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Tim Francisco <info@farmdirection.com>

GOOD MORNING: 07/11/17 Farm Direction - VanTrump Report

1 message

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

Tue, Jul 11, 2017 at 6:51 AM

The VAN TRUMP Report

"Nearly all men can stand adversity, but if you want to test a man's character, give him power." **– Abraham Lincoln**

TUESDAY, JUNE 11, 2017

Printable Copy or Audio Version

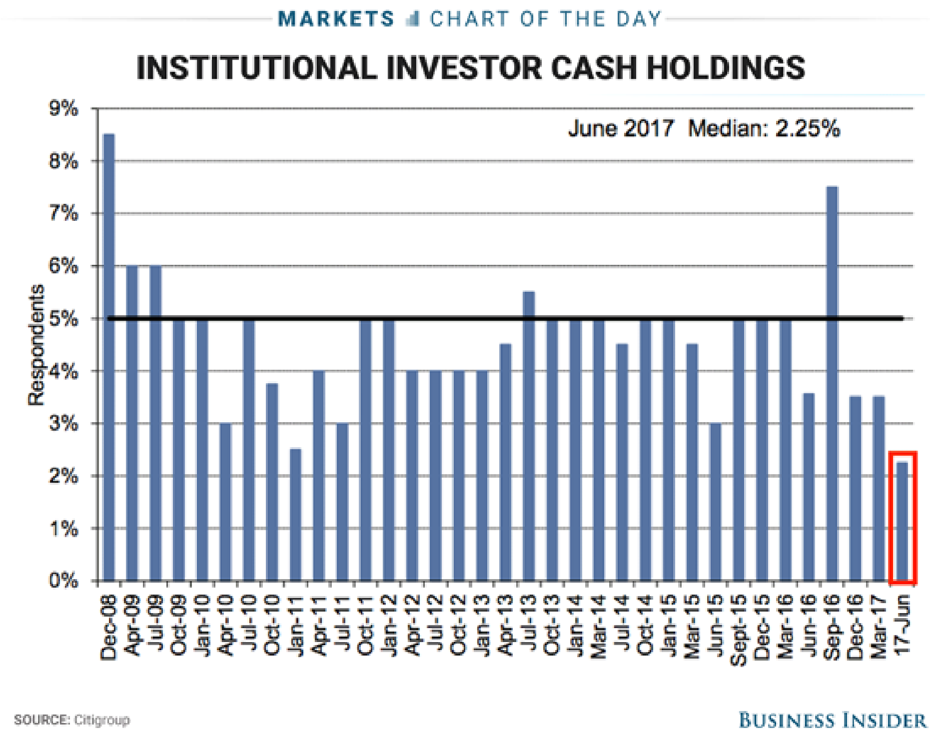
Morning Summary: U.S. stocks start the week on a flat note with trading volume still on the light side and investors waiting to digest more significant data coming up in the days ahead. Today brings Wholesale Trade and the Labor Department will release its Job Openings and Labor Turnover Survey (JOLTS) report, which will provide some deeper insight into the U.S. job market. Investors are particularly interested in the job openings rate versus the hiring rate. So far this year, openings have been running about 1 million above totals for hiring indicating that employers are struggling to finding qualified workers. Also on the calendar today, Fed Governor Lael Brainard and Minneapolis Fed President Neel Kashkari will both be delivering speeches. Traders are going to be listening intently to any thoughts they might have on the tight labor market and how it may - or may not - impact inflation. The bigger highlights for the week are still to come, including Fed Chair Janet Yellen's biannual testimony before Congress on Wednesday and Thursday, and more second-quarter corporate earnings results. Capital Hill is also back in the headlines this week, with GOP Senators indicating they will release their new healthcare bill as soon as Thursday, and a possible floor vote by the end of next week. There is also new talk that conservative members of the House Freedom Caucus will block any spending bill that doesn't include funding for the border wall with Mexico. That in turn is bringing about headlines that could lead to a government shutdown. Internationally, North Korea remains a thorn in Washington's side and the White House is still not getting support from China. Apparently President Trump plans to move ahead with tightening sanctions on North Korea by targeting Chinese companies and banks, which some political insiders say are funneling cash into North Korea's weapons program. The U.S. would obviously prefer a collaborative effort involving China and backed by the U.N., but China continues to resist such moves over fears of a North Korean regime collapse. The independent move by the U.S. could exacerbate existing tensions between the U.S. and China, and what's more, comes just as the Trump administration is trying to gain greater access to the Chinese market for U.S. companies. This could be a tough balancing act... pay very close attention!

> **Aramco Chief Warns Of Looming Oil Shortage:** *Saudi Aramco CEO Amin Nasser is warning the world could be heading for an oil supply shortage following a steep drop in investments and a lack of fresh conventional discoveries. Nasser acknowledged that unconventional shale oil and alternative energy resources are an important factor to help meet future demand but says "it is premature to assume that they can be developed quickly to replace oil and gas." Nasser says the picture for long-term supplies of the fuels is looking increasingly worrisome. "Financial investors are shying away from making much needed large investments in oil exploration, long-term development and the related infrastructure. Investments in smaller increments such as shale oil will just not cut it," Nasser said. According to Nasser, about $1 trillion in investments have already been lost since a decline in oil prices from 2014. Studies show that 20 million barrels per day of new production will be needed to meet demand growth and offset natural decline of developed fields over the next five years. However, new discoveries are on what he calls a "major downward trend", warning if it continues over the next couple of years there will come a point that the market flips from a global surplus to a global deficit. (Sources: Reuters, CNBC)*

Today In History

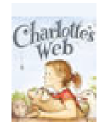
1804, Burr & Hamilton Duel - In a duel held in Weehawken, New Jersey, Vice President Aaron Burr fatally shoots his long-time political antagonist Alexander Hamilton. Hamilton, a leading Federalist and the chief architect of America's political economy, died the following day. Alexander Hamilton, born on the Caribbean island of Nevis, came to the American colonies in 1773 as a poor immigrant. (There is some controversy as to the year of his birth, but it was either 1755 or 1757.) In 1776, he joined the Continental Army in the American Revolution, and his relentless energy and remarkable intelligence brought him to the attention of General George Washington, who took him on as an aid. Ten years later, Hamilton served as a delegate to the Constitutional Convention, and he led the fight to win ratification of the final document. With the emergence of political parties, Hamilton was regarded as a leader of the Federalists. Aaron Burr, born into a prestigious New Jersey family in 1756. He joined the Continental Army in 1775 and distinguished himself during the Patriot attack on Quebec. A masterful politician, he was elected to the New State Assembly in 1783 and later served as state attorney. In 1790, he defeated Alexander Hamilton's father-in-law in a race for the U.S. Senate. Hamilton came to detest Burr, whom he regarded as a dangerous opportunist, and he often spoke ill of him. In 1804, Burr found himself running for governor of New York. Hamilton campaigned against Burr with great fervor and in the end he lost the election. In the campaign, Burr's character was savagely attacked by Hamilton and others, and after the election he resolved to restore his reputation by challenging Hamilton to a duel, or an "affair of honor," as they were known. On July 11, 1804, the enemies met at 7 a.m. at the dueling grounds near Weehawken, New Jersey. There are conflicting accounts of exactly what

Is Investor Confidence Waving A Red Flag? *Cash is an ideal destination for nervous traders — or those who don't think an investment of any sort is worth the risk. As such, many believe cash holdings are a trustworthy gauge for investor confidence. Currently, institutional investors are holding roughly 2.25% of assets under management in cash, the lowest since at least the start of the eight-year bull market, according to survey data compiled by Citigroup. It marks a significant drop from the quarter ended September 30, 2016, when those same traders held about 7.5% of holdings in cash, the most since 2008. The large decline in cash holdings shows "investors are chasing the tape and putting money to work," Citigroup chief US equity strategist Tobias Levkovich wrote in a client note. The reduction in cash holdings is an interesting twist for a stock market landscape that's long been buoyed by the presence of money on the sidelines. Throughout the past couple years, bulls have cited that excess capital as waiting to flood back into stocks, pushing the market higher. With that cash somewhat depleted, the argument holds less water, and a red flag has been raised by some who steadily track the data. Eventually, cash holdings will dwindle to a level where traders are fully invested and traders' options become fairly limited: they can either take the money back out, or pull cash from other asset classes. (Source: Business Insider)*



Amazon Prime Day *is underway and supposedly there are some huge deals and savings being featured on their site. You can shop via voice if you have an Amazon Alexa or you can find some of the featured Prime Day Deals HERE. I hear there are some major savings on electronics, tv's, kitchen essentials, fashion, tablets, etc... Remember thousands of deals will change and pop up as quickly as every five-minutes. Another option is to use CamelCamelCamel. This site tracks the price history of all products on Amazon. You can have it send you a notification when an item's price drops below a certain point. For instance, you can have it warn you if the Sony PS4 drops below $200 or when the Nintendo Switch comes back in stock. Alerts are delivered via e-mail, Twitter, or RSS feed. The Prime Day Sale will run until 2:00am CST.*

transpired, but there is one thing which is irrefutable: Burr shot Hamilton in the stomach, and the bullet lodged next to his spine. Hamilton was taken back to New York, and he died the next afternoon.

