

GOOD MORNING: 04/12/18 Farm Direction - VanTrump Report

2 messages

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"Getting rid of a delusion makes us wiser than getting hold of a truth." —Ludwig Borne

THURSDAY, APRIL 12, 2018
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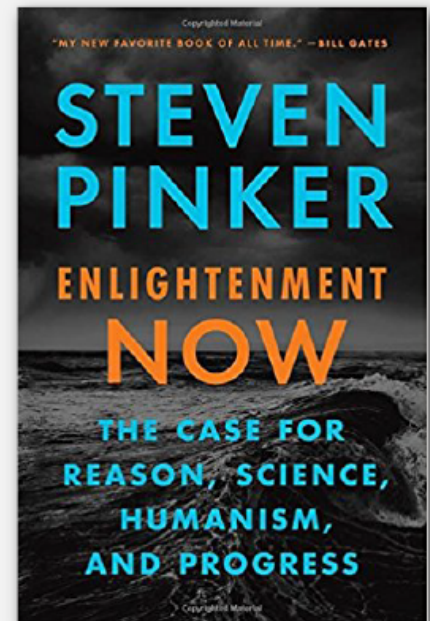
Morning Summary: Stocks remain volatile but seem to be consolidating and trading in a sideways pattern. Many technical gurus are saying the market appears as if it's about to "breakout". The question is will it be higher or lower? Bears aren't necessarily calling for a market crash or even a major setback, just saying things feel a lot different and new highs might be a ways off on the horizon. Geopolitical headlines seem to be attracting more attention and carrying a lot more weight. Oil prices have also been pushing higher. We are down a touch this morning, but oil prices have jumped by almost +10% in the past week, the highest since December 2014, as traders contemplate heated political actions. Talk inside the trade yesterday was that Saudi Arabia's air defense system had intercepted a "rocket" above Riyadh. This attack came after Saudi Arabia's state energy giant Saudi Aramco reported a Yemeni rebel drone attack in the kingdom's southwest province of Jizan. The energy market is obviously already on edge with threats of the U.S. pulling out of the Iran nuclear deal, and heightened global geopolitical tensions involving Russia and the U.S. In other words, when some of the world's top oil producers are flexing their muscles, the energy markets get extremely nervous. Not only are prices at the pump climbing higher, but yesterday's CPI data confirmed infusing inflation. The core consumer price index, which excludes volatile food and energy prices, showed prices were +2.1% higher last month compared to the same period last year and is the fastest pace in several months. The fear is if the Fed sees ongoing wage gains and continued inflationary pressure, they will be much more inclined to raise rates four times this year rather than the expected three times. Federal Reserve officials at their meeting last month signaled greater confidence in reaching their 2% inflation target over the coming year and affirmed plans to continue raising short-term interest rates gradually. They also debated the costs and benefits of allowing the economy to run hot and discussed how they might need to raise rates to a level that would deliberately restrict growth, according to the "minutes" from their most recent meeting. Of the 15 Fed officials in attendance, 12 suggested either three or four rate increases during 2018, six in one camp and a half a dozen in the other. Most of the members in attendance also penciled in at least three rate hikes for 2019. The question large traders are asking is if the new tax cuts, increased federal spending, weaker U.S. dollar, higher fuel costs and continued strength in employment will lead to an acceleration in price pressure? If that's the case, the market is going to take on a more defensive type tone. Today's economic focus will be on EU industrial production, U.S. import prices, Michigan confidence numbers, the JOLTS report and three Fed speakers Bullard, Kaplan and Rosengren. Lets also not forget U.S. corporate earnings will be reported by BlackRock, Rite Aid, and Delta Air Lines.

Odds Of President Trump Being Impeached In His First Term? *Believe it or not, there's actually a website where people are putting their money where their mouth is regarding political bantering. You can check it out at the PredictIt site by clicking [HERE](#). There's a ton of other interesting political debates taking place on the site. They promote it as a stock market for politics. Established to research the way markets can forecast future events.*

Air Traffic Over Mediterranean Told To Stay Alert: *With possible retaliatory air-strikes into Syria, the European air traffic control agency has issued the "rapid alert notification" on its website Wednesday. The alert to airlines makes no reference to any source of the threat, but the U.S. and its allies the U.K. and France have said that those responsible for an alleged chemical attack in Syria*



I will be passing along books I've read, gadgets, gift ideas and other cool things that I've come across and recommend to friends and family.

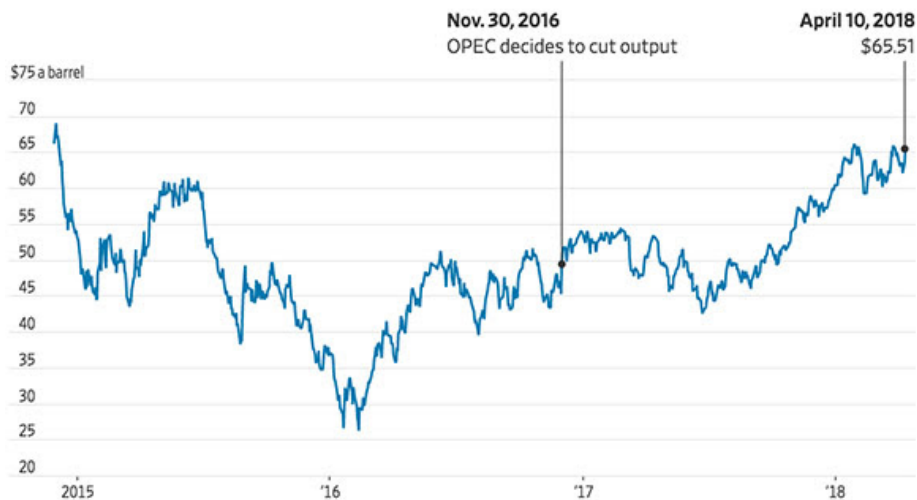


should be held to account. President Donald Trump has met with military commanders to consider the reported chemical weapons attack, allegedly carried out by the Syrian Army. Trump has pledged a "forceful response." This definitely will keep things interesting.

Geopolitical Risk Moves Oil Prices Higher: The newest headlines surrounding the Middle East are sending oil prices surging and reinforcing thoughts of instability in the area. It's almost hard to remember that it was only last week that the trade was tumbling in response to fears of a trade war with China. Point is, things are moving fast and furious so have your pieces ready to move. U.S. crude futures recently traded up \$1.55, or 2.37%, to \$67.06 a barrel on the New York Mercantile Exchange. Brent, the global benchmark, rose \$1.40, or 1.97%, to \$72.44 a barrel on ICE Futures Europe. Both benchmarks are at their highest levels since December, 2014. If prices stay at these levels, it would be the third straight day of gains of more than +2% for U.S. crude futures. (Source: Wall Street Journal)

Supply Threat

Crude prices have climbed to three-year highs on worries that conflicts in the Middle East could crimp output.



Source: WSJ Market Data Group

All things considered, do you think the world as a whole is getting better or worse, or neither getting better nor worse?

In Sweden just 10% thought things are getting better, in the US they were only 6%, and in Germany only 4%. Bottom-line, very few people think that the world is getting better and this makes moving forward much more difficult.

Unfortunately the media has become overly obsessed with reporting single events, specifically single events that have gone bad. The media does not pay nearly enough attention to the slower developments that reshape our world. Look at the news: plane crashes, terrorism attacks, natural disasters, election outcomes that we are not happy with. Positive developments on the other hand often happen very slowly and never make the headlines in the event-obsessed media. Look at what happens in our own day-to-day lives, then step back and look at what has happened when viewing the longer-term picture.

