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## GOOD MORNING 06/22/17 Farm Direction - VanTrump Report

1 message

Kevin Van Trump <info@farmdirection.com>  
 To: Kevin Van Trump <info@farmdirection.com>

Thu, Jun 22, 2017 at 6:16 AM



"Happiness is a way station between too little and too much." - Channing Pollock

THURSDAY, JUNE 22, 2017

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**Morning Summary:** Stocks markets maintain their narrow trading range near all-time highs with little in the way of fresh headlines to feed trader interest. Oil prices are now down -25% year-to-date and down about -17% in the past month. Not even weather disruptions or headlines surrounding Tropical Storm Cindy have been able to boost the energy sector. Major refining and production facilities from Texas to Florida are in the direct path of the storm, which has entered the U.S. near the coast of southwest Louisiana and southeast Texas, and set to move inland over southeastern Texas today. Some offshore operations in the Gulf of Mexico have already been suspended but nothing seems long-term enough to attract new buyers or offset the massive ramp up in U.S. production. It's quite unusual for such a storm to have no impact on the oil markets as offshore rigs in the Gulf account for about 17% of U.S. crude oil output. However, it does clearly illustrate just how bearish the current trading climate is amid fears of a continued global glut. The U.S. Energy Information Administration yesterday showed that weekly domestic production climbed by +20,000 barrels to 9.35 million barrels a day. Gasoline production increased last week, averaging about 10.2 million barrels per day. Distillate fuel production increased last week, averaging about 5.3 million barrels per day. Total U.S. commercial crude inventory still remains somewhat large for this time of year at 509.1 million barrels. Economic data today includes the FHFA House Price Index, Leading Indicators and Kansas City Fed Manufacturing. We finally heard some good news yesterday from the U.S. housing sector, which hadn't had much to cheer about lately. The latest existing home resale data showed much better than expected results for May, actually the third highest monthly level in a decade and the median home price pushing to a fresh new all-time high of \$252,800, a +5.8% jump from one year ago. This more bullish housing data could give U.S. dollar bulls reason once again to get excited. Currency traders will also be keeping a close eye on Federal Reserve Board Governor Jerome Powell as he testifies in front of the Senate Banking Committee today. The Fed is also scheduled to begin releasing results from its annual bank stress tests. Morgan Stanley analyst Betsy Graseck estimates that banks going through the stress tests have roughly +\$150 billion more capital than they need. She expects the Fed will allow the typical big bank to greatly increase stock buybacks and increase dividends. This would obviously be good news to shareholders, hence another reason more big name investors have been talking about the sector. In Washington it seems like the Senate is making some movement in regard to improving healthcare and many political insiders believe substantial tax reform is still a 60% to 70% probability, but more than likely not going to happen until late-2017 or more realistically early to mid-2018. I remain conservatively bullish, but underweight in my traditional allocation towards U.S. stocks.

**Russia Cancels Talks With U.S. Over Tightening Of Sanctions:** *Russia has canceled a meeting between senior U.S. and Russian officials that was aimed at resolving problems in the relationship between the two countries. The announcement comes after the US announced an expansion of sanctions against Russian individuals and legal entities in response to the ongoing crisis in Ukraine. "As we know, in the next few days there were plans to continue the bilateral consultations on the 'irritants' that we have accumulated in our Russian-American relations, plans to find ways out of the extremely difficult situation in which the American side wore the partnership and cooperation with Russia down," a statement from the Russian Foreign Ministry said. The ministry adds that*

### Today In History



**1611, Henry Hudson** - After spending a winter trapped by ice in present-day Hudson Bay, the starving crew of the *Discovery* mutinied against its captain, English navigator Henry Hudson, and sets him, his teenage son, and seven supporters adrift in a small, open boat. Hudson and the eight others were never seen again. Two years earlier, in 1609, Hudson sailed to the Americas to find a northwest passage to Asia after repeatedly failing in his efforts to find a northeast ocean passage. Exploring the North American coast, he entered the present-day Chesapeake, Delaware, and New York bays, and then became the first European to ascend what is now called the Hudson River. His voyage, which was financed by the Dutch, was the basis of Holland's later claims to the region. His fourth expedition, financed by adventurers from England, set out from London on April 17, 1610. Sailing back across the Atlantic, Hudson resumed his efforts to find the northwest passage. Between Greenland and Labrador he entered the present-day Hudson Strait and by it reached Hudson Bay. After three months of exploration, the *Discovery* was caught too far from open sea when winter set in, and in November Hudson's men were forced to haul it ashore and set up a winter camp. Lacking food or supplies, the expedition greatly suffered in the extreme cold. Many of the crew held Hudson responsible for their misfortune, and on June 22, 1611, with the coming of summer, they mutinied against him. The *Discovery* later returned to England, and its crew was arrested for the mutiny. Although Henry Hudson was never seen again, his discoveries gave England its claim to the rich Hudson Bay region.



**1775, American Revolution** - On this day in history, Congress issues \$2 million in bills of credit. By the spring of 1775, colonial leaders,

*Washington's desire to seek common ground with Russia sounds unconvincing, and warned there will be a response, including "practical retaliatory measures." The US tightened sanctions on Russia Tuesday in a bid to force the end of its occupation of Crimea. (Source: CNN)*

**U.S. Home Prices Hit Fresh Record High:** According to the National Association of Realtors (NAR) US existing home sales rose 1.1% in May compared with expectations of a 0.5% decline on the month with the annual rate at 5.62mn from 5.56mn previously. This was the third-strongest rate of the past 12 months and brings the annual increase to +2.7%. Although unsold inventory rose 2.1% on the month there was an 8.4% annual decline. Unsold inventory at 4.2 months was also below the 4.7 months recorded last year. Sales in the Midwest fell 5.9% with a 0.8% annual decline while there were monthly increases across the Northeast, South and West with these three regions also registering annual gains. The median home price increased to \$252,800 from \$238,900 last year to a fresh peak and an increase of +5.8% over the year. There have been growing concerns about the housing sector over the past few weeks, especially after the decline in housing starts and building permits recorded for May. Low inventory levels has many insiders believing that a lack of homes to buy has been a key factor hampering sales. The latest data shows that homes stayed on the market for 27 days, down from 32 days last year and the lowest level since at least 2011. The National Association of Realtors says that listings in the affordable price range are scarce, homes are coming off the market at an extremely fast pace and the prevalence of multiple offers in some markets are pushing prices higher. NAR says that current demand levels indicate sales should be stronger, but it's clear some would-be buyers are having to delay or postpone their home search because low supply is leading to worsening affordability conditions. NAR notes that the inventory shortage and price inflation could get worse if mortgage rates rise further, as it could deter people from selling their homes and trading up.

