

GOOD MORNING: 05/04/18 Farm Direction - VanTrump Report

1 message

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Fri, May 4, 2018 at 7:06 AM



"You're not entitled to take a view, unless and until you can argue better against that view than the smartest guy who holds that opposite view. If you can argue better than the smartest person who holds the opposite view, that is when you are entitled to hold a certain view." - Charlie Munger

FIRDAY, MAY 04, 2018
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Morning Summary: Stock traders continue to see strong earnings, but concerns about rising oil prices, a stronger dollar, higher interest rates and trade uncertainty seems to be of more importance. Keep in mind, despite some of the best earnings in years, 70% of the Dow is now in correction territory. It simply feels like money managers and asset allocators are seeking safer and more secured returns in the shorter term fixed income plays. If they can get a guaranteed 3% return on a short term bond or note without having to risk continued growth in the economy and or a particular company, it seems to be making sense to some of the larger investors. There's just a lot of questions and uncertainty right now surrounding "rate-of-change" for interest rates, energy prices, inflation, trade, etc... so new bullish money-flow is lacking in the stock market. Oil prices have been strong as traders worry about a potential U.S. withdrawal from the Iran nuclear agreement. Iran's foreign minister Mohammad Javad Zarif's went to Youtube to make it "absolutely clear once and for all: We will neither outsource our security nor will we renegotiate or add onto a deal we have already implemented in good faith." Washington did not reply, but I suspect as we get closer the May 12th U.S. withdrawal date President Trump will have a lot to say. I should also note, the International Monetary Fund is also now threatening to expel Venezuela on lack of providing proper financial documents, which could ultimately lead to even tighter global crude supplies. Remember, the IMF recently referred to Venezuela's economic collapse as one of the most extreme in modern history, and forecast that inflation would climb to a whopping +13,000%. The IMF statement comes just a couple of weeks before Venezuela's elections scheduled for May 20—elections that could send the country into further chaos as new sanctions look increasingly likely should its democracy be further undermined by the election. The U.S. dollar might be pausing for a moment following three weeks of steady gains. Turning towards more traditional economic news, the trade will be digesting monthly employment numbers along with the average hourly earnings in this mornings highly anticipated report. It seems like the trade has become much more sensitive to "wage growth" than the overall unemployment rate or number of new jobs created. The street seems to be thinking the unemployment rate could tick down to 4%, with wage improving +0.2% over last month and up about +2.7% compared to last year. The number of new jobs added is thought to be between +190,000 and +200,000. I suspect the stock market bulls would like to see wages no higher than expected, otherwise there will be increased talk of a more hawkish Fed and four rates in 2018. Looking to next week, I suspect we hear more headline chatter about NAFTA, trade negotiations with China and more detailed talk regarding the end of the Iranian nuclear deal. Could be a crazy week as a few of the "wild-cards" get turned over...

First Death Reported from E. coli-Contaminated Romaine Lettuce: *The nationwide food poisoning outbreak from E. coli-contaminated romaine lettuce has claimed its first fatality, an unidentified person in California, and the contagion has sickened a total of 121 people in 25 states, according to the U.S. Centers for Disease Control and Prevention. This strain of E. coli produces a toxin that causes vomiting and diarrhea and potentially other severe symptoms, including in some cases kidney failure. Of the people sickened, 52 have been hospitalized, 14 of them with kidney failure. Less than 10 percent of patients with*



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Today In History

STEC infections develop a potentially fatal type of kidney failure called hemolytic uremic syndrome. That complication, which usually requires hospitalization, causes patients to urinate less frequently, feel lethargic and lose color in their cheeks and lower eyelids. The CDC recommends seeking medical attention if you've had diarrhea for more than three days, especially if you've also had a fever and blood in your stools.

Twitter Urges All Users To Change Their Password: Twitter Inc urged its more than 330 million users to change their passwords after a glitch caused some to be stored in readable text on its internal computer system rather than disguised by a process known as "hashing". Read more at [Reuters](#)

Up Up And Away...Home Prices Keep Climbing: Home-price kept climbing in March, defying predictions that lofty prices will eventually return to earth, and raising questions about how sustainable such a heated market can be. The home-price index from real estate data provider CoreLogic showed national yearly price growth of 7% in March, which is up from 6.4% in February. Annual price gains have averaged 6.5% so far in 2018, up from an average of 5.9% last year. According to CoreLogic, lopsided supply-demand dynamics are to blame. Meaning lower price homes are increasing in price quicker than higher-priced options, which in turn makes houses less affordable. For some perspective on what analysts mean by an "affordability crisis," the government reported earlier in April that wages are increasing by about 2.7% annually. Yet CoreLogic thinks home prices will rise 5.2% in the coming 12 months. Read more [HERE](#).

Through the roof

CoreLogic Home Price Index, annual changes



1958, The Grammy's - The first awarded Grammy would be presented on this day, May 4th, 1958. These awards are held to honor and respect the musical accomplishments by the performers for that year. Grammys are an extension of the Hollywood Walk of Fame project of the 1950's. Recording executives realized that they had far too many people in the industry that should be recognized on the Walk but could not be, for the simple reason that space was limited. So, they decided to come up with an award and ceremony similar to that of the Oscars and the Emmy awards. Additionally, they founded the National Academy of Recording Arts and Sciences (now called the Recording Academy). This group is made up of musicians, producers, engineers and other professionals in the recording industry. At first, the NARAS wanted to honor Thomas Edison for his invention of the phonograph and call the award the Eddie, but that was changed when they decided to use the gramophone as their trophy, and they would name the award as "The Grammy." In 1958 the ceremony was held in two locations on the same day, one in New York City the other in Beverly Hills. There were twenty-eight Grammys awarded on this evening for different recording genres. The Record and Song of the Year would be awarded to Domenico Modugno for the song "Volare." Count Basie and Ella Fitzgerald would also each win two awards on this day as well. Sir Georg Solti an opera composer and director has won the most Grammy Awards to date (31), followed by Alison Krauss with 27, and the group U2 with 22 Grammys. The highest rated Grammy show was in 1984 when Michael Jackson and the Jackson 5 would give unforgettable performances. Michael would go on to win a record-breaking eight Grammys. Today the television broadcasts, hosted by CBS, have started to lose their appeal from the viewing public as each year the ratings are diminishing.



1970, Kent State - Ohioans will always remember this day when the Army National Guardsmen would open fire upon the student protesters at Kent State University, and it would become known as the Kent State Massacre. Four students would be killed this day, and nine others were wounded. The impact of this shooting would affect the entire nation. The timeline, which is important to understanding the events leading up to May 4th, would begin just five days earlier. President Nixon would make an announcement that notified the country that a Cambodian Incursion had begun. When Nixon, who had been elected on a platform that promised to end the war in Vietnam, made this decision many in the country took it as a sign of betrayal which angered the already growing anti-war movement. On May 1st a peaceful demonstration took place on the Kent State campus with about 500

