

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

2 messages

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Fri, May 18, 2018 at 7:16 AM



"Anyone who thinks sitting in church can make you a Christian must also think that sitting in a garage can make you a car." — **Garrison Keillor**

**FRIDAY, MAY 18, 2018**  
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**Morning Summary:** Stocks are steady to slightly higher this morning. The U.S. dollar continues to gain strength and oil prices are trading near fresh four-year highs, gaining +20% since January. Brent crude oil is now trading just shy of \$80 per barrel primarily on continued concerns and uncertainties surrounding Iran and Venezuela. I should also note, U.S. 10-Year Treasury rates are now solidly over +3.0%, a move largely influenced by rising inflationary expectations. From what I am hearing, Fed Funds Futures markets are now putting the odds of the Fed raising rates 4 time this year at over +50%, meaning perhaps 3 more rate hikes between now and the end of the year. This is starting to bring about increased debate and uncertainty surrounding 2019 Fed policy and if they will continue to take a more hawkish view and increase the velocity of their rate hikes? As for today, traditional economic headlines will be limited. I suspect U.S. trade negotiations and political rumors will remain at center-stage. Next week, the trade will be eager to see the "minutes" from the latest Fed meeting, which might provide a little more insight into the mindset of the Fed. There will also be more U.S. housing data to digest. Also keep in mind, traders next week will be balancing up a few positions ahead of the long Memorial Day weekend.

**U.S. Fertility Rate Lowest On Record:** Federal data shows American women are having children at the lowest rate on record. Some 3.85 million babies were born last year, down 2% from 2016 and the lowest number since 1987, according to the Centers for Disease Control and Prevention's National Center for Health Statistics. The general fertility rate for women age 15 to 44 was 60.2 births per 1,000 women — the lowest rate since the government began tracking it more than 100-years ago. (Source: Wall Street Journal)

**Internal Debate Brewing At Fed:** Federal Reserve Chair Jerome Powell's top deputies are edging toward a clash that could shape the pace of interest-rate hikes in coming months, as well as how the Fed should prepare for and combat the next economic downturn. The fault lines are technical as well as philosophical and include a debate over whether the economy has shifted into a higher gear, giving the Fed room for more interest-rate hikes and perhaps reducing the need for controversial tools like bond-buying to fight future recessions. More [HERE](#).

**How Far \$300,000 Will Take You Towards A Home:** Personal finance website GOBankingRates used real estate website Zillow's home price index to determine just how far that much money can go. Some of the results — which peg the Northeast and West Coast as high cost and the heartland as more affordable — may not come as a shock, according to Cameron Huddleston, life and money columnist for GOBankingRates. Homebuyers should think strategically about where they work and where they live, and might even want to consider working remotely to save on housing costs. See charts below to see what you can expect to afford and not afford around the country.

### Today In History



**1927, Bath Massacre** - Today in U.S. history would be the day that the deadliest school massacre would take place in Bath Township Michigan 1927.

Bath Township is located just northeast of Lansing, Michigan and this act would forever be known as the Bath Massacre. This cowardly killing would be carried out by a man by the name of Andrew Kehoe. This kind of act was unheard of during this time, most Americans only feared anarchists, this man had no political ties. Kehoe planted bombs within the school where he worked as an electrician and in his car. Forty-four children and teachers would be killed when the explosion rocked the school. Then this terrorist would kill himself. Over fifty other people were injured in the attack. Evidently, Kehoe, who was 55 at the time, was the school board treasurer and was angered by increased taxes, had lost an election for the township clerk's job, and his farm was in foreclosure. On the same morning he would also kill his wife and also bomb his own farm. When the school exploded, hundreds of parents would rush to the scene and the men of the town began immediately clear away debris and try to rescue the children in the rest of the building. Kehoe then would explode his car a half an hour later, killing himself and bystanders who had quickly responded to the school. Luckily, Kehoe hadn't been as successful in his bombing attempt as he had planned, many explosive devices located within the school failed to detonate. Police would later find over 500 pounds of unexploded dynamite in the school. The news of the massacre would spread across the country, one headline from the New York Times would read, "Maniac Blows Up School." This event remains the deadliest attack on a school in U.S. history and is regularly left out of accounts of terrorism in America. Furthermore, it serves to remind us that "lone wolves" who have been self-radicalized will always be

## 10 states where \$300K buys the least

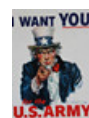
Rank	State	Median list price per square foot	Total square feet for \$300K
1	District of Columbia	\$516.40	581
2	Hawaii	\$510.29	588
3	California	\$298.95	1,004
4	Massachusetts	\$240.81	1,246
5	Colorado	\$227.93	1,316
6	Washington	\$203.38	1,475
7	Oregon	\$203.04	1,478
8	Rhode Island	\$195.24	1,537
9	Montana	\$183.28	1,637
10	New York	\$182.20	1,647

Source: GOBankingRates

Rank	State	Median list price per square foot	Total square feet for \$300K
1	West Virginia	\$89.62	3,347
2	Mississippi	\$91.17	3,290
3	Arkansas	\$93.41	3,212
4	Indiana	\$96.35	3,114
5	Alabama	\$96.68	3,103
6	Ohio	\$97.08	3,090
7	Oklahoma	\$99.21	3,024
8	Kentucky	\$105.80	2,836
9	Kansas	\$105.94	2,832
10	Missouri	\$106.67	2,812

Source: GOBankingRates

unpredictable, and that is not preventable.



### 1917, Selective Service Act

- Congress would pass the Selective Service Act giving President Woodrow Wilson the power to draft soldiers to fight in World War I, which the U.S. had formally entered only six weeks before. Wilson had pledged to the world all of the nation's resources to help the Allies to defeat the Central Powers. At the time the Army and the Army reserve only numbered a little over three hundred thousand and since the war declaration, only seventy-five thousand men had volunteered. Wilson knew that these numbers would never meet the demand, and he would take the advice of Secretary of War, Newton Baker, to establish a draft. General Enoch H. Crowder who was the Judge Advocate General would draft the Selective Service Act that would be sent to Congress for consideration. Wilson felt that military conscription would be the most democratic form of enlistment. The Selective Service Act would require all men between the ages of 21 and 30 to register for military service. It would only take three months for ten million men to register for the draft. To help persuade the American public, the War Department would hire George Creel, a newspaper veteran, to become the official U.S. war propagandist. He would set up the Committee on Public Information, which would in-turn hire 75,000 speakers who would give four- minute speeches all across the country. He would win the working-class support for the war and unify the sentiment of the nation. Later in the year Congress would amend the Act to the age range of 18 to 45 years-old, and in 1918 over 24 million men had registered. By the end of World War I, more than two million men would volunteer for the various branches of the armed forces, and just about three million would be drafted. Over one hundred thousand men would be loss in the war efforts. When the armistice of November 1918 had been signed the number of American armed forces would demobilize and diminish to the prewar levels.