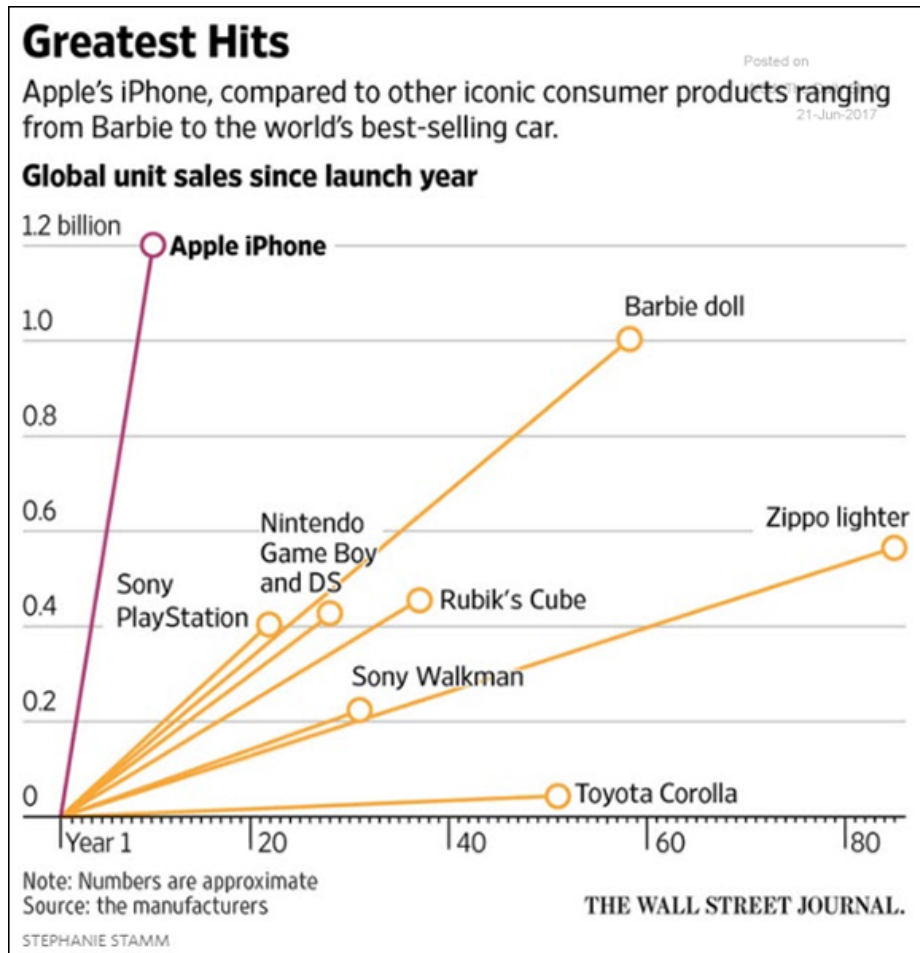
**iPhone's Popularity In Comparison To Other Iconic Products:** Since Apple Inc. launched the iPhone in June 2007, the smartphone revolution it unleashed has changed the way people work and socialize while reshaping industries from music to hotels. Ten years later, the iPhone is one of the best-selling products in history, with about 1.3 billion sold, generating more than \$800 billion in revenue. It skyrocketed Apple into the business stratosphere, unlocking new markets, spawning an enormous services business and helping turn Apple into the world's most valuable publicly traded company. The iPhone also spawned Apple's second-largest business by revenue: apps and other services offerings. Apple didn't open the device to application developers until 2008, when it added the App Store and began taking 30% of each app purchase. Since then, app sales have generated roughly \$100 billion in gross revenue as Apple has registered more than 16 million app developers world-wide. The company also pushed into payments with Apple Pay and a music-subscription service, creating a \$24 billion services business that is Apple's second-largest after the iPhone and is growing rapidly. Apple fans are currently waiting for the newest iPhone, the 10th anniversary model expected this fall. (Source: The Wall Street Journal)

concerned by British martial law in Boston and increasing constraints on trade, had led their forces in battle against the crown. But, the American revolutionaries encountered a small problem on their way to the front: they lacked the funds necessary to wage a prolonged war. Though hardly the colonies' first dalliance with paper notes—the Massachusetts Bay colony had issued its own bills in 1690—the large-scale distribution of the revolutionary currency was fairly new ground for America. Moreover, the bills, known at the time as "Continental," notably lacked the then de rigueur rendering of the British king. Instead, some of the notes featured likenesses of Revolutionary soldiers and the inscription "The United Colonies." But, whatever their novelty, the Continentals proved to be a poor economic instrument: backed by nothing more than the promise of "future tax revenues" and prone to rampant inflation, the notes ultimately had little fiscal value. As George Washington noted at the time, "A wagonload of currency will hardly purchase a wagonload of provisions." Thus, the Continental failed and left the young nation saddled with a hefty war debt. A deep economic depression followed the Treaty of Paris in 1783. Fear of economic chaos played a significant role in the decision to abandon the Articles of Confederation for the more powerful, centralized government created by the federal Constitution. During George Washington's presidency, Alexander Hamilton struggled to create financial institutions capable of stabilizing the new nation's economy. Duly frustrated by the experience with Continental currency, America resisted the urge to again issue new paper notes until the dawn of the Civil War.



**1944, G.I. Bill - U.S.** President Franklin D. Roosevelt signs the G.I. Bill, an unprecedented act of legislation designed to

compensate returning members of the armed services—known as G.I.s—for their efforts in World War II. The last of its sweeping New Deal reforms, Roosevelt's administration created the G.I. Bill hoping to avoid a relapse into the Great Depression after the war ended. The American Legion, a veteran's organization, successfully fought for many of the provisions included in the bill, which gave returning servicemen access to unemployment compensation, low-interest home and business loans, and—most importantly—funding for education. By giving veterans money for tuition, living expenses, books, supplies and equipment, the G.I. Bill effectively transformed higher education in America. Before the war, college had been an option for only 10-15 percent of young Americans, and university campuses had become known as a haven for the most privileged classes. By 1947, in contrast,



vets made up half of the nation's college enrollment; three years later, nearly 500,000 Americans graduated from college, compared with 160,000 in 1939. The G.I. Bill became one of the major forces that drove an economic expansion in America that lasted 30 years after World War II. Only 20 percent of the money set aside for unemployment compensation under the bill was given out, as most veterans found jobs or pursued higher education. Low interest home loans enabled millions of American families to move out of urban centers and buy or build homes outside the city, changing the face of the suburbs. Over 50 years, the impact of the G.I. Bill was enormous, with 20 million veterans and dependents using the education benefits and 14 million home loans guaranteed, for a total federal investment of \$67 billion.