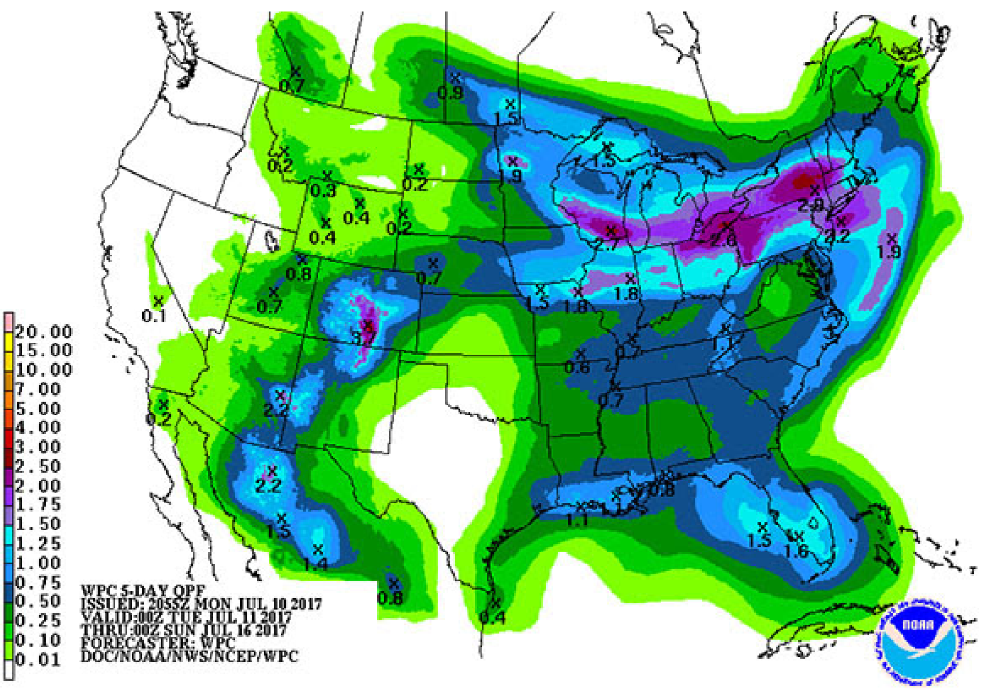


1899, E.B. White - Author of the popular children's novels "Charlotte's Web," "Stuart Little" and "The Trumpet of the Swan," E.B. White is born in Mount Vernon, New York. White, a longtime contributor to The New Yorker magazine who was known for his graceful, witty prose, also updated and expanded "The Elements of Style," an English usage guide that remains a standard text for many high school and college students. Elwyn Brooks White was the son of a piano manufacturer and the youngest of six children. He attended Cornell University, where he edited the school newspaper and was dubbed Andy. After graduating from Cornell in 1921, White worked as a newspaper reporter and a production assistant and copywriter for an advertising agency. In 1927, he joined the staff of The New Yorker, which had been founded two years earlier. White, along with his friend and fellow writer James Thurber, is credited with playing a central role in shaping the magazine's tone and direction. For over 50 years, White contributed essays, poems and other pieces to the publication. In the 1930s, White and his wife, Katherine Sergeant Angell, a writer and editor whom he met at The New Yorker, moved to a farm in Maine. In 1945, he published his first children's novel, "Stuart Little," about a mouse born into a human family. The book was followed in 1952 by "Charlotte's Web," about a pig on a farm who is saved from being slaughtered with the help of a spider named Charlotte. The story was inspired by life on White's own farm. His third children's book, "The Trumpet of the Swan," about a swan born without a voice, was published in 1970. All three works were critical and commercial successes, selling millions of copies. White received numerous awards during his career, including an honorary Pulitzer Prize in 1978 for the body of his work. He died at age 86 on October 1, 1985, at his home in North Brooklin, Maine, after suffering from Alzheimer's disease. At a memorial service, New Yorker writer Roger Angell said of his famously shy stepfather: "If E.B. White could be here today, he wouldn't be here."

1916, National Highways - In a ceremony at the White House, President Woodrow Wilson signs the Federal Aid Road Act. The law established a national policy of federal aid for highways. From the mid-19th century, the building and maintenance of roads had been seen as a state and local responsibility. As a result, America's roads were generally in poor condition

Weather on the Plains is seeing ongoing heat boost irrigation demands and further stress rangeland, especially on the northern Plains. Over the weekend, daily record high temperatures across the drought stricken northern Plains included 106 degrees F in Rapid City, South Dakota and 99 degrees F in Great Falls, Montana. Drought has begun to expand into Nebraska, where Sunday's temperatures soared to 109 degrees F in parts. On the Corn Belt, large clusters of thunderstorms are helping to ease pockets of short-term dryness and providing generally beneficial moisture for vegetative to reproductive corn and soybeans. In addition, temperatures remain below stressful thresholds for Midwestern summer crops. Showers and thunderstorms will continue across the eastern one-third of the U.S., where 5 day rainfall totals could reach 1 to 3 inches or more. The greatest concentration of thunderstorms should stretch from the Midwest into the Northeast. Showers will be spottier across the Plains, with minor drought relief possible on the northern Plains as a weather system moves through prior to mid-week. Dry weather will be primarily contained to the southern Plains and the West Coast States, while another round of record breaking heat could reach the northern high Plains late in the week. The 6 to 10 day outlook for July 15 - 19 calls for near to above normal temperatures nationwide, with the northern Plains experiencing the greatest likelihood of hot weather. Meanwhile, below normal rainfall across the Plains, Midwest and Northwest will contrast with wetter than normal weather in the Southwest, as well as the southern Atlantic States and areas along the Gulf Coast.

Heavy Rains in the Upper Midwest: *The 5-day rainfall map below shows stormy weather is crossing the upper Midwest and will drop anywhere from 1 to 3 inches. Expect the distrubance to last through Wednesday.*



Corn bulls continue to talk about extreme heat in key U.S. growing regions. There's also the continued concerns surrounding the dry conditions in the western Plains, portions of the Dakota's and problems in the eastern belt. I've actually started hearing a few sources talk about the potential of a sub-160 type U.S. yield. In response to the

roads were generally in poor condition, especially in rural areas. Serious consideration of a federal road program began in early 1916. There were two competing interest groups at stake: Farmers wanted sturdy, all-weather post roads to transport their goods, and urban motorists wanted paved long-distance highways. The bill that both houses of Congress eventually approved on June 27, 1916, and that Wilson signed into law that July 11, leaned in the favor of the rural populations by appropriating $75 million for the improvement of post roads. It included the stipulation that all states have a highway agency staffed by professional engineers who would administer the federal funds and ensure that all roads were constructed properly. In addition to enabling rural Americans to participate more efficiently in the national economy, the Federal Aid Road Act was a precursor to the Federal Highway Act of 1921, which provided federal aid to the states for the building of an interconnected interstate highway system.