### 1952, George Strait -

Considered one of the most famous Traditional Country Music singers also known as the "King of Country" was born on this date. His father was a high school mathematics teacher who also owned a 2,000 acre cattle ranch in Big Wells Texas. His mother and father would divorce when George was young and he and his brother would stay with their father on the ranch. After high school George would elope with his high school sweetheart, Norma and be married in Mexico in 1971. He would also enlist in the United States Army and be stationed in Hawaii as part of the 25th Infantry Division. While stationed there, George began his music career performing with the Army-sponsored band "Rambling Country." Norma and George would have

## 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:** It's shorter than the rest, but when you're happy, you raise it up like it's the best. What is it?

**Weather** in the Corn Belt has seen weather conditions remain mostly favorable for fieldwork, although cooler air has edged into the Great Lakes region. However, dryness is a concern in parts of the southwestern Corn Belt, despite a few showers in recent days. On May 13, topsoil moisture in Missouri was rated 46% short to very short. On the Plains, scattered showers and thunderstorms are occurring early today from Nebraska northward, slowing planting efforts. Above normal temperatures cover much of the nation's mid-section, promoting summer crop emergence and growth but maintaining stress on rangeland, pastures and crops in drought affected areas of the central and southern Plains. In the South, slow moving showers and thunderstorms are affecting the northern Mississippi Delta and environs. A separate area of rain extends through the Atlantic Coast States. The southern rain is limiting fieldwork but improving topsoil moisture; on May 13, before a wetter pattern developed, topsoil moisture was rated at least one-half short to very short in Georgia (76%), South Carolina (73%), and Louisiana (64% ). Heading into the weekend, disturbances crossing the western and central U.S. will maintain showery, unsettled weather in several regions, including the Plains, Northwest and upper Midwest. In fact, only southern California, the Desert Southwest, and the western Gulf Coast region will receive little or no rain. During the weekend, a quick surge of cool air could result in some frost across the northern Plains.

**New Summer Outlook Shows Warmer Than Normal Temps... Except in Corn Belt:** *The latest Climate Prediction Center summer outlook shows June - July - Aug to be warmer than average everywhere but the Corn Belt. They expect the Corn Belt has equal chances of above/below normal temperatures, so that forecast is really wide open. As for precipitation, the eastern half of the U.S. is likely to be wetter this summer.*

their first child, a daughter while stationed in Hawaii. After serving his time and being honorably discharged, George would enroll himself at Southwest Texas State University, and graduated with a degree in agriculture. While in college George would join the Ace in the Hole Band which performed at honky-tonks and bars all over Texas. George and the country swing band never would gain attention from the recording industry and after several failed attempts to gain the recognition in Nashville, the Strait's would move back to his home town to live on the family's cattle ranch and work in the cattle pens. Norma would convince George to give music one last try, he did and was signed by MCA in February 1981. The deal was for one song, and that song would be "Unwound", which climbed to number 6 on the Hot Country Songs chart for the year. MCA and George would record his debut album Strait Country. This album was hailed as a country music traditionalist breakthrough and over the next decade George would record seventeen number one hits. Sadly, it was during this time that George's daughter was killed in an auto accident. In the 90's George and the Ace in the Hole Band would continue their run of success, and George would take a run at acting when he starred in the movie "Pure Country." The album also titled Pure Country would be George's biggest success, having sold over 6 million copies. Today he has sold more than 70 million albums in the U.S. and hold the world record for having the most number-one hits in the history of music. He has produced a top-ten hit every year for the last thirty years, was elected into the Country Music Hall of Fame in 2006 and was named the Country Music Artist of the Decade by the Academy of Country Music in 2009. Today, George enjoys outdoor activities, rodeoing, and is heavily involved with the Wrangler National Patriot program that raises awareness and funds for wounded and fallen military veterans and their families.

