think that we had 5" of rain in a 24 hour period that was just too much too fast on ground that was already saturated. We are thinking there will be quite a bit of replanting going on here but think it will be most on ground that is very flat, with poor tiling or bottom ground. It will be at least 4 or 5 days before we will even think about getting in the field. It's pretty amazing but most ground that is tiled



looks very good. I'm repant that we have is on some rented ground that is not well tilled and has more clay than a lot of our farms. There are some issues arising in regards to crop insurance dates and the ability to replant 100% of certain fields or spotting in some areas. If we get much additional rain of any amount it would possibly push us past the cutoff date which is June 5th I believe. That may bring about more preventative plant acres but no matter what, I don't think it will add up to much. The only positive to that would be knowing what your loss is now versus how things play with sales. There are some corn acres where the herbicide is down and that would be tough to switch.

**Western Nebraska** - We had some pretty good showers again yesterday. We planted some corn three weeks ago that is just now starting to emerge. Overall there is just not much that has grown because the temperatures have fluctuated from 30 degrees to 50 degrees then back to 40 degrees. The corn that is up is a little brown and crisp, which it may come out of with new growth. I think that we have had two nights that froze pretty good. The wheat that froze is blowing out the side. There is way less damage than we thought but it is still not good. Normally, we will see each head with 19 kernels but where there was damage we are only seeing 7 to 12 kernels. Each field is showing a tremendous amount of variability across the area. Most areas have plenty of moisture so if we can warm up I think that the crop will take off. It is hard to say what kind of stand you will have when the seed sits in the ground for a couple weeks with no growth.



**Deere Rolls Out "Smarter" Combines and Front-End Equipment:** John Deere is launching a new combine series for 2018 among other new products while celebrating its 180th year in business. John Deere's most advanced grain harvesting technology to date is being rolled out in the S700 series combine models with what the company says are significant improvements in Smart technology. The combines can sense conditions during harvest and make adjustments while harvesting. Kevin Ripple, marketing manager for harvest at John Deere says they are introducing their Combine Advisor package which includes seven technologies to help operators get the most out of harvest performance. Another rollout today is Deere's 4640 Universal Display which allows Deere customers and those who don't have all green equipment. Beverly Flores, communications manager for John Deere, says the company has weathered many ups and downs in the ag economy over its 180 years and this current downturn is no exception. She says farmers are buying both used and new equipment and John Deere is always looking for the best and right solutions for their farmer customers. Listen to the interview over at [Brownfield Ag](#).

**Philly Soda Tax Not Generating As Much Revenue As Projected:** Revenue generated by the Philadelphia Beverage Tax fell in April, a decline that has opponents of the tax renewing their criticism. The city brought in about \$6.5 million in soda tax revenue, according to preliminary figures first reported by the Philadelphia Business Journal. That marked a 7 percent dropoff from March, when tax revenue peaked at \$7 million. The city projects the tax will bring in \$46 million by June 30, the end of the fiscal year. To hit that figure, the soda tax would have to generate more than \$20 million total in May and June. Read more [HERE](#).

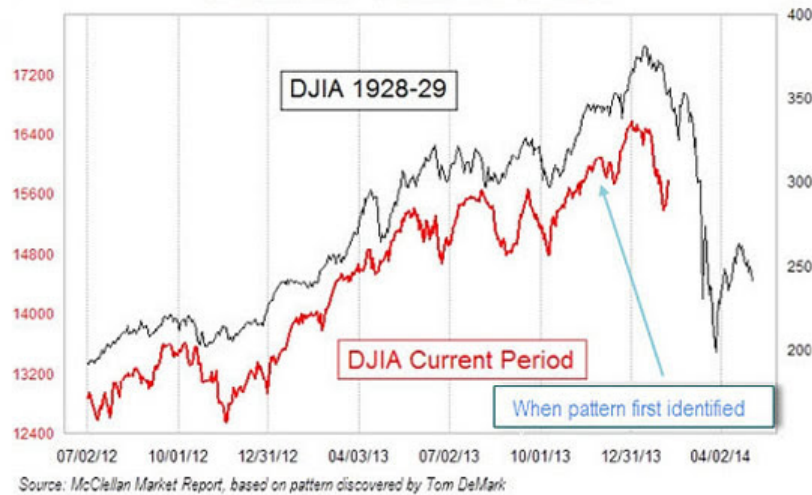
**Make Plans Early As Summer Travel Could Set Records For U.S. Airlines:** If you're planning a big vacation trip this summer, move over. You're going to have lots of company. By air or car, traveler numbers are expected to rise over last year thanks to a decent economy and stable gasoline prices. U.S. airlines expect to carry 234 million passengers from June 1 through Aug. 31, up from the summer record of 225 million a year ago, according to the trade group Airlines for America. While fares are edging up overall, they are still relatively affordable by historical standards. And travelers can find deals, especially on routes flown by discount airlines such as Spirit. Read more [HERE](#).