Upcoming Events

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

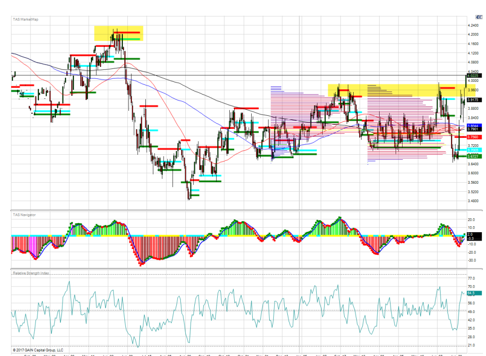
Fri. 8/10 - USDA Supply and Demand

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

Tues. 8/22 - Cold Storage

Fri. 8/25 - Cattle on Feed

Chart Of The Week



Sept Corn

Monday's breakout and close on 1-year highs could help to attract technical buying. Old resistance at 3.96 becomes new support. Next upside target is 4.20.

recent weather complications the USDA adjusted their weekly crop-condition estimate lower from 68% down to 65% rated "Good-to-Excellent", which compares to 76% rated "Good-to-Excellent" last year at this time. The USDA also showed just 19% of the crop is "silking", which is well behind last years 30% and the 5-year average of 27% by this date. In other words a larger percentage of the U.S. crop will be pollinating in what appears to be extreme heat. Don't forget the monthly USDA numbers will be out tomorrow. The USDA generally doesn't like to make a major yield adjustment in the July report, but with weather this extreme in some locations there's a chance they could adjust production lower ahead of the August farmer survey's. As a producer, I've lifted our new-crop put hedges, and used the rally to build a slightly larger floor out in the 2018 crop. I like the thought of building a safety net in the $4.20 range vs. the DEC18 contract. Yes, weather is causing some serious concerns and I do believe prices could push higher, but reducing risk at profitable levels remains my primary focus. Trying to predict the high in a weather market can be extremely dangerous. This is NOT the time to be moving our goalpost! I broke down the numbers from yesterday's crop-condition report. Inside the data you can see that states showing conditions better than last year account for just 9.35 million planted acres. On the flip side, states showing conditions worse than last year account for 74.3 million planted acres. Below are some other interesting thoughts:

> **South Dakota, North Dakota, and Indiana**, *the states reporting conditions anywhere from -26% to -30% worse than last year, account for a combined 14.4 million planted acres, or about 16% of our total U.S. corn acres planted. Ironically, they also combine to account for about 15% of our total U.S. corn production.*
>
> **Ohio, Wisconsin, and Colorado,** *all three states showing conditions -17% worse than last year, account for a combined 8.95 million acres, or about 10% of our planted corn acres.*
>
> **Illinois and Nebraska,** *both states now reporting double-digit drops in conditions compared to last year, accounting for a combined 20.9 million acres, or about 23% of our total U.S. corn acres. Combined they actually account for about 26% of our nations total corn production.*
>
> **Iowa's conditions** *are also starting to deteriorate, as state that last year produced over 18% of our nations corn. Keep in mind Iowa produced the most corn in the United States in 2016 followed by Illinois & Nebraska. Iowa and Illinois both produced over 2 billion bushels in 2016. Followed by Nebraska, Minnesota, Indiana, South Dakota, Kansas, Wisconsin, Missouri, Ohio and North Dakota.*

State Conditions "Better Than" Last Year... Total Combined Acres Planted For The States Below = 9.35 Million

- *North Carolina +15% better than last year... 82% vs. 67% GD/EX - 0.880 million acres planted.*
- *Kentucky +13% better than last year... 87% vs. 74% GD/EX - 1.35 Million acres planted.*
- *Tennessee +13% better than last year... 91% vs. 78% GD/EX - 0.840 Million acres planted*
- *Michigan +8% better than last year... 67% vs. 59% GD/EX - 2.5 Million acres planted.*
- *Pennsylvania +5% better than last year... 81% vs. 76% GD/EX - 1.4 Million acres planted.*
- *Texas +1% better than last year... 67% vs. 68% GD/EX - 2.4 Million acres planted.*

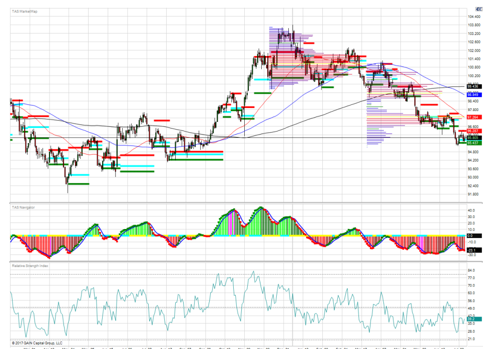
State Conditions "Worse Than" Last Year... Total Combined Acres Planted For The States Below = 74.30 Million

- *South Dakota -30% worse than last year... 37% vs. 67% GD/EX - 5.2 Million acres planted*
- *North Dakota -26% worse than last year... 52% vs. 78% GD/EX - 3.7 Million acres planted.*
- *Indiana -26% worse than last year... 48% vs. 74% GD/EX - 5.5 Million acres planted.*
- *Ohio -17% worse than last year... 53% vs. 70% GD/EX - 3.5 Million acres planted.*
- *Colorado -17% worse than last year... 67% vs. 84% GD/EX - 1.4 Million acres planted.*
- *Wisconsin -17% worse than last year... 69% vs. 86% GD/EX - 4.05 Million acres planted.*
- *Illinois -13% worse than last year... 63% vs. 76% GD/EX - 11.1 Million acres planted*

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.**

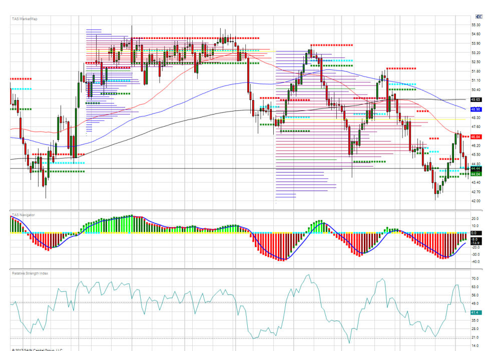
Outside Markets



US Dollar Index

The Dollar is in a short term neutral trading range between 95.437 and 96.287. A close below or above either of these levels could help to set trend direction.

Enlarge US Dollar Index Chart »



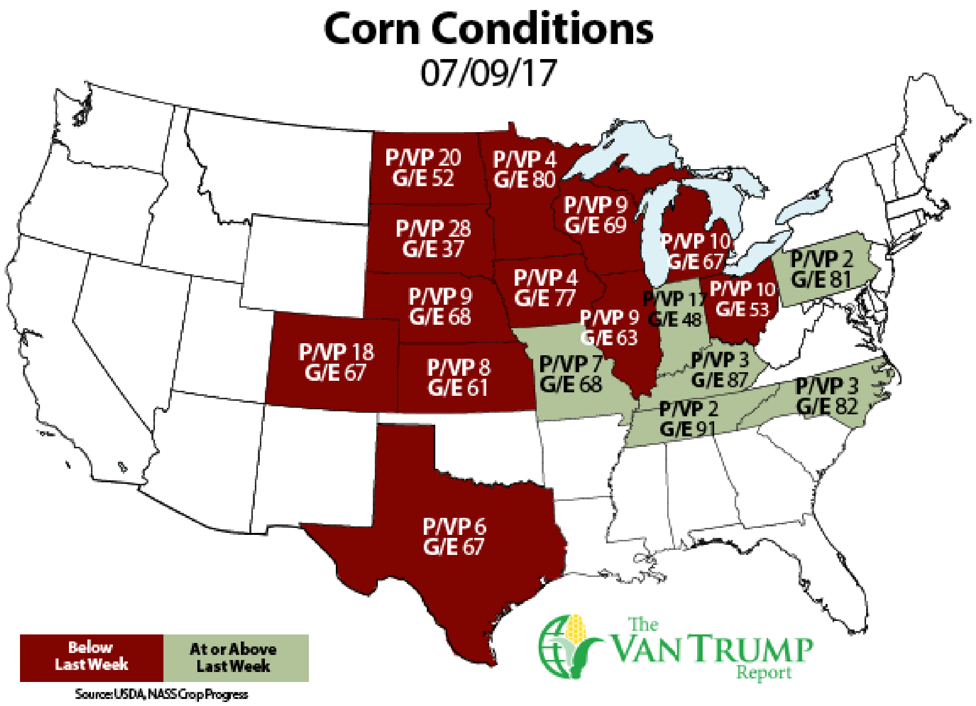
Crude Oil

Crude oil is finding support at the TAS demand level (green dots at 44.04). Momentum is ascending upward which could help to reinforce a higher trade if 44.51 is taken out.

Enlarge Crude Oil Chart »

planted.