neuro mining

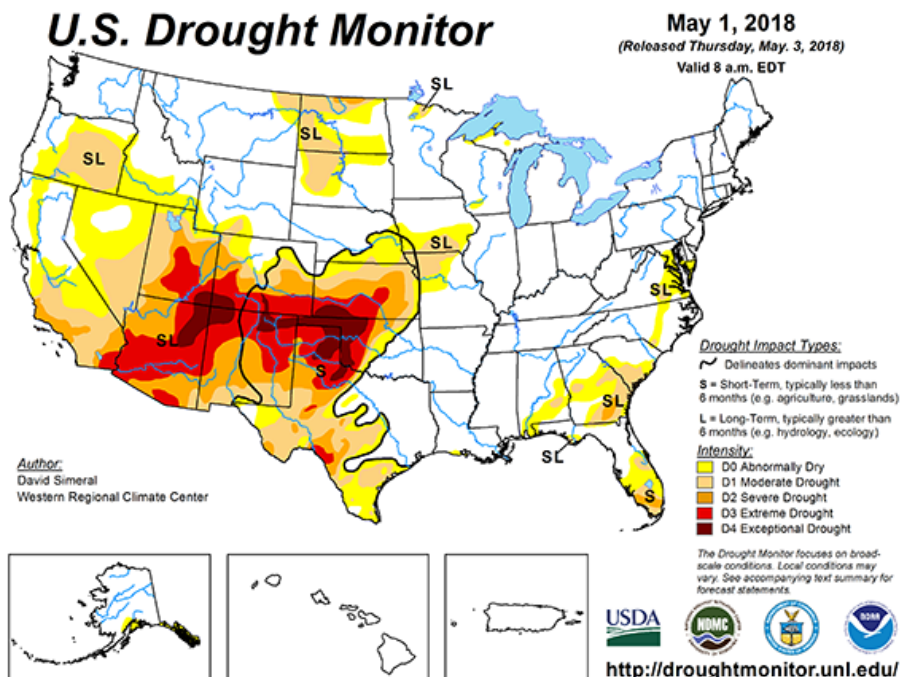


As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we 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: I have a head but no body, a heart but no blood. Just leaves and no branches, I grow without wood. Who am I?

Weather on the Corn Belt saw locally heavy showers further delay fieldwork in central portions of the region. In contrast, dry, warmer weather across the upper Midwest has allowed producers to get back into field planting corn, soybeans, and spring wheat. On the Plains, warmer temperatures in the north are promoting winter wheat development and spring wheat planting following extended delays brought on by a colder than normal April. Rain is favoring vegetative winter wheat in central portions of the region, while the core southern Plains' drought areas remain dry. In the South, dry, warm weather is favoring fieldwork. Soil moisture is mostly favorable for crop development, though dryness concerns persist in southern portions of Alabama and Georgia as well as southern Florida. The 6 to 10 day outlook for May 8 - 12 calls for above normal temperatures across much of the Nation, with near to below normal temperatures confined to the central Great Lakes and southern Florida. Drier than normal conditions are likewise anticipated over much of the continuous U.S., with pockets of above normal rainfall limited to Florida, the western Corn Belt, and Pacific Northwest.

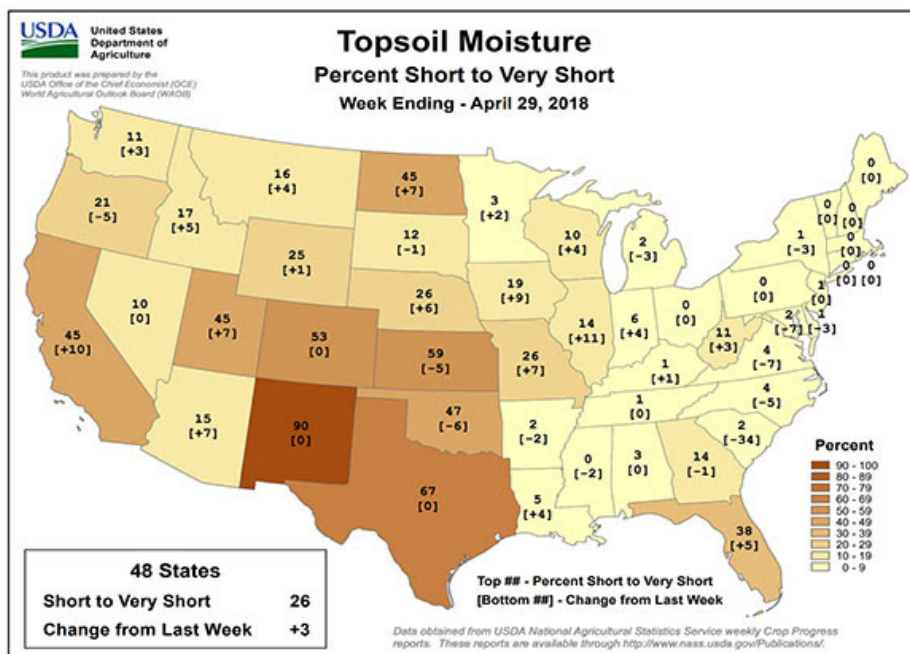
Dryness Continues Across Southern Plains, Central Corn Belt: According to the U.S. Drought Monitor for May 1 released May 3, this week saw a series of storm systems track across the continental U.S., bringing beneficial rains to portions of the Mid-Atlantic, Northeast, and South. However, the storm systems steered north of drought stricken areas of the southwest and southern Plains. Light showers brought a bit of relief to dry pasture and rangelands across Oklahoma and Texas. In the northern Plains, areas of abnormal and moderate drought expanded in North Dakota including the introduction of severe drought in the northern part of the state. According to the April 30th USDA NASS Crop progress report, the state's topsoil moisture was reported as 45% short to very short. As for the Midwest, areas of abnormal and moderate drought expanded in central and western Iowa reflecting short-term precipitation deficits and low soil moisture conditions.



students but later that night in the town of Kent trouble exploded, when students and other agitated people were leaving the bars, and attacked a group of local police officers. The mayor of Kent ordered all the bars to be closed, declared a state of emergency and asked for help from the governor. This only served to increase the size of the unruly crowd. On May 2nd several businesses received threats of destruction if they did not display anti-war slogans within their establishments, and the ROTC building on Kent State's campus also received the same destructive threats. At this point the Governor of Ohio decided to call in the Army National Guard, who would arrive on the campus at 10pm that evening. A much larger protest was underway at that time and they had set fire to the ROTC building. The police and firemen trying to fight the fire were being attacked with rocks and bottles. The National Guard would use tear gas to disperse the crowd and end the evening's protest and the next day the governor would state at a press conference, "that the students were behaving as un-American revolutionaries bent on destroying higher education." He would extend the state of emergency and ban further demonstrations, placing Kent State under martial law. On May 4th over two thousand demonstrators would show up on the commons of the campus, when police tried to disperse the students, they were attacked and injured. The National Guard was deployed around noon and began to use tear gas on the protesters again, but it did not work to break up the crowd. Guardsman would advance with their rifles and one shot (the who fired the first shot is still debated today sniper vs. guardsman) was fired which led to the other guardsmen firing. In total, 29 armed men shot 77 rounds into a crowd of student protestors. The next day student protests broke-out across the nation, and over 450 schools would be closed due to both violent and non-violent protest. Many political commentaries also mark this date as the beginning of the end for President Nixon.