This book helps shed some light.

Great read and get gift ideal

Bill Gates is calling it his "New Favorite Book of All Time". That is a very strong statement considering how many books Gates reads each year.

[LEARN MORE](#)

Today in History



1961, 1981, Two Space

Firsts - On this day April the 12th two technologically important and historic events occurred twenty years apart, both having to do with space travel. The first event happens in 1961, when the Soviet cosmonaut Yuri Alekseyevich Gagarin, becomes the first man to travel in space. Not only was a feat unto itself, but on the same trip he would also become the first human to orbit the Earth in space. Launched in the spacecraft Vostok 1, the then 27 years old Gagarin would spend only one hour and forty-eight minutes in space but would return the Hero of the Soviet Union by dealing a blow to the American space program who was lagging not far behind. The Soviet propagandist used Gagarin's feat as a comparison between communism and capitalism, as evidence of their

neuro mining



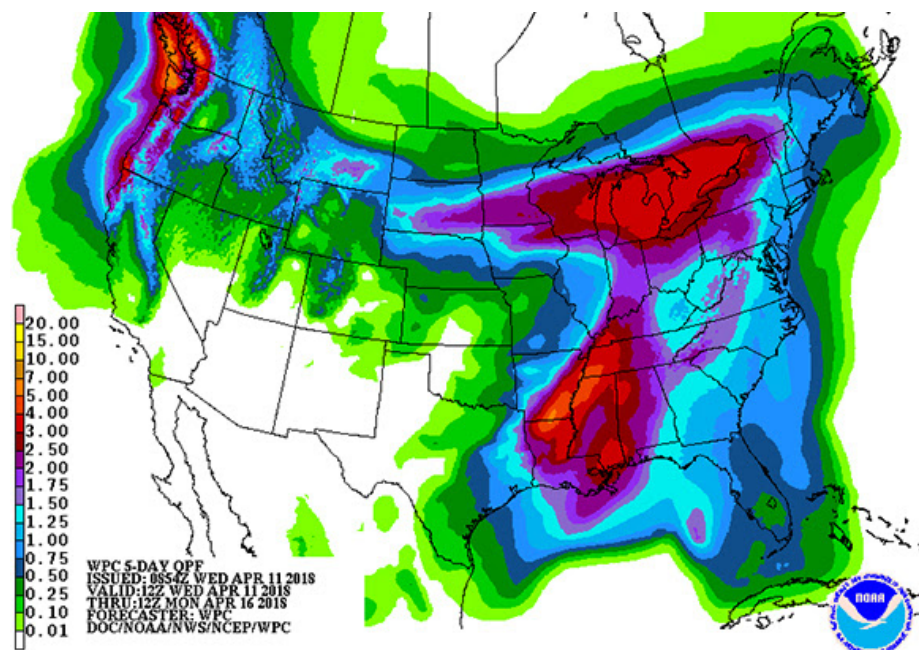
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

TODAY'S RIDDLE: What 8 letter word can have a letter taken away and it still makes a word. Take another letter away and it still makes a word. Keep on doing that until you have one letter left. What is the word?

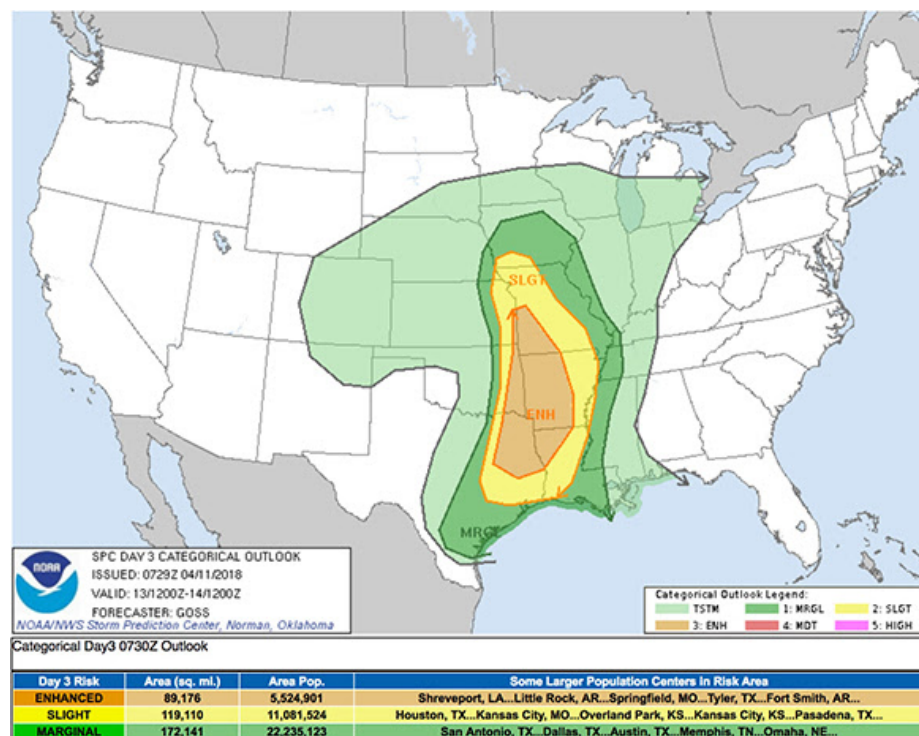
Weather in the Corn Belt has seen warm air overspread the lower Mississippi Valley. However, chilly conditions persist in the northern and eastern Corn Belt. During the 2 week period ending April 8 there was just one day suitable for fieldwork in Ohio, along with less than a day in South Dakota and 0.1 day in Minnesota. On the Plains, fieldwork remains on hold in Montana and the Dakotas due to cool weather and soils, as well as lingering snow cover. Meanwhile, crop conditions are further deteriorating on the

southern Plains, where warm, windy, dry weather is resulting in an elevated wildfire threat. On April 8, topsoil moisture was rated at least one-half short to very short in Kansas (70%), Oklahoma (66%), Colorado (62%), and Texas (60%). In the South, Rain is ending across Florida's peninsula, following Tuesday's beneficial showers. Elsewhere, cool, dry weather favors spring fieldwork where conditions permit. A protracted period of elevated to extreme fire danger is underway across the southern Plains, where hot, dry, windy weather will aggravate the effects of a severe to exceptional drought. Although cooler air will arrive across the southern Plains on Friday, high winds will persist into the weekend. Farther north and west, a late-season snow storm will affect the Northwest today before reaching the northern Plains on April 12, the upper Midwest by April 13, and portions of the Great Lakes region during the weekend. Meanwhile, heavy showers and locally severe thunderstorms will erupt late in the week across the mid-South, with rain spreading into the Southeast during the weekend. Five day rainfall totals could reach 2 to 4 inches or more in the lower Mississippi Valley and environs.

Severe weather outlook for severe weather Friday into Saturday



5-Day Rainfall Outlook



Corn bulls continue to talk about new-crop ending stock possibly falling to sub-1.5 billion bushels, almost -700 million below the USDA's previous forecast. Demand looks

supremacy. Time moved on however, governments fell, and NASA kept moving forward. On April 12, 1981 the United States would launch the first Space Shuttle, twenty years to the day since Gagarin made his historic flight. Space Shuttle Columbia is launched from Cape Canaveral, Florida, becoming the world's first reusable manned spacecraft. Piloted by astronauts Crippen and Young, Columbia would orbit the Earth thirty-six times in 54 hours. When the mission was completed, Columbia would successfully touch down at Edwards Air Force Base in California just like any other airplane would do. Space Shuttle Columbia would go onto take a total of 28 missions to space. Sadly, on her return from the 28th mission Columbia would disintegrate during re-entry, killing all seven astronauts on board. There have been five shuttles in NASA's inventory, Enterprise, Columbia, Challenger, Discovery, and Atlantis. Six hundred astronauts have flown to outer space during the shuttle programs history completing 135 missions, including 22 Spacelab missions. Today NASA is working on the next steps that will carry humankind even farther into space with advanced rockets and spacecraft. The Orion program is making progress on it's mission to return the U.S. to the Moon and Mars is on the horizon.