**Rosanne Cash's "Kings Record Shop" To Be Released For 30th Anniversary:** The 30th anniversary of Rosanne Cash's King's Record Shop, one of the most influential country albums of the Eighties, will be celebrated with the release of a special 180 gram 12" vinyl edition on July 7th. Originally released June 26th, 1987, King's Record Shop was a high-water mark in Cash's already stellar career as a mainstream country artist. Her fourth Top 10 LP in a row, the album followed her Grammy-winning and boundary-pushing Rhythm & Romance. The new digital release will feature all the great hits that can be seen [HERE](#).

**The "Scary Chart" Fallacy:** A "scary chart" has recently made the rounds of numerous financial analysts and news commentators. It exhibits what appears to be a disturbing parallel between the current U.S. stock market and the DJIA in the period (1928-1929) just prior to the 1929 crash. A MarketWatch.com article, for instance, warns that if the U.S. stock market follows the same script, "trouble lies directly ahead." One version of the chart is the one shown below. So what are the facts here? Should investors dump their portfolios immediately? Read more from [The Mathematical Investor](#).



## SCARY PARALLEL



### How To Grow And Harvest A Crop Without Setting A Foot In The Field

A team of agricultural engineers are attempting a world-first, growing and harvesting a field of cereal crop without a human setting foot on the land. The team from Harper Adams University in Shropshire England believes their research will revolutionize farming and free up farmer's time. The engineers have pioneered an autonomous tractor which can be steered from a control room to carry out the drilling, seeding and spraying of the land. During the growth stage, the crops will be monitored by a drone and of course harvest will be completed autonomously as well. Admittedly the ground-breaking project is being conducted on only two and a half acres for now but it's application for the future has promise and lends itself to the direction ag tech is headed. Johnathan Gill, Kit Franklin and Martin Abell are using small-scale machinery that is already available on the market including a 38bhp Iseki TLE 3400 compact tractor and adapting these in the university's engineering labs. Three years ago while the team had been discussing the future of agriculture and robotics they felt the technology existed to develop this project. With the idea in their minds, they posted a large note on their office wall, then sought out the support and funding required. Today, they have barley seed in the ground and await emergence. The three readily confess this has been a huge learning experience but so far they have managed to achieve what they set out to do. The team believes that the use of lighter tractors will reduce compaction of the soil and improve the quality of the land and I have to say there are others who agree. We are seeing this discussed in wider circles and many believe that farms in the future will operate with larger fleets of lighter, autonomous tractors and combines. It is the engineer's hope to show there are no longer technological barriers to automated field agriculture. They believe that with the current larger machines, we see a number of issues, including reduced soil health through compaction which hinders plant growth, as well as reduced application and measuring resolution, critical for precision farming, as sprayer and harvesting widths increase. The engineers are adamant that automation will not put farmers out of work. They say there will be fleet managers and agricultural analysts, looking after a number of farming robots and meticulously monitoring the development of their crops. With sustainability in the forefront, we know that any practice that preserves soil health and assists in inputs savings will get a serious look from industry leaders and investors. Yes, these tests are being done on extremely small test-plots, but as with everything in life you have to crawl before you can walk. It will be interesting to see how quickly they can transition the process into "production agriculture" and the farming of hundreds of acres. Source:(dailymail)