### Upcoming Events

**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

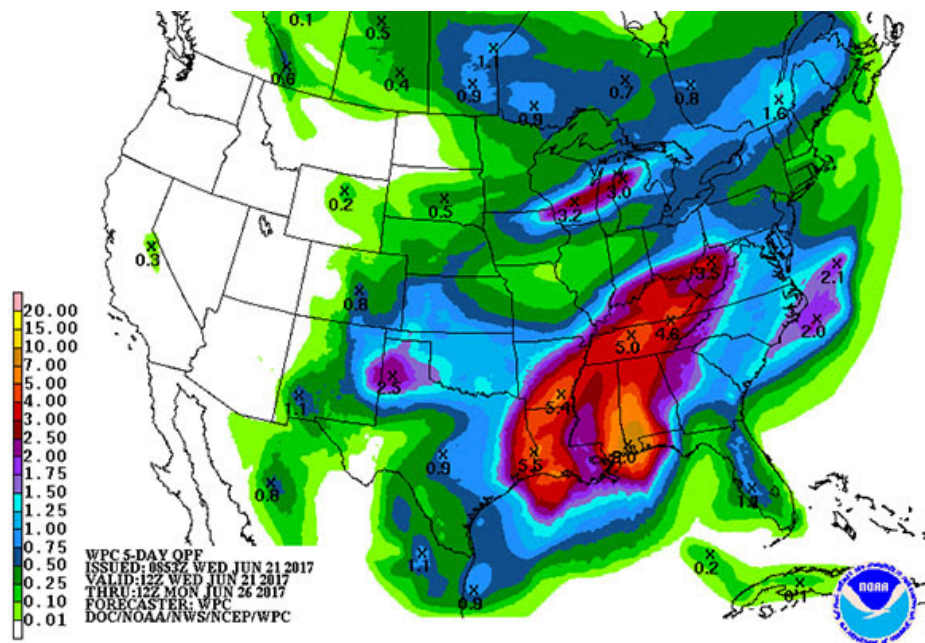
**Fri. 8/25** - Cattle on Feed

### Chart Of The Week

**Weather** is centered around continued favorable conditions for crops across the Midwest, as well as the tropical storm bringing heavy rains and flooding to the Gulf Coast states and Delta. In the Corn Belt, mild, mostly dry weather favors corn and soybean development, as well as winter wheat harvesting. In Illinois, the winter wheat harvest was 65% complete by June 18, compared to the 5 year average of 24%. Currently, showers are developing in a few areas, primarily across the Western Corn Belt. Overall, no significant hot weather is in sight. This is a favorable weather pattern for developing crops. On the Plains, very warm weather accompanies widely scattered showers. During the last month, a drying trend has reduced topsoil moisture and boosted irrigation demands. In Oklahoma, topsoil moisture was rated one-half very short to short on June 18, up 29% from the previous week. On the northern Plains, however, recent rains have provided drought relief for some rangeland, pastures and spring sown crops. In the South, the primary threat from the tropical storm is heavy rain which continues to spread across the Gulf Coast. While the storm does not pose much of a threat with regard to winds or storm surge, flooding will remain a concern during the next few days. Total storm rainfall could reach 4 to 8 inches from the Gulf Coast northward into the Tennessee Valley and the central Appalachians. Isolated totals in excess of 12 inches could occur along the central Gulf Coast. Meanwhile, scattered showers and thunderstorms will cross the Midwest through Thursday, followed by another surge of cool, dry air. In fact, below normal temperatures will dominate areas from the Plains to the East Coast, starting late this week.

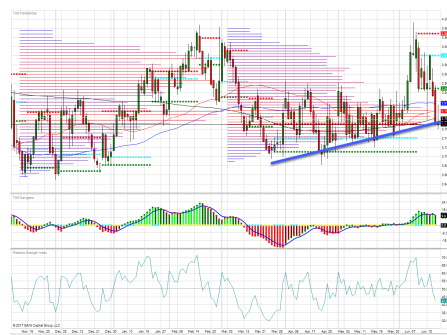
**What To Expect From the Tropical Storm:** The storm affecting the Gulf Coast is expected to move to the northwest and approach the coasts of Louisiana and southeast Texas late into Thursday morning before moving inland near the Texas/Louisiana border. Today and tomorrow, heavy rain will continue along the Gulf Coast, but moisture from the storm will also begin to spread north and east ahead of a cold front arriving from the Midwest. This could contribute to locally heavy rain and flooding in parts of the lower-Mississippi Valley, Tennessee Valley, Ohio Valley and the Appalachians. The storm is suspected to move into southeastern Arkansas and into Tennessee by this weekend.





**Corn** prices are down about -20 cents from the highs posted just two-weeks ago. The bears are talking about strong second-crop corn coming out of the fields in Brazil and a U.S. weather forecast that is offering up cooler than normal temps into early-July. The cooler forecast could help keep the fields in better shape through pollination. We are also seeing the basis pushed lower at the Gulf as Tropical Storm Cindy threatens to slowdown loadings. Weather continues to remain the longer-term wild-card. More nearby however, next Friday's June 30th acreage report and Quarterly Stocks update by the USDA could produce the next big wave of headlines. I feel like most inside the trade are looking for a reduction in their total U.S. production estimate, perhaps a blend of both fewer planted acres and a more conservative yield estimate? The bears however, believe a reduction in total U.S. production could be partially offset by lower demand estimates. We will all obviously have a better understanding and opinion next Friday after the data is released. As a producer, we have to make certain we are comfortable with our current marketing strategy heading into next week, as the end-of-June report has been known to catch many players offside. In other words we have to make certain we are extremely comfortable with our remaining open risk.

**Soybean** bears are again talking about increased South American purchases by Chinese buyers. In addition Argentine exports are coming back online at a more normal pace as a recent dockworkers strike has been suspended. There's also talk that Tropical Storm Cindy has caused loadings delays in the Gulf and Delta regions. More traders appear as if they are trying to position themselves ahead of next Friday's expected jump in planted U.S. soybean acres. There's also very little in the U.S. weather forecast that makes the market nervous or worried about a widespread yield drag. Until that thought changes and yields are forecast lower, it's going to be tough to string together multi-day rallies in this market. The bulls are thinking we could catch a short-term boost next week on a revised EPA biofuel mandate. Just remember, we've thought this



### Sept Corn

The trend line support could be on the verge of breaking if pressure continues. Momentum studies are trending weaker toward negative territory.

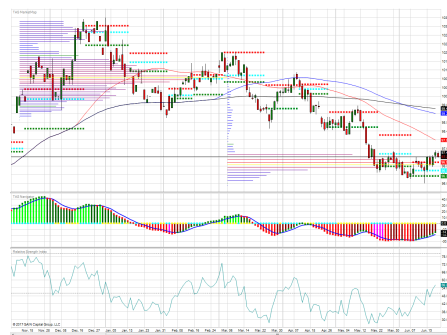
[Enlarge Sept Corn Chart »](#)



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

The Dollar is within a neutral/sideways trading range between 96.457 and 97.318. A close below or above one of these levels may set the new technical trend in motion.

