

GOOD MORNING: 05/31/18 Farm Direction - Van Trump Report

2 messages

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"We don't grow into creativity, we grow out of it. Or rather, we get educated out of it."
 - Sir Ken Robinson

THURSDAY, MAY 31, 2018

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Morning Summary: Stocks are steady this morning and remain in positive territory for the year, the S&P 500 is up close to +2.0% and the Nasdaq up by about +8.5%. That's somewhat hard to comprehend when we are constantly hearing "doom and gloom" from the media and many of today's market analysts. The Fed clearly seems to believe and recognize the U.S. economy is doing well and the latest Beige Book numbers confirm similar thoughts. The U.S. economy is revving up a bit and many traders now argue could top +3% growth for the spring and perhaps +4% by the end of the third quarter. In every region of the country, Fed officials characterized the economy as performing well. Manufacturers raised production, banks reported stronger demand for loans and home builders remain very busy. Despite a very strong and tight labor market, wage increases remain modest and prices for goods and services have risen only moderately. Some will argue the downside to this much positive economic data is the fact the Fed will now almost certainly be raising interest rates at their next meeting. Personally, I don't see that as problem as it allows the Fed to get a few more arrows back in their quiver and gives fixed income investors a little room to breathe. Oil prices have stabilized, at least for the moment. But the trade is still trying to desperately figure out how things will play out once U.S. sanctions against Iran go into full effect. From what I understand, it will be months before new U.S. sanctions against Iran actually take hold, but as the Wall Street Journal reported a couple of days ago, global shipping operators are already pulling back from the big oil-exporting nation. The world's two biggest shipping lines, Denmark's Maersk Line and Swiss-based Mediterranean Shipping Co., said they were winding down general cargo shipments, while tanker owners said they plan to move their vessels to other oil-producing countries in the Middle East or West Africa. Reports circulating say the Trump administration has given the shipping industry until early-November to end all operations in Iran. If you are wondering, Iran accounts for about 5% of global output and exported a record 2.6 million barrels of crude a day in April. I suspect as long as threats of harsh U.S. sanctions remain on the table and global shippers continue to remove vessels, it will be tough to remove a lot of risk-premium from the oil market. I continue to believe nearby risk is to the upside and end users should be cautious leaving themselves overly exposed.



November 28-29

• **Special Two Day Event** •
 Kansas City, Missouri



Over 700 In Attendance Last Year:

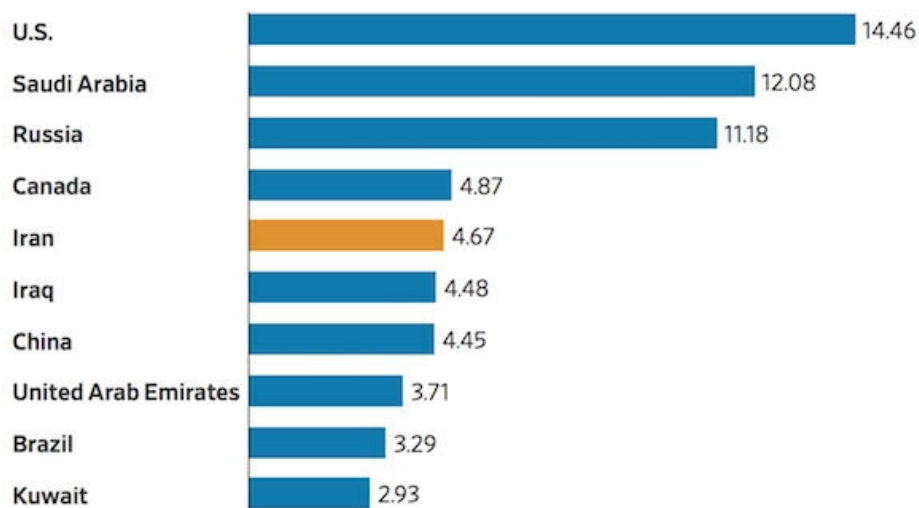
Many of the Largest Producers in our Country
 CEO's, and Ag Executives
 Traders and Hedge Fund Managers
 Bank Presidents, FDIC members
 Grain Merchandisers, Exporters, Analyst
 Leading Ag Retailers
 Livestock Executives
 Venture Capitalist and Early Investors
 Transportation and Logistics Executives
 Innovative Start-ups

\$500

Early Bird Special
 For First 200 to Register:

\$299

Top oil producers in 2017, in millions of barrels a day



Source: U.S. Energy Information Administration

More Trade Wars? *The U.S. will likely announce import tariffs today on steel and aluminum originating from the European Union, as well as issue a decision on Mexico and Canada. Metal producers in the countries affected had been granted a temporary exemption from the tariffs earlier this year, but they are due to expire Friday. On Wednesday, a trade delegation led by U.S. Commerce Secretary, Wilbur Ross, met with European Union counterparts in Paris but those talks appear to have failed. In retaliation, the EU has said it will start imposing higher tariffs on U.S. exports, including jeans, bourbon and motorcycles.*

OECD Suggests Bulls Have Two More Years: *The Organization for Economic Cooperation and Development predicts growth is bright, but specific risks could endanger long-awaited progress, according to a report released Wednesday by the OECD. Global gross domestic product growth is nearing the long-term average of 4%, which I'm told is the "cruising speed" reached before the financial crisis. Unemployment across the body's 35 member states, most of which are considered highly developed, is at its lowest since 1980. It's worth noting that many believe economic expansion is still being fuelled by low-interest rates and fiscal stimulus, meaning that it isn't entirely organic and is more vulnerable to market and political changes. You can read more specifics [HERE](#).*

Too Cool Not To Share: This was posted and shared by Sloan Implement Co. and recently sent my direction: "Check out this new combine simulator we installed at Lincoln Land Community College in Springfield yesterday. Students can learn the basics of operating a combine without damaging anything or adding hours to equipment."

9255



"When the opportunity comes,
it's too late to prepare."
- John Wooden



Co-hosted by:



Today in History



1859, Big Ben - The famous tower clock known as Big Ben, located at the top of the 320-foot-high St. Stephen's Tower, rings out over the Houses of Parliament in Westminster, London, for the first time on this day in 1859. After a fire destroyed much of the Palace of Westminster—the headquarters of the British Parliament—in October 1834, a standout feature of the design for the new palace was a large clock atop a tower. The royal astronomer, Sir George Airy, wanted the clock to have pinpoint accuracy, including twice-a-day checks with the Royal Greenwich Observatory. While many clockmakers dismissed this goal as impossible, Airy counted on the help of Edmund Beckett Denison, a formidable barrister known for his expertise in horology, or the science of measuring time. Denison's design, built by the company E.J. Dent & Co., was completed in 1854; five years later, St. Stephen's Tower itself was finished. Weighing in at more than 13 tons, its massive bell was dragged to the tower through the streets of London by a team of 16 horses, to the cheers of onlookers. Once it was installed, Big Ben struck its first chimes on May 31, 1859. Just two months later, however, the heavy striker designed by Denison cracked the bell. Three more years passed before a lighter hammer was added and the clock went into service again. The bell was rotated so that the hammer would strike another surface, but the crack was never repaired. The name "Big Ben" originally just applied to the bell but later came to refer to the clock itself. Its famously accurate



timekeeping is regulated by a stack of coins placed on the clock's huge pendulum, ensuring a steady movement of the clock hands at all times. At night, all four of the clock's faces, each one 23 feet across, are illuminated. A light above Big Ben is also lit to let the public know when Parliament is in session.