1929, Audrey Hepburn -
 Audrey Kathleen Ruston later to be known as Audrey Hepburn, was born today. Her parents were European noblemen/woman and grew up sheltered and privileged until World War II. During this time her parents would divorce, and her mother and siblings would move to the Netherlands in hopes of being spared German invasion. Hepburn would perform silent dance performances to raise money for the Dutch resistance. She would witness first hand the traumatic events forced on the people (mostly Jews) of Europe and it would profoundly affect her life. After the war her mother would move the family to Amsterdam where Hepburn would continue the study of ballet. In 1948 she would move to London for a dance scholarship and earn extra money as a model, then ultimately would take up acting. She would be cast in her first major roll in 1952 as a supporting actress



in the movie "The Secret People," where she played a ballerina, performing all of her own dance sequences. Hepburn would next be cast in the stage production of "Gigi," which would gain her worldwide recognition and awards. Her American film debut would come in 1953 when she would star opposite of Gregory Peck in the film "Roman Holiday." She would win the Academy Award and Golden Globe for Best Actress for this role and had become the Hollywood's most popular box-office attraction. Her defining role would come with "Breakfast At Tiffany's" in 1961, where she would wear the most famous little black dress of all time. Audrey would move from film to a humanitarian career later in her life and was appointed a Goodwill Ambassador of UNICEF. President H.W. Bush would present her with the Presidential Medal of Freedom in recognition of her work with that organization. She would marry and divorce twice in her life, and only have one child. Sadly, Audrey Hepburn would pass away in 1993 as a result of a rare form of cancer and was buried in Switzerland. Time magazine would say this about Audrey upon her passing, "Hepburn as actress and woman seemed an emissary from a finer world than ours. She taught, by example, what a lady was: a vessel of grace and gravity, ready wit, eldritch charm; a woman whose greatest discretion was to hide her awareness of her splendor. She refused to be tyrannized by her own beauty. She represented a moral and emotional aristocracy that no longer exists."

Upcoming Events

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

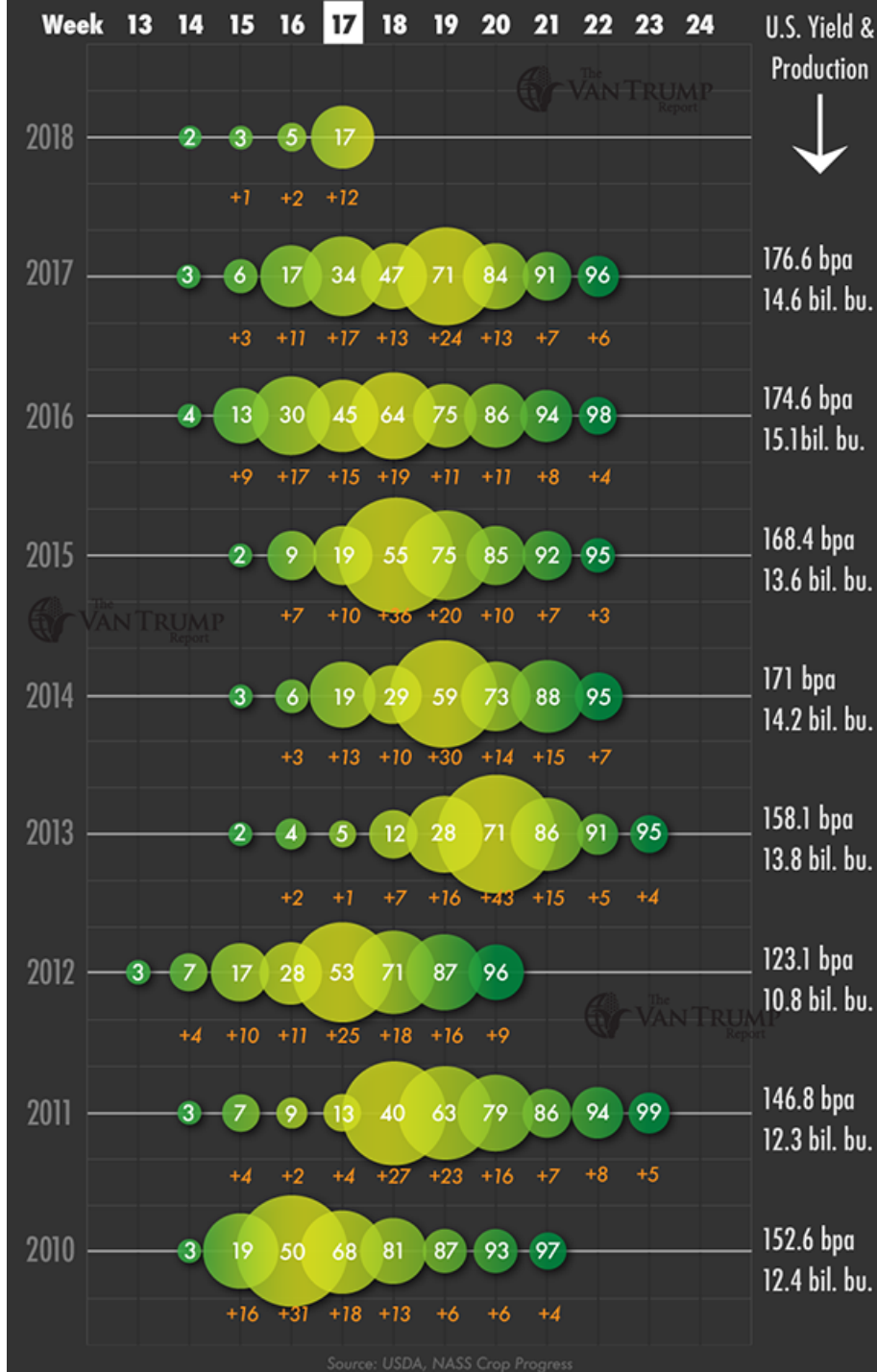
Fri. 6/29 - Quarterly Stocks and Acreage

Kevin's Song of the Week

Corn bulls embrace headlines regarding complications in South America. I hate to sound like a broken record, but the continued complications in Argentina and the current setbacks in Brazil's second-crop production appears to be enough to keep the bulls engaged and prices supported. The Brazilian crop estimates continue to be trimmed. The USDA is currently estimating the Brazilian crop near trend-line yield at 92 MMTs, when in fact some insiders are saying production could be trimmed by -7% to -20% just depending on how the rains and heat play out. In other words, total Brazilian production could perhaps fall to between 75 and 85 MMTs. If we sprinkle in a bit of uncertainty about the U.S. crop and some positive headlines, perhaps next week, regarding trade negotiations, we have a recipe for higher prices. I personally don't see a wide-spread planting problem here in the U.S.. Could planting be a bit later than normal? I suspect so, but I don't see it being a major predictive factor for significant yield drag. I do like the U.S. "demand" story and believe lower ending stocks are going to provide some longer-term price support. As for next week, the trade will be eager to see Mondays "planting pace". I suspect a lot of eyes will be on Minnesota, where many producers are saying they could believe a 0% to 2% planted number. There just hasn't been much opportunity. Below is a cool graphic I had the guys in the office make up for my own personal reference. I wanted to see final yield and total production as it compared to that years planting pace. Simply look at the crop year, scan across and see how much was planted each week, then all the way to the right is the final yield.