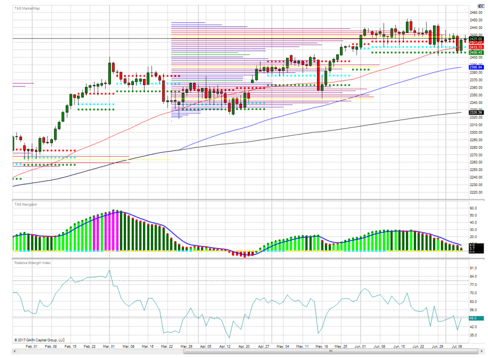
- *Nebraska -12% worse than last year... -68% vs. 80% GD/EX - 9.8 Million acres planted.*
- *Kansas -6% worse than last year... 61% vs. 67% GD/EX - 5.3 Million acres planted.*
- *Missouri -3% worse than last year... 68% vs. 71% GD/EX - 3.25 Million acres planted.*
- *Iowa -2% worse than last year... 77% vs. 79% GD/EX - 13.5 Million acres planted.*
- *Minnesota -1% worse than last year... 80% vs. 81% GD/EX - 8.0 Million acres planted.*



Soybean bulls are happy to see the USDA further lower crop-conditions, which are down from 64% last week to 62% rated "Good-to-Excellent" this week. This is well below last years 71% rating, and has the trade buzzing about lower yields. The USDA reported 34% of the U.S. soybean crop is "blooming", which is slightly ahead of average, They also showed that 7% of the crop is "setting pods", also slightly ahead of average. From a technical perspective, the new-crop NOV17 contract is trading at levels it hasn't seen since the summer of 2014. Breaking-out to the upside in a weather market makes it extremely difficult to forecast resistance levels, but I suspect the trade will start targeting larger more psychological numbers like $11.00 or perhaps even $12.00 should the weather headlines continue to cause concern. Eventually however weather headlines subside and we are left to trade demand. As a producer I'm staying patient in regard to making any additional new-crop sales. I thought I had done well to this point, but hindsight being 20/20 I should have waited a bit longer. I still have an estimated 30% I need to eventually price, but I need to stay conservative for the moment. Producers who who took a bigger gamble and have very little sold are now in a position to reap some reward in return for their risk. If prices can continue to rally, I will be making another sale and reducing some longer-term risk in the NOV18 contract. I like the thought of being able to get 20-30% priced in the $10.25 to $10.50 range. I broke down today's USDA crop-condition numbers a bit further. Inside the data you can see that states showing conditions better than last year account for just 15.9 million planted acres. On the flip side, states showing conditions worse than last year account for 69.5 million planted acres. Below are some other very interesting thoughts: Don't forget the monthly USDA numbers will be out tomorrow... stay tuned!

> **South Dakota, North Dakota, and Indiana,** *the states reporting conditions anywhere from -22% to -35% worse than last year, account for 18.5 million planted acres, or about 20% of our total U.S. soybean acres planted.*

> **Iowa, Nebraska, Ohio, and Wisconsin***, all three states now showing conditions down double-digits compared to last year, account for 22.85 million acres, or about 25% of our total soybean acres. Keep in mind last years top producing soybean state, Illinois, is close to joining the crowd, as conditions are now -8% worse than last year.*



E-Mini S&P Index

The long term bull trend is supported at 2406.50. Upward momentum has recently faded off so we will watch to see if a close below this level attracts further liquidation.

Enlarge E-Mini S&P Index Chart »

Kevin's Song of the Week

About the Report

States in Order of Top Production vs. Last Year: *IL 592,950; IA 571,725; MN 393,750; IN 324,300; NE 314,150; MO 271,460; OH 263,780; SD 255,915; ND 249,000. As you can see from the data above, a lot of the top-producing soybean states are witnessing extremely tough conditions. Several sources inside the trade believe, even though it's still extremely early, and we won't know until late-August or perhaps mid-September, there's certainly a possibility that the U.S. yield could fall below 46 or perhaps even 45 bushels per acre. Numbers that would clearly excite the bulls and paint a much different picture fro the balance sheet.*

State Conditions "Better Than" Last Year... Total Combined Acres Planted For The States Below = 15.9 Million

- *Arkansas +14% better than last year... 70% vs. 56% GD/EX - 3.5 Million acres planted.*
- *North Carolina +11% better than last year... 79% vs. 68% GD/EX - 1.7 Million acres planted.*
- *Kansas +7% better than last year... 64% vs. 57% GD/EX - 4.75 Million acres planted.*
- *Tennessee +7% better than last year... 81% vs. 74% GD/EX - 1.75 Million acres planted.*
- *Michigan +6% better than last year... 65% vs. 59% GD/EX - 2.3 Million acres planted.*
- *Kentucky +2% better than last year... 78% vs. 76% GD/EX - 1.9 Million acres planted.*

State Conditions "Worse Than" Last Year... Total Combined Acres Planted For The States Below = 69.50 Million

- *South Dakota -35% worse than last year... 34% vs. 69% GD/EX - 5.4 Million acres planted.*
- *North Dakota -26% worse than last year... 47% vs. 73% GD/EX - 7.2 Million acres planted.*
- *Indiana -22% worse than last year... 50% vs. 72%GD/EX - 5.9 Million acres planted.*
- *Ohio -15% worse than last year... 53% vs. 68% GD/EX - 5.0 Million acres planted.*
- *Nebraska -12% worse than last year... 66% vs. 78% GD/EX - 5.7 Million acres planted.*
- *Wisconsin -11% worse than last year... 74% vs. 85% GD/EX - 2.15 Million acres planted.*
- *Iowa -10% worse than last year... 67% vs. 77% GD/EX - 10.0 Million acres planted.*
- *Illinois -8% worse than last year... 66% vs. 74% GD/EX - 10.4 Million acres planted.*
- *Louisiana -7% worse than last year... 79% vs. 72% GD/EX - 1.3 Million acres planted.*
- *Mississippi 3% worse than last year... 65% vs. 68% GD/EX - 2.25 Million acres planted.*
- *Missouri -3% worse than last year... 62% vs. 65% GD/EX - 6.0 Million acres planted.*
- *Minnesota -2% worse than last year... 73% vs. 75% GD/EX - 8.2 Million acres planted.*

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!

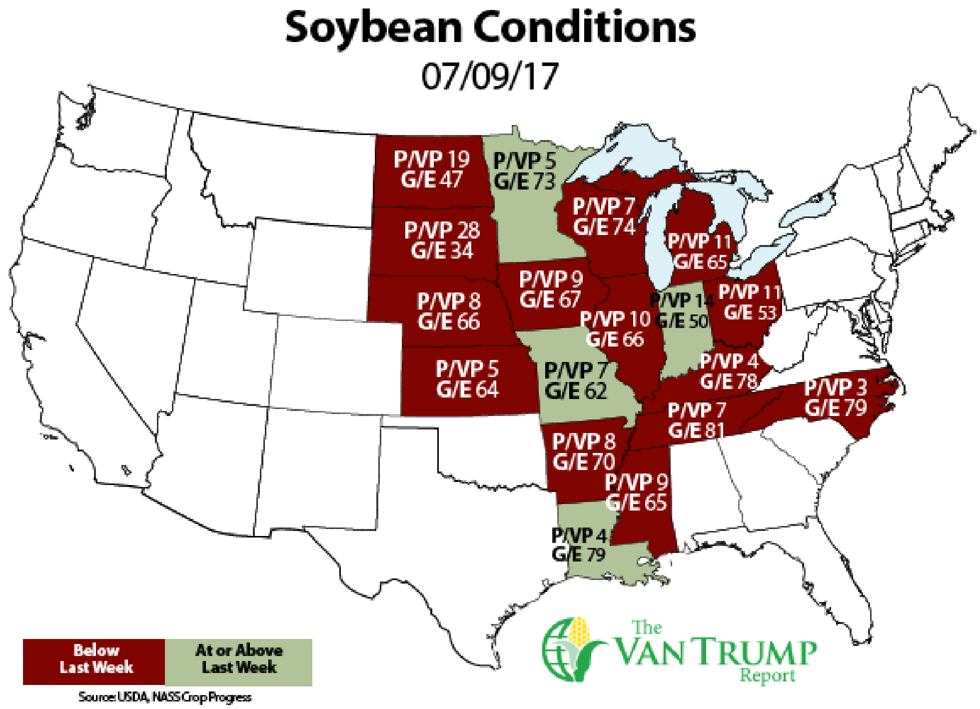
Kevin Van Trump

What Others Are Saying

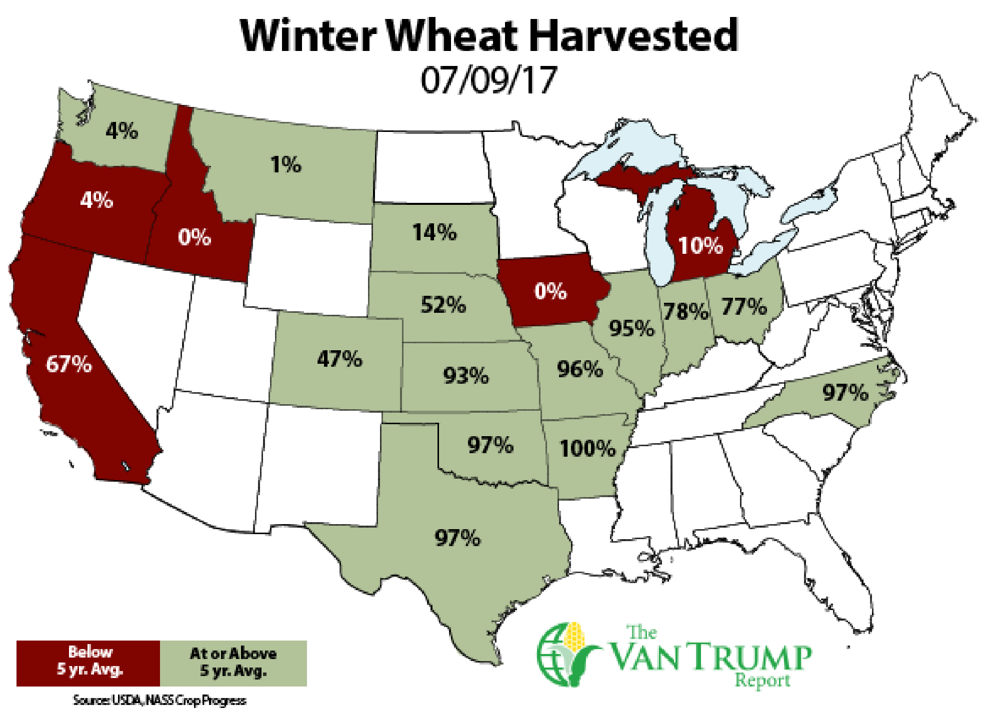
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis 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