1930, Clint Eastwood - Best known for his role as San Francisco Police Inspector "Dirty" Harry Callahan, actor and Oscar winning filmmaker Clint Eastwood is born in San Francisco, California. After wandering the west coast with his father as a boy, Eastwood spent four years in the Army Special Services, then made it to Hollywood where he began his acting career. For eight years, Eastwood played Rowdy Yates in the TV Western series Rawhide, then he starred as the leading man in *Fistful of Dollars*, *For a Few Dollars More* and *The Good, The Bad and the Ugly*. Of course, the real breakthrough was as *Dirty Harry* in 1971, but interestingly he was not the first choice for the role. Initially, Frank Sinatra, Steve McQueen and Paul Newman all declined the role that Eastwood would make his own. It was at this time that Eastwood moved behind the camera as he made his director debut with *Play Misty for Me*. It didn't take long for Eastwood to make an impression in the space as he turned in solid performances with *The Outlaw Josey Wales* (1976), *Ever Which Way But Loose* (1978), *Escape From Alcatraz* (1979) and *Honkey Tonk Man* (1982). In 1992, he hit the jackpot when he starred in, directed and produced the darkly unconventional Western *Unforgiven*. The film won four Oscars, including Best Supporting Actor (Gene Hackman), Best Film Editing, Best Director and Best Picture, both for Eastwood. He also found box-office success as a late-in-life action and romantic hero, in *In the Line of Fire* (1993) and *The Bridges of Madison County* (1995), respectively. In 2006, Eastwood became only the 31st filmmaker in 70 years to receive a Lifetime Achievement Award from the Directors Guild of America (DGA). That year, he directed a pair of World War II-themed movies, *Flags of Our Fathers* (2006) and *Letters from Iwo Jima* (2006). The latter film, which featured an almost exclusively Japanese cast, earned an Oscar nomination for Best Picture and a fourth Best Director nomination for Eastwood.



1977, Music - "God Save the Queen" by punk rock band the Sex Pistols is banned by the BBC. It was released as the band's second single and was later included on their only album, *Never Mind the Bollocks, Here's the Sex Pistols*. The song was released during Queen Elizabeth II's Silver Jubilee in 1977. The record's lyrics, as well as the cover, were controversial at the time, and both the BBC and the Independent Broadcasting Authority refused to play the song. The song is an attack on the treatment of the working class in England in the 1970's by the government. While some in the tabloid press accused the Sex Pistols of treason and called for their public hanging, the BBC was more moderate in its condemnation. In response to lyrics like "God Save The Queen/She ain't no human being," the BBC labeled the record an example of "gross bad taste"—a difficult charge to argue, and one the Sex Pistols wouldn't have wanted to dispute. Even with the radio ban in place, however, and with major retailers like Woolworth refusing to sell the controversial single, "God Save The Queen" flew off the shelves of the stores that did carry it, selling up to 150,000

neuro mining



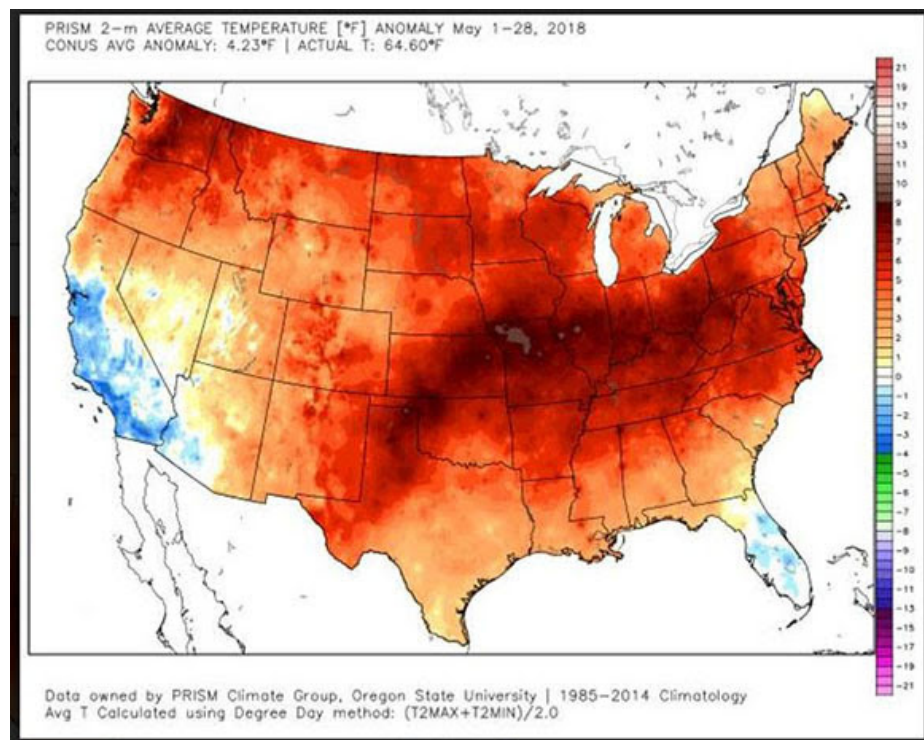
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

TODAY'S RIDDLE: What kind of vegetable is unpopular on ships?

Weather in the Corn Belt is seeing the Tropical Depression Alberto produce locally heavy rain in central portions of the region, while mostly cloudy, showery weather prevails elsewhere. Despite the unsettled weather, short-term dryness remains a

concern from northern Missouri and southeastern Iowa into Indiana. On the Plains, hot weather has intensified in southern portions of the region, where temperatures will again approach 100 degrees F. Above normal temperatures (up to 10 degrees F above normal) prevail elsewhere, accelerating wheat development. Recent locally heavy downpours have improved soil moisture supplies from southern Montana into western Kansas. In the South, showers have mostly moved out of the region. Heavy downpours from Alberto helped ease or eradicate developing drought concerns in Alabama, and also caused localized flooding. The rain largely bypassed the Delta, where short-term dryness is intensifying. A pair of disturbances will produce locally heavy showers from the northern Rockies into the Upper Midwest, while another area of disturbed weather develops Thursday and tracks east for the central Plains. Tropical Depression Alberto will continue moving northward across the Midwest before merging with a cold front over eastern Canada. Rain associated with Alberto will total an additional 2 to 5 inches in parts of the central Corn Belt.

On Track For Hottest May On Record: *We have seen a historic heat wave across the Midwest this month. May 23 - 29 has seen more than 1,900 warm weather records set. According to PRISM, the average monthly temperatures for the lower 48 for May is 64.6 degrees F, through May 28. The all-time CONUS record being 64.7 degrees F in May 1934. With torching temperatures expected to continue over the next 2 days, the Dust Bowl era record will likely fall. We are about to see the hottest May on record.*



Corn prices are down about -20 cents from last Thursday's high of \$4.12². Bears continue to talk about potential problems with renegotiating NAFTA and delays in Chinese trade talks. There's also the fact U.S. new-crop production is currently rated as one of the best to ever start a season. I'm personally not putting that much into the early crop-condition ratings, but we certainly can't stick our head in the sand and deny they exist. Weather here in the U.S. has been fairly cooperative as of late, and many parts of the corn belt have recently received some good rains. Bulls are pointing to the fact most forecasts look to be dry the next couple of weeks here in the U.S. There's also continued talk of strong demand and perhaps fewer planted acres than originally thought. From a technical perspective, this market has struggled as of late. We have recently made fresh multi-week lows and have broken below a few nearby trading-averages. Bulls are hoping we can hold longer-term support in the JUL18 contract between \$3.80 and \$3.85 per bushel. The longer-term support in the DEC18 contract is thought to be in the \$3.95 to \$4.05 range. As a producer, I'm comfortable with my current marketing strategy. I have about 50% of our estimated production priced/hedged at good levels. Last cash sale made at around \$4.24 vs. the DEC18 contract. Ideally, I would like to price another 15% to 25% of our estimated production between now and late-August. Obviously, I'm pulling for some type of weather market "wild-card" to hit the table this growing season. Staying patient, thinking nearby we continue to trade sideways to lower. June moisture and July heat setting up to be the main events...