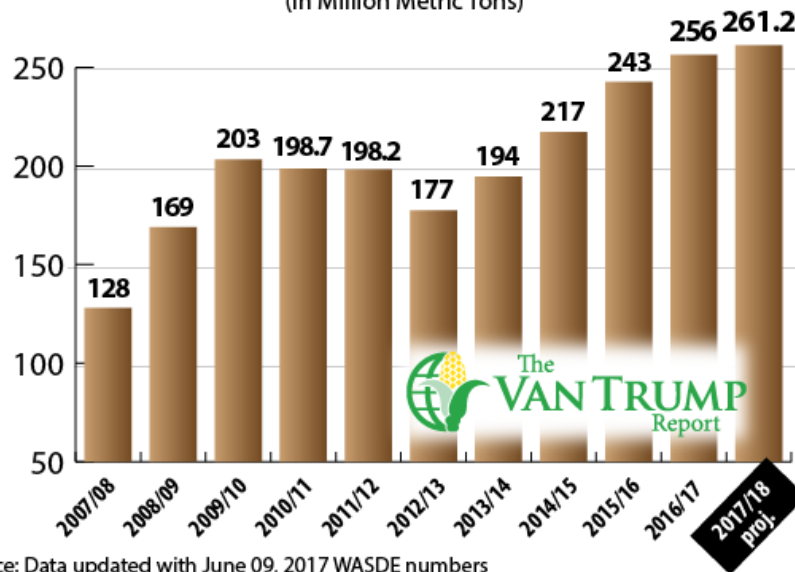
[Enlarge US Dollar Index Chart »](#)

boost next week on a revised LFA border mandate. Just remember, we've thought this a couple of times, so don't hold your breath. Technically it still feels like there's a ton of psychological support down between the \$9.00 and \$9.20 range. Interestingly however I've talked to more and more inside sources who are targeting the \$8.60 to \$8.80 area as a more probable downside objective, obviously barring any U.S. weather hiccups or major complications in late-July or early-August. Hence as a producer I continue to keep my hedges in place. As a spec I remind patient, wanting to be a longer-term bull on an additional pull-back in price.

**Wheat** bears are talking about some scattered rains across parts of the Dakotas and a somewhat improved U.S. forecast. I personally don't see it as being any type of game-changer, and believe prices will eventually make another run at their recent highs. Keep your eye on today's latest U.S. drought monitor for any signs of improvements. I still see extreme weather complications here in the U.S. and worries about weather problems in parts of Europe, Ukraine, Canada and Australia. As a producer I did however make a couple of small sales/hedges yesterday early in the session in an attempt to help reduce longer-term price risk at profitable levels. I want to make certain I'm "managing risk" and not simply allowing myself to get caught up in the "story". Global ending stocks are still record large...

## Wheat Global Ending Stocks

(in Million Metric Tons)



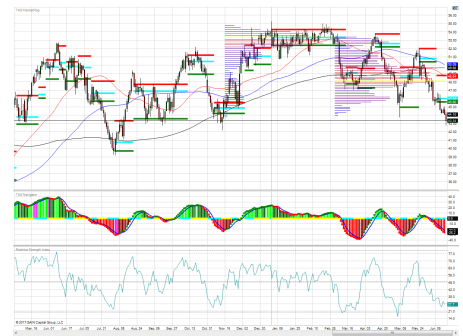
Source: Data updated with June 09, 2017 WASDE numbers

\*\*\*July Option expiration is this Friday.



> **Venezuela Looking To Import Fuel:** Venezuela, home to the largest oil reserves in the world, is seeking to import 13 million barrels of fuel this year as the country's refineries are now operating at less than half of their capacity. State-run oil company Petroleos de Venezuela SA is inviting trading houses and refineries to supply as much as 70,869 barrels of oil products daily from July through the end of the year, according to tender documents obtained by Bloomberg. The purchases account for about a third of the country's oil products needs, estimated at 200,000 barrels a day, says Alejandro Grisanti, director of the Caracas-based consultancy Ecoanalitica. The Venezuelan government faces \$3.2 billion in debt payments this year as the political and economic crisis escalates. Many are taking to the streets to protest against food shortages and galloping inflation. The turmoil comes as crude oil production, the main source of revenue, has sunk to a 14-year low. (Source: Bloomberg)

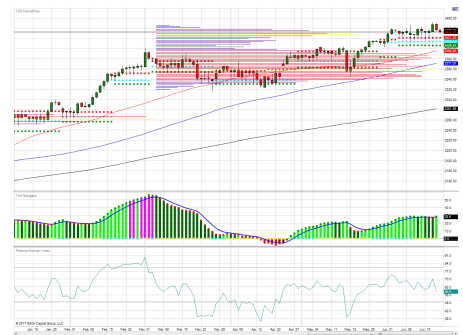
> **Arkansas Dicamba Ban Fails:** The Arkansas Plant Board late Tuesday rejected a ban on the spraying of the pesticide dicamba in the state. AgWatch Network reports. It



### Crude Oil

Fresh 7-month lows could attract a fresh layer of technical selling.

[Enlarge Crude Oil Chart »](#)



### E-Mini S&P Index

The long term bull trend remains intact with support for the uptrend at 2421.25.

[Enlarge E-Mini S&P Index Chart »](#)

### Kevlin's Song of the Week



[About the Report](#)



agreed to limit the chemical's use to sprayers that feature a hood, which prevents drift, and also required a one-mile downwind buffer between the next farm. The restrictions follow 135 complaints from farmers across the state who say their crops have been damaged by increased use of the broad-spectrum pesticide on nearby fields that have been planted with Monsanto's Roundup Ready Xtend cotton and soybeans, which are resistant to both dicamba and glyphosate. Arkansas has yet to approve use of Monsanto's accompanying pesticide mix for the biotech crop, so farmers in the state are limited to using BASF's Engenia brand of dicamba to treat glyphosate-resistant weeds. But the formulation is prone to drift, causing damage to nearby crops that aren't modified for resistance. The situation in Arkansas has gotten so bad that a group of soybean and watermelon farmers last week sued Monsanto and BASF in federal court in Jonesboro to recoup profits lost due to harm dicamba drift has caused to their crops. (Source: Politico)

**> Russia's Fight Against Fake Grain Deals Risks Slower Exports:** Russia's campaign against fraudulent grain deals is raising worries of a slowdown in exports from the world's second-biggest wheat shipper. Authorities are clamping down on traders who forge tax documents, leaving exporters unsure about prices and a steady supply of grain as the harvest gets underway next month, according to the Russian Grain Union and consultant ProZerno. International forward sales have slowed in recent weeks, according to BI Granum. (Source: Bloomberg)

**> Heatwave Damages French Wheat Crops:** A heatwave hitting France and southern Europe will damage this year's wheat crops, mainly in top EU producer France and in Spain, while rainfall benefited crops in Germany, Poland and Britain where they are expected to be higher, analysts said. Head of French consultancy Agritel, Michel Portier, said "It's clear that the very hot temperatures are degrading crop potential in Europe but it is too early to say by how much." Agritel lowered its French soft wheat crop forecast to 36-37 million metric tons from 37.1 million seen last week, because of scalding damage, Portier said, adding that the forecast would need to be fine-tuned, depending partly on next week's weather. In the EU's second largest producer Germany, wheat is developing well after a rainy June helped crop development after an unusually dry start to the spring. Britain's wheat crop appears in good condition with chance for a modest increase in production this year. (Source: Reuters)