Wheat traders are digesting another round of Spring Wheat conditions being lowered. This week the conditions were lowered from 37% down to just 35% of the crop rated "Good-to-Excellent". The USDA also reported 79% of the Spring Wheat crop was "headed", and that 67% of the U.S. winter wheat crop has been harvested, both of which are running just slightly ahead of average. As a producer I pulled the trigger on my first 2019 sales, reducing risk on -10% of my estimated production at $6.02 per bushel I also reduced the risk on another 5% of estimated 2018 production with prices in HRW north of $6.00 per bushel. I now have 75% of my risk removed in this years crop, 40% removed for the 2018 crop, and now 10% removed for the 2019 crop. As I've learned through the years, my early sales have rarely ever been my worst sales. In other words if $6.00 sales in 2019 end up being my worst, I'll be extremely happy!



U.S Grain Stocks 2016/17

	July Est.	Avg. Trade Est.	Trade Range	USDA June

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.

Corn	???	2.321	2.235 - 2.375	2.295
Soybeans	???	0.430	0.400 - 0.465	0.450

U.S Grain Stocks 2017/18

	July Est.	Avg. Trade Est.	Trade Range	USDA June
Corn	???	2.181	1.921 - 2.398	2.110
Soybeans	???	0.473	0.374 - 0.513	0.495
Wheat	???	0.876	0.757 - 0.957	0.924

World Stocks 2016/17

	July Est.	Avg. Trade Est.	Trade Range	USDA June
Corn	???	225.72	223.80 - 228.00	224.59
Sobyeans	???	93.12	92.30 - 94.00	93.21
Wheat	???	255.35	249.00 - 257.00	256.43

World Stocks 2017/18

	July Est.	Avg. Trade Est.	Trade Range	USDA June
Corn	???	195.33	190.00 - 198.77	194.33
Sobyeans	???	92.14	90.30 - 93.00	92.22
Wheat	???	257.36	250.00 - 262.00	261.19

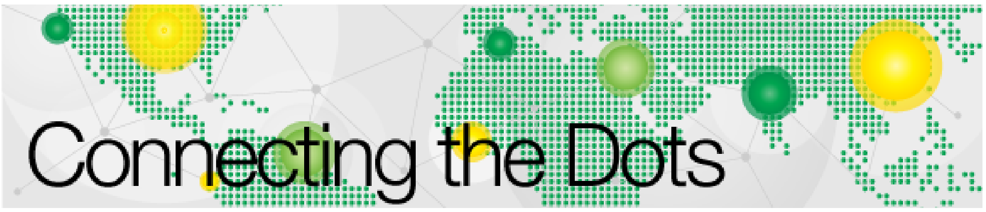
U.S. Production

	July Est.	Avg. Trade Est.	Trade Range	USDA June
Corn Production	???	14.126	13.841 - 14.253	14.065
Corn Yield	???	169.6	166.8 - 170.7	170.7
Soybean Production	???	4.243	4.164 - 4.260	4.255
Soybean Yield	???	47.9	47.0 - 49.0	48.0

U.S. Wheat Production

	July Est.	Avg. Trade Est.	Trade Range	USDA June

	July Est.	Avg. Trade Est.	Trade Range	USDA June
All Wheat	???	1.748	1.634 - 1.834	1.824
All Winter	???	1.261	1.237 - 1.280	1.250
Hard Red Winter	???	0.745	0.693 - 0.775	0.743
Soft Red Winter	???	0.303	0.296 - 0.332	0.298
White Winter	???	0.210	0.199 - 0.218	0.209



> India's Monsoon Rains Have Reached Most Of The Country: *The seasonal monsoon rains have covered most of India and the amount of precipitation so far is within expectations, the head of the country's weather office said, raising hopes for higher farm output after increased sowing of rice and soybean crops. Cumulative monsoon rains have been 2 percent below average since the beginning of the rainy season in June until July 9, India Meteorological Department (IMD) said. However, recent rains have been heavier, as in the week of July 5, the seasonal showers were 21 percent above average, the IMD said. The monsoon delivers about 70 percent of India's annual rainfall, with half of India's farm lands dependent on them for irrigation. While most of the country has received average rainfall, rains have been deficient over Kerala, a major producer of plantation crops such as tea and rubber, and Jharkhand in eastern India, a key rice producing state. (Source: Reuters)*

> Open-Air Piles Of Safrinha Corn Starting To Appear In Mato Grosso: *As the safrinha corn harvest in Mato Grosso accelerates, there are pictures circulating of trucks simply dumping corn on the ground on farms in Mato Grosso due to a lack of storage space. It is not quite as bad as it seems because central Brazil is in the midst of the annual dry season when very little rainfall is expected between June and September. Therefore, there is little risk of grain deteriorating over the next few months, but it is yet another example of the chronic lack of grain shortage in Brazil. Normally, the soybeans in Brazil are harvested between January and March and sold in time to free-up storage space for the safrinha corn, which is harvested between June and August. This year though, farmers have been withholding some of the soybeans from the market due to low prices and this is causing a lot of the corn to be piled outside. According to a report in the newspaper Gazeta do Povo, the Soybean and Corn Producers Association of Brazil (Aprosoja) estimates that only 14% of producers in Brazil have enough on-farm storage for their grain production compared to 40% in Argentina and 60% in the United States. (Source: Soybean & Corn Advisor)*

> Australian Canola Crop Dented By Dryness, Seed Shortage: *A seed shortage, besides a lack of rain, has undermined prospects for Australia's canola crop, the Australian Oilseeds Federation said, as it lowered the bar on expectations for the harvest in the key exporting country. The industry group pegged Australia's 2017-18 canola harvest at 3.12 million metric tons, a drop of -26% year-on-year. The estimate was also below forecasts from other commentators, with Abares, the official Australian crop bureau, putting the harvest at 3.32 million metric tons. Australia is the world's second-ranked exporter of canola/rapeseed, behind Canada, with market share of some 20%. The Australian Oilseeds Federation underlined the setback to canola prospects from dry weather, despite some boost to grower sentiment from "recent rains… after one of the driest June months on record in many canola growing regions". And as a further setback to harvest prospects, there is a question mark over the quality of the seed used too, with the federation reporting "commercial planting seed shortages." (Source: Agrimoney)*

> Egypt Aims To Double High-Quality Cotton Production & Export: *Egypt aims to double production of its most famous export, the silky soft cotton once known as "white gold", after a period of slumping output, an Agriculture Ministry spokesman said. Hamed Abdel-Dayem told Reuters production should rise to 1.4 million qintar (160 kg)*

Hamed Abdel Dayem told Reuters production should rise to 1.4 million qintar (100 kg) in the 2017-18 fiscal year that started in July from 700,000 qintar a year earlier. All the cotton will be exported. (Source: Reuters)