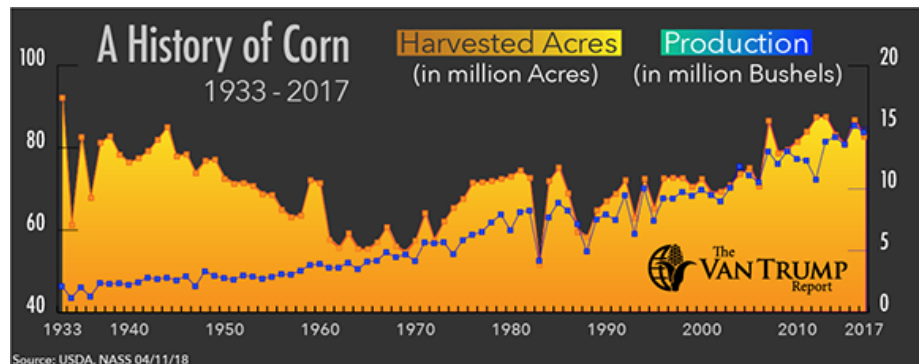


1861, Civil War Begins -

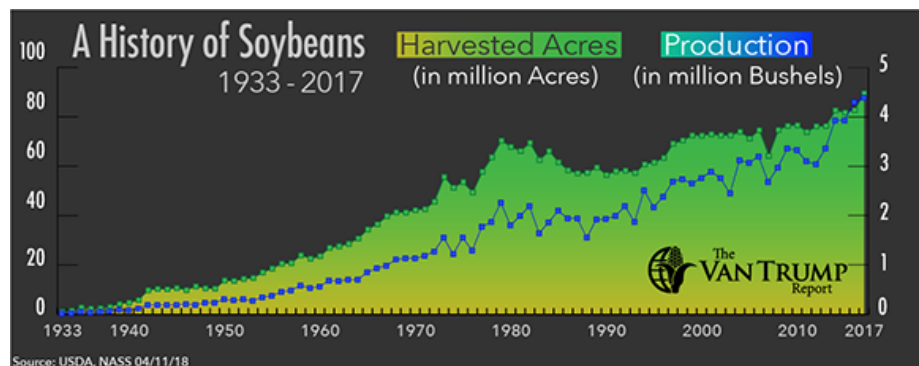
Today on April 12, 1861, the first shots of the American Civil War were fired. These shots would be fired at an island fortification located in Charleston Harbor, South Carolina. Fort Sumter was originally named for a Revolutionary War General, Thomas Sumter and was part of a coastal defense program put in place by Congress in 1817. Ft. Sumter was capable of housing over six hundred soldiers and had over one hundred artillery pieces. At the time however, there were only two companies of Union soldiers stationed at the fort, and it was under the command of Major Robert Anderson. South Carolina's state militia began taking over all of the outposts and forts only days after seceding from the Union, and Ft. Sumter was the lone remaining federal occupation left in the state. After President Lincoln's inauguration (March 4th, 1861) tensions in the South escalated, and Ft. Sumter, being surrounded, was running out of supplies. Lincoln announced his intentions of relieving Major Anderson and resupplying the fort by sending three ships into the harbor. This was taken as a sign of aggression by South Carolina and its militia, and the Confederate President Jefferson Davis would send Confederate General P.G.T. Beauregard to strengthen and defend the batteries around the harbor. The Confederates lone target was Fort Sumter. At 4 A.M., on the morning of April the 12th, after trying to gain a peaceful surrender of the fort, the Confederates would begin their bombardment. Firing from forty-three guns and mortars every two minutes,

as if it will remain robust. Many insiders suspect the USDA is too conservative with their current feed and ethanol demand numbers. Thoughts are Brazil could get overwhelmed with soybean exports, which will push more corn demand towards the U.S. There's also talk that lack of meal in the global marketplace could push many to start looking for feed alternatives, hence a bit more corn demand in the feed rations. There also seems to be more headlines talking about increased ethanol demand in South America and China, meaning more of their domestic corn bushels will be used to produce ethanol. Weather here in the U.S. will obviously be the big wild-card. Delays in planting could ultimately push more acres in to "preventive plant". There's also the concern that delays could push the crop into more extreme heat during pollination or perhaps dangers associated with an early freeze. Bottom-line, we have a story brewing in the corn market. The problem is everybody and their brother seems to have jumped on the same bandwagon, which makes me a bit nervous, especially up here at the higher-end of the range. Longer-term, I believe there's a story and potential for higher prices. Nearby however, bulls might have a hard time finding fresh new headlines to chew on.

Click graphics below for larger view.



Soybean bulls are talking about new-crop ending stocks possibly falling to sub-400 million bushels, especially if the U.S. average yield fails to move north of 50 bushels per acre. Many larger bulls are trying to position themselves for possible fireworks in the market post-July. In other words, Sep-Oct-Nov could get extremely volatile if U.S. production waivers. I should note, Argentine buyers purchased two more cargoes of U.S. soybeans yesterday, their second round of buying this week. Insiders are saying the Argentine crushers are worried they won't have the bushels to process during the third and fourth quarter of 2018. I have to imagine the Argentine crop falling to sub-40 million bushels and producers holding their supply with a tight fist, will make things very interesting in late-summer. From what I understand, because premiums went nuts in Brazil, the Argentine buyers are able to purchase the soybeans cheaper here in the U.S. than from their South American neighbors. As I've said for a few weeks, there is definitely a story building in the soybean market. And ultimately I think prices will move higher. I'm just not certain how we get there? I'm worried that we could make one more attempt at washing out the bulls to the downside. In today's new world of trading, it seems like the traditional fundamentalists are eventually right in their thinking, but often show up to the party way too early. I worried this could go down the same way. If your wildly bullish, I like the thought of being conservative out of the gates and adding on the deeper breaks. I also can see some validity in being a momentum player. Starting small and only adding on new highs. The current setup just has me a bit spooked. It seems too obvious too early. Perhaps I'm overthinking it... I've added a few puts for insurance.



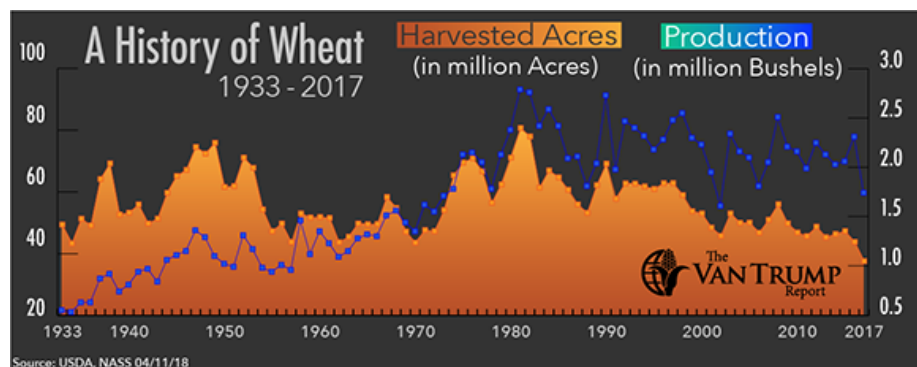
Wheat bears continue to talk the traditional fundamentals, which are clearly bearish, against the bulls, who are banking on a continued U.S. and Canadian weather story. I should note, there's also some talk brewing about dry conditions in parts of Australia. I suspect if the weather headlines fade or are not enough to keep the bulls fed, risk premium will start being removed from the current price. As a producer, I continue to

they would target the fort's barracks and officer's quarters, starting fires and eventually destroying the magazine where the gunpowder was stored. Being totally outgunned Major Anderson would agree to evacuate Ft. Sumter after only thirty-four hours. Following this battle, President Lincoln would call for volunteer forces to help suppress the growing rebellion in the South. This action would lead to four more southern states to secede the Union and join the Confederacy. Fort Sumter would remain under their control until the end of the war when it was finally taken back by the Union's Major General Tecumseh Sherman. Today, Fort Sumter is a National Monument run by the U.S. National Park Service.