U.S. Corn Planting Pace 2010 - 2018

includes Weekly Rating and Week-over-Week Change



Soybean bears are talking about trade negotiations in China ending with no noted deal. They are also pointing to the fact there's still 300 to 400 million bushels of old-crop soybeans marked as "sold" but still need to be "shipped" to the Chinese. Bears are also talking about the edge in recent currency valuations going to South America and the fact U.S. producers are going to plant record soybean acres in 2018. In fact, there's some increased talk that delays in U.S. corn planting and strong bean prices could easily push a few more acres in the soy direction. This obviously something we will continue to monitor. I still see a bullish story brewing out on the horizon, but as I've said several times I'm uncertain as to how we get there. I'm worried that next weeks USDA report could disappoint the bulls. I'm also thinking we could see an increase in acres and fairly favorable weather early on. Fundamentally, I think the bulls are bit ahead of themselves, so I want to remain patient as a spec. As a producer, I want to use any nearby breakout to the upside as an opportunity to reduce a bit more price

WHAT I'M LISTENING TO:



Morgan Wallen "Up Down" ft. Florida Georgia Line

Kevin's Song of the Week

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

risk. From a technical perspective, there seems to be more heavy resistance for the JUL18 contract up between \$10.55 and \$10.75 per bushel. I suspect it might be tough to push beyond this area without more U.S. weather uncertainty. The new-crop NOV18 contract is still trying to break through nearby resistance at around \$10.60 per bushel. The bulls have knocked on the door several times since the beginning of April, but have been turned away on every occasion.

influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

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

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

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..."

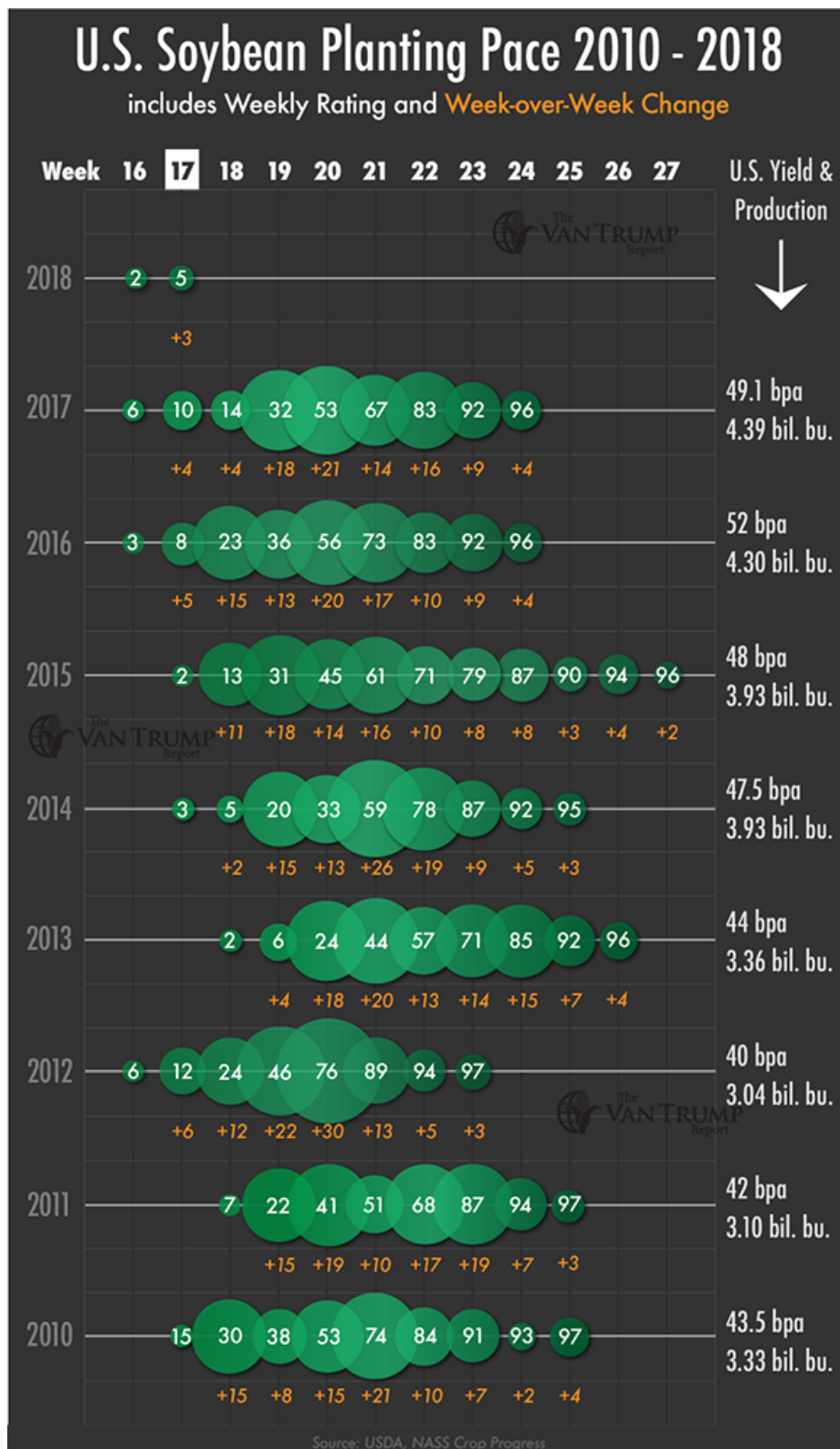
"Bulls make money, Bears make money, but pigs get slaughtered..."

"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.



Wheat bulls continue pointing towards complications with U.S. production. The Wheat Quality Council Tour ended by forecasting the Kansas yield at just 37 bushels per acre, down big compared to the 46.1 bushel estimate forecast last year and the USDA's 2017 Kansas yield estimate of 48.0 bushels per acre. The five-year crop tour average is 40.98 bushels per acre, so this is clearly a poor crop. The total average estimate for this year's Kansas wheat production was forecast at 243.3 million bushels, down significantly from last year's actually USDA production estimate for the state at 333.6

million. In fact this is the smallest total production estimate since the 213.6 million in 1989. In a nutshell, scouts were saying the crop was late and extremely dry in many areas. Cold temperatures have obviously done some damage in several parts of the state. The fear is the crop is already extremely weak and being this delayed puts it into the grain filling stage perhaps right in the heart of extreme heat. A situation an already weak crop will struggle to manage efficiently. The trade is also digesting headlines of planting delays in Argentina, and extremely dry conditions in parts of Australia and southern Russia. There are also a few other areas being monitored in the Black Sea region and portions of Europe. Bears continue to point to the same old headlines, overly burdensome global supply, lack of demand story here at home and a strengthening U.S. dollar. Interestingly, the trade appears calloused to the bearish news and more attracted to the sexier stories. As a producer, we need to make sure we are taking advantage of the tailwinds. As a spec, I remain on the sideline. I got greedy thinking I could buy the market at cheaper price on the previous break and missed the upside run. I'm not willing to chase it in a weather market...