**> U.K. Turns Net Wheat Importer As Ethanol Demand Surges:** The UK is returning to being a net wheat importer this season for only the fourth time in at least 25 years, as the growth in output at the country's bioethanol plants drives consumption to a record high. The UK farm ministry, Defra, in its first forecast for the country's wheat exports in 2016-17 pegged them at 1.50 million metric tons. That would represent a tumble of -47% year on year, and the weakest figure since the aftermath of the historically wet year of 2012 which devastated the crop that year and, in preventing autumn sowings, undermined output the following year too. Meanwhile, Defra raised its estimate for UK wheat imports this season by 100,000 metric tons to 1.70 million metric tons, a level exceeded only during the 2012-13 and 2013-14 crop years. Nonetheless, UK inventories were forecast ending this season, which closes at the end of this month, at 2.04 million metric tons, down -27% year on year, with supplies tightened by a relatively weak harvest last year, and by growing domestic demand. UK wheat consumption this season was pegged at a record high of 15.69 million metric tons, a rise of +6% year on year. The increase reflects in particular growth of +10%, to an all-time high of 8.11 million metric tons, in demand for human and industrial use, driven by recovery in the U.K. bioethanol sector. (Source: Agrimoney)

**> Lansing Trade Group To Buy Interstate Commodities:** Lansing Trade Group LLC has reached an agreement to acquire materially all of the grain and feed ingredient trading business from Interstate Commodities in New York. The acquisition is expected to close in the third quarter. Terms of the deal were not disclosed. The two companies have had a strong relationship for decades and think that a merger will enable them to not only grow organically, but provide scale to make additional acquisitions. Lansing Trade Group is one the nation's largest independently owned physical trading companies. The combined companies could handle as much as 7 percent of the U.S. corn supply of over 15 billion bushels, according to the companies' websites. (Source: Reuters)

**> BLM, EPA Face Steep Staff Cuts:** The Environmental Protection Agency and Interior's Bureau of Land Management are each facing significant staff reductions. EPA attorney Robert Coomber wrote to union leaders Tuesday that early retirement and buyout programs would be offered to up to 1,228 workers across the agency, though it is not known whether those people will accept them. Meanwhile, in a memo to BLM employees, acting Director Michael Nedd conceded that although the White House budget for the agency has not been approved, staff should prepare for cuts of about 1,000 positions. (Source: Politico)

**> Chinese Stocks Are Joining Important Global Group:** MSCI is planning to add 222 China A Large Cap stocks to its Emerging Markets Index in 2018. The group of

## 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**

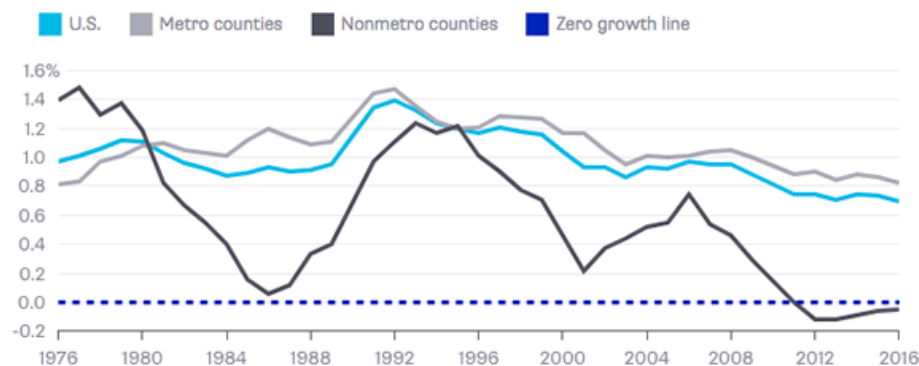
"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of reading in your "Farm

stocks will carry an approximate weighting of 0.73%. The group said the admission to the index would be in two stages, beginning in May next year. It added China's weighting in the index could increase further should local regulators continue with market reforms. (Source: Business Insider)

**> Rural America Is Aging And Shrinking:** Since 2010, for what appears to be the first time ever, rural America has been losing population. In all, 1,350 nonmetro counties lost population from 2010 through 2016, a new record. Migration to other counties accounted for all of that decrease and then some. But the percentage of residents moving away from rural counties was actually much higher in the 1950s, 1960s and 1980s. What's changed is that a steady decline through the decades in natural population increase (births minus deaths) in rural America means that the natural increase is no longer big enough to offset the outmigration. In hundreds of rural counties, in fact, deaths are now outpacing births. U.S. Department of Agriculture Economic Research Service geographer John Cromartie says that areas that recently began experiencing natural decrease are found in the Northeast, South, and especially in and around the margins of Appalachia, expanding a large region of natural decrease that extends from Pennsylvania through northern Alabama. (Source: Bloomberg View)

## Rural America Is Shrinking

Percent population change from previous year



Source: U.S. Department of Agriculture Economic Research Service using data from U.S. Census Bureau



**Western Minnesota** - We are starting to see all the crops take off and put on some decent growth. There were a couple different planting windows where guys got most of their seed planted. The early planted corn looks pretty good but the middle planted seed struggled the most after sitting in the ground a couple weeks, in cold wet soil. Then things warmed up enough to get it out of the ground. The latest planted fields are behind a little but look good. I think the rain and cold temps will cause there to be some holes in fields and there were a few acres of replanting because of it. I think that as it warms, the crop will even up and be fairly uniform. But there will be a small number of acres that produce nothing because of the water holes. The beans are behind the corn but they have put on a lot of growth as we have warmed up. The later beans are very small but look decent.

**Northern Illinois** - We have been battling elements because of a lot of different weather issues all spring. We should be spraying today but the wind is so strong it wouldn't be worth it. We have seen the wind blow all spring, which has dried things out quicker than normal, after being a little wet at the end of winter. We have been really dry since we finished up planting and I would say that 20% of our corn has only gotten .2 of moisture. I have talked to my neighbors that are not that far away and their fields are too wet to spray. They have gotten 4" to 5" of rain over the past week. I am not feeling real good about this year because we have survived the past few years with big yields, around 250bpa, and this year doesn't seem like we will make them again. Most of our corn fields will have some holes due to the adverse weather and I think that we will be down on yields by 10% to 15% compared to the past few years.

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.



**Central Wisconsin** - The weather so far this year has been all over the board. I predict that we will see a lot of variability from field to field at this point. The production will be less than last year which set many farm records for us. The planting started out ok then we received rains along with very cool temps that slowed things down. Our corn on the sandy soil farms was planted early and is just past the v5 stage. We had some of that seed that sat in the ground two or three weeks in wet and cold, which has to have some negative effects. Then we have some fields in corn that we are just side dressing. The farms to the north have received 2" of rain over the past week which has been helpful. There has been a little more insect pressure seen this year compared to the past few. We will do quite a bit of scouting in fields throughout the year compared to the past. The beans look good but may be a little behind where they normally would be. The agronomist we use did not recommend fungicide last year but with the moisture that we have had it may be put on this year. We will work on getting everything sprayed and then go from there.

## CROSSING WIRES

A place to share intelligent thoughts...

**Last Homesteader's Tractor Begins Journey To Nebraska:** A rusted relic from Alaska is on its way to Nebraska. The tractor used by the last person to receive free land under the federal Homestead Act of 1862 was recovered from the wilderness of western interior Alaska last week for eventual permanent display at Homestead National Monument of America near Beatrice, Nebraska. The abandoned and deteriorating Allis-Chalmers tractor — plus its single-bottom plow and a disk — left the roadless homestead site dangling from ropes and straps below a helicopter to begin a 3,700-mile journey to Nebraska. "We're saving for the American people an American treasure," Mark Engler, superintendent at Homestead National Monument, said in an interview in Nebraska. The tractor had been threatened by wildfires in recent years and has been exposed to the elements for more than three decades. Read more [HERE](#).