1945, FDR Dies - Today on April the 12th, 1945 in Warm Springs, Georgia, the 32nd President of the United States, Franklin Delano Roosevelt (FDR) suffers a cerebral hemorrhage and dies at the age of sixty-three. This celebrated (mostly by Democrats) President is hailed as the savior of the nation during the Great Depression and defender of democracy during World War II. Those who criticize him (Republicans) say he undermined American capitalism, unconstitutionally expanded the powers of the federal government and instituted the welfare state within our country. Born (1882) in New York, Roosevelt attended Harvard University and would marry Eleanor in 1905. FDR would then attend Columbia University School of Law and at the age of 29 was elected as a progressive to the New York State Senate. In August of 1921 Roosevelt was struck with the devastating polio disease and would remain partially paralyzed for the rest of his life. Remaining active in New York state politics, FDR was elected as Governor, where he focused on tax relief for farmers and cheaper utilities for all. The country was now in the midst of the Great Depression and he won his second term as governor. Politically he moved further to the left (due to the depression) by aggressively trying to solve the economic problems that his state faced. Campaigning in 1932 on the New Deal programs, Roosevelt would win the first of his astounding four elections. During his inaugural address, FDR would try to reassure the American people by stating, "This great nation will endure as it has endured, will revive and prosper, the only thing we have to fear is fear itself." In his first one hundred days, Roosevelt and his administration would create the Alphabet Soup programs which were relief and recovery initiatives called the New Deal Experiment. Agencies like; AAA, NIRA, PWA, NRA, TVA, and the CCC were all established to help put Americans back to work and pull the country out of the depression. Later is WPA and the SSA would provide welfare for the country for the first time. With World War II looming, many of these New Deal agencies and programs would fade away. Roosevelt would help the country shift into full-out

like the thought of pricing the deferred contracts and reducing some longer-term risk. New-crop 2019 HRW wheat prices at or above \$6.00 makes sense. Using the nearby rallies to reduce risk seems like a smart play. I'm just worried that we might see some rain creep into the forecast during the later part of April for some of the dry areas across the Plains. If the rainfalls are fairly widespread the trade will be quick to pull some risk-premium. There is a bit of good news, despite the Russian ruble getting hammered as of late, down almost -10%, reports circulating show Russian wheat export prices actually gaining a bit of strength. Meaning perhaps Russia is pulling back a few bushels on increased sanctions. The Russian exports are certainly something we will continue to monitor. Bottom-line, there really isn't a story in wheat outside of the current U.S. and Canadian weather headlines. If they happen to lose their luster or the trade becomes tired of the headlines, I suspect prices fall under pressure. As both a producer and a spec, I prefer the thought of selling the rallies rather than buying into the momentum, at least at this juncture.



> Monsanto Has To Give Up Patent On Bt Cotton In India: *Monsanto Co., was just told it can't own a patent over genetically modified cotton seeds in India. The Delhi High Court verdict said that certain items such as seeds, plants and animals can't be patented under Indian laws. The court rejected Monsanto's plea to stop Nuziveedu Seeds Ltd., an estranged licensee of the company, from selling Bt cotton seeds in India. The verdict underscores the challenges faced by multinational companies in dealing with the patent laws at a time when the country of about 1.3 billion people is trying to attract foreign companies to invest in mega projects. (Source: Bloomberg)*

> Conagra Recalls Salisbury Steak Products: *Conagra Brands, Inc., a Russellville, Ark. establishment, is recalling approximately 135,159 pounds of Salisbury steak products (poultry, pork, and beef) that may be contaminated with extraneous materials, specifically bone.*

> China Cotton Plantings Could Fall: *Bloomberg news reported that acreage may fall -4% from last year as farmers respond to lower prices. The China Cotton Association, said acreage in Xinjiang region, the biggest grower, is likely to rise +0.5%, due to better returns from government subsidies. Planting along Yellow River would likely drop -14%. Areas along the Yangtze River are estimated to slip -11%.*

>Robotics Market Is Booming: *By 2022, the global market for robotics is projected to hold a value of \$237.28 billion, and \$147.26 billion of that number will come from the United States alone by 2025. With a compound annual growth rate of 24.25 percent, the robotics market is booming. This growth can be contributed to the growth of the industrial sector, increasing needs for automation in companies looking to maximize efficiency and the attempt at innovation by companies like Tesla and Google. The integration of robotics into agriculture, medicine, and transportation is also playing a key role. (Source: Globeledge.msu.edu)*

> China Rice Output Lowered: *Rough rice production in China is forecast at 204.3 million tonnes in 2018-19, down nearly 2% from 208.6 million tonnes in 2017-18, according to an April 4 Global Agricultural Information Network (GAIN) report from the Foreign Agricultural Service of the U.S. Department of Agriculture (USDA). The USDA said the forecast decline reflects the lower estimated harvested area in 2018-19 due to government interventions. According to the report, harvested area in 2018-19 is forecast at 71 million acres, down from 79 million acres in 2017-18. (Source: World Grain)*

war mode and would win the presidency for his final time in 1944. Stresses from the war and being the Commander in Chief would take its toll on FDR after attending the Yalta Conference and he needed rest. While recovering, in Georgia, from his latest diplomatic meetings FDR would pass away. Bottom line, Franklin D. Roosevelt was a great American President who helped our country and others survive a very dark time in human history.

Upcoming Events

- Fri. 4/20** - Cattle on Feed
- Mon. 4/23** - Cold Storage
- Tues.-Wed. 5/1-5/2** - FOMC Meeting
- Thurs. 5/10** - USDA Supply and Demand
- Thurs. 5/17** - Farm Labor
- Tues. 5/22** - Cold Storage
- Wed. 5/23** - Minutes From 5/2 FOMC Meeting Released
- Fri. 5/25** - Cattle on Feed
- Mon. 5/28** - Memorial Day - Markets Closed
- Tues. 6/12** - USDA Supply and Demand
- Tues.-Wed. 6/12-6/13** - FOMC Meeting
- Fri. 6/22** - Cattle on Feed
- Fri. 6/22** - Cold Storage
- Thurs. 6/28** - Quarterly Hogs and Pigs
- Fri. 6/29** - Quarterly Stocks and Acreage

Kevin's Song of the Week



Kevin's Song of the Week

> Record Natural Gas Production In 2017 For U.S.: Gross withdrawals reached 90.9 billion cubic feet per day in 2017, the agency's highest volume on record. Marketed natural gas production, which does not include gas vented, flared, used for re-pressuring or removed during processing, also reached record levels. Louisiana's gross withdrawals increased from 4.8 billion cubic feet per day to 5.8 billion cubic feet per day, marking the largest annual gain of any state. And the Appalachian region, which includes the Marcellus and Utica shale fields in Ohio, West Virginia and Pennsylvania, also saw substantial volume growth. (Source: chron.com)