Farm Direction
RECIPES

★ **FAMILY** ★
FAVORITES
-SENT IN BY OUR READERS-

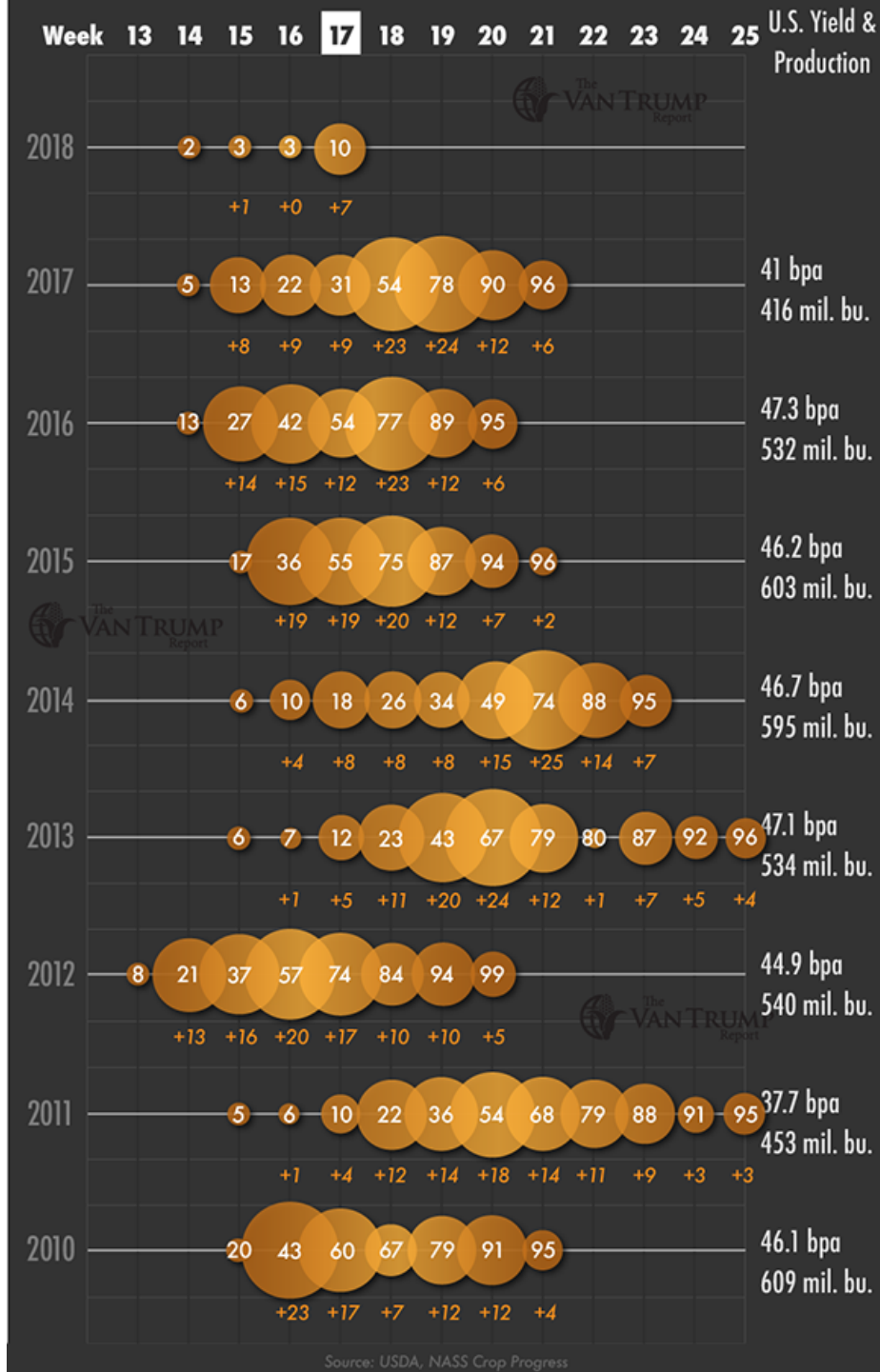


**Bacon
Cream Cheese
Bombs Recipe**

CLICK TO SEE RECIPE

U.S. Spring Wheat Planting Pace 2010 - 2018

includes Weekly Rating and **Week-over-Week Change**



> Tyson Foods Expands Its Meatless Holdings: Tyson Inc., the largest meatpacker in the U.S., is co-leading a \$2.2 million seed investment in Jerusalem-based Future Meat Technologies that aims to affordably produce meat from animal cells, without the need to raise or harvest livestock. Their focus is on developing manufacturing

technology that will enable the cost-efficient production of fat and muscle cells, the core building blocks of meat. From what I hear, the company has already reduced the cost of cultured meat from about \$10,000 per kilogram to \$800 per kilogram, with a goal of \$5-\$10 per kilogram by 2020. Tyson is already invested in Beyond Meat and Memphis Meats as they seek to boost their food brands with plant-based and cultured meat sources. (Source: Bloomberg)

> **Argentine Soybean Crop Stabilizing:** The Buenos Aires Exchange reported the Argentine harvest is now about 62% complete vs. 49% last year. They also said the recent rains have helped stabilize or slightly improve the crop but maintain their current estimate of 38 MMT's

> **China Taking "Emergency" Measures to Boost Soybean Production:** According to sources, Chinese authorities in north-eastern Heilongjiang and Jilin provinces met last weekend to discuss actions to boost planting of soybeans, reports posted on city government websites said. They are calling for an extra 823,000 acres to be planted with soybeans this year. This "emergency notice" also called for an additional 32 million acres to be included in an ongoing program to rotate corn with other crops such as soybeans. The new plan is unlikely to offer much immediate relief for feed buyers. (Source: Reuters)

> **World Grain Stocks Shrink For First Time In Six Years:** World grain stocks will fall next season for the first time in six years, dragging supplies to unusually tight levels, the United Nations Food and Ag Organization said. In its first forecasts for 2018/19, the FAO estimated world inventories of cereals — including wheat, coarse grains and rice — dropping 20.6 million metric tons over the season to 756 million metric tons. The decline would be the first since 2012/13. (Source: Agrimoney)

> **Farm Bureau Develops New Insurance For Dairy:** The American Farm Bureau Federation announced they have developed a new crop insurance policy for dairy farmers that protects against losses in revenue from milk sales. The Dairy Revenue Protection will provide several levels of insurance coverage based on the value of the farmer's milk. One option will use manufacturing milk futures prices and the other option would be based on the value of milk components such as milk fat, protein and other milk solids. Other than those different dairy pricing options, the revenue protection coverage otherwise functions similarly to area-based crop revenue protection insurance policies. (Source: AFBF)

> **JBS USA Recalls 35,000lbs Of Beef:** North Carolina-based JBS USA is recalling more than 35,000 pounds of raw ground beef products sold at Kroger stores. A customer found pieces of hard, blue plastic in one of the products, according to the U.S. Department of Agriculture. Kroger is the parent company of King Soopers and City Market stores in Colorado. The beef was produced on March 22 with a sell-by date of April 9.

> **Brazil Will Challenge U.S. Cotton Subsidies...Again:** Brazil is preparing to challenge new U.S. cotton subsidies at the World Trade Organization. The WTO ruled in favor of Brazil in its last challenge to U.S. support for the cotton industry, including direct payments to farmers, exporters and millers. Congress passed, in the most recent budget, an authorization for seed cotton to be eligible for traditional commodity support programs like Price Loss Coverage, which the Congressional Budget Office estimates will cost about \$400 million a year. (Source: Politico)

> **Tesla Sued For \$2 Billion On Design Infringements:** Nikola Motors has filed a massive suit against Tesla over the design of the electric Tesla Semi. Nikola Motors is seeking as much as \$2 billion in damages. The suit claims that the Tesla Semi infringes on three specific design patents that Nikola Motors obtained for its Nikola One truck that was first seen in 2016. Tesla unveiled its Semi in 2017. (Source: slashgear)

> **A Storm Chaser's View:** Photographer Camille Seaman spent seven years searching for gathering clouds in some of America's stormiest states: Nebraska, South Dakota, Kansas. Her photographs, now brought together in the new book *The Big Cloud*, are a spectacular document of nature's power. I thought I'd share some of nature's most ominously beautiful scenes. Read more on Seaman's journey [HERE](#).







FROM THE FIELD

Central Nebraska - We are done with 40% of our corn planting and should be finished in a week if the weather holds. We were fortunate to miss the severe storms a couple nights ago, where surrounding locals had golf ball size hail move through. Our rotation isn't changing much but we will be heavy beans this year because of a lost contract on some specialty crop. We were growing some regulated corn that had to be on irrigated ground out away from anything in order to prevent volunteer corn from getting in the field. We should have it back next season and will resume that rotation. Word is there is a couple guys in the area that will plant more beans this year.