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### **A Seventh-Grader's Science Fair Project Could Advance Cancer Research**

Georgia seventh-grader Stephen Litt was inspired to do a cancer-related project for this year's science fair after several of his friend's mothers were diagnosed with breast cancer. The 12-year old began his research back in the Fall, examining whether an antioxidant found in green tea could prevent breast cancer tumors in planaria, a type of flatworm. The project won multiple awards at the Georgia Science and Engineering Fair earlier this Spring, including a blue ribbon award and the most outstanding project from a seventh-grader. It also garnered the attention of Tufts University professor, Michael Levin, who invited Stephen to visit their research lab over his spring break. Levin, who heads Tuft's Allen Discovery Center, said Stephen's research actually has the potential to advance not only cancer research but regenerative medicine as well. "It was clear that he thought very deeply about these issues," Levin said, calling Stephen's research "remarkable" and "absolutely advanced for his age." Stephen decided to test the green tea ingredient after stumbling across article that made claims about cell improvement. Stephen's dad says his son is an avid reader and that he didn't even know he was reading about breast cancer until he came to him with a binder full of articles and research. Stephen's dad helped him set up a research station at their house, including 100 planaria. Stephen's experiment included exposing the worms to carcinogens to grow cancer tumors. He covered a few of the worms with the antioxidant to see if the extra coat of protection could prevent the growth of cancer tumors, and it did. The young man plans to continue his research in eighth grade, saying he wants to run test to see if the antioxidant can remove existing tumors or if the antioxidant could work on another organism. This year's project garnered him a total of six awards at the state fair and he also advanced to compete in a national science and engineering competition. (Source: ABC, MDJOnline)



## Recently Divorced Says This About His Ex-Wife... And I Totally Agree With His Comments

I ran across this e-mail I received a while back and it made some good sense. I passed it along to my kids and now again to my friends and readers...Hope you enjoy!

Gerald Rogers got divorced after 16 years of marriage. Recently he wrote a eye-opening public confession on his blog...

### "MARRIAGE ADVICE I WISH I WOULD HAVE HAD:

*Obviously, I'm not a relationship expert. But there's something about my divorce being finalized this week that gives me perspective of things I wish I would have done different... After losing a woman that I loved, and a marriage of almost 16 years, here's the advice I wish I would have had...*

#### 1) Never stop courting.

*Never stop dating. NEVER EVER take that woman for granted. When you asked her to marry you, you promised to be that man that would OWN HER HEART and to fiercely protect it. This is the most important and sacred treasure you will ever be entrusted with. SHE CHOSE YOU. Never forget that, and NEVER GET LAZY in your love.*

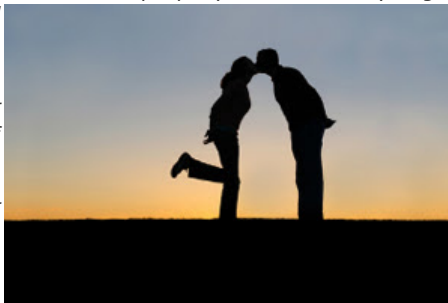


#### 2) PROTECT YOUR OWN HEART.

*Just as you committed to being the protector of her heart, you must guard your own with the same vigilance. Love yourself fully, love the world openly, but there is a special place in your heart where no one must enter except for your wife. Keep that space always ready to receive her and invite her in, and refuse to let anyone or anything else enter there.*

#### 3) FALL IN LOVE OVER and OVER and OVER again.

*You will constantly change. You're not the same people you were when you got married, and in five years you will not be the same person you are today. Change will come, and in that you have to re-choose each other everyday. SHE DOESN'T HAVE TO STAY WITH YOU, and if you don't take care of her heart, she may give that heart to someone else or seal you out completely, and you may never be able to get it back. Always fight to win her love just as you did when you were courting her.*