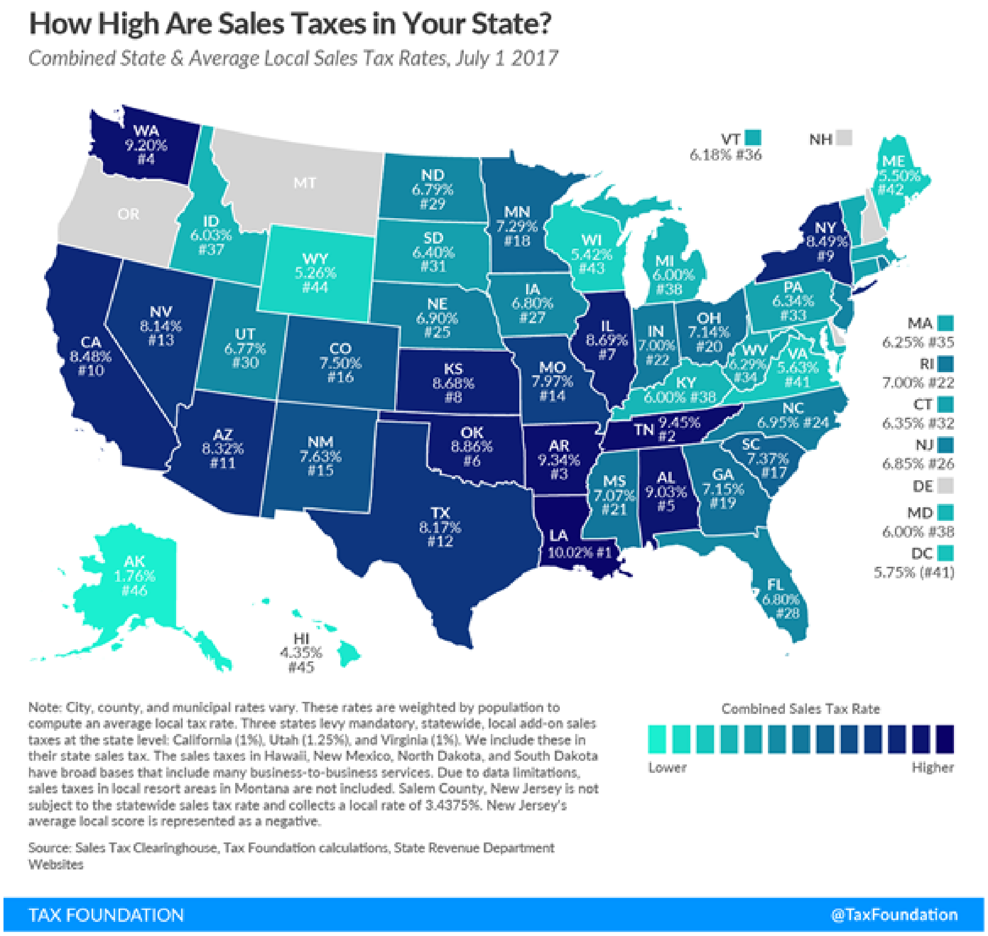
> USDA Buying $10 Million Worth Of Maine Blueberries: *For the second year in a row, the USDA is purchasing surplus blueberries from Maine to stabilize prices for growers dealing with large harvests in their state and Canada over the last three years, according to the Wild Blueberry Commission of Maine. The USDA will buy up to $10 million in frozen wild blueberries from processors and distribute them to food banks and other charitable organizations, at a time when prices for the fruit have dropped to their lowest levels in a decade. Last year, the USDA purchased $13 million worth of blueberries from Maine. (Source: Politico)*

> Judge Strikes Down Utah "Ag-Gag" Law: *A federal judge in Utah ruled that a state law barring unauthorized filming of agricultural operations violates free-speech rights, marking a victory for animal rights groups. U.S. District Judge Robert Shelby issued a 31-page ruling that rejected the defendants' arguments that free-speech rights are not guaranteed when people are on private property (like animal processing plants) and the law protects the safety of animals and workers. The plaintiffs predicted the ruling could lead to the end of similar laws in other states, although Utah officials are said to be considering their options in terms of responding to the ruling. (Source: Meatingplace)*

> Fed To Meet On Rural Opioid Crisis: *On Wednesday, House Energy and Commerce's Oversight and Investigations Subcommittee will hold a hearing on combating the opioid crisis, which is ravaging rural areas. Speakers at the hearing, subtitled "Battles in the States," include Rebecca Boss, director of the Rhode Island Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, Brian J. Moran, the Virginia Secretary of Public Safety and Homeland Security, Maryland L.t. Gov. Boyd K. Rutherford and Secretary John Tilley of the Kentucky Justice and Public Safety Cabinet. A video of the meeting will be available HERE.*

> Consumer Credit Rises At Fastest Pace In Seven Months: *U.S. consumer credit rose at a +5.8% clip, or by $18.4 billion, in May, the Federal Reserve said Monday. That's the fastest rate in seven month, and comes as revolving credit like credit cards jumped +8.7%. Nonrevolving credit, typically auto and student loans, rose +4.7%.*

> State & Local Sales Tax Rates, Midyear 2017: *Retail sales taxes are one of the more transparent ways to collect tax revenue. While graduated income tax rates and brackets are complex and confusing to many taxpayers, sales taxes are easier to understand; consumers can see their tax burden printed directly on their receipts. In addition to state-level sales taxes, consumers also face local sales taxes in thirty-eight states. These rates can be substantial, so a state with a moderate statewide sales tax rate could actually have a very high combined state and local rate compared to other states. Five states do not have statewide sales taxes: Alaska, Delaware, Montana, New Hampshire, and Oregon. Of these, Alaska and Montana allow localities to charge local sales taxes. The five states with the highest average combined state and local sales tax rates are Louisiana (10.02 percent), Tennessee (9.45 percent), Arkansas (9.34 percent), Washington (9.20 percent), and Alabama (9.03 percent). The five states with the lowest average combined rates are Alaska (1.76 percent), Hawaii (4.35 percent), Wyoming (5.26 percent), Wisconsin (5.42 percent), and Maine (5.5 percent). Click the graphic below for a larger view. (Source: Tax Foundation)*



Eastern Minnesota - *It always seems that so many fields get sprayed a week or more too late around here. We hear of spraying weeds when they're little, yet every year we can see weeds from the road. It's already too late. I am a strong believer of spraying off the calendar. 21 days after planting I believe you should spray. Ten days later spray again. Spray early and often and have clean, less weed resistance fields. Have a plan in the winter of what you're going to spray and just spray instead of waiting for weeds to germinate and grow so you can "scout" weeds when really you should have already sprayed them. Just my two sense and wish most fields would get sprayed a week early rather than a week or two late.*

Western Wisconsin - *My cleanest, best-looking beans for the date they were planted were no-tilled. Our residue also helps hold weeds back. I'm not fully no till by any means, but I sure as hell don't want to go back to moldboard plowing and cultivating 3 times a year. I custom tile a lot of different ground. I can tell you there is a big difference in the amount of top soil around. And the no till guys have healthy soil. Tillage has its place, but for those who say that it ismore sustainable than no-till is wrong. Maybe if you farm in flat North Central Illinois prairie it seems like it's a better idea. In the rolling land in far western Wisconsin, erosion is a big concern.*

Northeast Illinois - *Our corn just started tasselling this week. We had a rough start this spring and the corn is very uneven as we get in and look at it. After early rain washed away some chemicals it has been very dry since. We finally got some rain this morning. It is so bad up here that our grass is dormant and the only thing we are mowing are weeds. We are seeing more than a few Japanese Beetles and the Root Worms are heavy around here. We are avoiding hauling to the river as their basis has widened to 30 under and it is a ghost town around there. We are finding other spots at 10 under and others at 17 under.*