copies a day in late May and early June. With sales figures like that, it seems implausible that "God Save The Queen" really stalled at #2 on the official UK pop charts, yet that is where it appeared, as a blank entry below "I Don't Want to Talk About It" by Rod Stewart, the ultimate anti-punk. Like every other effort to suppress the song, refusing even to print its name in the official pop charts played right into the Sex Pistols' hands. Like naughty schoolboys concerned only with the approval of their peers, the Sex Pistols baited the British establishment throughout their brief career, but never more so than during the Silver Jubilee. When they took to the waters of the Thames and attempted to blast "God Save The Queen" from giant speakers loaded onto a boat chartered by Virgin Records chief Richard Branson, the police dutifully responded by chasing the boat down and arresting its passengers when they reached the dock.

Upcoming Events

- Tues. 6/12** - USDA Supply and Demand
- Tues.-Wed. 6/12-6/13** - FOMC Meeting
- Fri. 6/22** - Cattle on Feed
- Fri. 6/22** - Cold Storage
- Thurs. 6/28** - Quarterly Hogs and Pigs
- Fri. 6/29** - Quarterly Stocks and Acreage

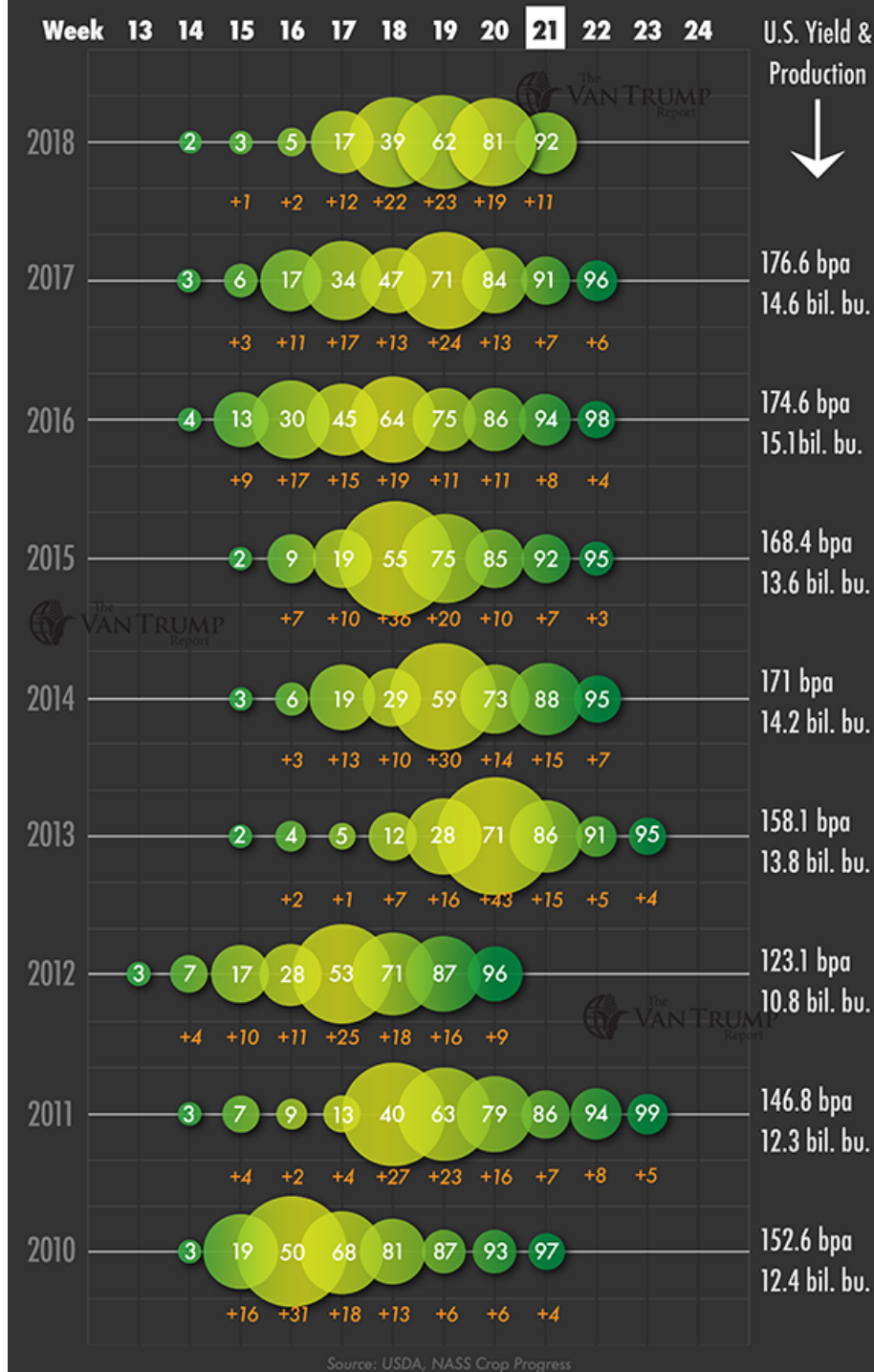
Kevin's Song of the Week



Kevin's Song of the Week

U.S. Corn Planting Pace 2010 - 2018

includes Weekly Rating and Week-over-Week Change



NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

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

A.M., FDIC

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

Soybean bulls are keeping a close eye on Brazil, as oil workers have begun a 72-hour strike immediately following a crippling nationwide truck driver strike. Several sources have reported that the strike has halted production at refineries in six states. As I mentioned yesterday, there's also talk that Argentina is now considering a nationwide strike as workers need significant raises to simply keep up with surging inflation. Unfortunately, soybean prices here at home continue to post lower highs. The JUL18 contracts \$10.90 posted back in early-March seems to be strongly in place as the contracts nearby high. We tried to rally in mid-April, but only got back to \$10.78 per bushel. The bulls tried again in late-April, but were only able to get back to \$10.67. The market tried again in late-May, but only made it just above \$10.50 per bushel. From a technical perspective, it feels like every couple of weeks the bulls try to make another run towards the previous highs but are more quickly running out of momentum. On the downside, there have been two different occasions, once in early-April and once in mid-

May that the market tumbled down to sub-\$9.95 levels. The JUL18 contract is currently trading at around \$10.25 per bushel. In other words, we are about +30 cents from the recent lows and about -65 cents from the early-March highs. Obviously, a lot still hinges on the Chinese trade renegotiations and the inking of a new NAFTA deal? Beyond the macro space, U.S. weather will soon start to take on a much more prominent role in the headlines. As of right now the weather's really not a big concern, especially with many inside the trade thinking more U.S. acres have been planted than the USDA has given credit. As a producer, I remain patient. Despite the recent setback in price, the new-crop NOV18 contract is still trading right around the same price I made my last cash sale, which was at \$10.30. I wish I could say otherwise, but this also just happens to be my best new-crop cash sale. The NOV18 contract has recently traded to \$10.60 on two separate occasions, but each time I have had orders resting at \$10.70, just a bit out of reach and perhaps a bit too greedy. I'm hoping I get another shot by late-summer, which has always been my projected time target...

