

GOOD MORNING: 06/04/18 Farm Direction - Van Trump Report

2 messages

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Mon, Jun 4, 2018 at 6:29 AM



"It is not necessary to change. Survival is not mandatory." - Peter Drucker

MONDAY, JUNE 04, 2018

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Morning Summary: Stocks are mixed to slightly higher as the market contemplates a strong U.S. economy vs. the odds of a possible trade war between the world's two largest economies. Friday's better than expected jobs report and the yield on the 10-year U.S. Treasury, now solidly below 3%, might be just enough positive news to offset the geopolitical noise associated with a potential trade war. From what I heard over the weekend, the third round of China-US trade negotiations ended without much of a breakthrough or fresh positive headlines. I personally don't feel like we have enough information to make an educated guess about the entirety of the negotiations. Obviously, the bulls want to read headlines that a trade resolution has been inked and both the Chinese and U.S. leaders are happy with the outcome. Unfortunately, we are just not there as of yet. In fact, several sources are saying trade talks could continue for several more months before we see any type of resolution announced. I also heard reports over the weekend that a large majority of the conversation was centered around potential new energy deals between the U.S. and China. It feels like next week's tariff deadlines have all of a sudden become much more interesting to the trade... I suspect if President Trump moves forward with the Chinese tariffs the media headlines will turn more negative. Regardless of how you want to interpret the nearby movement, next week is clearly setting itself up to be an inflection point in the market. Not only will trade tariffs be in play, but we also have the highly anticipated meeting Tuesday, June 12th between President Trump and North Korean president Kim Jong Un. Then on Wednesday, June 13th we have the latest announcement from the U.S. Fed, where most are expecting to see another interest rate hike. We finish out the week with monetary policy announcements from the European Central Bank and Bank of Japan. I remain a longer-term bull and stay more heavily weighted in big tech. I still see no reason to try and overcomplicate or takes shots from beyond the three-point line...

Why "Investing" Intrigues Everyone: Morgan Housel recently wrote an extremely interesting article titled, "The Psychology of Money". From my perspective it is a must read... "In what other field does someone with no education, no relevant experience, no resources, and no connections vastly outperform someone with the best education, the most relevant experiences, the best resources and the best connections? That's because investing is not the study of finance. It's the study of how people behave with money. And behavior is hard to teach, even to really smart people. You can't sum up behavior with formulas to memorize or spreadsheet models to follow. Behavior is inborn, varies by person, is hard to measure, changes over time, and people are prone to deny its existence, especially when describing themselves." Read more [HERE](#)

Highest Price Ever Paid For A Car... Whopping \$70 Million! From what I understand a Germany car collector just sold David MacNeil, the founder of WeatherTech, the maker of car floor mats, a 1963 Ferrari GTO for \$70 million. The car was only one of 36 made and won the 1964 Tour de France race. The prior highest price paid for a car was \$52 million for another 1963 Ferrari GTO in 2013. Those in the collector car world say MacNeil is an avid Ferrari collector, with several multimillion-dollar cars. Who would have guessed car floor mats would have become so lucrative...WOW!

Canada Fires Back With Tariffs... States That Could Be Impacted: Canada isn't taking President Donald Trump's decision to hit the country with steel and aluminum tariffs lying down. Prime Minister Justin Trudeau announced that Canada