**CRISPR Pioneer Jennifer Doudna On Gene Editing's Potential For Good And Evil:** Scientists now have a relatively easy and inexpensive way to read, write, and edit the building blocks of life—the genome-editing technique known as CRISPR-Cas9. And while the technology was developed only five years ago, CRISPR's ability to target—and modify—specific sections of DNA is already supercharging the pace of scientific breakthroughs in medicine and agriculture. But it all started when a small group of scientists, working in collaboration, stumbled on an organic biological process that had existed for millennia. Among the leaders was molecular biologist Jennifer Doudna, who heads the Doudna Lab at the University of California, Berkeley. She's the coauthor of a new book tracing CRISPR's evolution, *A Crack in Creation: Gene Editing and the Unthinkable Power to Control Evolution*. Check out an excerpt from the book [HERE](#).

**The Cool And Quirky From The Paris Air Show:** There are flying cars and Concorde's would-be supersonic successor, a company offering to deliver cargo to the Moon — for a mere \$1.2 million per kilogram — and the latest in funky futuristic aviation ideas, both big and small. No doubt about it: the Paris Air Show is an aerospace geek's paradise. But with everything from the smallest drones to the largest passenger jets on display, it's tough to sift through it all. So here's a guide to some of the cool things that caught our eye this week. Read more [HERE](#).

**The Science Behind Arizona's Record-Setting Heat Wave:** In the Arizona desert, as far back as weather records go, it's never been this hot for this long. By early Monday afternoon, the temperature was 111 degrees in Tucson, the first in a forecasted series of a record-setting seven consecutive days with highs above 110, the longest streak in city history. (The previous record, should it fall, was six days in a row in 1994.) In Phoenix, just to the north, temperatures were even hotter as they . The National Weather Service is calling the heat wave "extreme even by desert standards." The atmospheric culprit for the heat is a very intense high pressure, which is itself setting records. Though the statistical databases show this high of high pressure to be an approximately one-in-200-year event, these events have been occurring more often lately—with the last one happening just last year. Read more [HERE](#).

**10-Foot Gator Roped & Wrangled Off Texas Ranch:** A Texas rancher lassoed a 10-foot alligator and wranglers crawled atop the thrashing reptile's back after it got a little too close to the landowner's cattle. Bystanders shot video of the recent takedown near Hawkins, a town about 100 miles (east of Dallas. Byron South of Convergent Hunting Solutions says he got a call from the landowner, Hal Conover, after the alligator broke into a pen where he was weaning calves. Game wardens were also summoned. South

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**Beef Tenderloin  
Stuffed w/Herb Pesto**

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told The Associated Press that Conover was able to throw a rope around the reptile. The video later shows two men atop the gator as it thrashes and bites one man's hand. The man suffered minor injuries. The alligator was eventually loaded into a trailer and hauled to a wildlife park. Check out the video [HERE](#).



### May 2017 was the 2nd Warmest May On Record

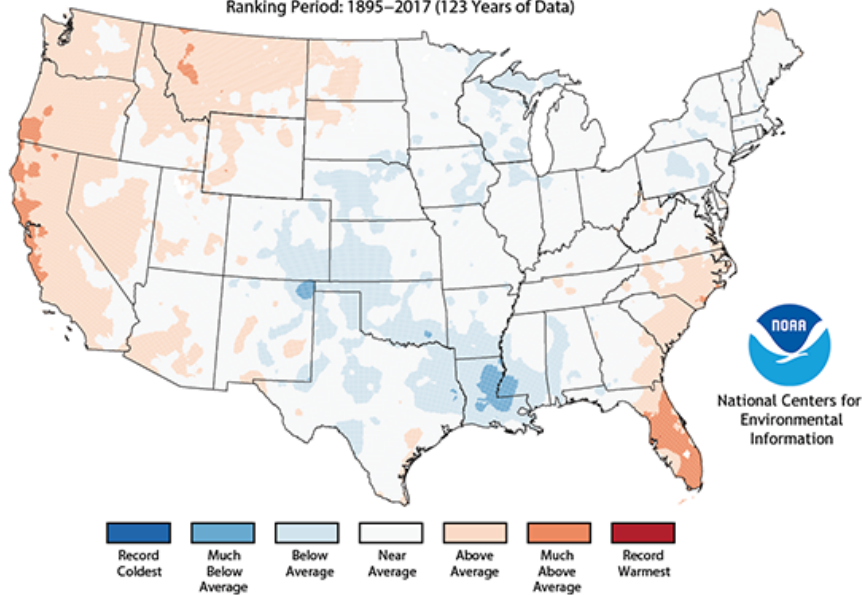
Last month was the second warmest May on record -- in terms of global average surface temperatures. It was only a tenth of a degree behind the current record holder, May of 2016. Overall, global temperatures during May 2017 were about +1.6 degrees F higher than normal based on newly released data from NASA. As one can see in the image below, higher than normal temperatures encompassed much of the globe with particularly abnormal temperatures being observed in some parts of Antarctica, Northern Africa, and Western Europe. In fact, parts of Antarctica actually recorded temperatures +13.8 degrees F higher than normal, which are prompting some scientist to argue that parts of Antarctica are likely becoming far less stable than previously assumed. With May in the record books, NASA data also shows this is the second-warmest Spring on record, again trailing only 2016. When looking at the first five months of the year, it's highly likely this will go down as the second-hottest year on record trailing only 2016. The good news is we are actually a bit cooler than last year, so perhaps the trend is changing... As for spring rains, the precipitation total was 9.39 inches, +1.45 inches above the 20th century average. Above-average precipitation fell across the Northwest, Central Plains, Mid-Mississippi Valley, Great Lakes, and Mid-Atlantic. The Northern Plains, Southwest, and Florida were drier than average. Below are a few more interesting highlights from the [NOAA's](#) monthly summary for May:

- *Drought? On May 30, 5.3% of the contiguous U.S. was in drought, up slightly from early May. Drought improved in the Northeast, Mid-Atlantic, and Southeast. Drought worsened in the Northern and Southern Plains and in Florida.*
- *Record Spring Rains: January-May precipitation records were set in the Northwest, Northern Rockies and Sierra Nevada mountains.*
- *Record Temps to the South: Record warm January-May temperatures were observed in the South, including FL, GA, NC, SC, and TX.*
- *Record Flooding was observed in the mid-Mississippi Valley as record and near record May precipitation fell in the Northeast, Mid-Atlantic, Mississippi Valley, and central to southern Appalachians.*

## Mean Temperature Percentiles

May 2017

Ranking Period: 1895–2017 (123 Years of Data)