#### Upcoming Events

**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

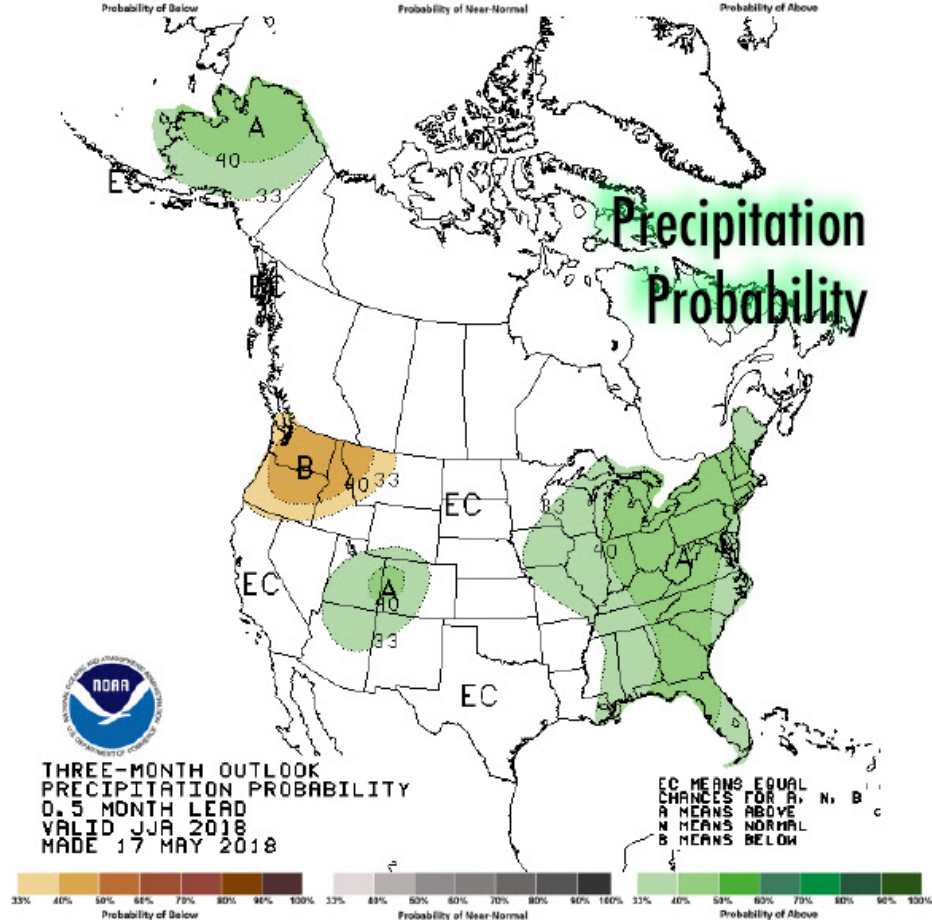
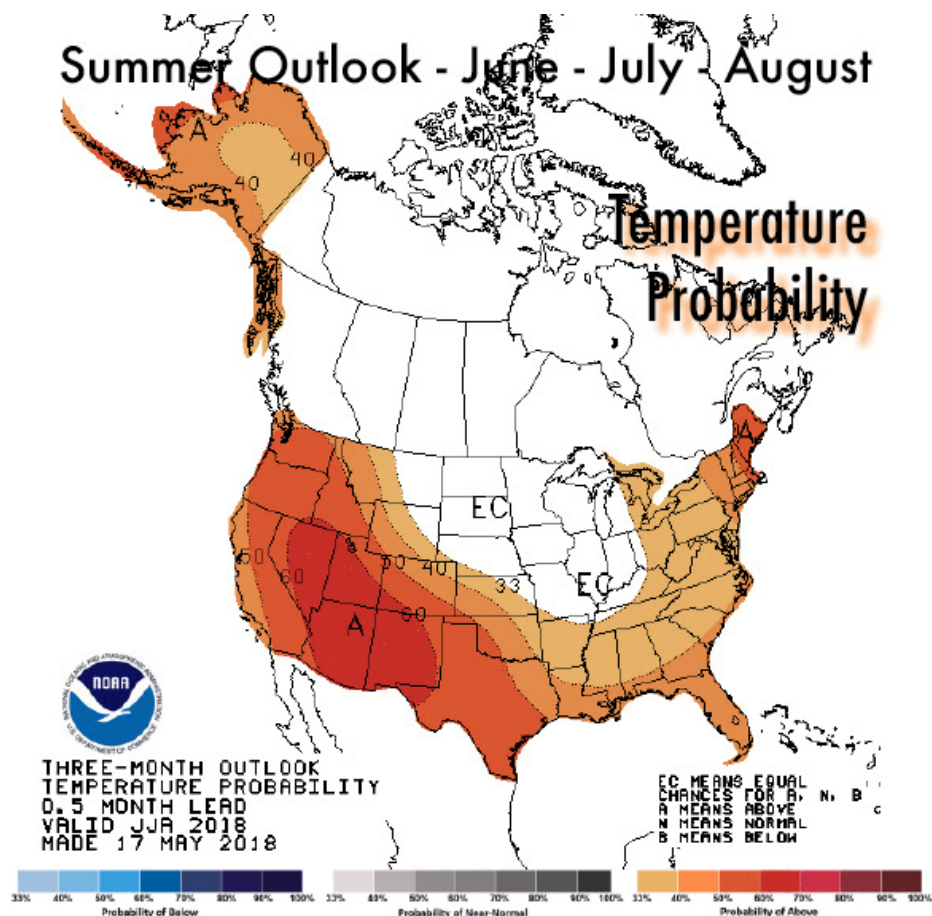
**Fri. 6/22** - Cold Storage

**Thurs. 6/28** - Quarterly Hogs and Pigs

**Fri. 6/29** - Quarterly Stocks and Acreage



## Summer Outlook - June - July - August



### Kevin's Song of the Week

#### WHAT I'M LISTENING TO: ▶



▶ **Luke Combs** "Crazy Beautiful"