> Bentley To Create Largest Solar Powered Car Port: Luxury car maker Bentley Motors has started construction on what it describes as the U.K.'s "largest ever solar-powered car port." The car port — a structure that provides shelter to parked vehicles — will be located at its factory headquarters in Crewe, northwest England, and made up of 10,000 solar panels. The business says that this roof can meet as much as 40 percent of the site's electrical needs and save an estimated 2,150 tons of carbon dioxide emissions annually. The installation, which will take around six months to complete, will cover 1,378 parking spaces and have a capacity of 2.7 megawatts. (Source: CNBC)

> CME Group Black Sea Grain Futures Create Buzz: CME Group's new Black Sea Grain contracts are creating a stir in the market ahead of UkrAgroConsult's 'Black Sea Grain' conference. Traders of Black Sea Grain can now hedge physical business up to a year out. Black Sea Wheat futures have open interest going out to Feb 2019, totalling over 600,000 tonnes as of early April. At the same time Black Sea Corn futures open interest is 60,000 tonnes, with open interest out to November 2018. (Source: blackseagrain)

> FedEx Plans To Get 30% Of Jet Fuel From Alternative Sources by 2030: One of FedEx's sustainability goals is to use alternative sources for 30% of its jet fuel by 2030, with Red Rock Biofuels being one of the companies supplying them with fuel derived from forest detritus, or wood stock used as biomass, said Mitch Jackson, vice president of environmental affairs and chief sustainability officer. FedEx will also work with Boeing in testing technologies, including 100% biofuel, on one of its 777 freighters under the ecoDemonstrator program. (Source: EnvironmentalLeader)

> Senate Judiciary Committee to Take Up Bill Protecting Mueller: The Republican chairman of the Senate Judiciary Committee said his panel would take up a bill to protect special counsel Robert Mueller from being dismissed without cause, the first major congressional action designed to protect the integrity of the criminal investigation into Russian activity during the 2016 election. A spokesman for Sen. Chuck Grassley said the Iowa Republican would put a bipartisan bill that would prevent Mr. Mueller from being dismissed without cause on the agenda for the committee's Thursday meeting. (Source: [Wall Street Journal](http://WallStreetJournal))

> Underwater Cable Is Cut Taking An Entire Country Offline: For years, countries have worried that a hostile foreign power might cut the undersea cables that supply the world with internet service. Late last month, we got a taste of what that might be like. An entire country, Mauritania, was taken offline for two days because an undersea cable was cut. The 17,000-kilometer African Coast to Europe submarine cable, which connects 22 countries from France to South Africa, was severed on March 30, cutting off web access partially or totally to the residents of Sierra Leone and Mauritania. It also affected service in Ivory Coast, Senegal, Equatorial Guinea, Guinea, Guinea Bissau, Liberia, Gambia, and Benin, according to Dyn, a web-infrastructure company owned by Oracle.

**NEXT level
THINKING**

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

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

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

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

Kevin Van Trump

What Others Are Saying

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

A.M., FDIC

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



https://www.ace-submarinecable.com/ace/default/EN/all/ace_en/map.htm

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**

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 loser 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.



FROM THE FIELD

Eastern South Dakota - We had three nice warm days last week heading into the weekend then pretty much had a blizzard yesterday, getting a little over 5" of snow. We have been cold and wet for the last month. At this point, I would say that we are a good three weeks out before we can get in the field. That will push us out into May before we are able to get the planters rolling. We should start with a good moisture profile with most areas fully recharged. The tiles are all running now. We have been going more of heavier bean rotation over the past few years. We have done beans after beans for 3 years now and really haven't seen a yield drag. The beans average right at 60bpa across all of our farms. We were off slightly on yields last year for beans due to some white mold issues with all the late rains. There was not much moisture until July, then the late rains were critical for our production. The corn produced numbers right at our APH at 130bpa. The heavy drought area of SD was only about 20 miles to the west.

Central Indiana - We received another 1.5" of snow over the weekend, continuing to be cold and wet. We stuck a thermometer in the ground last week and at 2" depth, the temp was only 30 degrees. I think once you get down below the surface that is wet we firm up pretty quick. So I am thinking once the weather subsides and we warm up, things could change in a hurry. It is similar to last year but we planted early then had to replant once or twice later. This year there is no early planting but the question will be if we are able to get things planted on time. We may plant some beans before corn into the cold soil because the seed handles stress a little better. I haven't heard many guys switching significant corn acres over to beans. We are seeing a little more yield drag on continuous acres on the bean side more than the corn. It looks like right now we may not turn a wheel until May unless the weather drastically changes soon.

Central Nebraska - There has not been much field work done at all in our area of Nebraska. Things have been extremely wet and the cold temps just will not get out of here. The weather will get better for about three days, just long enough for things to dry out, then it will rain again not allowing us to get in the fields. We have a mix of soils on farms but most are on the sandier side of things that is more suitable for side-dressing. We will do some preplant anhydrous but nothing has been done yet. We grow a lot of corn on corn, which we have not seen any yield drag to speak of. We have a cow-calf operation so we feed much of the corn that we grow and we can also graze the fields too. It doesn't seem like we will have a repeat of last year that started out warm and dry, then to a two week cold and wet period, that saw a 6" snow on May 20th. Nobody ever said farming was boring.

CROSSING WIRES

A place to share intelligent thoughts...

When To Believe Your Body And Not Your Sleep Tracker: In a new article in *Journal of Clinical Sleep Medicine*, scientists describe a new sleep disorder they've named "orthosomnia," or an obsession with "correct" sleep. The researchers describe a series of cases where people with minor sleep problems purchased a sleep tracker, only to become unhealthily obsessed with what their trackers told them. This anxiety actually ended up worsening their sleep. While it sounds a little crazy to get obsessed with your Fitbit, the idea that how you feel about your night's sleep can affect how tired you are the next day has scientific backing. Other studies have shown that having a positive attitude about a poor night's rest and telling yourself you're not that tired actually positively impacts how well you function. Read more [HERE](#).

Bioelectrical Medicine Could Change Disease Treatments: Researchers are hoping to use nerve stimulation in the treatment of certain diseases, thus reducing pills and drugs which often have significant side-effects for patients. Examples of diseases that can be treated with 'electroceuticals', include chronic pain, rheumatoid arthritis, epilepsy, inflammatory bowel disease, bladder incontinence, even diabetes, and many more. In addition to therapeutic applications, medical researchers could also use our device for conducting scientific experiments for further understanding the nervous system and discovering new treatments for diseases. Read more [HERE](#).

How You Can Be An Innovator: As a society, we often discuss problems, share our views and opinions, but how many of us really contribute towards developing innovative solutions to address the problem? Research indicates that an innovative mind is not necessarily born, it can be developed through techniques of observing and thinking. Read more [HERE](#) to gain a perspective on how you can provide solutions and be more impactful in your space.