Northern Indiana - Like everyone we were late getting in but temps are starting to head in the right direction. The soil temps need to come up a bit but with temps on the rise it will only take a couple days. We had record corn yields on some fields seeing 280bpa but our averages were near 260bpa. We were fortunate to have timely rains along with minimal to no stress conditions last season. The beams hit mid 60's, which are not great but paid the bills. We don't have a lot of irrigation but the soil profiles seem to be charged and should be fine for a bit. We have an ethanol plant nearby that keeps basis at good levels.

Southwest Iowa - We have all been sitting around last week and haven't planted a single acre as we await winter to finish. We did have our best yields last year on corn and beans with great weather in our area. I know some guys not to far off weren't as fortunate but you know how 20 miles can make a world of difference. Most of us are no till around here and are glad we made the switch. Everyone that I know of is sticking with their normal rotations but if things get pushed back to far, I would imagine that could change. We picked up a few more acres over the winter and are looking at upgrading a bit of equipment. You can get some pretty good buys if you stay with the used stuff.



CROSSING WIRES

A place to share intelligent thoughts...

Why Is Hawaii Banning Sunscreen? Hawaiian State lawmakers passed legislation Tuesday that would ban skin-care companies from selling and distributing sunscreens on the islands that contain two chemicals deemed damaging to coral reefs. SB 2571 states that the chemicals, oxybenzone and octinoxate, "have significant harmful impacts on Hawaii's marine environment and residing ecosystems"; the bill aims to keep sunscreens that contain the chemicals off store shelves. If this sounds a little out there, consider that in addition to protecting sea creatures, the reefs provide food, medication and tourism jobs, among other things — at a value of \$30 billion to \$172 billion per year. A lot at stake, I'd say. Read more [HERE](#).

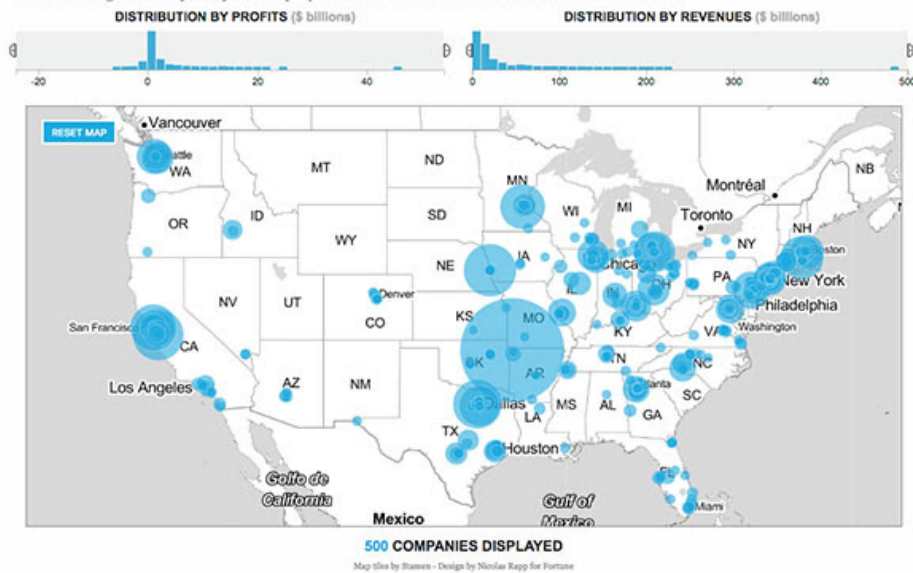
Nocebo Effect...Nasty Twin Of Placebo Effect: I actually don't find this that hard to believe, but research suggests a correlation between looking up potential side-effects and experiencing them. From what I understand, Googling your symptoms can actually may you feel worse. What does that say for our state of mind? It like where you have a medication that probably has benefits, but because you go in with preconceived notions that it might be harmful or cause you to have side-effects, you actually are more likely to experience those negative effects. If this is you, read more [HERE](#).

Apple Watch Credited With Saving Another Life: William Monzidelis, says he's thankful to be alive after an app on his Apple Watch sent out an alert that he was having a critical health emergency. Doctors at Greenwich Hospital in New York told Nancy Monzidelis that had she not immediately gotten him the help he needed, her son William would have been dead in an hour or two. I'm starting to become a believer in the technology as just earlier this week the watch saved an 18-year old Florida woman who was suffering from undiagnosed kidney disease. Read more on Monzidelis's fortunate outcome [HERE](#).

Check Out The 75% Complete USS John F. Kennedy: In an impressive display of manufacturing, the 75%-complete mark was reached on April 19, with the positioning of the 827-ton forward section of the carrier's main deck. The Kennedy, CVN 79, is the second of the US Navy's Gerald R. Ford-class advanced nuclear-powered aircraft carriers. Construction on the Kennedy started in February 2011 with the "first cut of steel" ceremony in Newport News and is expected to be completed and delivered to the Navy by 2022 at a cost of over \$12 billion. You can watch a quick video of the crew placing the 827-ton piece into place on a windy day...pretty cool. Read more [HERE](#).

Mapping The Fortune 500: Below is a visualization that allows you to explore the Fortune 500 in a cool way. With the map, you can find the U.S. headquarters for each company on the list with lots of other information as well. Once you click the link you will be taken to two interactive graphics visualizing the information uniquely. So if you find yourself looking for a job, sales lead or just want to know more about the company you work for, you can learn it all by clicking [HERE](#).

Each circle on the map points to the location of a company headquarters; and the circle's size represents company revenue. Zoom in by double-clicking on the map to explore company locations and hover over the circles for more information.



Fastest Growing Food Sector Saves Land

Scientists from UC Santa Barbara's National Center for Ecological Analysis and Synthesis (NCEAS) conducted the first land-use analysis of future food systems, with a focus on aquatic farming. Why a land-use analysis? Population growth and the protein levels needed to feed them by 2050 will increase significantly and the researchers are looking for answers to reduce one of the biggest environmental impacts of meat production -- land use. I'm told, UC found that the amount of cropland required to provide appropriate levels of protein would be significantly smaller using aquaculture versus terrestrial livestock. Land savings would be achieved because fish and other aquatic animals are extremely efficient at converting feed to biomass for human consumption. For example, a cow requires anywhere from six to 30-plus pounds of feed to gain one pound of biomass, while most farmed fish need just one to two pounds of feed to do the same. Keep in mind, this efficiency translates into much less cropland required to grow feed for the fish that people eat. Personally, I don't see a world where there is no more "real" beef production, but it is important that we all recognize that our food choices have and will have consequences on our biodiversity and land use. I suspect in the near future, policymakers will be forced to weigh the limited natural resources, both real and perceived including land, against appropriate nutritional needs. Creating a tremendously different environment than we have now. Bottom line...what are you doing to prepare your business for a changing landscape, where the outside forces affecting our operations are coming from new directions. Remember, in the tech revolution that agriculture finds itself in, the thinking that got us here will most likely not be relevant to our future success. You can read the study in full [HERE](#). (Source: sciencedaily).