### 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!

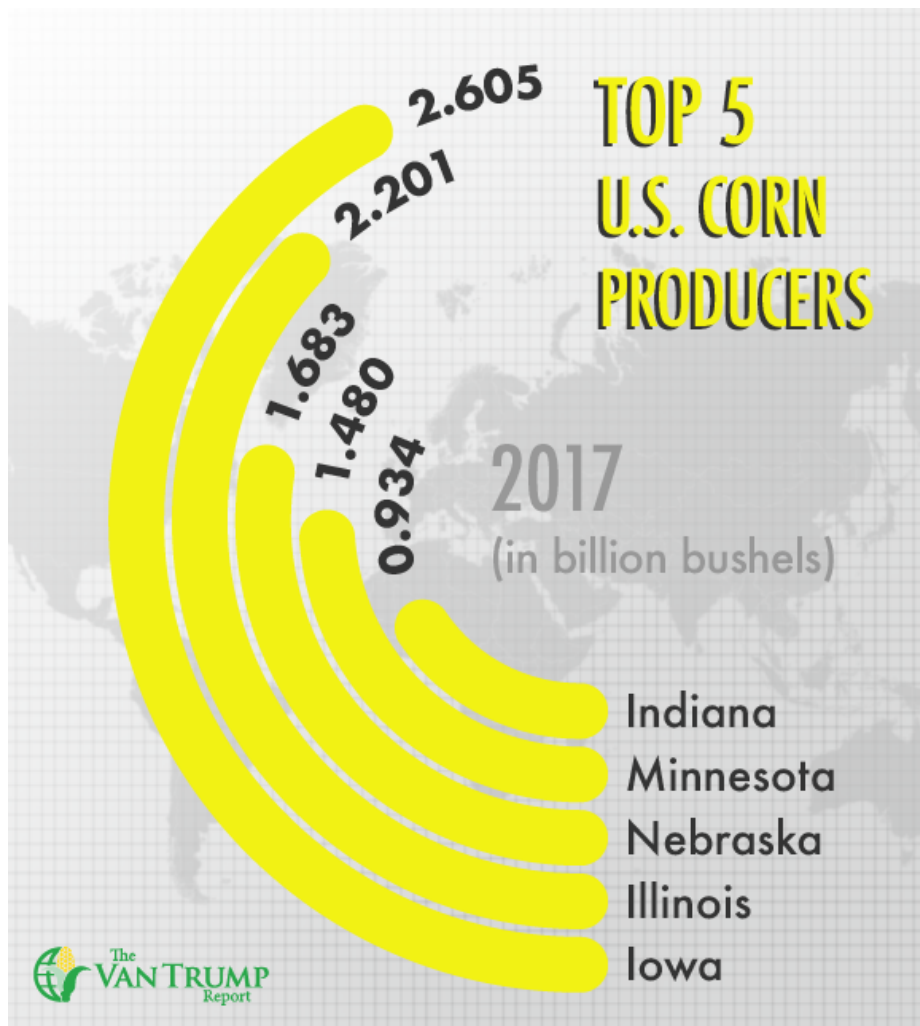
*Kevin Van Trump*

### What Others Are Saying

**Corn** prices appear as if they are going to end the week very near where they began the week. The old-crop JUL18 contract seems content trading very near \$4.00 per bushel. This contract has essentially traded between \$3.80 and \$4.10 per bushel for the past three months. Both the Argentine and Brazilian crop have struggled and overall South American production appears as if it will be down -20 MMTs. Most sources inside

"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 trade believe the USDA can still trim the Argentine crop a bit more and that their current 87 MMT estimate for Brazil is still +3 to +7 MMTs too high. Demand both globally and domestically remains strong and strength in the crude oil market continues to provide a psychological tailwind. On the flip side, bears continue to point towards lack of fresh news regarding a new NAFTA deal. We did however get some fresh news overnight involving the Chinese, as they are showing a bit of goodwill by halting their anti-dumping investigation into U.S. sorghum imports and allowing free trade to return. The market is higher on the headline but there is still a ton of unknown surrounding U.S. trade negotiations. Here at home, dry weather is starting to become a bit more interesting in some areas and talk of fewer acres up in the northwest continue to keep bulls engaged. As both a spec and a producer, I remain a longer-term bull, but am not ruling out a nearby testing of the lower-end of the recent range.



**Soybean** prices are higher this morning on China showing a bit of goodwill by halting its anti-dumping investigation into U.S. sorghum imports. Longer-term trade uncertainties still remain, but the market is happy seeing some step in the right direction. Technically, the market continues to test key support levels. As I had expected, the market continues to struggle with finding ways to build on upside momentum. This transitional period or vacuum in moving from South American to U.S. production has taken its toll on the bulls. The obvious 800 pound gorilla in the room has been U.S. trade negotiations. The Argentine production losses have been well advertised, but some of the bullish enthusiasm has been lost by the long drawn out trade negotiating process. As I mentioned weeks ago, it simply gives the bulls too much time to think about their fears which then become uncertainties. At some point, I have to imagine the supply shortage created by the poor conditions in Argentina will ultimately come home to roost. I also believe the current trade headwinds will eventually turn into tailwinds for the ag sector. The problem is, between now and then, we just don't know how much pressure will be applied and or how long it will last? As both a producer and a spec, I remain a longer-term bull, but believe there could still be more nearby downside risk. This is an insanely tough market right now to trade or forecast short-term price action, there's just a massive number of non-traditional moving parts influencing trade, i.e. Mexican elections, Chinese tech positioning, U.S. mid-term elections, Brazilian political scandals, Argentine inflation and tumbling peso, etc... From my perspective, "weather" and "Washington" still appear to be the biggest "wild-cards" and the most powerful headlines in the market.

*the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."*

**A.M., FDIC**

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

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

#### 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.*

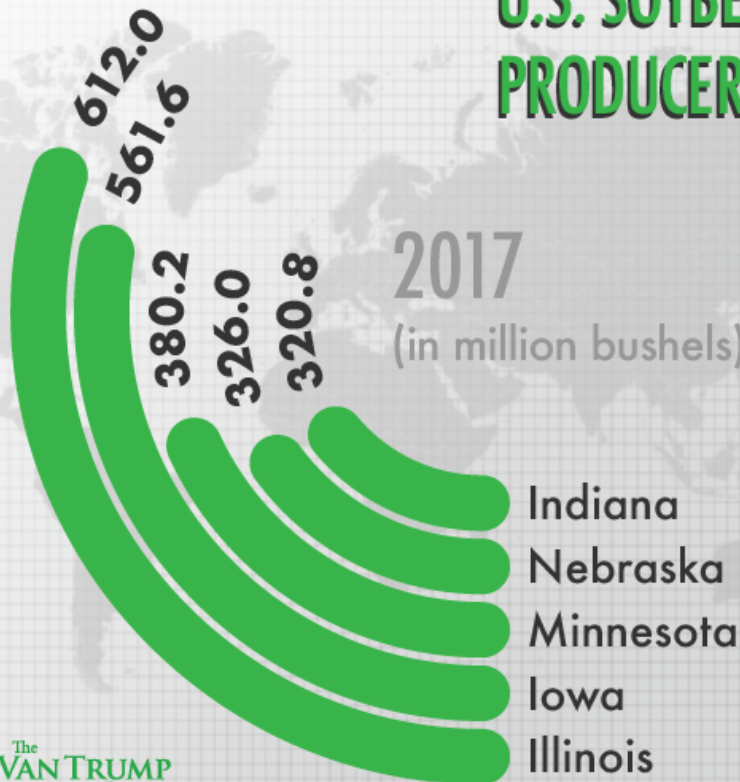
- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

*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.*



## TOP 5 U.S. SOYBEAN PRODUCERS

2017  
(in million bushels)