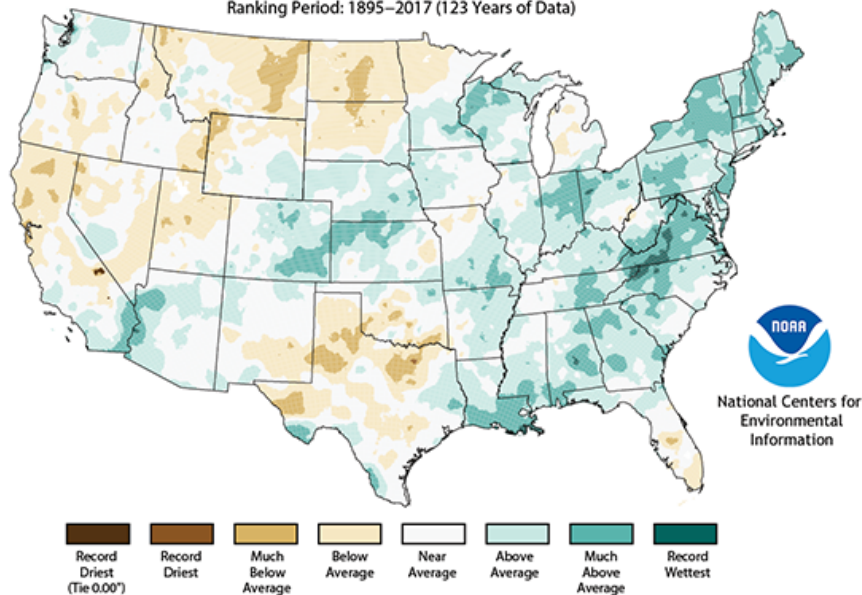
Created: Mon Jun 05 2017

Data Source: 5km Gridded Dataset (nClimGrid)

## Total Precipitation Percentiles

May 2017

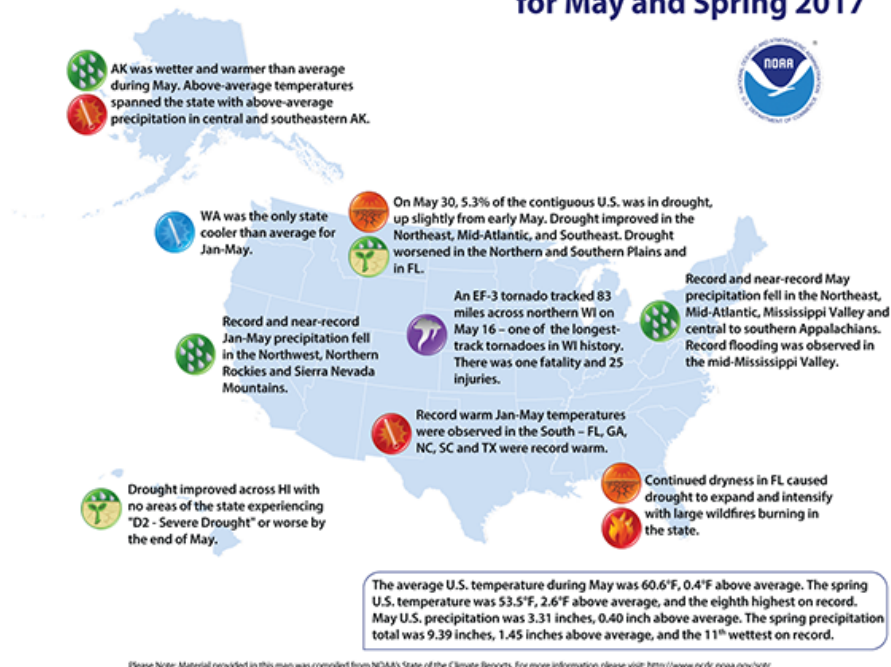
Ranking Period: 1895–2017 (123 Years of Data)



Created: Mon Jun 05 2017

Data Source: 5km Gridded Dataset (nClimGrid)

## U.S. Selected Significant Climate Anomalies and Events for May and Spring 2017



### Toyota Enters The Flying Car Market

Japanese car company, Toyota, is looking to bring flight to our everyday commutes with a new flying car. Toyota has invested in startup Cartivator Resource Management, which just recently launched its first test of an early model of their flying car, SkyDrive. Apparently, the first test didn't go very smoothly. It finally got off the ground after several false starts, only to crash-land after rising about six feet. Cartivator's proposed SkyDrive would be able to fly approximately 33 feet above the ground at up to an amazing +60 miles per hour. The Cartivator team began developing SkyDrive in 2014. With Toyota now backing the project, the company will now be able to build a full scale prototype for a manned test flight. The company hopes to meet that goal by no later than 2019, and they hope to have a fully working model completed in time to light the torch at the 2020 Olympics in Tokyo. Skydrive features technology commonly found in drones that include the use of four rotor blades. By varying the speed of each rotor the direction of travel can be controlled. The vehicle will also use vertical takeoff and landing technology, which means it will not require roads or runways. They already have some competition for their flying car. The Kitty Hawk Flyer from Larry Page-backed ZeeAero and Lilium, which is another startup that has already successfully tested their version. However, neither of those two models have wheels, which makes them more like drones than cars. The goal of Cartivator's is to deliver a seamless transition from driving to flight, like the world of "Back to the Future," said the project's leader Tsubasa Nakamura. If all goes to plan, the idea is then to commercialize a flying car directly after the Olympics. Before drivers take to the skies a lot of issues will need to be answered. New laws and new ground and aerial traffic rules will need to be adopted. Testing along with certifying aircraft in the U.S. requires millions of dollars and the cooperation of federal regulators, so successfully launching something like this isn't as easy as some are making it seem. (Sources: Quartz, Engadget)





### Some Say He Pitched In The Big Leagues At 73 Years of Age...

A few weeks back, three of my college teammates and I hooked up for the first time in 30 years to play in a charity golf scramble. The event benefited the Derrick Thomas 3rd and Long Foundation, which reaches into urban communities to assure kids know how to read. The event paired each foursome with a local celebrity. We were honored to be paired with Bob Kendrick, the executive director of the Negro Leagues Baseball Museum, here in Kansas City. Bob is a great historian and I highly recommend you stop by the museum next time you are in the Kansas City area. Bob was passing along some of his best stories at with me, and I started asking him questions about Leroy "Satchel" Paige, one of the more famous players who played for Kansas City Monarchs. I had no idea that Paige pitched arguably into his 70's. Yes, you read that right, Satchel Paige may have been pitching in the big leagues at the age of 73. Kendrick told us that on September 25, 1965, a 59-year-old Satchel Paige took the mound for the Kansas City Athletics in a game against the Boston Red Sox. I'm told the aging pitcher jokingly sat in a rocking chair and had a "nurse" attend to him during the game, but he went on to chalk up three scoreless innings only giving up one hit. Most people think the Redsox episode was Satchel's last hurrah, but according to Hendricks, Satchel threw two more innings in a Spring League game after being hired by the Atlanta Braves as a pitching coach, which is officially recorded in the history books at the age of 63. What's most interesting is during the two innings he pitched against the Richmond Braves he not only sent all six men back to the dugout, but Hank Aaron was one of them. Where the story gets crazier is when Kendrick tells me, they believe Satchel's birth certificate had been altered by more than likely about 10 years. Making him 73 rather than 63 when he last stepped on the mound. WOW! His more than 40-year playing career made his age a constant topic of debate in the media. Many reporters always believed he was born in the 19th century, rather than the 1906, which later showed up on his birth certificate. Paige always said his original birth certificate was eaten by his family goat. Some even offered a cash reward to anyone that could find proof of his age. Kendrick shared with us. In 1959, Paige's own mother told a reporter he was several years older than what they were reporting. Satchel passed away at his home in Kansas City at the age of 75 or perhaps 85, you decide. In 2010 a sportswriter, Joe Posnanski, writing for Sports Illustrated named Paige as the hardest thrower in the history of baseball. Below are some more interesting facts about the great Satchel Paige:(Source: History, Bleacher Report)