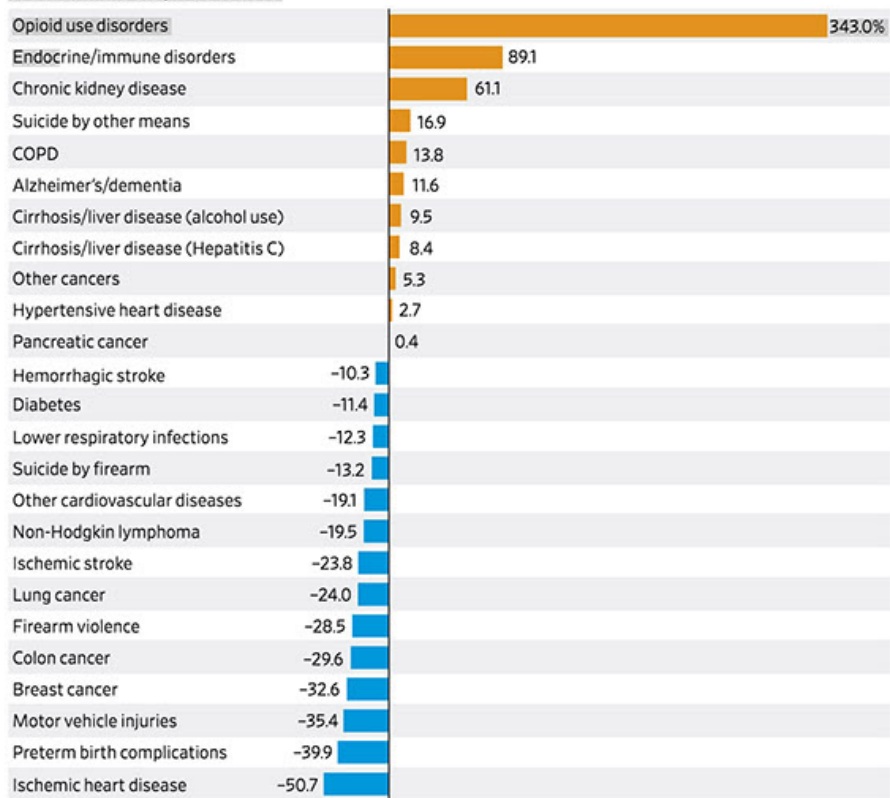
Are You Trapped In An Echo Chamber? In our information-saturated society, it is easy to close off sources you deem untrustworthy or unagreeable. The problem becomes your only input reinforces what you have chosen to believe is true. What happens when you are wrong or there is more to the story? It starts easily enough when at first you don't hear other views, then you choose not to trust them. At this point, your personal information network can entrap you like a cult. This article by C.Thi Nguyen, an assistant professor of philosophy at Utah Valley University working in social epistemology, explores taking a wider view to avoid being trapped in an information vacuum. Read more [HERE](#).

Use Warren Buffets 5/25 Rule To Help You Focus: It's a testament to Buffett's ability to think long term as he spends a great deal of time thinking about how we can live better. We see this in an anecdote from one of Buffett's employees. The story goes that Buffett one day approaches his pilot, Mike Flint, after realizing that Flint had worked for him for the past 10 years and stated that "The fact that you're still working for me", Buffett jokes, "tells me I'm not doing my job." Read more [HERE](#) about how you can be a better you!

How Death Strikes In The U.S.: New research shows wide variation in where people ages 20 to 55 are at highest risk of death. Substance abuse, mental health issues, cirrhosis and diabetes accounted for most of the increases in premature death among people ages 20 to 55. But it's not all bad, death rates went down for several cancers -- including breast, colon and lung cancers -- as prevention and treatment have improved. Motor vehicle crashes have also fallen as the result of more safety features in cars and changes to traffic laws. The investigation is interesting and eye-opening, which you can read [HERE](#).



Percentage change in the age-standardized death rate for the leading 25 causes of death in the U.S., 1990 to 2016



Source: Institute for Health Metrics and Evaluation



How Has the Growing Season Changed Since 1980?

If your answer to this question is "by getting longer," than you'd be correct. Both the EPA and NOAA scientists report the average growing season in the Lower 48 states has increased by 10 days when compared to the long-term average. And a majority of the increase has happened since 1980. Understand, changes in the length of the growing season can have both positive and negative effects on the yield and prices of particular crops. Overall, warming is expected to have negative effects on yields of major crops, but crops in some individual locations may actually be benefiting from a longer cycle. A long growing season could allow farmers to diversify crops or have multiple harvests from the same plot. However, it could also limit the types of crops grown, encourage invasive species or weed growth, or increase demand for irrigation. According to the EPA and NOAA, the length of the growing season is defined as the period of time between the last frost of spring and the first front of fall, or the period of time without the air temperature dropping below the freezing point of 32 degrees Fahrenheit. Below are some key points laid out in a recent EPA/NOAA study. (Source: EPA, NOAA Length of Growing Season)

- Average length of the growing season in the contiguous 48 states has increased by nearly two weeks since the beginning of the 20th century. A particularly large and steady increase occurred over the last 30 years (see Figure 1).
- Length of the growing season has increased in almost every state. States in the Southwest (e.g., Arizona and California) have seen the most dramatic increase. In contrast, the growing season has actually become shorter in a few southeastern states (Figure 3).
- Final spring frost has been occurring earlier than at any point since 1895, and the first fall frost has been arriving later. Since 1980, the last spring frost has occurred an average of three days earlier than the long-term average, and the first fall frost has occurred about two days later (see Figure 4).

Figure 1. Length of Growing Season in the Contiguous 48 States, 1895–2014



Figure 3. Change in Length of Growing Season by State, 1895–2014

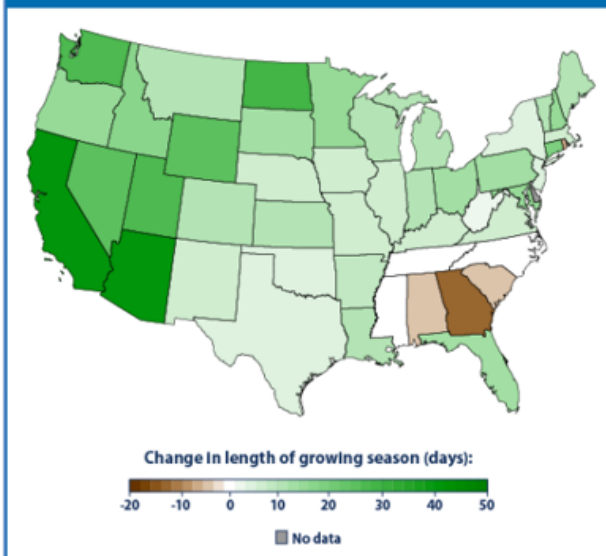
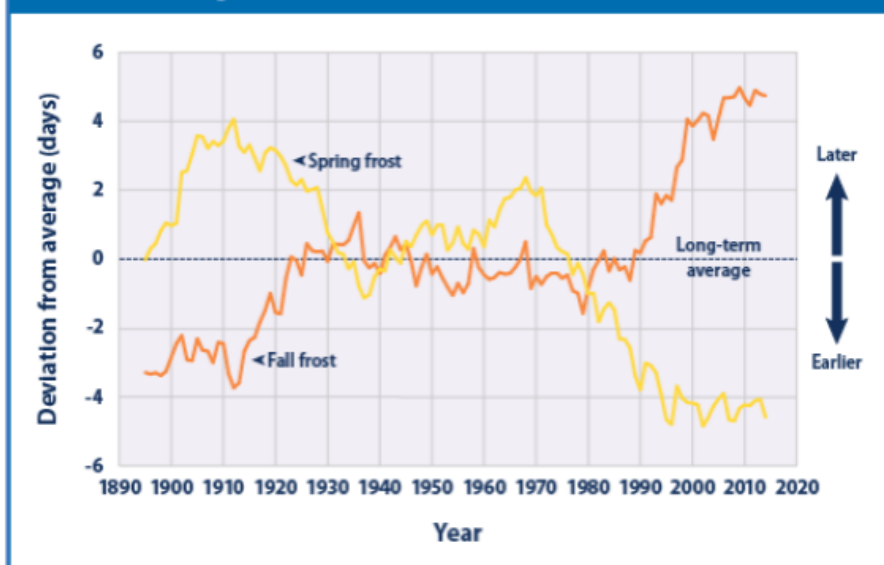