NASA Drops Unseen Footage of SR-71 Blackbird... Must Watch:

The U.S. government recently released new footage of the SR-71 Blackbird. This plane was an incredible technical achievement and did more than you may know in the few decades it was in service. In the Spring of 1960, as the Cold War was heating up, CIA pilot Gary Powers was shot down flying a U-2C spy plane over Soviet airspace, dropping from 70,000 ft. to 30,000 ft. before he could safely eject. The U.S. tried to cover up the mission, but the pilot and his U-2 were both recovered, forcing the U.S. to admit its spying. This was how the legendary SR-71 was born. After the U-2 incident, the government put pressure on Lockheed Martin to build a plane that couldn't be shot down. Lockheed's advanced development program, known as "Skunk Works," was up for the challenge and ultimately produced the SR-71 Blackbird. Capable of over 2,100 mph and heights of 80,000 feet, it was the perfect spy plane. One of the many features that made the jet even more incredible was its stealth as well as its speed. Lockheed Martin's Skunk Works designed features that not only made it look like an alien ship but also reduced the SR-71's radar signature. Rumors of Soviet radar advances led the U.S. government to ask for an even smaller radar profile. According to [Lockheed](#), surfaces had to be redesigned to avoid reflecting radar signals, the engines moved to a subtler mid-wing position, and a radar-absorbing element was added to the paint. Then a full-scale model of the Blackbird was hoisted on a pylon for radar testing at a secret location in the Nevada desert. The tests were carefully scheduled to avoid Soviet satellite observations and the results were impressive: The Blackbird model, more than 100 feet in length, would appear on Soviet radar as bigger than a bird but smaller than a man. The team had succeeded in reducing radar cross section by 90%. Only 32 were built and SR-71 was retired from USAF service in 1998, then from NASA's service in 1999. It remains the pinnacle of reconnaissance planes and paved the way for the more modern high-speed planes. The Blackbird's capability were unmatched and gave the U.S. such an advantage particularly during the Cold War. As you can imagine, there are some incredible stories of this plane and the many missions that pilots took at the helm. If you want more on the SR-71, I encourage you to read this thrilling story of U.S. Air Force pilot Major. Brian Shul and his Lockheed SR-71 Blackbird, as he zoomed through the skies of Muammar Qaddafi's Syria, dodging and outrunning anti-aircraft missiles. It's definitely worth the read. Check it out [HERE](#). (Source: Lockheed Martin)



The Kentucky Derby Runs This Weekend

Are you ready for the most exciting two minutes in sports? The tradition continues this Saturday, May 5th with the 144th running of the Kentucky Derby. Since its inception, the race has thrilled millions of people. The Kentucky Derby is only open to three-year-old Thoroughbreds, thus all entrants in the 2018 Derby were foaled in 2015. In order to earn one of the 20 spots in the starting gate, the thoroughbreds must travel along the

"Road to the Kentucky Derby", a series of designated races at tracks across the country. It might interest you to know that it costs each owner a minimum of \$50,000 per horse and up to \$200,000 under special circumstances to just enter the Derby. Below are some other fun facts, as well as the list of odds and my pick to win:

TV Coverage & Start Time: *The race is set to be broadcast by NBC, with main network coverage of pre-race activities starting at 1:30pm CST. Post time is generally about 5:30 PM CST.*

How Long Is The Race? 1.25 Miles

How Much Will The Winner Receive? *This years winner will receive close to \$1.5 million .*

Betting The Exotics: *In 2005, for example, 50-1 shot Giacomo won it all, boosting the superfecta to a whopping \$864,253.50 on a \$1 bet. Even though last year's winner, Always Dreaming, became the fifth straight favorite to win the Derby, the trifecta still paid a \$16,594 return on a \$2 ticket.*

Is There Anymore Room: *The Kentucky Derby is one of the highest-attended sporting events in the world. Last year more than 167,000 fans packed Churchill Downs, and the average attendance over the last 10 years is 160,820. It's amazing to consider that only a few NASCAR stadiums hold more patrons.*

Winning Position: *In Kentucky Derby history, no positions have produced more winners than those that start from the number 5 and 10 position, tied with nine overall. Being near the rail has been bad news. It's been 31 years since Ferdinand won from the number 1 position, and 39 years since Affirmed won from the number 2 position.*

It Takes Big Money To Play: *The most expensive horse to win the race is Fusaichi Pegasus, who cost a cool \$4 million. Seventeen Kentucky Derby starters in the race's history sold for \$1 million or more at auction. Fusaichi Pegasus is the only winner from that group.*

Nice Tradition: *The Kentucky Derby is the oldest continuously run major sporting event in the country. It's been run annually since 1875.*

Mint Julip Anyone: *Churchill Downs will serve over 127,000 mint julips over the race weekend. I suspect there's nearly as many Advil served as well.*

My Picks...*I like Hofburg, Audible, Good Magic and Justify*

My Favorite Names: *"Free Drop Billy" and "Promises Fulfilled"*

The Horses, Odds & How They Got Their Names (Source: Courier Journal)

1 - Firenze Fire (50-1) - *There's never been a horse win from the rail since Ferdinand in 1986 and only one since Chateaugay in 1963. Owner Ron Lombardi explained that he and his daughter travel to Florence, Italy, several times a year. "Italian for Florence is Firenze," Lombardi said. "At the time we named the horse, Tom Hanks was premiering the movie, 'Inferno,' which was filmed in Florence. Firenze Fire just clicked."*

2 - Free Drop Billy (30-1) - *Owner Dennis Albaugh named the horse after a golfing buddy who often hit his ball into a lake but didn't take a penalty, instead taking a "free drop." "I said, 'You do that again and I'm going to name a horse after you,'" Albaugh said. "Sure enough, he did it again, and the horse is now named Free Drop Billy."*

3 - Promises Fulfilled (30-1) - *Fast out of the gate and with a sound path to the inside, Promises Fulfilled is a good bet to be leading out of the first turn. There's question about endurance. Owner Robert Baron submitted the name on Aug. 18 of last year, his 44th wedding anniversary. "I told my wife, 'We fulfilled all of our promises to our kids, sending them to college and doing the right things.'"*

4 - Flameaway (30-1) - *Flameaway in the winningest horse in the field with five career victories, and he hasn't finished worse than second in the four races he's run in so far in 2018. Might be a good addition to a trifecta or superfecta bet. Owner John Oxley explained, "He's a beautiful chestnut and has the look of a flaming coat. Oxley said it's also a tribute to Whirlaway, the 1941 Triple Crown winner that Oxley said was one of his favorite horses as a child.*

5 - Audible (8-1) - *This horse has won four of the five races in his career, including four straight since his first time out on the track. In a field full of*

talent, and racing out of the five post which has produced five Derby winners in the past 21 years, many suspect he will be a popular bet on Saturday. There's even some who say he could win it all. Elliott Walden, president and racing manager of co-owner WinStar Farm, likes to use football terms for his horses' names. He liked "audible" as a term for when a quarterback changes a play call at the line of scrimmage.