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..."

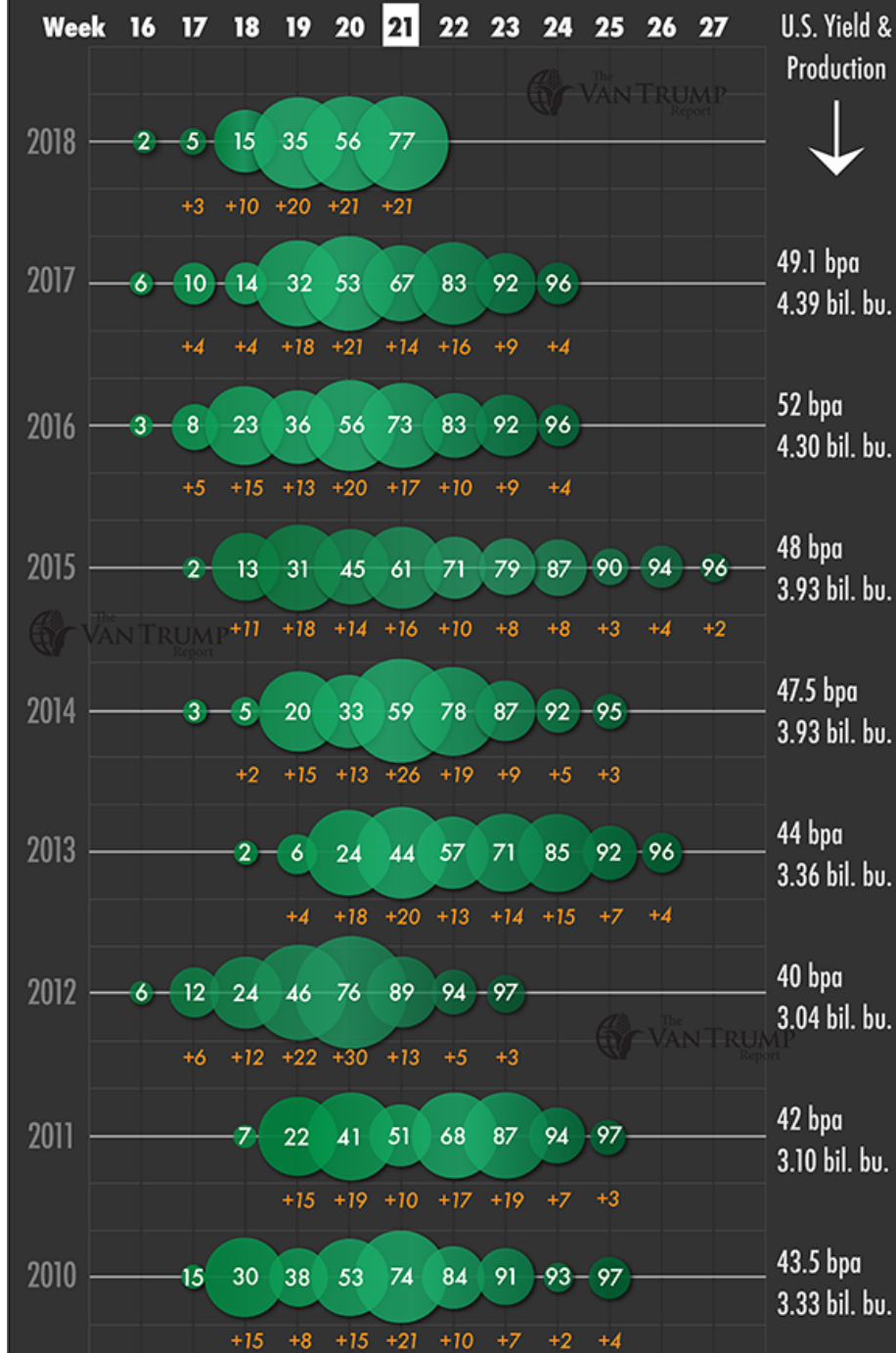
I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

- 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.

U.S. Soybean Planting Pace 2010 - 2018

includes Weekly Rating and Week-over-Week Change



Source: USDA, NASS Crop Progress

Farm Direction
RECIPES

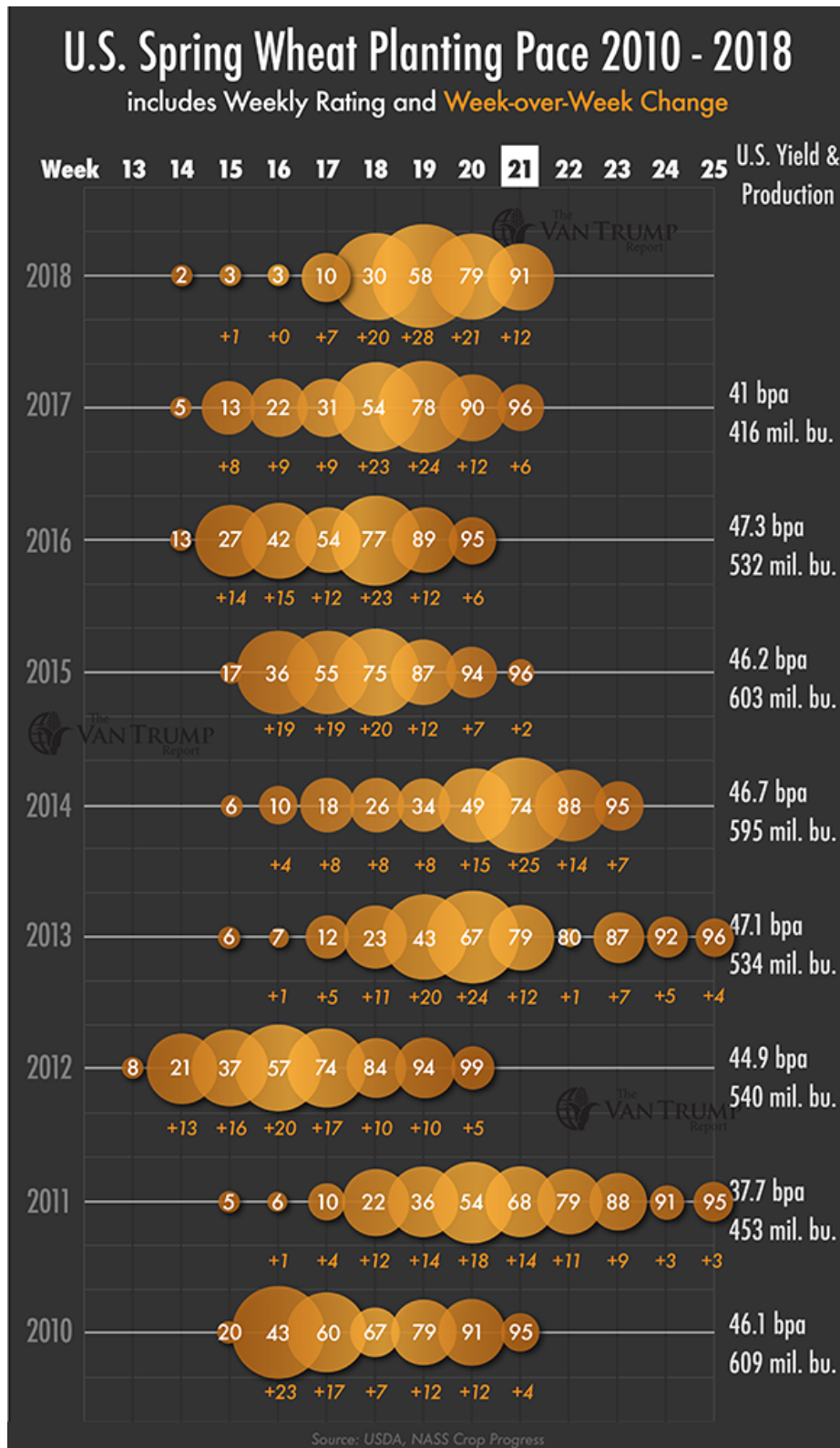
★ **FAMILY FAVORITES** ★
-SENT IN BY OUR READERS-