Figure 4. Timing of Last Spring Frost and First Fall Frost in the Contiguous 48 States, 1895–2014



New Way To Invest And Help Your Community

Cooperative Capital (CC), a startup private equity fund that empowers citizens to pool

their money together to make promising investments within their community will launch in Detroit before moving on to other markets in the U.S. The startup's focus is to build up communities with the direct participation of residents. The fund's first project will allow anyone in the state of Michigan to invest a minimum of \$1,000, giving them a vote on the monthly budget for Detroit. The hope is once the investment committee completes its due diligence, any investment will seek to produce at least a 6% annual rate of return. Personally, I think this is a genius idea and if overseen in a responsible manner holds great promise for areas that realistically had limited chance of renewal or renovations. This could be a win-win for the individual investor, the community and local businesses which could create new jobs and offer rehabbed homes at affordable pricing, while increasing property values in the process. Because this could be many folks first real investment, CC sees an opportunity to increase financial literacy and plans to offer online classes called Get Financially Lit, teaching basics of investment and finance. Remember, unlike a traditional private equity fund, the cooperative model provides each investor a voice in what investments gets made, meaning the community will have the ability to invest only in the businesses they feel will benefit local residents. On top of that, the close proximity between investors and local companies will help increase corporate accountability. Keep your eyes open when they come to your town, it could be a good investment opportunity and good for your community. Get more details on Cooperative Capital [HERE](#). Interesting concept... (Source: [fastcompany](#))



The Bloodiest Of All American Wars

It was on this day in 1861 that the American Civil War began. It later became known as the bloodiest four years in American history. It officially started when General P.G.T. Beauregard, leader of Confederate forces, opened fire on Union-held Fort Sumter in South Carolina's Charleston Bay. During the next 34 hours, 50 Confederate guns and mortars launched more than 4,000 rounds at the poorly supplied fort. On April 13, U.S. Major Robert Anderson surrendered the fort to Confederate forces. Two days later, U.S. President Abraham Lincoln issued a proclamation calling for 75,000 volunteer soldiers to quell the Southern "insurrection." Below are a few additional facts:

South Carolina The First To Move: *Following Republican Abraham Lincoln's victory over the divided Democratic Party in November 1860, South Carolina immediately initiated secession proceedings. On December 20, the South Carolina legislature passed the "Ordinance of Secession," which declared that "the Union now subsisting between South Carolina and other states, under the name of the United States of America, is hereby dissolved." After the declaration, South Carolina set about seizing forts, arsenals, and other strategic locations within the state. Within six weeks, five more Southern states—Mississippi, Florida, Alabama, Georgia, Louisiana and later Texas, had followed South Carolina's lead. In February 1861, delegates from those states convened to establish a unified government. Later Virginia, Arkansas, North Carolina and Tennessee joined the Confederacy.*

The First Confederate President: *Jefferson Davis of Mississippi was elected the first president of the Confederate States of America. When Abraham Lincoln was inaugurated on March 4, 1861, a total of seven states had seceded from the Union, and federal troops held only Fort Sumter in South Carolina, Fort Pickens off the Florida coast, and a handful of minor outposts in the South.*

Massive Number of Troops: *The Union Army of 2,100,000 soldiers was nearly twice the size of the Confederate Army of 1,064,000. Interestingly, many of the Southern men already knew how to shoot a gun from hunting. The Northern men tended to work in factories and many didn't know how to fire a gun. At the beginning of the Civil War, 22 million people lived in the North and 9 million people (4 million of whom were slaves) lived in the South. The North also had more money, more factories, more horses, more railroads, and more food. These advantages ultimately made the Union much more powerful.*

Brother vs. Brother: John and George Crittenden were brothers who were both generals during the war. John for the North and George for the South. How tough that must have been for their parents.

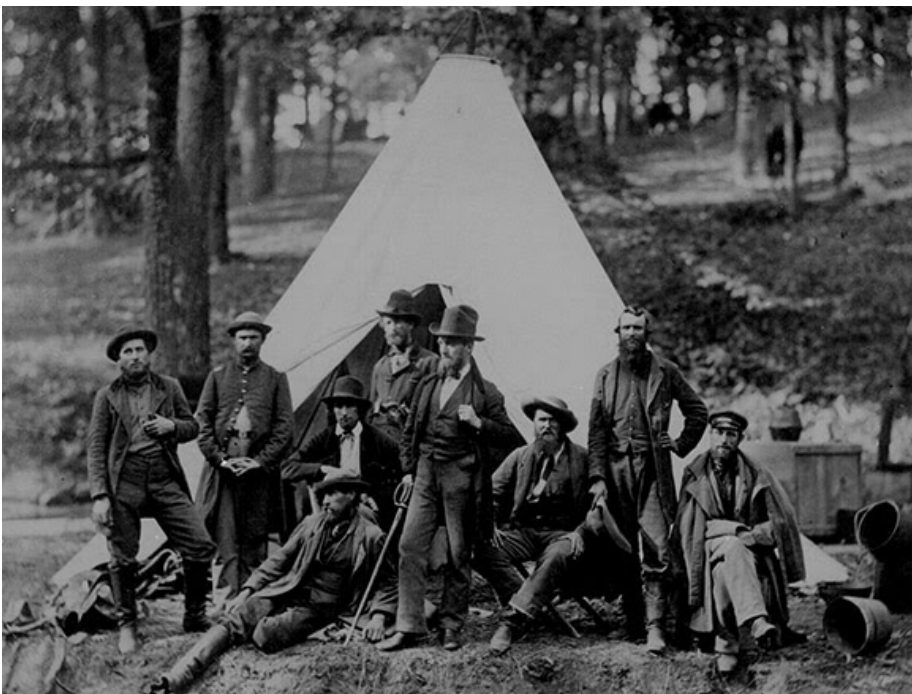
Friendly Fire: Stonewall Jackson, one of the South's greatest generals, was killed by friendly fire.