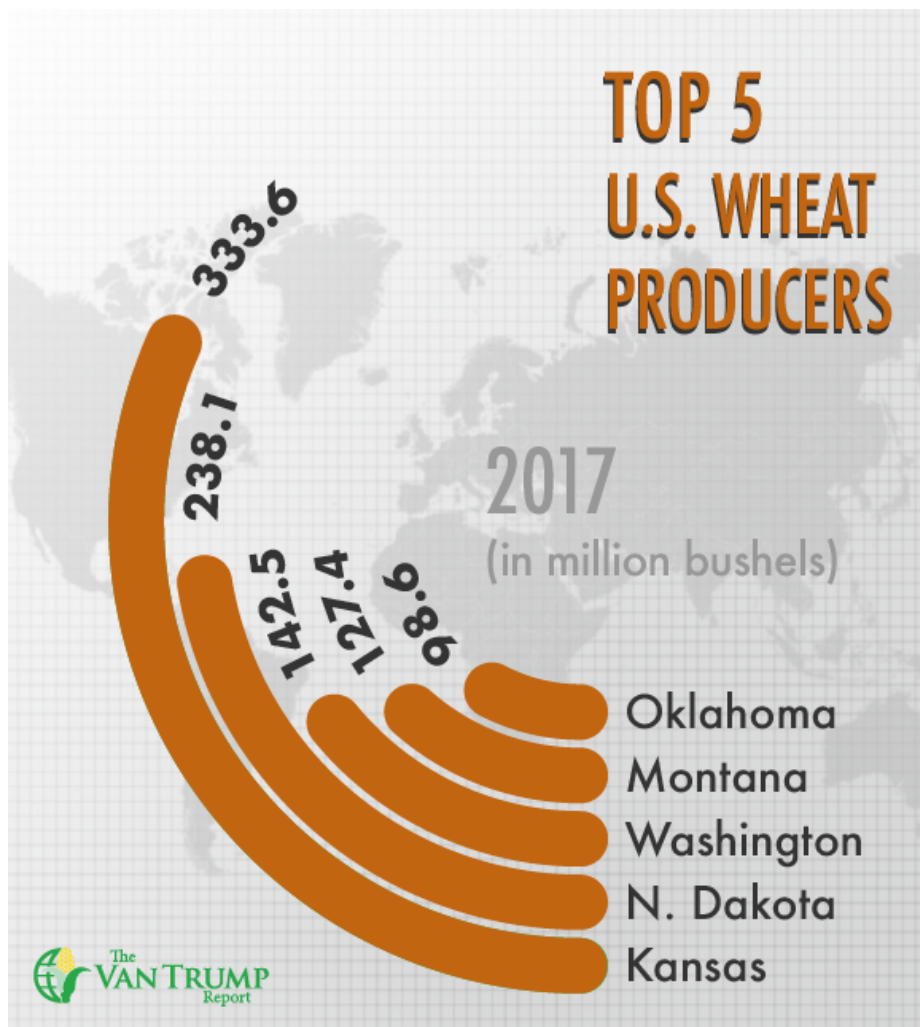
## Farm Direction RECIPES ★ FAMILY FAVORITES ★ -SENT IN BY OUR READERS-



**Honey Mustard  
Bacon Brats**

[CLICK TO SEE RECIPE](#)

**Wheat** bulls continue to talk about poor crop conditions in the U.S., dryness building in portions of Canada and some uncertainties inside parts of Australia, Europe, Russia and Ukraine. Bears are saying better rains in the U.S. and parts of Russia and Ukraine should help the crop to some degree. Bears are also pointing to weak demand for U.S. exports. In fact, some insiders think the USDA is going to be forced to once again reduce their export estimate. Keep in mind, they just reduced it by another -15 MMTs in last week's report. Bottom-line, we are just not competitive on a global scale when we rally in price on weather related headlines. Hence, the reason it's so hard to build momentum to the upside. The deeper fundamentals just aren't backing up the hype about possible hiccups. As a producer, I feel I've been lucky and made some great sales on the rallies and am comfortable taking a much longer term "wait-and-see" approach. As a spec, I would entertain the thought of becoming a bull, but prices would have to be much lower. I still think we could retest the recent lows set back in late-March before making another significant run to the upside.



**> John Deere Sales Surging Higher:** Worldwide net sales and revenues increased +29%, to \$10.720 billion, for the second quarter and rose +27%, to \$17.633 billion, for six months. Net sales of the equipment operations were \$9.747 billion for the second quarter and \$15.721 billion for the first six months, compared with \$7.260 billion and \$11.958 billion for the periods last year. Net sales of the worldwide equipment operations increased +34% for the quarter and +31% for the first six months compared with the same periods a year ago. Deere's acquisition of the Wirtgen Group (Wirtgen) in December 2017 added +12% to net sales for the quarter and +9% year to date. Equipment net sales in the United States and Canada increased +27% for the quarter and +26% year to date, with Wirtgen adding +5% and +3% for the respective periods. Outside the U.S. and Canada, net sales rose +45% for the quarter and +40% for the first six months, with Wirtgen adding +23% and +19% for the periods. Deere's equipment operations reported operating profit of \$1.315 billion for the quarter and \$1.734 billion for the first six months, compared with \$1.120 billion and \$1.375 billion, respectively, last year. Read more [HERE](#)

**> Argentine Soybean Estimate Dropped:** Argentine's soybean crop is now estimated for 36 mmt after another cut of -2 mmt by the Buenos Aires Grain Exchange. I'm told when harvest resumed following rains, the full effect of the summer's drought was revealed. From what I understand the corn crop estimate of 32 mmt is still intact.

**> Japan Buys 3 Vessels of U.S. Sorghum:** Japanese buyers have bought between 150,000 and 180,000 metric tons of U.S. sorghum carried by three vessels previously bound for China amid a trade spat between Beijing and Washington. The cargoes were among roughly two dozen bought by China but left stranded after Beijing announced last month it would hit U.S. imports with a 178.6% deposit on the value of

sorghums shipments, amid escalating trade tensions. Trading firms have been scrambling to offload the cargoes to other countries, including Spain, which has so far purchased five cargoes, and Saudi Arabia. (Source: Reuters)

**> Russian Exports Won't Fall Despite Lower Production:** Despite the fact, Russian grain production will decrease this year, their exports will increase in the 2018/19 marketing year. APK Inform is forecasting 55.9 million mt of grain exports in 2018/19, which is nearly +5 million mt higher than its expectations for the current marketing year. It's worth noting that 2018/19's sales are expected to be made up of 43.4 million mt of wheat, 6.5 million mt of barley, and 6 million mt of corn.