CROSSING WIRES

A place to share intelligent thoughts…

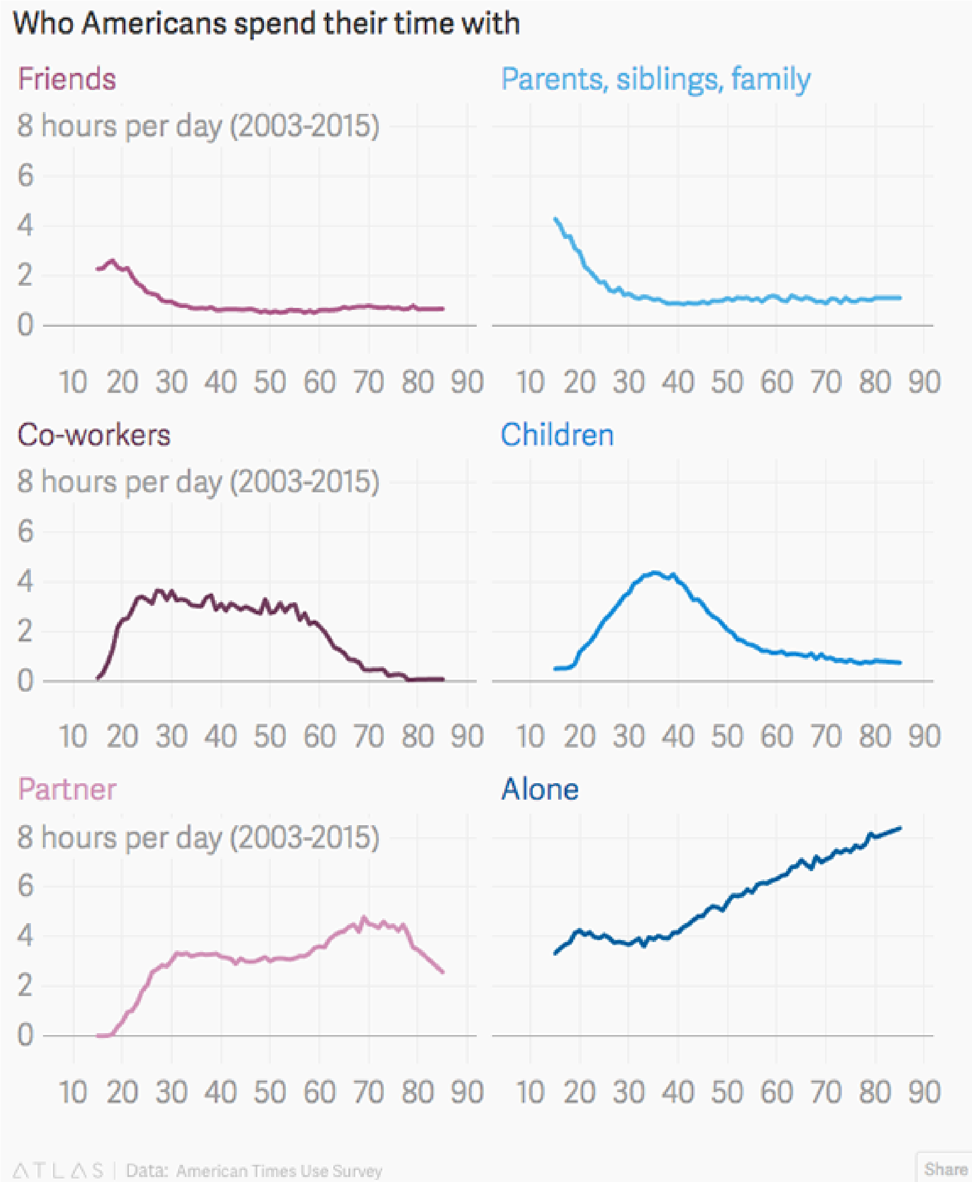
Global Food Commodity Prices Seen Remaining Low: *Global food commodity prices are projected to remain low over the next decade compared to previous peaks, as demand growth in a number of emerging economies is expected to slow down and biofuel policies have a diminished impact on markets, according to the latest 10-year agricultural outlook published by the Organization for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO). The OECD-FAO Agricultural Outlook 2017-2026 says that the completed replenishment of cereal stocks by 230 million tonnes over the past decade, combined with abundant stocks of most other commodities, should also help limit growth in world prices, which are now almost back to their levels before the 2007-08 food price crisis. Read more HERE.*

You May Be Surprised By Whom The Best Tippers Are: *Tipping isn't customary worldwide, but it's a critical source of income for nearly all American service workers. The federal minimum wage for tipped employees is just $2.13. Such workers rely on the collective whim of their customers for the remainder of their earnings. There's been a recent trend against tipping, with some restaurants factoring the service charge into the cost of their products. Famed restaurateur Danny Meyer nixed tipping at his restaurants entirely. The majority of restaurants, however, still have tipping policies. See who is tipping the most and why it is important for many workers HERE.*

Newest Mega City In China To Be Completely Powered By Renewable Fuels: *If it were in any other country, the idea of creating a new city four times the size of Manhattan powered entirely by renewable energy might sound far-fetched. Announced in April, the Chinese government has billed Xiongan as a smart city and and tech hub. Expected to cover 2,000 square kilometres in the future, it will redevelop an area in Hebei, close to Beijing. Although total electrification, including vehicles, may not be possible, the Chinese government is hoping to get as close to that goal as possible, and it intends to power Xiongan using clean energy sources. See the aggressive plan and details HERE.*

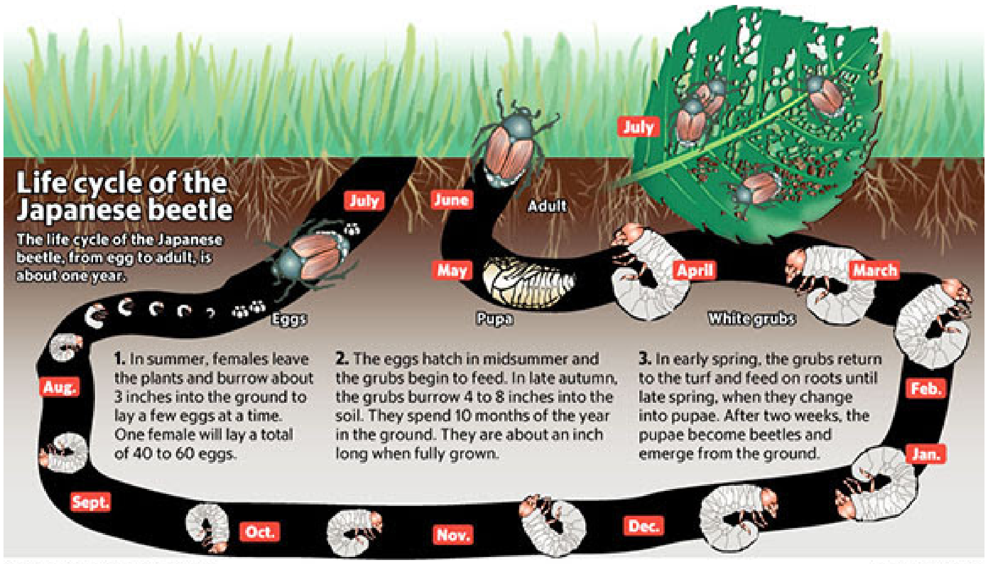
50 States, 50 Summer Food Festivals: *Summer brings barbecues and cookouts, seasonal fruits and berries, and tons of outdoor fun for foodies and families alike. Whether you're screaming for ice cream or can't get enough watermelon, there's a festival for you and your crew in July, August or early September. Check all 50 of them out HERE.*

Who You Will Spend Your Time With Across Your Lifetime: Time with friends, colleagues, siblings, and children diminishes over the course of a lifetime. The older we get, the person we spend the most time with is the one we see in the mirror. That's the conclusion of a recent, fascinating analysis of data from the American Time Use Survey, an annual census by the US Bureau of Labor Statistics of how Americans spend their hours. Data scientist Henrik Lindberg combed through results from 2003 to 2015 to determine how much of that time is spent in the company of others. More detail on his findings can be found HERE. Kind of makes me sad...



Japanese Beetle Reports Are On The Rise
There's been a lot of talk and reports circulating the past few weeks about Japanese beetles perhaps showing up in heavier doses this year in some portions of U.S. corn and soybean fields. Native to Japan, the Japanese beetle was first introduced into the U.S. in 1916. The Japanese beetle is typically found in all states east of the Mississippi River, with sporadic infestations reported in California, Iowa, Illinois, Missouri, Nebraska and Wisconsin already this year. The host range of this insect is very large, including over 300 species of plants. They often feed in clusters due to an attraction to the female sex pheromone and an attraction to volatile chemicals produced by damaged plants. This insect is generally considered a pest of soybeans due to the defoliation it causes. Japanese beetles have one generation per year. In soybeans, Japanese beetles feed by skeletonizing the leaves, leaving only the leaf veins. In soybeans insecticide treatment is recommended when insects are present and damage is expected to exceed 30% defoliation in vegetative stage, and 20% in reproductive stage soybeans. Similar to corn rootworm beetles, Japanese beetles will scrape off the green surface tissue on corn leaves before silks emerge, but prefer silks once they are available. Japanese beetle adults also may feed on silks of corn plants reducing pollination and kernel set. Japanese beetles feed on corn silks, and may interfere with pollination if abundant enough to severely clip silks before pollination. University of Illinois Extension recommends: "An insecticidal treatment should be considered during the silking period

recommends: "An insecticidal treatment should be considered during the silking period if: there are three or more Japanese beetles per ear; silks have been clipped to less than 1/2 inch; and pollination is less than 50% complete." Predicting future infestations of Japanese beetles would most likely be frustrating and often futile. However, one can generally anticipate economic densities of Japanese beetles after mild winters, followed by early planting (the first 2 weeks of April). For more information about this year's Japanese beetle emergence read more at University of Illinois, University of Nebraska, University of Perdue, University of Wisconsin.