**Pitching Your Way Out:** *After being caught shoplifting Paige landed in the Alabama Reform School for Juvenile Negro Lawbreakers. It was during this stint I'm told that his powerful arm caught the attention of coach Moses Davis, who first taught him the high leg kick that became a trademark of his windup. Paige went on to sign his first professional baseball contract only a few years after his release. "You might say I traded five years of freedom to learn how to pitch," he later said.*

**Traveling Man:** *Paige was a baseball nomad who was known for "jumping" between clubs in search of bigger paychecks. It sounds to me like he may have started free agency. Along with suiting up for a merry-go-round of American teams in the minor, major and Negro leagues, he also hired out his famous right arm to foreign clubs in places like Cuba, Mexico, Puerto Rico and Canada. When he wasn't busy with professional ball, he would barnstorm his way across the country playing exhibition games, often sleeping in his car and pitching day after day.*

**P.T. Barnum Of The Diamond:** *As I understand it, Paige was also a well-versed showman. One of his favorite moves was to call in his outfielders and then singlehandedly strike out the other side. According to Paige, an even more famous stunt came during a Negro League World Series game in 1942, when he intentionally walked two batters so that he could face power hitter Josh Gibson with the bases loaded. After taunting Gibson and warning him about where he intended to place each throw, Paige struck him out in three pitches. I would love to see what would happen in the modern game if a pitcher tried that!*

**What's It Called??:** *Paige typically relied on his scorching fastball to strike out batters, but he gave the pitch a litany of different names including "Bat Dodger," "Thoughtful Stuff" and "Long Tom." He was particularly fond of hurling the "Bee-Ball"—a pitch with so much zip that it supposedly buzzed like a bee as it sailed into the catcher's mitt. As the years passed and his power faded, he fell back on an arsenal of trick pitches such as the "Midnight Creeper," the "Wobbly Ball" and the "Whipsy-Dipsy-Do." One of his favorites was the "Hesitation Pitch," which saw him pause mid-delivery to fool batters into swinging early. The throw usually worked like a charm, but Major League managers complained about it so much that it was eventually made illegal. Did anyone tell Cueto?*

**Missed It By That Much:** *Many believed Paige would be the first man to break baseball's color barrier, but his advanced age saw him passed over in favor of Jackie Robinson, who made his debut for the Brooklyn Dodgers in April 1947. Paige didn't get a crack at the Major Leagues until over a year later, when Cleveland Indians owner Bill Veeck picked him up to bolster his bullpen for the pennant race. Despite facing constant discrimination and being old enough to be many of his teammates' father, the 42-year-old rookie didn't disappoint. His first start drew a record 72,000 fans, and he finished the season with a 6-1 record and a 2.48 ERA. Paige later threw for part of an inning during Cleveland's World Series run, making him the first black player in history to pitch in the Fall Classic. Not much to say but impressive!*

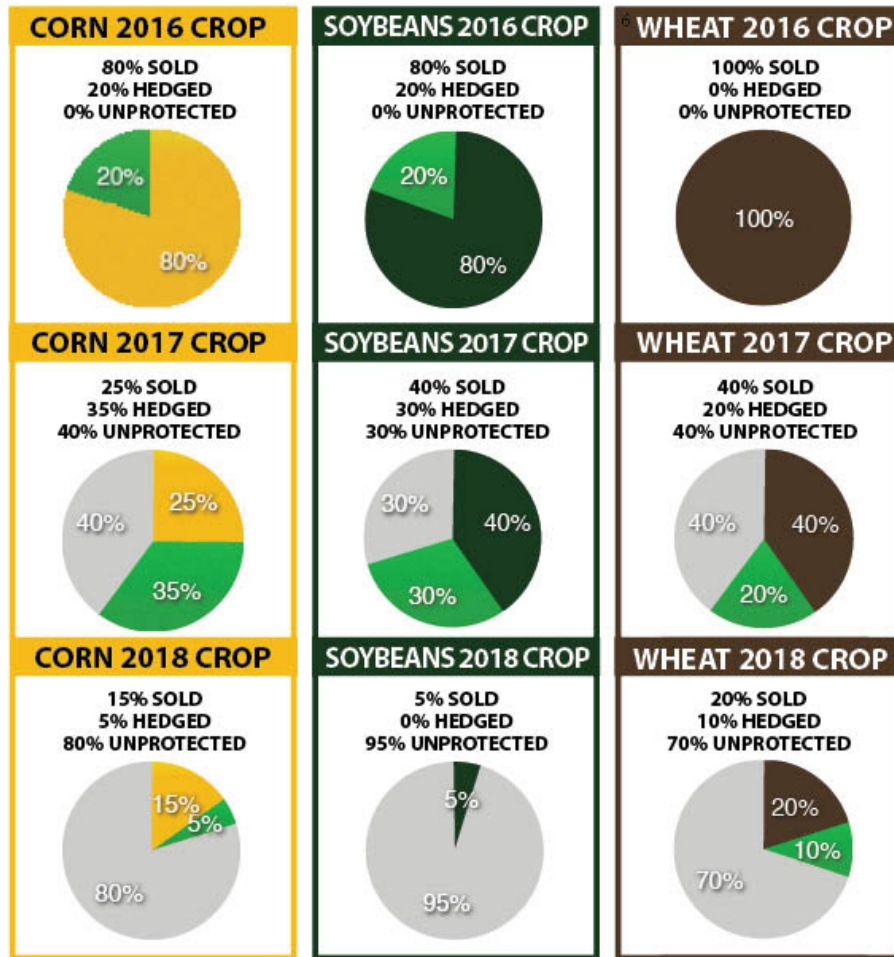
**Getting His Due:** *In the 1960s, many fans and fellow players began pushing for Paige to be the first Negro League player inducted into the Baseball Hall of Fame. He finally won selection in 1971, but a controversy broke out after it was announced that Paige and other Negro League heroes would be "segregated" in their own wing of the Hall. The decision was reversed after a public outcry, and on August 9, the 65-year-old pitcher appeared in Cooperstown, New York for his induction ceremony. He used his acceptance speech to reflect on his long career, his battles against racism and his life philosophy. "Don't look back," he quipped at one point. "Something might be gaining on you." It good to see that common sense won the day and to hear sound wisdom from a veteran player!*





## CASH SALES & HEDGING TOTALS





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