**> U.S. Dairy Producers Worry About the New EU/Mexico Deal:** According to reports, Mexico has completed a trade deal with the EU that has U.S. dairy producers concerned they could lose their largest importer of cheese. There are also concerns over the terms of the deal, which protect geographic names, dictating, for instance, that feta can only come from Greece. 27 senators wrote in a letter to U.S. Trade Representative Robert Lighthizer worried that American producers will lose market share they have spent years developing. This is a normal pattern with the EU and one of the reasons the U.S. and Europe were never able to establish their own trade agreement. (Source: Politico)

**> Japan Planning \$400 Million Worth of Retaliatory Tariffs Against U.S.:** The duties would reportedly be in response to the steel and aluminum tariffs the Trump administration announced earlier this year. Japan is the only major U.S. ally that didn't receive exemptions from those duties. (Source: CNBC)

**> CME Is Launching Crypto Pricing Products on Ethereum:** Exchange operator CME Group is launching a daily price benchmark for ethereum, the world's second-biggest cryptocurrency, behind only bitcoin. CME will calculate the measure using data from trading platforms Kraken and Bitstamp. The launch of the ethereal benchmarks could be a sign that CME is considering launching new futures products on ethereum, even though publicly they say they have no plans in the works as of yet. Futures contracts on Bitcoin began trading last December almost 12 months after launching a bitcoin price reference rate. (Source: MarketWatch)

**> Tesla Signs a Lithium Deal With Australian Miner:** The Electric-car firm signed a three-year supply agreement with lithium miner Kidman Resources for the essential battery raw material. Carmakers are racing to secure their lithium supplies as they ramp up electric car production — Goldman Sachs predicts demand will quadruple by 2025. (Source: FT)

**> Walmart Shows Better Than Expected Earnings:** Walmart on Thursday reported first-quarter earnings and sales that topped analysts' expectations, boosted by strong online sales. America's largest brick-and-mortar retailer said e-commerce sales surged by 33% compared with the same period last year. Online sales were up 23% year-over-year in the fourth quarter. Revenue came in at \$122.69 billion for the quarter.

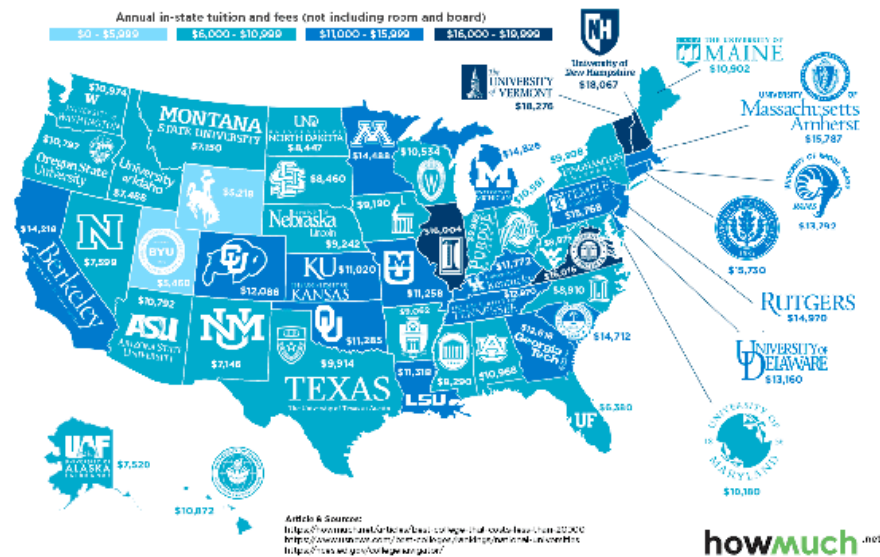
**> JP Morgan Jumping Into Crypto:** After calling bitcoin and cryptocurrencies a fraud just last September, JP Morgan CEO Jamie Dimon has decided to get involved with digital assets. He has asked a London-based fintech to draw up a cryptocurrency strategy for the bank. The new head will also lead JPMorgan's Quorum project, the internal blockchain platform developed by the bank, which is rumored to be preparing for a spin-off. According to report, the new position will consist of identifying and spearheading new crypto projects for the bank, rather than actively trading cryptocurrencies. (Source: BusinessInsider)

**> Best Colleges In Every State For Under \$20K:** Did you know more than 70% of college graduates carry student loan debt, and the average debt burden stands at \$37,172. In light of this, the folks over at HowMuch decided to compile a new map of the top universities in every state costing less than \$20,000 in annual tuition and fees. The data is taken from the U.S. News & World Report's annual Best College Rankings. (Source: [HowMuch](#))



# The 2018 Best Colleges in Every State

## Costing Less Than \$20,000 a Year



**Northeast Arkansas:** We got everything going now and are out spraying some fields. We farm corn, bean, wheat, rice and some cotton. We have really backed off the cotton acres lately as we feel there is too much risk out there for the meager returns we are seeing. The rice is up, looking good and we are ready to fill the fields with the water. We do have irrigation on our bean fields and I tell people that I spend the summer babysitting rice and watering beans. We try to stay ahead on management practices in order to save dollars where we can. In the last few years we have gone no-till and cover crops along with tracks on the combine to cut down on compaction. We are saving lots of money by not having to disc and follow that up with floating the dirt. We believe that China will have to come calling for our beans later in the year when the shelves are empty in Brazil.

**Southcentral Texas:** Things are dry as a bone down here and no rain is being forecasted for the next three weeks minimum. Our cotton has a lot of skipping throughout the stands and the corn is getting torched as well. If we don't have some precipitation, we will be looking at 30-40bpa this year. Normally, we'll harvest 100bpa. We bag a lot of corn for deer feed and may have to go out and set some stock to meet demand. If we don't see any precipitation soon we will more than likely have an early harvest. We also grow some grain sorghum but that market has evaporated thanks to China. Basis has swung -.50 in the last two months as the political battles continue. We are starting to see some more windmills going in on acres and from what I'm told they bring in \$10K a year on a 20-year lease. Some of the guys are saying windmills used to be ok as you could farm around them but now I hear there are more roads being put in for access which gums things up a bit.

**Northern Indiana:** Almost all the corn that's been planted has not been sprayed. About 3 weeks ago guys had an opportunity to plant and they passed on it because they speculated that we were about to get a massive amount of rain in one setting, needless to say it didn't happen but what it did do is rain enough to get the corn started in the right direction. But, the guys that didn't plant now have been setting for 3 plus weeks because it hasn't stopped raining. I heard the biggest rain in one setting was 5 inches but the corn was already up so crusting was no where near a problem. Now guys are sitting here waiting for the ground to dry out. Even the guys that have their corn planted are waiting to spray. We essentially are in a hurry and wait situation right now. I hope this year is not as bad as last but it sure smells the same with all the rain.