#### 4) ALWAYS SEE THE BEST in her.

*Focus only on what you love. What you focus on will expand. If you focus on what bugs you, all you will see is reasons to be bugged. If you focus on what you love, you can't help but be consumed by love. Focus to the point where you can no longer see anything but love, and you know without a doubt that you are the luckiest man on earth to be have this woman as your wife.*

#### 5) IT'S NOT YOUR JOB TO CHANGE OR FIX HER...

*Your job is to love her as she is with no expectation of her ever changing. And if she changes, love what she becomes, whether it's what you wanted or not.*

#### 6) TAKE FULL ACCOUNTABILITY for your own emotions:

*It's not your wife's job to make you happy, and she CAN'T make you sad. You are*



responsible for finding your own happiness, and through that your joy will spill over into your relationship and your love.

**7) NEVER BLAME your wife If YOU get frustrated or angry at her.**

It is only because it is triggering something inside of YOU. They are YOUR emotions, and your responsibility. When you feel those feelings take time to get present and to look within and understand what it is inside of YOU that is asking to be healed. You were attracted to this woman because she was the person best suited to trigger all of your childhood wounds in the most painful way so that you could heal them... when you heal yourself, you will no longer be triggered by her, and you will wonder why you ever were.

**8) Allow your woman to JUST BE.**

When she's sad or upset, it's not your job to fix it, it's your job to HOLD HER and let her know it's ok. Let her know that you hear her, and that she's important and that you are that pillar on which she can always lean. The feminine spirit is about change and emotion and like a storm her emotions will roll in and out, and as you remain strong and unjudging she will trust you and open her soul to you... DON'T RUN-AWAY WHEN SHE'S UPSET. Stand present and strong and let her know you aren't going anywhere. Listen to what she is really saying behind the words and emotion.

**9) BE SILLY...**

Don't take yourself so damn seriously. Laugh. And make her laugh. Laughter makes everything else easier.

**10) FILL HER SOUL EVERYDAY.**

Learn her love languages and the specific ways that she feels important and validated and CHERISHED. Ask her to create a list of 10 THINGS that make her feel loved and memorize those things and make it a priority everyday to make her feel like a queen.



**11) BE PRESENT.**

Give her not only your time, but your focus, your attention and your soul. Do whatever it takes to clear your head so that when you are with her you are fully WITH HER. Treat her as you would your most valuable client. She is.

**12) BE WILLING TO TAKE HER SEXUALLY...**

To carry her away in the power of your masculine presence, to consume her and devour her with your strength, and to penetrate her to the deepest levels of her soul. Let her melt into her feminine softness as she knows she can trust you fully.

**13) DON'T BE AN IDIOT...**

And don't be afraid of being one either. You will make mistakes and so will she. Try not to make too big of mistakes, and learn from the ones you do make. You're not supposed to be perfect, just try to not be too stupid.

**14) GIVE HER SPACE...**

The woman is so good at giving and giving, and sometimes she will need to be reminded to take time to nurture herself. Sometimes she will need to fly from your branches to go and find what feeds her soul, and if you give her that space she will come back with new songs to sing... (okay, getting a little too poetic here, but you get the point. Tell her to take time for herself, ESPECIALLY after you have kids. She needs that space to renew and get re-centered, and to find herself after she gets lost in serving you, the kids and the world.)

**15) BE VULNERABLE...**

You don't have to have it all together. Be willing to share your fears and feelings, and quick to acknowledge your mistakes.

**16) BE FULLY TRANSPARENT.**

If you want to have trust you must be willing to share EVERYTHING... Especially those things you don't want to share. It takes courage to fully love, to fully open your heart and let her in when you don't know if she will like what she finds... Part of that courage is allowing her to love you completely, your darkness as well as your light. DROP THE MASK... If you feel like you need to wear a mask around her, and show up perfect all the time, you will never experience the full dimension of what love can be.

**17) NEVER STOP GROWING TOGETHER...**

The stagnant pond breeds malaria, the flowing stream is always fresh and cool. Atrophy is the natural process when you stop working a muscle, just as it is if you stop working on your relationship. Find common goals, dreams and visions to work towards.