Lemon Blueberry Dump Cake

[CLICK TO SEE RECIPE](#)

Wheat bulls have backpedaled a bit as rains provide a much needed drink for many portions of the U.S. Traders are also hearing talk of better than expected yields reported out of the harvested fields in Texas and now Oklahoma. It will be interesting to see what the yield numbers look like next week when more producers in southern Kansas start rolling out their combines. Keep in mind, the USDA recently improved their U.S. crop-condition forecast, so the bulls seem to be taking a more "wait-and-see" approach. There's also the weather uncertainty still brewing in parts of southern Russia, Kazakhstan and Ukraine, the Canadian prairies, parts of Australia, and portions of the European Union. All of which need more time to fully develop and or materialize into something more than just a possible problem. I've said for the past few weeks, outside of a wide-spread weather market rally, the traditional supply and demand numbers will be very hard pressed to support higher prices. If the weather worries don't continue to excite the trade, I suspect we continue to see the market reduce risk and trend lower.

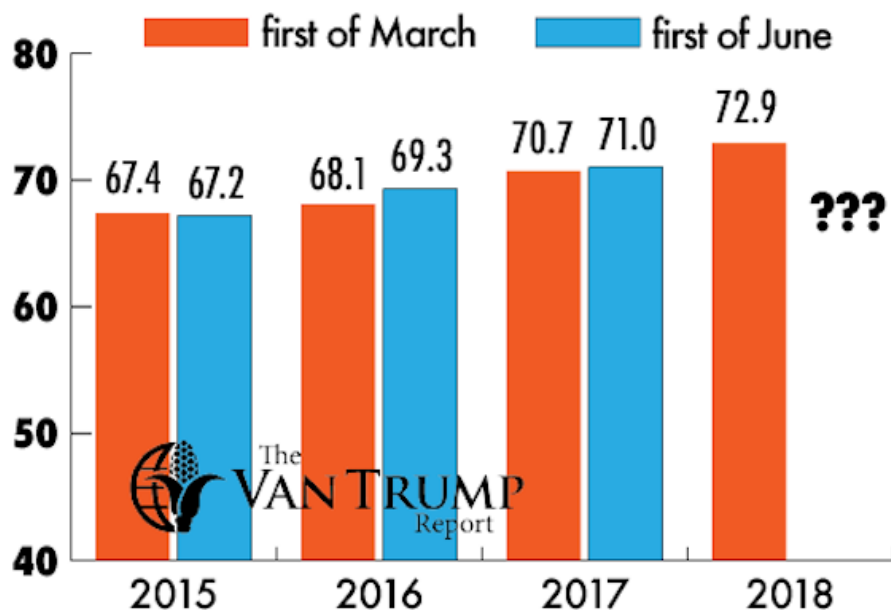
As a spec, the only way I'm a buyer is on a much deeper break in price. As a producer, we have essentially reduced most all of our new-crop price risk and have actually reduced 30% of price risk for 2019's crop. Sitting in a very comfortable position to watch from the sideline...



Hog prices have moved steadily higher the past few sessions. In fact, the JUL18 contract just posted a multi-week high, a level we haven't traded at since April 20th and is now back above its 100-Day Moving Average. The extreme heat and lighter hog weights have recently added some excitement, but obviously all eyes remain on the upcoming trade talks with the Chinese. Back in early-April the Chinese tossed out an additional 25% tariff on U.S. pork. The market traded to a fresh low two-days later, but then proceeded to rally into mid-April. Things have now gotten more serious as the U.S. appears ready to follow through with some of their threats. The National Pork Producers Council (NPPC) is certainly not taking the trade negotiations lightly. Recently calling for

an end to the US-China trade dispute, claiming that China's 25% import tariff on US pork, could cost the industry \$2.2 billion for every year it's in place. A statement from the NPPC claims that US pork production is at record levels and that US pork exports could surge if tariffs were lifted. Farm Bureau, recently released a good report with some interesting numbers. In 2017, nearly half a million pounds of U.S. pork and pork products, or 1 of every 5 pounds of exported U.S. pork was destined for China, Hong Kong and Vietnam. In a typical year, the majority of U.S. pork exports to China occur within the first seven months, with peak exports occurring in April through June. So far, the additional 25 percent tariff China has applied to U.S. pork seems to be having the intended effect - a reduction in U.S. pork exports. With US hog inventory high and the fact we are moving past the prime exporting season for moving US pork to China, I'm a bit nervous about the market and like the thought of using the recent rally to reduce a little longer-term price exposure.

U.S. Hog Inventory (million head of hogs)



Source: USDA, Quarterly Hogs and Pigs report, March 28, 2018



> **Brazil Soybean Trucks, Escorted by Police, Arrive at Major Port:** Bloomberg recently reported the following: "Trucks arrive at Paranagua port in Parana state around 2pm local time, escorted by the Federal Road Police, a press official from the port authority says in a telephone interview. In two hours, 52 trucks entered the port complex Trucks with 42,000 tons of soybeans are expected to unload in the next 24 hours Only partial shipping operations are underway." (Source: Bloomberg)

> **Ag Industry Is Watching The Smithfield Lawsuit:** Many in the industry including both producers and agribusiness owners are fearful that copycat lawsuits could be filed in other states in industries that extend beyond hog production. The first has already popped up as four Iowa residents are suing the state's natural resources department for allegedly failing to enforce regulations of air emissions from hog farms. And in Pennsylvania, a group of residents asked the state Supreme Court to review their case against the Will-O-Bet hog farm. (Source: Reuters)

> **Are Investors Avoiding Russian Agriculture?** Foreign investment in the Russian agriculture industry has dropped nearly -30% since its peak at \$900 million in 2013. I'm told it's not that companies don't want to do business there, it just isn't a good risk with the current geopolitical environment. Not everyone is shying away as Louis Dreyfus, Cargill, CP Foods and NCH Capital are strengthening their positions. (Source: foodnavigator)

> **France Rejects Ban on Glyphosate:** French lawmakers reversed course from a pledge to phase out the use of the herbicide glyphosate by 2021. Last year, after Europe voted to renew glyphosate's

license for another five years, French President Macron backed a plan to prevent farmers from using herbicide. Looks like the French government has had a change of heart. (Source: Bloomberg)

> Longping High-Tech Agriculture Co, an agricultural firm controlled by China conglomerate CITIC Group Corp, sees Brazil expanding corn output up to 5 percent per year in coming years and is investing heavily to grab a third of the country's corn seed market. Longping, bought its corn seed business from DowDuPont Inc in Brazil for \$1.1 billion last year. (Source: Reuters)

> India's Sugar Glut Could Cause Some Problems: India, the second-largest producer of sugar and its biggest consumer, had a stockpile as of late this month that exceeds the total amount of sugar consumed in the U.S. last year. Now, the Indian government is planning to sell the excess sugar on the struggling international market, potentially leading to trade conflicts with other producing countries. (Source: WallStreet Journal)

> ADP Private Payrolls Increase By 178,000 in May compared to a downwardly revised 163,000 in the prior month. Looking ahead, the jobs number will be released on Friday; consensus expects nonfarm payrolls added 190,000 in May.