Source: U.S. Department of Agriculture The Sacramento Bee

The Weirdest New Food Trend... "Activated Charcoal"

Be on the lookout for the latest food trend moving across America...black charcoal lattes, cocktails and various other beverages with activated charcoal are blowing up social media. The drinks are huge already in the UK, Indonesia and parts of Asia. From what I understand, the drinks are made with activated charcoal and claim to pack a powerful detoxifying punch. The trend is just starting to catch on here in the states and is also being used to add a dash of cool black to some foods. I wanted to point out, regardless of how unique the black drinks and foods may look, health experts are issuing warnings that the ingredient could prove dangerous for some people. Activated charcoal's detoxifying properties are so strong, it is often given to counter overdose and poisonings. The problem is it's not discriminant in the chemicals it removes from ones bloodstream, and without proper medical supervision it could cause serious complications to some who have adverse reactions. It can also scrub a person's system of beneficial nutrients, and perhaps even more concerning, critical medications. Dietitians say that anyone who takes essential medications should avoid consuming activated charcoal. There are also some who say consuming charcoal on a regular basis could have overall detrimental health effects. Also, it's important to note that activated charcoal is not your typical charcoal used in your barbecue grill. BBQ charcoal is loaded with chemicals and can be highly toxic. Activated charcoal is made by burning coconut shells and collecting the carbon, which is then immersed in hot water. It has traditionally been used for dental care and is commonly used in filters to purify water. The ingredient dates back thousands of years. The first recorded use of it for medicinal purposes comes from the Egyptians. Apparently, they used activated charcoal to absorb putrefying odors from rotting wounds and from within the intestinal tract. Today, some humans are using activated charcoal to alleviating uncomfortable gas and bloating. It works by binding the gas-producing byproducts in foods that cause bloating. A study published in the American Journal of Gastroenterology found that activated charcoal significantly alleviates intestinal gas following a typical gas-induced meal. There is also some research that suggest activated charcoal helps reduce bad cholesterol. Interestingly, mixing activated charcoal with milk or any other dairy product is said to counter most of its detoxifying properties. Bottom-line, I just wanted to let everyone know there's a new trend circulating across the nation that involves the consumption of activated charcoal. Many users are saying it works wonders, while others are saying you should proceed with extreme caution and consult your personal healthcare professional before you try anything that contains activated charcoal.

What You Need To Know About Tonights MLB All-Star Game

The MLB All-Game will take place tonight at 7 p.m. CST on Fox. This year's game will be held at Marlins Park for the first time ever, which is in Miami, FL and home of the Miami Marlins. Current ticket prices for the game range from $284 for upper-deck cheap seats to over $90,000 for a luxury suite. Since the game will be held in Marlins Park, Major League Baseball plans to honor Jose Fernandez during this year's All-Star game. Fernandez is the star pitcher that died last year in a tragic boating accident at just 24 years of age. There's a good chance that Fernandez, a two-time all-star, would be pitching in this game tonight, perhaps starting if he were still alive. Another thing to note for this All-Star game is the Chicago Cubs will be the first team ever to win a World Series and not send a player from that team to the All-Star game the following year. The Cub's All-Star this year is Wade Davis, who played for the Kansas City Royals last year. Also, Terry Francona will not manage the All-Star game this year because of his recent heart procedure. Francona will be replaced in this game by Indians bench coach Brad Mills. I should note that a new rule this year could change the way players compete in the the All-Star game. For the first time since 2003 the All-Star game will not determine who will receive home-field advantage during the World Series The reason they changed this rule is because the Chicago Cubs won 9 more games than the Cleveland Indians last year, but the Indians received home field advantage in the 2016 World Series. Instead of earning home field advantage, and to incentives competitiveness, each player from the winning All-Star team will win $20,000. Unfortunately, in today's world $20,000 doesn't mean a whole lot to an MLB All-Star. This means players with minor injuries are not going to participate in the game and players are most likely not going to play as hard as they would have in the past. Also, with little on the line, the managers will be working harder to get as many players in the game as possible, which could cause the best players to be off the field family quickly. I should also note the roster for each team was expanded from 32 to 34 players. The leading vote getter for the National League is Bryce Harper of the Washington Nationals with over 3.6 million votes. The American League leaders is Aaron Judge of the New York Yankees with over 3.4 million votes.

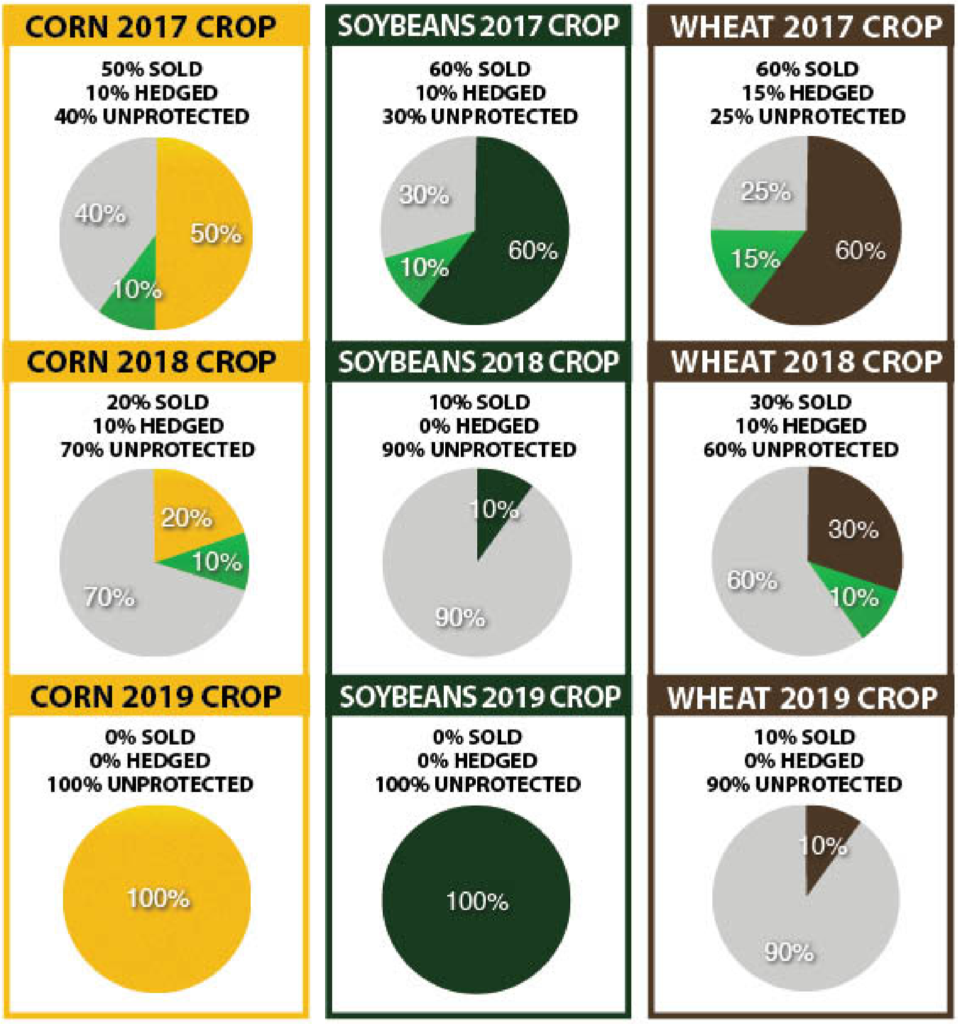
The starting line-up for the American League:

1. Jose Altuve, 2B (HOU)
2. Jose Ramirez, 3B (CLE)
3. Aaron Judge, LF (NYY)
4. George Spring, CF (HOU)
5. Carlos Correa, SS (HOU)
6. Justin Smoak, 1B (TOR)
7. Corey Dickerson, DH (TB)
8. Salvador Perez, C (KC)
9. Mookie Betts, RF (BOS)
Starting Pitcher - Chris Sale, (BOS)

The starting line-up for the National League:

1. Charlie Blackmon, CF (COL)
2.Giancarlo Stanton, DH (MIA)
3. Bryce Harper, RF (WAS)
4. Buster Posey, C (SF)
5. Daniel Murphy, 2B (WAS)
6. Nolan Arenado (COL)
7.Ryan Zimmerman, 1B (WAS)
8. Marcell Ozuna, LF (MIA)
9. Zack Cozart, SS (CIN)
Starting Pitcher - Max Scherzer, (WAS)

CASH SALES & HEDGING TOTALS


CORN 2017 CROP
50% SOLD
10% HEDGED
40% UNPROTECTED
40%
50%
10%
SOYBEANS 2017 CROP
60% SOLD
10% HEDGED
30% UNPROTECTED
30%
60%
10%
WHEAT 2017 CROP
60% SOLD
15% HEDGED
25% UNPROTECTED
25%
15%
60%
CORN 2018 CROP
20% SOLD
10% HEDGED
70% UNPROTECTED
20%
10%
70%
SOYBEANS 2018 CROP
10% SOLD
0% HEDGED
90% UNPROTECTED
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WHEAT 2018 CROP
30% SOLD
10% HEDGED
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