**18) DON'T WORRY ABOUT MONEY.**

Money is a game. Find ways to work together as a team to win it. It never helps

money is a game, and ways to work together as a team to win it. It never helps when teammates fight. Figure out ways to leverage both persons strength to win.

**19) FORGIVE IMMEDIATELY** focus on the future rather than carrying weight from the past. Don't let your history hold you hostage. Holding onto past mistakes that either you or she makes, is like a heavy anchor to your marriage and will hold you back. **FORGIVENESS IS FREEDOM.** Cut the anchor loose and always choose love.

**20) ALWAYS CHOOSE LOVE. ALWAYS CHOOSE LOVE. ALWAYS CHOOSE LOVE.**

*In the end, this is the only advice you need. If this is the guiding principle through which all your choices is governed, there is nothing that will threaten the happiness of your marriage. Love will always endure.*



*In the end MARRIAGE isn't about Happily ever after. It's about work. And a commitment to grow together and a willingness to continually invest in creating something that can endure eternity. Through that work, the happiness will come.*

*Marriage is life, and it will bring ups and downs. Embracing all of the cycles and learning to learn from and love each experience will bring the strength and perspective to keep building, one brick at a time.*

*These are lessons I learned the hard way. These are lessons I learned too late.*

*But these are lessons I am learning and committed in carrying forward. Truth is, I LOVED being married, and in time, I will get married again, and when I do, I will build it with a foundation that will endure any storm and any amount of time.*

*If you are reading this and find wisdom in my pain, share it those those young husbands whose hearts are still full of hope, and with those couples you may know who may have forgotten how to love. One of those men may be like I was, and in these hard earned lessons perhaps something will awaken in him and he will learn to be the man his lady has been waiting for.*

*The woman that told him 'I do', and trusted her life with him, and has been waiting for this man to step up.*

*If you are reading this and your marriage isn't what you want it to be, take 100% responsibility for YOUR PART in the marriage, regardless of where your spouse is at, and commit to applying these lessons while there is time.*

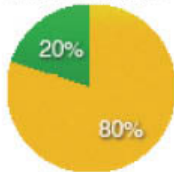
**MEN- THIS IS YOUR CHARGE:** Commit to being an EPIC LOVER. There is no greater challenge, and no greater prize. Your woman deserves that from you. Be the type of husband your wife can't help but brag about."

*If you're inspired by Gerald's words, please share this with a friend today.*

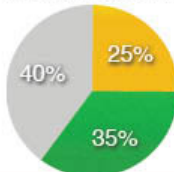
**CASH SALES & HEDGING TOTALS**

**CORN 2016 CROP**

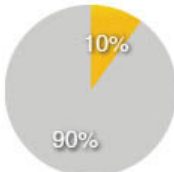
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20% HEDGED  
0% UNPROTECTED

**CORN 2017 CROP**

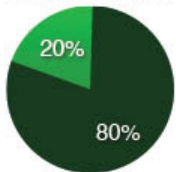
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**CORN 2018 CROP**

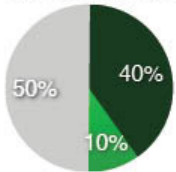
10% SOLD  
0% HEDGED  
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**SOYBEANS 2016 CROP**

80% SOLD  
20% HEDGED  
0% UNPROTECTED

**SOYBEANS 2017 CROP**

40% SOLD  
10% HEDGED  
50% UNPROTECTED

**SOYBEANS 2018 CROP**

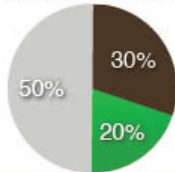
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100% UNPROTECTED

**WHEAT 2016 CROP**

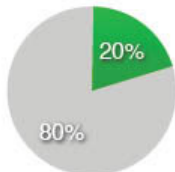
100% SOLD  
0% HEDGED  
0% UNPROTECTED

**WHEAT 2017 CROP**

30% SOLD  
20% HEDGED  
50% UNPROTECTED

**WHEAT 2018 CROP**

0% SOLD  
20% HEDGED  
80% UNPROTECTED



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