> China Costing U.S. \$7 Billion In Delaying Biotech Approvals: According to a new report by CropLife International, delays in Chinese approvals of imported genetically modified crops have cut U.S. gross domestic product by about \$7 billion over the past five years by reducing sales of crops and other goods. Global seeds and chemical companies have long wanted wider access for GMO crops in China because it is the world's top buyer of soybeans and a major buyer of other grains. Companies including Bayer, Monsanto, DowDuPont and ChemChina's Syngenta have been waiting as long as seven years for China to approve trials of soybeans, canola and alfalfa. (Source: Reuters)

> Volcker Rule Gets Tweaked: Work began on the Volcker Rule soon after the financial crisis and it took effect four years ago. Generally speaking, the rule prevents banks from trading for their own profit or having stakes in a hedge fund or private equity fund. Wednesday's proposal allows banks to have stakes in those funds in order to hedge risks for customers that aren't banks. The financial firms would also be able to trade for themselves on a limited basis, under the proposal. To determine the level of necessary compliance, the proposal divides banks into three categories. Those with trading assets and liabilities of at least \$10 billion would need to comply with the strictest rules. Banking entities with trading assets and liabilities of between \$1 billion and \$10 billion would be subject to "reduced compliance requirements and a more tailored approach." Read more [HERE](#).

> States As Countries Based On GDP: The United States is the world's largest economy, but sometimes it's easy to forget just how massive a \$19 trillion economy actually is. The only comparable economy in size would be China, but unfortunately the incredible scope of China's economic boom is something that is also difficult for foreigners to wrap their heads around. We've tried to do this in the past by showing you the massive cities that no one knows about, ambitious mega projects that are underway in the region, and the country's staggering demand for commodities. But still, comparing the U.S. to China can be overwhelming – and that's why it can be more effective to show the U.S. economy as the sum of its parts. This interesting infographic comes to us from the Carpe Diem blog done by Mark Perry at the American Enterprise Institute. Mark does a great job at matching the size of U.S. state economies, based on nominal GDP numbers, with comparable countries around the world.

US State	GDP (Millions of USDs), 2017	Country	GDP (Millions of USDs), 2017
California	\$2,746,873	United Kingdom	\$2,624,529
Texas	\$1,696,206	Canada	\$1,652,412
New York	\$1,547,116	South Korea	\$1,538,030
Florida	\$967,337	Indonesia	\$1,015,411
Illinois	\$820,362	Netherlands	\$825,745
Pennsylvania	\$752,071	Saudi Arabia	\$683,827
Ohio	\$649,127	Argentina	\$637,717
New Jersey	\$591,743	Taiwan	\$579,302
Georgia	\$554,269	Sweden	\$538,575
North Carolina	\$538,291	Poland	\$524,886
Massachusetts	\$527,455	Belgium	\$494,733
Virginia	\$508,662	Thailand	\$455,378
Washington	\$506,353	Iran	\$431,920
Michigan	\$504,967	Austria	\$416,845
Maryland	\$393,632	Norway	\$396,457
Indiana	\$359,122	U.A.E.	\$377,435
Minnesota	\$351,113	Israel	\$350,609
Tennessee	\$345,218	South Africa	\$349,299
Colorado	\$342,748	Ireland	\$333,994
Wisconsin	\$324,061	Denmark	\$324,484
Arizona	\$319,850	Singapore	\$323,902
Missouri	\$304,898	Pakistan	\$303,993
Connecticut	\$260,827	Bangladesh	\$261,374
Louisiana	\$246,264	Finland	\$253,244
Oregon	\$236,219	Egypt	\$237,073
South Carolina	\$219,093	Portugal	\$218,064
Alabama	\$210,954	Venezuela	\$210,085
Kentucky	\$202,507	New Zealand	\$202,485
Iowa	\$190,191	Greece	\$200,690
Oklahoma	\$189,160	Iraq	\$197,699
Utah	\$165,526	Qatar	\$166,326
Kansas	\$157,797	Kazakhstan	\$160,839
Nevada	\$156,313	Hungary	\$152,284
District of Columbia	\$131,010	Angola	\$124,209
Arkansas	\$124,918	Kuwait	\$120,351
Nebraska	\$120,351	Morocco	\$109,824
Mississippi	\$111,707	Ukraine	\$109,321
New Mexico	\$97,090	Slovakia	\$95,938
Hawaii	\$88,136	Sri Lanka	\$87,591
New Hampshire	\$80,516	Ethiopia	\$80,874
West Virginia	\$76,794	Guatemala	\$76,794
Delaware	\$73,541	Oman	\$74,274
Idaho	\$71,886	Myanmar	\$66,537
Maine	\$61,404	Panama	\$61,838
Rhode Island	\$59,458	Uruguay	\$58,415
North Dakota	\$55,493	Croatia	\$54,516
Alaska	\$52,789	Tanzania	\$51,725
South Dakota	\$49,928	Slovenia	\$48,868
Montana	\$48,098	Uzbekistan	\$47,883
Wyoming	\$40,286	Tunisia	\$40,275
Vermont	\$32,197	Libya	\$32,197

Sources: Bureau of Economic Analysis and International Monetary Fund



FROM THE FIELD

Central Nebraska - I spread some wheat as a cover crop on some newly-built terraces last fall. It grew decently, and this year I planted conventional corn into it. The problem, now, is that I can't kill the wheat and the corn is suffering. This field was sprayed on April 28 and planted on April 29. It was sprayed with a mix containing Balance Flex, Anthem Maxx, Atrazine, Aim, and Crop Oil. We have not gotten much rain this month, so I imagine that has had a lot to do with the herbicide being ineffective. The wheat has headed out pretty much totally, and is thick enough to be shading and strangling out a lot of the corn. The wheat is a bit shorter than what you would expect in a crop, though. For the most part, the corn is trying to grow, but it's obviously weakened and stunted by the wheat. This is on about 30 acres so it's not a huge deal but I hate to see my corn struggle.

Southwest Illinois - I have some carryover issues from last years spray. The corn had bicep II, magnum and Atrazine applied all before it emerged. The field is clean and corn is growing extremely fast. We have had plenty of sun and moisture so we might even be seeing a little rapid growth syndrome. I usually would be doing a post spray now but I've missed the window on Atrazine because corn is 12"-16" and I'd rather not stress the plants anyway if I can get away with it. I may regret spraying but I have not seen any water-hemp emerge yet. The herbicide Bicep got 1.5" of rain to activate. Most of our corn will canopy in a couple weeks. The only exception is a few areas that got the prefix carryover, and they slightly stunted which I think I could just spot spray them with some Dual Magnum because it's conventional corn. Usually we would be worried about water-hemp, morning glory, cockle-bur, giant ragweed but we really aren't dealing with any of those weeds at the moment. If the corn is able to canopy relatively quickly we should be good in my opinion which I think it will based on the weather we have coming over the next few weeks. A lot of heat with some rains chances in the mix.