6 - Good Magic (12-1) - *Good Magic has never finished out of the money in his five career races, and is coming off of a win at the Blue Grass Stakes. Co-owner Bob Edwards said, "We had a list of names, and Good Magic kind of worked into everything we did, both camps liked it, and that's how we came up with it." The colt's dam is Glinda the Good.*

7 - Justify (3-1) - *The Bob Baffert-trained Justify, who won the \$1 million Santa Anita Derby, is the Kentucky Derby favorite. Interestingly, many inside the racing are doubting it happens, as he would have to overcome the alleged century-old Apollo Curse. Meaning no horse since Apollo in 1882 has ever won the Kentucky Derby that did not race at the age of 2. Justify has won the three races he has entered as a 3 year old, but simply never raced as 2 year old. The owner said the name doesn't have any particular significance. They just work hard to find a cool name, hence "Justify".*

8 - Lone Sailor (50-1) - *This horse has speed, but there's a reason he's a longshot for the Kentucky Derby — he hasn't won in five races and finished outside the money in two of them. GMB Racing names most of its horses after Tom Benson, the former owner of the New Orleans Saints who died in March. "This crop of 3-year-olds, I tried to name the majority of them after his military service," said Greg Bense, racing manager for GMB. "We had a horse named Navy Typist because he was a typist in the Navy. Lone Sailor is a Navy award given to someone who has done more in his community after his Naval service."*

9 - Hofburg (20-1) - *With only three races under his belt, Hofburg has less experience than most horses entering the Kentucky Derby. The good news is he has improved with each race and might be poised for a breakout performance. He is trained by Hall of Famer Bill Mott and owned by the powerful Juddmonte Farms. There are some insiders saying he could close late and be a major contender. Named for the former imperial palace in Vienna, Austria. "He was named that because he is all class and beauty," said Leif Aaron of Juddmonte Farms' Kentucky division.*

10 - My Boy Jack (30-1) - *Here's a horse that likes to close late and might have a strong chance of finishing in the money. Trainer Keith Desormeaux said the horse is named for the son of a friend of co-owner Sol Kumin. "He's a big-time horse lover out of New York," Desormeaux said. "He's in the eighth grade, and his name is Jack."*

11 - Bolt d'Oro (8-1) - *He has jockey Victor Espinoza, the winner aboard War Emblem in 2002, California Chrome in 2014 and American Pharoah in 2015. Bolt d'Oro, who finished second to Justify in the Santa Anita Derby, got an 8-1 compliment from Battaglia and the No. 11 post, after four wins but no first-place finishes in any of his last three. The "Bolt" is a tribute to Usain Bolt, the sprinter from Jamaica who has won eight Olympic gold medals. The rest is a tribute to the sire, Medaglia d'Oro.*

12 - Enticed (30-1) - *He's never finished lower than fourth in six career races. Was named very aptly because she was rather tricky and she had to be enticed into doing things."*

13 - Bravazo (50-1) - *This horse has won races before, but after finishing in eighth his last time out on the track he has become a bit of a long-shot. The name is a loose translation of the word "awesome" in Spanish. Bravazo's sire is Awesome Again.*

14 - Mendelssohn (5-1) - *Irish horse that's the son of Scat Daddy might have some of the best blood in the race, but he also joins a gathering line of those who have tested the Derby after taking the long-haul flights that can leave one haggard. No entry whose previous race was overseas has won since 1971. In fact, no horse that resides in Europe has ever won any Kentucky Derby. Still he is one of the favorites... The horse was named after 19th Century composer Felix Mendelssohn, whose best-known work includes music for A Midsummer Night's Dream.*

15 - Instilled Regard (50-1) - *Owner Larry Best said, "I wanted a classy name. Instilled Regard is a phrase that represents an attitude toward life ... of having respect for all the competition and a desire to wish them well. Your instinct is to compete and give it your best, but Instilled Regard is an outlook on life and having respect for everyone, including your competitors."*

16 - Magnum Moon (6-1) - Here is another great horse. He's unbeaten and recently won the Arkansas Derby. Magnum Moon is also another horse that didn't run as a 2-year old. The name is a tribute to the sire, Malibu Moon.

17 - Solomini (30-1) - This horse has never finished out of the money in six career races. Named for the nephew of Zayat Stables racing manager Justin Zayat. "My sister always said to me, 'When I have a kid, you better name a good horse after my son,'" Zayat said. "So I had the pressure. I chose this colt. We called him Solomini, like mini Solomon.

18 - Vino Rosso (12-1) - Only one horse in the history of the Kentucky Derby has won out of the No. 18 post. The good news is he is being ridden by John Velazquez, the same jockey that rode Always Dreaming to a Kentucky Derby victory last year. It's name is Italian for "red wine." Co-owners Mike Repole and Vinny Viola both have Italian heritage.

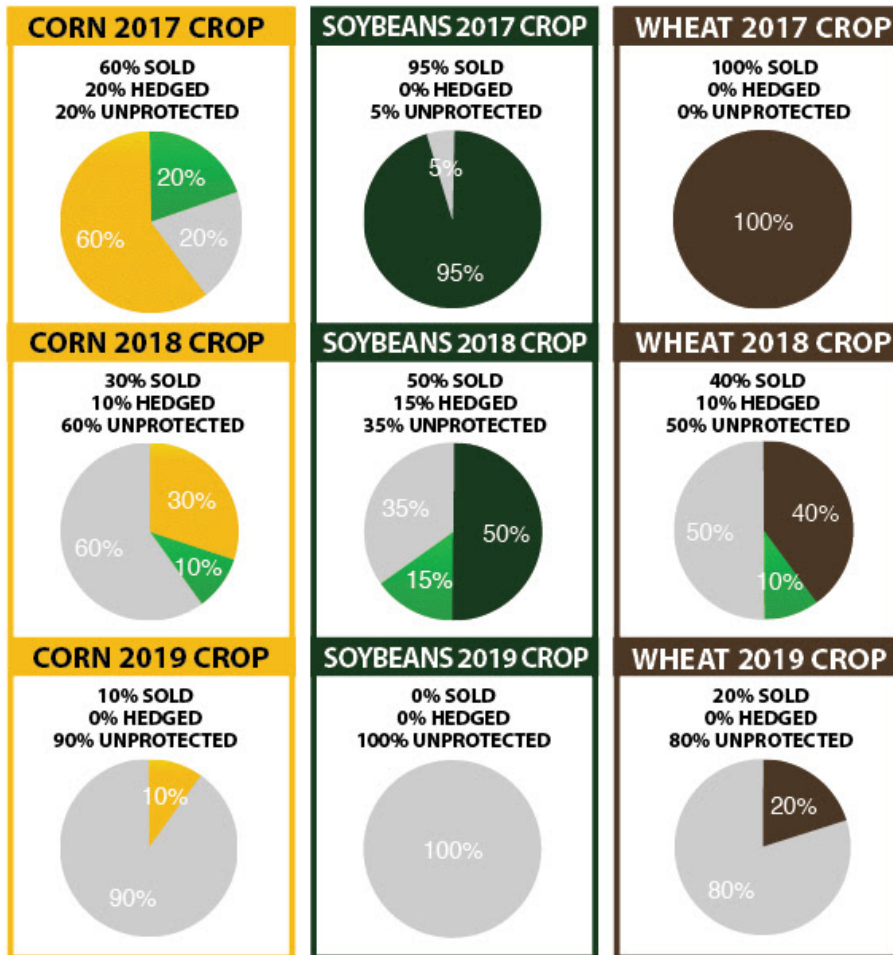
19 - Noble Indy (30-1) - There's a bit of question surrounding this horse since hasn't been on the track in a real race in six weeks. His name is a combination of the sire (Take Charge Indy) and dam (Noble Maz)

20 - Combatant (50-1) - This horse has never finished worse than fourth in seven previous races, but rating from the furthest out might be tough to overcome. The owner said, "The name doesn't have any particular significance, we go through a ton of names every year and kick them back and forth, hence Combatant."



ANSWER to riddle: Lettuce!

CASH SALES & HEDGING TOTALS



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