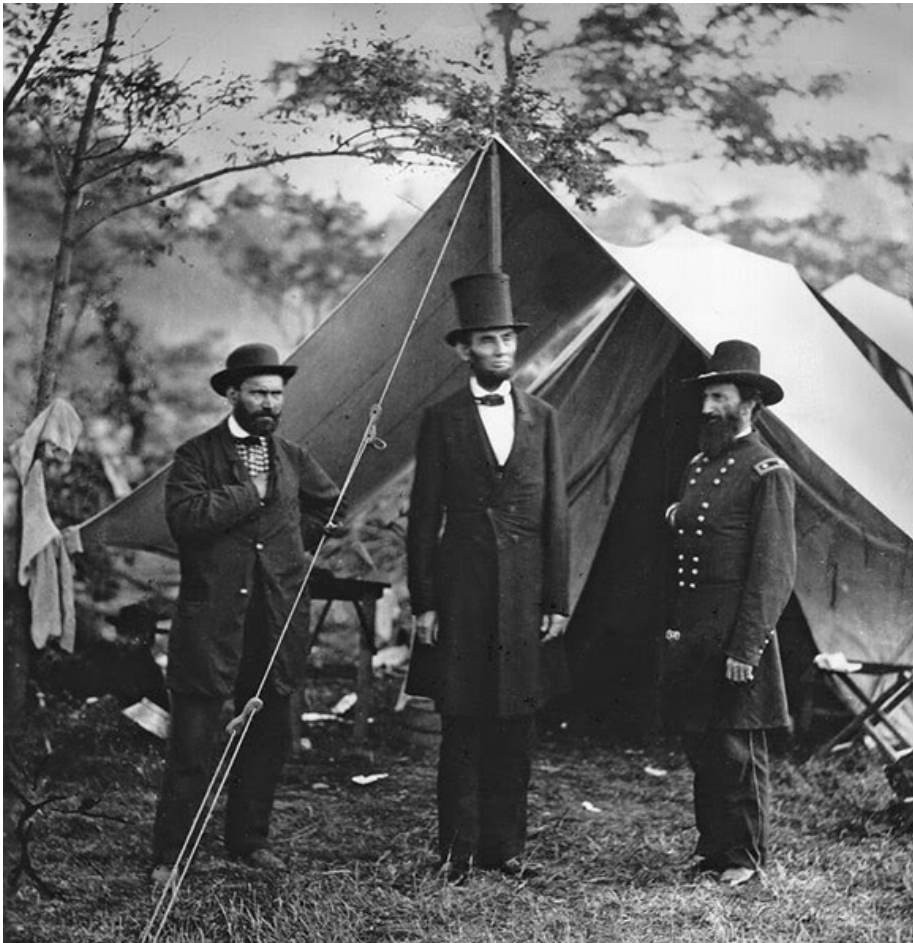
A Shot That Could Have Forever Changed America: Lincoln was supposedly shot at—and almost killed— nearly two years before he was assassinated. Late one August evening in 1863, after an exhausting day at the White House, Lincoln rode alone by horse to the Soldiers' Home, his family's summer residence. A private at the gate heard a shot ring out and, moments later, the horse galloped into the compound, with a bareheaded Lincoln clinging to his steed. Lincoln explained that a gunshot had gone off at the foot of the hill, sending the horse galloping so fast it knocked his hat off. Two soldiers retrieved Lincoln's hat, which had a bullet hole right through it. The president asked the guards to keep the incident under wraps: He didn't want to worry his wife Mary.

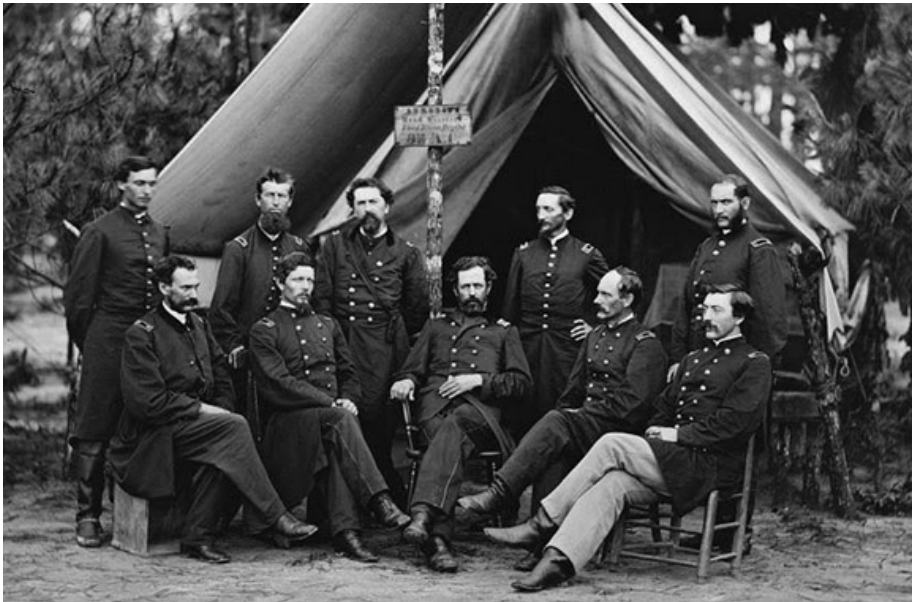
Major Turning Point In The War: The Civil War devastated the Confederate states. The presence of vast armies throughout the countryside meant that livestock, crops, and other staples were consumed very quickly. In an effort to gather fresh supplies and intimidate the United States, Confederate General Robert E. Lee launched a daring invasion of the North in the summer of 1863. He was defeated by Union General George G. Meade in a three-day battle near Gettysburg, Pennsylvania that left nearly 52,000 men killed, wounded, or missing in action. Many historians mark the Battle of Gettysburg as the "turning point" in the Civil War when the South began to lose. After the battle, President Lincoln delivered the Gettysburg Address, which expressed firm commitment to preserving the Union and became one of the most famous speeches in American history.

Deadliest War In U.S. History: There were about 625,000 killed, in total more Americans died in this war than in World War I, World War II, the Korean War and the Vietnam War combined. If the names of the Civil War dead were arranged like the names on the Vietnam Memorial, it would stretch over 10 times the wall's length. Two percent of the population died, the equivalent of 6 million men today. In fact, about 30% of all Southern white males between the ages of 18 and 40 died in the war.





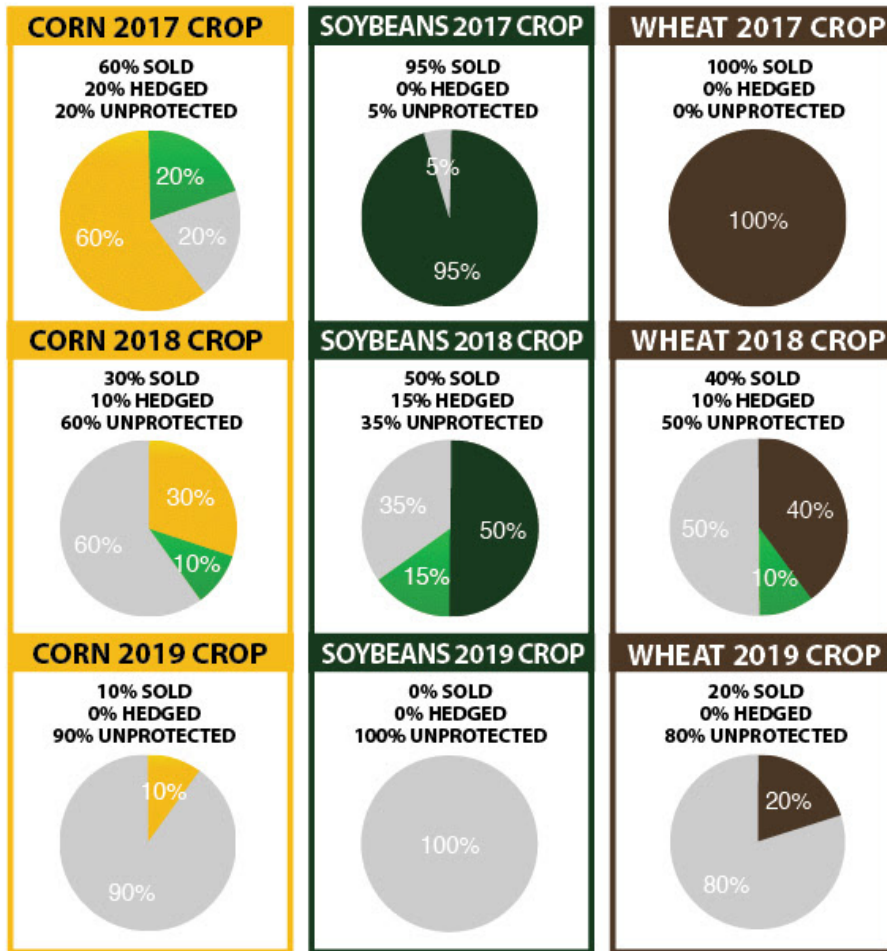




ANSWER to riddle:

The word is starting. You can break it down into staring, string, sting, sing, sin, in, I... Cool, huh?

CASH SALES & HEDGING TOTALS



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