Southcentral Minnesota - We can't seem to catch the needed windows to finish our planting. It's been on-again, off-again for over a month now. We don't have much left but, but it looks like those will have to be preventative plant acres. It is lake bottom ground that isn't going to dry anytime soon. We've considered putting in beans and will have to make a decision soon. Being kicked out of the fields does mean I can haul some corn to market at least. Interestingly, up here there is some endogen corn grown, but you can only deliver it on Thursdays. We just don't want to commit to that window with everything else going on and we wouldn't hire it out. We have a little corn left to price but mostly have it marketed at profitable prices. Good land in the area is selling for \$7,500-\$8,000 per acre and renting out for around \$240. We may pick up a few more acres as an adjacent piece looks to be coming up at auction.



CROSSING WIRES

A place to share intelligent thoughts...

Gene Edited Crops Will Be Sown In UK For First Time: Gene-edited super-crops are to be sown in Britain in a European-first after scientists exploited a legal loophole. The Government has quietly approved the farming of gene-edited (GE) Camelina oilseed crops as part of a trial to super-charge the plants to produce Omega 3 fish oils, one of the most popular food supplements. The pilot was approved because, unlike genetically modified (GM) plants, the Camelina oilseed crops contain no foreign DNA. Instead, they had their genetic code altered in a way that could have happened naturally. Read more [HERE](#).

Apple Will Introduce Latest Innovations at their Worldwide Developers Conference (WWDC) starting June 4th in San Jose, California. While WWDC does tend to stick to new software, I suspect we could see a few new pieces of hardware make appearances as well. From its latest operating systems for the Mac and iPhone to new features on WatchOS, tvOS, and more. Check out the future of Apples innovations [HERE](#).

What's Causing The Growing Distrust In Science: New research seeks to discover why so many seem to distrust the scientific community or at least some of their results. Interestingly, most would have you believe the lines are drawn down political lines as it seems to be the case with climate change research. But a new study has a different finding. Unfortunately, fixing the problem will require something different than just increasing peoples knowledge about science. So what's the answer...read more [HERE](#).

Policy Will Lead The Charge To 125 Million Electric Vehicles By 2030: Electric vehicle (EV) ownership will balloon to about 125 million by 2030, spurred by policies that encourage drivers, fleets and municipalities to purchase clean-running cars, the policy advisor to energy-consuming nations forecast on Wednesday. However, the IEA also sees a pathway to 220 million electric vehicles by 2030, provided the world takes a more aggressive approach to fighting climate change and cutting emissions than currently planned. While battery costs are falling, the IEA acknowledges that

government policy remains critical to making EVs attractive to drivers, spurring investment and helping carmakers achieve economies of scale. Read more [HERE](#).

De Beers Group To Produce Man-Made Diamonds: Two short years ago, De Beers was snubbing the idea that man-made diamonds would offer a competitive offering to existing products. But that ship has sailed and now they are prepared to spend \$94 million on a new facility to produce them. Interestingly, the trick for De Beers will be walking a fine line between acknowledging that there's no real difference between the lab-grown products it's shilling and the higher-end stones that it mines without making the jewelry come off as sounding cheap. Obviously, the startups that entered the space 10 years ago have caught their attention. Read more [HERE](#).



	<i>mined</i>	<i>man-made</i>
ORIGIN	<i>Diamond mines</i>	<i>Pressure simulation in labs</i>
COMPOSITION	<i>Carbon atoms in a cubic crystal formation</i>	<i>Carbon atoms in a cubic crystal formation</i>
TIME TO FORM	<i>Billions of years</i>	<i>6-12 weeks</i>
QUALITIES	<i>Rarity & positive socio-economic impacts</i>	<i>Ethically sourced & cost-effective</i>



Where Are All The Blueberries?

My wife has been complaining lately that it's getting more and more difficult to find good blueberries at the grocery store. Either they don't have any in stock or they are simply crazy expensive. Insiders suggest Hurricane Irma is still having a devastating effect on inventory. Florida's Blueberry Growers Association surveys showed over 95% of producers had some type of damage to their crop since this event occurred. Not only did Hurricane Irma have a large effect on this blueberry production, severe freezes caused additional problems to the crop. The problems didn't stop there, as the number of pollinating insects were down from recent years as well, meaning poorer pollination. Georgia, another blueberry producer, was also affected by difficult growing conditions. Both of the states had a very warm February causing people to believe production would be higher than the previous year then March brought back-to-back weeks containing freezing temperatures. These freezes, followed by a cool and windy April, didn't provide producers any favors. Production in California also ran into hard freezing problems in February, causing the crop in some areas to miss out on key "chill hours". Chill hours are considered a hibernation state that the crop requires to achieve maximum yield. As you can see, several factors have played out to cause the nearby shortage of blueberries. Worldwide, some 1.7 million tons of blueberries were produced last year, two and a half times the number in 2000. The crazy part is global demand continues to surge higher. The U.S. is the biggest producer of blueberries, followed by Canada and Chile, which is the largest global exporter. Just to give you an idea, in January and February, the peak of the Chilean harvest, blueberries exported to the port

of Jiangnan in China were sold wholesale at an average of \$10.04 per 2.2 pounds, on the U.S. East Coast, the average price was \$6.40 per 2.2 pounds. The latest USDA data shows retail prices to be about \$3.00 per 6 oz. package. My wife however has been seeing prices closer to \$5.00 per 6 oz package. From what I understand, shortages in supply should not be long lasting, and certain parts of the country might be more limited than others. I should also note, cherry prices are up +35% in several areas of the country. Just wanted to update everyone in case you recently experienced "sticker shock" in the produce section.



NBA Finals Start Tonight... Here's What You Need To Know

Golden State Warriors will play the Cleveland Cavaliers in the NBA Finals for the fourth year in a row. Yes, you read that right, both teams are heading to the finals for the fourth consecutive year. This series marks the most consecutive matchups between two teams in a championship in major professional sports history. This final series started in 2015 when LeBron came back to his home in Cleveland. Golden State took the series in 2015 winning their first championship since 1975. The 2016 championship went to the Cavaliers, giving them their first NBA title ever. Last year the Warriors dominated the championship series. In the previous 3 years, Golden State held the best record in the NBA. That was not the case this year, as they held the #2 seed behind the Houston Rockets. During the playoffs last year, Golden State only lost one game, this year they have lost 5 games in the playoffs. Cleveland is a similar story, last year they only lost 1 game leading up to their Finals appearance, but this year they have lost a total of six games so far. In fact, both the Warriors and Cavaliers had to go to the wire with the opponents, winning in a final elimination game 7 to get into the big dance. The last time this happened was back in 1979 when the three-point line was still a year away from being introduced. Below are a few more interesting facts:

The King: *This is LeBron's eighth consecutive NBA championship. James is already the only player in the top-10 in total points, rebounds, assists, steals, and blocks in NBA Finals history. But he is 17 rebounds and 12 blocks away from becoming the only player in the top-five. During the 2016 NBA Finals, LeBron James led all players on both teams in points, rebounds, assists, steals, and blocks in series. He is the only player in NBA history to lead all players in all five categories for an entire playoff series.*

The Line: *The Cavaliers opened as a 12 point underdog. This tied the largest spread in the last 25 years of NBA Finals history. The last time a spread was this large is when the 76ers played the Lakers during game 1 of the 2001 NBA Finals.*

Celtics or Lakers: *The Celtics and/or the Lakers were in every Finals of the 1980s, but always some team (Rockets, 76ers, and Pistons) jumped in to prevent their pairing three times in a row. The Lakers and/or Celtics however have played in 40 of the 72 NBA Finals series ever played, and have combined for 33 Championships. They have played each other in the NBA Finals 12 times (Celtics won 9 and Lakers 3 times). Only five franchises have more than four titles. The Celtics and Lakers lead the pack by a mile with 17 and 16 titles, respectively. Bulls claimed six, and Spurs and Golden*

State Warriors both with five. Together, they account for 69 percent of the league's championships.