# CROSSING WIRES

A place to share intelligent thoughts...

**The Big Chill?** NASA data shows that global temperatures dropped sharply over the past two years. Not that you'd know it, since that wasn't deemed news by the majority of the outlets. I'm told from February 2016 to February 2018, the global average temperatures dropped by 0.56 degrees Celsius, which is the biggest two-year drop in the past century. From what I understand, the "Big Chill," was composed of two Little Chills, the biggest five-month drop ever and the fourth biggest. A similar event from February to June 2018 would bring global average temperatures below the 1980s average. Why haven't we heard more about this? Find out why [HERE](#).

**School Makes You Really Stupid...** if you plan to start a business, according to 35-year-old self-made millionaire, Tim Chen. Chen is co-founder and CEO of the personal finance website NerdWallet and his best advice for someone wanting to start a business is to look beyond what you learned in school. According to Chen, a Stanford graduate who started his now \$500 million company with \$800, school simply defines a narrow set of parameters by which you need to succeed. I couldn't agree more with Chen who also thinks education can put too much importance on taking tests as opposed to students' ability to think creatively. Just another example of great advice from someone who has done it! Read more [HERE](#).

**Russia Implements Unique Countermeasures Against U.S. Sanctions:** Russian lawmakers unanimously approved in its first reading on Tuesday a bill that makes it a criminal offense to observe sanctions imposed by the United States or other countries, as part of counter-sanctions measures against Washington. The United States last month imposed sanctions on some of Russia's biggest companies and businessmen, striking at allies of President Vladimir Putin to punish Moscow for its alleged meddling in the 2016 U.S. presidential election and other "malign activities". From what I understand, any person or representatives of legal entities in Russia found guilty of such an offense could also face other limits on their freedom or fines of up to 600,000 roubles (\$9,696). It will be interesting to see how this plays out...Read more [HERE](#).

**How To Know When It's Better To Rent Or Buy A Home:** Who wasn't told growing up that buying a house was part of the American dream. Now, it seems a very debatable topic for many good reasons. Each situation should be based on its own merits but I definitely have passed along to many of my young friends the need to consider both sides before diving in. One way to tell whether it's better to rent or buy is by calculating the price-to-rent ratio (or P/R ratio). This number gives you a rough idea whether homes in your area are fairly priced. Figuring a P/R ratio is simple. Find out more insights [HERE](#).

**Marine Corps Now Has Their Most Powerful Helicopter Ever:** Wednesday's delivery of the CH-53K is the first of an expected 200 aircraft from Sikorsky, a unit of Lockheed Martin. The new bird is not only considered the most powerful but also one of the more expensive with a recurring flyaway cost of \$87 million. The new heavy-lift chopper can carry triple the weight of its predecessor at a colossal 27,000 pounds. With that type of lift capacity, the CH-53K can transport up to four Humvees more than 100 miles. Check it out [HERE](#).





### **The U.S. Bio-Based Industry Plays Important Role In U.S. Economy**

The USDA released a report that measures economic growth, job creation and household income from biofuel and household income from biofuel and bioenergy production, along with future growth in renewable chemicals and bio-based products. According to the new report, innovations in renewable energies and the emergence of a new generation of bio-based products, the sectors that drive the bio-based economy are providing job creation and economic growth. To further understand and analyze trends in the bio-based economy, this report compares several years of data. A few key highlights include: (Source: [USDA, Indicators of the U.S. Bio-Based Economy](#))

- *Ethanol plant capacity increased for the fourth consecutive year in 2017, reaching a nameplate capacity of approximately 15.5 billion gallons per year. Total ethanol production reached 1.02 million barrels per day in 2017, a rate equivalent to 15.8 billion gallons. This compares to just 175 million in 1980.*
- *Number of ethanol plants in the U.S. continues to see modest growth, increasing to 211 biorefineries in 28 states with 3 new facilities under construction. Meantime, the number of retail gasoline stations offering 15% ethanol more than doubled from the previous year, to more than 1,200 across 29 states. In total this accounts for over 270,000 American jobs.*
- *The U.S. market for biodiesel and renewable diesel topped 2.6 billion gallons in 2017 as compared to 343 million gallons in 2010.*
- *During the period of 2005 to 2012, soybean used for biodiesel increased from 0.67 billion pounds to 6.2 billion pounds.*
- *Wood pellets manufactured primarily in the southeastern U.S. have become an important component of the bioenergy sector. Driven by commitments by countries outside of the U.S. to meet greenhouse gas reduction goals in the electricity-generating sector, the U.S. has established itself as the largest exporter of wood pellets. The U.S. exported over 4.6 billion kg of wood pellets, which is the global leader by almost 3.0 billion kg over the second-largest exporter.*





### **"Justify" Pushing Towards The Triple Crown with 52-Year Old Jockey**

Kentucky Derby winner, "Justify", will be trying to win the second-leg of the Triple Crown. I don't need to tell you, the horse that wins the Derby, is often called upon to also win the Preakness. This year in particular, the Derby winner is the overwhelming obvious choice. What makes Justify the heavy favorite is not only his running style, but also his trainer. All four of trainer Bob Baffert's previous Kentucky Derby winners have gone on to win the Preakness – Silver Charm (1997), Real Quiet (1998), War Emblem (2002) and American Pharoah (2015). Baffert will be hoping to make it 5-for-5 on Saturday with Justify. Baffert says when a horse wins the Derby on the lead, as Justify did, he obviously did not benefit or suffer from the notoriously difficult Derby traffic. He simply outran the field. And since the Preakness is very similar to the Derby, there is really not much reason to doubt this horse won't do it again. Keep in mind it's the shortest of the three Triple Crown races. It looked like "Justify" had plenty of gas at the Kentucky Derby so experts don't seem real concerned. If Justify can pull off a victory, talks of a "Triple Crown" winner will immediately start to circulate. Remember, before American Pharoah won the Triple Crown back in 2015, no horse had won the Triple Crown since Affirmed did so back in 1978. This weekend's race will be televised by NBC with coverage starting at around 4:00pm CST from the Pimlico Race Course in Baltimore, MD. The fastest winning time ever recorded at the Preakness was posted by "Secretariat," the 1973 winner, with a running time of 1:53. The largest margin of victory was by "Smarty Jones" back in 2004 by 11.5 lengths. Personally, I'm going to be pulling for "Justify" in hopes of getting the opportunity to see another Triple Crown winner. I also like Justify's 52-year old jockey Mike Smith. A few days after his Kentucky Derby victory, Smith told reports he was going to prepare for the Preakness Stakes the same way he does any race – with training, strategy and prayer. Smith said that when he's mounted on his horse, he follows God. "I believe there's just a flow that guides me and when I follow it, amazing things happen," he said. "And that's with everyday life too. When God's leading you, you follow it." (photo by Jim Safford)



### "Laurel vs. Yanny" Debate

We all remember "The Great Dress Debate" that sparked controversy across social media back in 2015... Now we have something very similar, but in an audio format. The past few days, people across the internet have erupted debating if they are hearing the words "Laurel" or "Yanny" while listening to a short audio clip. Some people say they hear Yanny, others are convinced they hear Laurel, and few say they can somehow hear both. Celebrities like Ellen DeGeneres thinks the recording is saying Laurel. On the other hand, star football player JJ Watt thinks the recording is clearly saying Yanny. Scientists have found it hard to believe that some people hear Yanny and some people hear Laurel, so they decided to conduct additional research. What they have found is that listeners can hear different sounds depending on low and high frequencies and the varying sounds waves in which they travel. To make a generality, people who can hear higher frequencies are hearing Yanny, while people who might struggle hearing these higher frequencies are hearing Laurel. I think a lot also depends on the source it's being played through, i.e. type of amplifier and or speakers, base and treble settings, direction of speakers, and even our own directional tilt. the first day I listened to the clip over my truck radio and clearly heard nothing but Yanni. Listened to the clip over a cell phone while standing up and again clearly heard Yanni. Then when laying down in bed I listened several times on my laptop and clearly heard nothing but Laurel. Wonder what you will hear... [Click HERE](#) I also included a couple of cool sites you should check out.

**Find out exactly where your ears will hear the difference:** *Cool research at [TheUpshot](#) - They built a tool to gradually accentuate different frequencies in the original audio clip. Which word or name do you hear, and how far do you have to move the slider to hear the other?*

**Neuroscientist Explains the Laurel vs. Yanny Phenomenon:** *WIRED's Louise Matsakis speaks with Tyler Perrachione, PhD, about why certain people hear Laurel when playing the now-infamous audio clip and others hear Yanny. Click [HERE](#)*

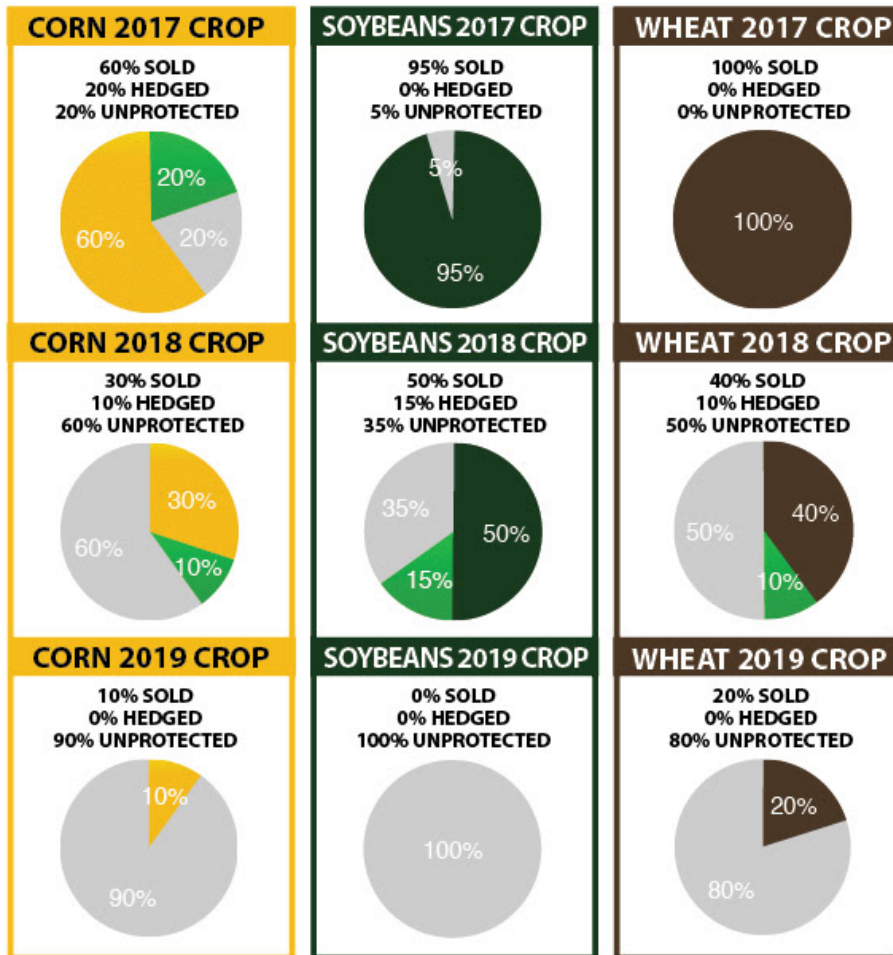
If you forgot about "The Great Dress Debate", I included the original picture below. "The dress" is a photograph that became a viral Internet sensation in February of 2015, when viewers disagreed over whether the colors of the item of clothing depicted were black and blue or white and gold. The phenomenon revealed differences in human color perception which have been the subject of ongoing scientific investigation in neuroscience and vision science, with a number of papers published in peer-reviewed science journals. The photo originated from a washed-out color photograph of a dress posted on the social networking service Tumblr. In the first week after the surfacing of the image alone, more than 10 million tweets mentioned the dress, using hashtags such as #thedress, #whiteandgold, and #blackandblue. Although the actual color was eventually confirmed as blue and black, the image prompted discussions, with users discussing their opinions on the color and why they perceived the dress as a certain color. Members of the scientific community began to investigate the photo for fresh insights into human color vision. You can read more details about "the dress" at [Wiki](#)



**ANSWER to riddle:** Your Thumb

**CASH SALES & HEDGING TOTALS**





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