Only Six Teams In NBA History: *In fact, only six teams in the 72-year history of the league have made it to four straight Finals: Celtics from 1957-66 and 1984-87; Lakers from 1982-85; Heat from 2011-14; Cavaliers from 2015-18; Warriors from 2015-18*

Never An Appearance In An NBA Finals: *Seven of the current 30 NBA teams have no Finals appearances. The list includes the Charlotte Hornets (Bobcats), New Orleans Pelicans (Hornets), Los Angeles Clippers, Minnesota Timberwolves, Toronto Raptors, Memphis Grizzlies, and Denver Nuggets.*

Tickets: *The lowest priced tickets at this game are going for \$500 and the most expensive tickets are going for as much as over \$50,000.*

Roll Tide: *There has also been a conspiracy going around with the connection between LeBron James and the Alabama football team. The Alabama Crimson Tide and LeBron James have been in the championship for the last 7 years. Throughout these last 7 years, every time Alabama wins the National Championship LeBron James wins the NBA Finals. It just so happens Alabama won the National Championship this year with an epic come back. It will be interesting to see what happens this year.*

The Last Time He Wasn't In An NBA Final: *The last time LeBron wasn't in an NBA final... Apple was releasing their first iPad; The band "One Direction" was auditioning on the X-Factor as individuals; Oprah was still on television every day in the afternoon; Lost was the most popular show; and Angry Birds was quickly becoming one of the coolest games to play on your phone.*

Tip-Off: *The game will start at 8 pm CST on ABC. Game 2 in this series will take place Sunday night.*



Must Read If You Are Wanting To Become "A Great Investor"

I was sent a very interesting read the other day from a buddy that manages a very large fund. The article was written by Graham Duncan, Co-founder, East Rock Capital and Co-Chair of the Sohn Conference Foundation. If you or any of your children have the desire to one day be a great investor this article is well worth your time, as Duncan, someone who has interviewed and studied thousands of the worlds top-traders, explains what separates the great investors from the rest. I included a brief sample below, but encourage you to read in full [HERE](#)

One great portfolio manager I know told the story of being driven somewhere by an analyst on a rainy night when a truck swerved and almost ran them off the road. "Why is stuff like this always happening to me?" the analyst instinctually responded. But to the portfolio manager, that response reflected a terrible mindset, whether on the road or in the market: a sense that the world is acting on you as opposed to your acting on the world. It is a mindset that is hard to change. But from what I've seen, great investors don't have it. Instead, they've

come to understand which factors in the market they can control and which factors they cannot.

One way to relocate your locus of control is to frame investing (and even life more generally) as a game. This allows you to experience luck as luck, to separate the hand you drew from the playing of that hand. As David Milch, the creator of the HBO shows Deadwood and The Wire, put it, he realized late in life that "it's the way you learn to play the cards you've been dealt, rather than the hand itself, that determines the worth of your participation in the game."

For investors, I've come to think of five levels of the game:

- 1. Apprentice—learning the game*
- 2. Expert—mastering the game you were taught*
- 3. Professional—making the game you were taught fit your own strengths and weaknesses*
- 4. Master—changing the game you play as part of your own self-expression and operating at scale*
- 5. Steward—becoming part of the playing field itself and mentoring the next generation*

David Tepper is a good example. If you invested \$1 million with Tepper when he opened his fund in 1993, it is worth well more than \$150 million today. This is the same David Tepper, who is currently trying to buy the Carolina Panthers for \$2.2 billion.

Tepper appears to be using multiple mental models when he invests, choosing what works for a moment or context rather than being constrained by his historical role as a "distressed debt investor." If you monitor the 13F filings of the stocks he owns, he appears to move effortlessly across sectors and asset classes, scooping up dollars as he goes. You would have a difficult time deciding what benchmark or comparable fund to judge him against.

QUOTE OF THE DAY

"I AM NOT A PRODUCT OF
MY CIRCUMSTANCES. I AM
A PRODUCT OF MY
DECISIONS"

STEPHEN COVEY

MOTIVATIONPING.COM



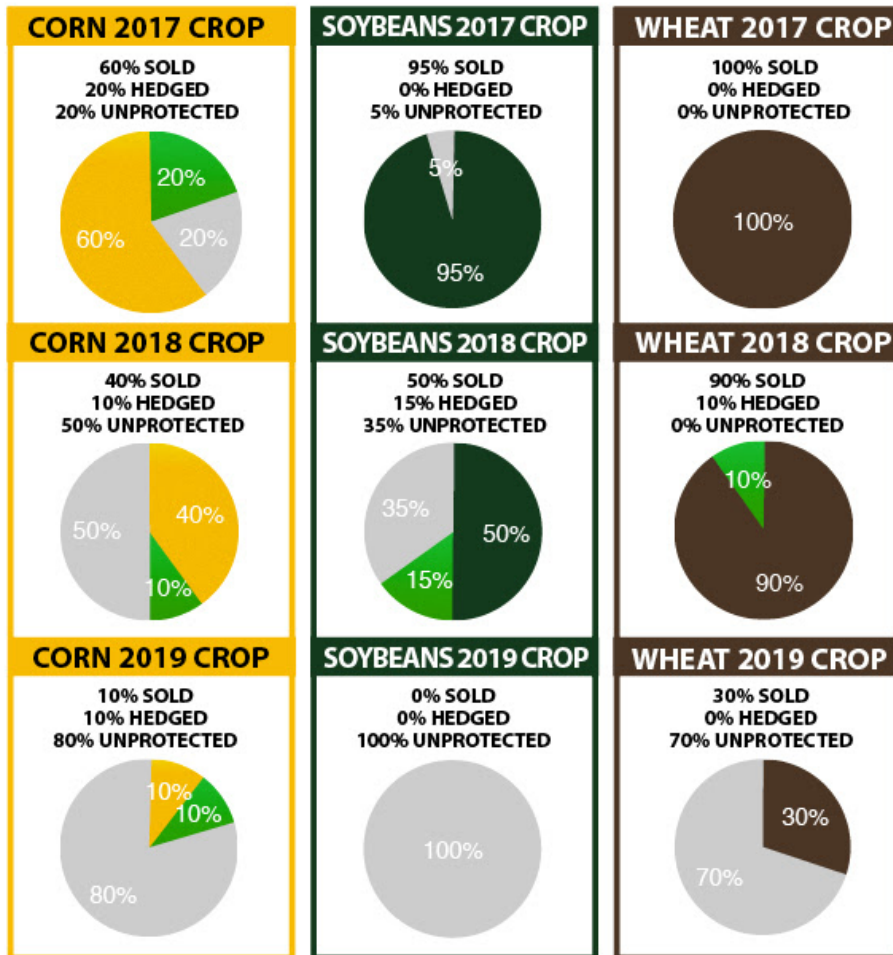
This company looks cheap, that company looks cheap, but the overall economy could completely screw it up. The key is to wait. Sometimes the hardest thing to do is to do nothing.

— *David Tepper* —

AZ QUOTES

ANSWER to riddle: a leek

CASH SALES & HEDGING TOTALS



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