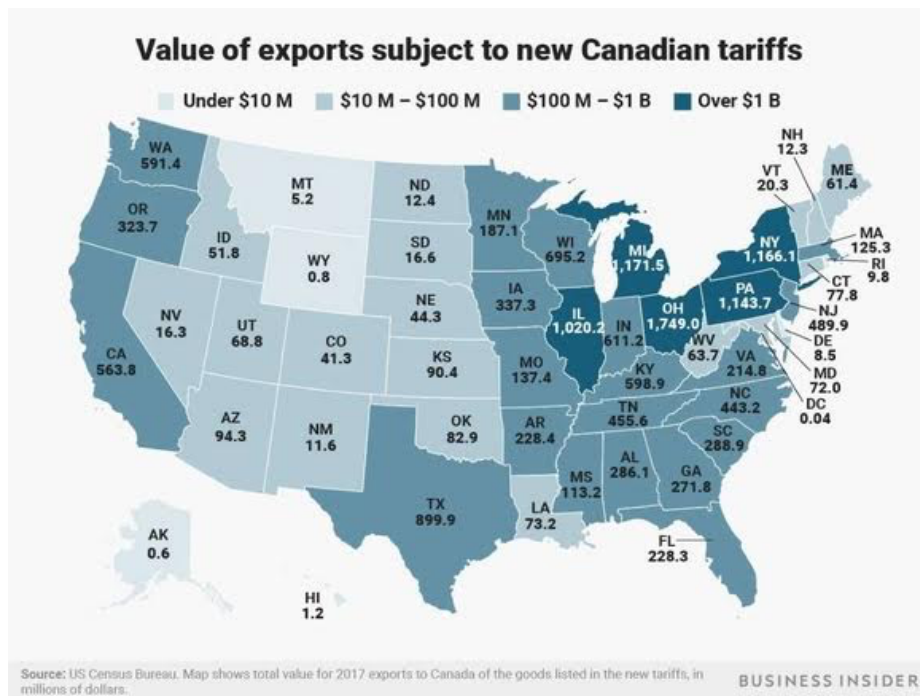
THE 2018 VAN TRUMP CONFERENCE

A gathering for the sharpest minds
in agricultural investing.
Hear firsthand about the new
innovations that will be changing
our farms and shifting our industry.



**November 28-29
Special 2 Day Event**

will impose retaliatory tariffs on \$12.8 billion worth of US goods in response to Trump's metals tariffs. The list of goods set to get hit by the Canadian tariffs varies from industrial steel to sleeping bags. Trudeau said the tariffs were not designed to hurt the American people, but rather defend Canada's interests and send a message to the Trump administration. Using US Census Bureau data on exports and the list of goods subject to the tariffs, Business Insider determined exactly which states will get hit hardest by the Canadian crackdown. Get more details [HERE](#).



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: Some are quick to take it. Others must be coaxed. Those who choose to take it, gain and lose the most.

Weather forecasts are calling for both hot and dry conditions over the next 6 to 10 days. There is particular concern for crop areas in the southwestern Corn Belt due to the recent extreme heat in the area. Later this week, there could be a more favorable period for development of crops across the Midwest as the recent heat subsides. However, longer range, another surge of hot weather may move into the west and south Midwest and decrease the chances for showers. In the southern Plains, episodes of heat and dryness in the region during the next 10 days could again increase stress to some winter wheat areas and early developing spring grains and oilseeds.

Kansas City, Mo

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

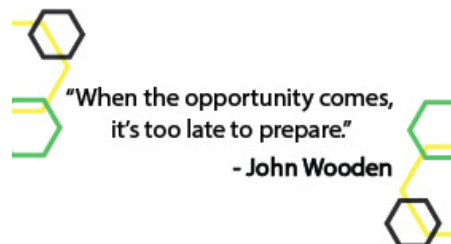
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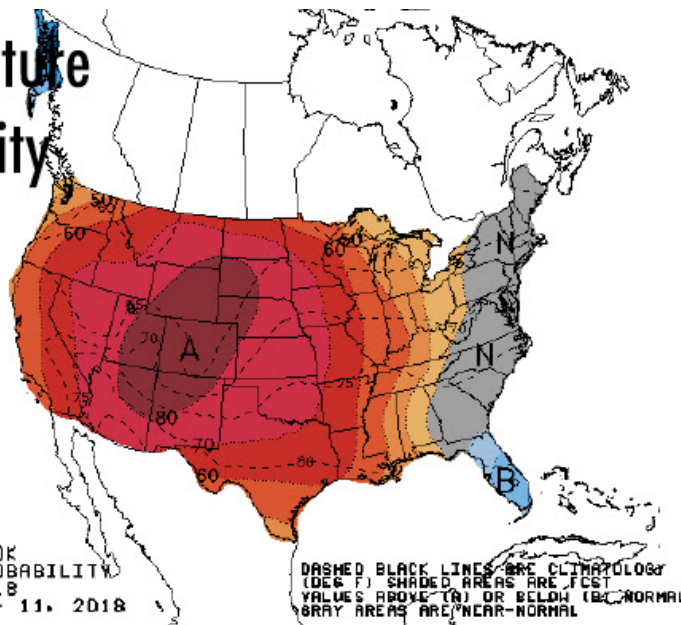
The VAN TRUMP
Report

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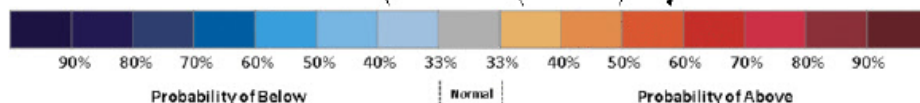
Temperature Probability



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 1 JUN 2018
VALID JUN 07 - 11, 2018



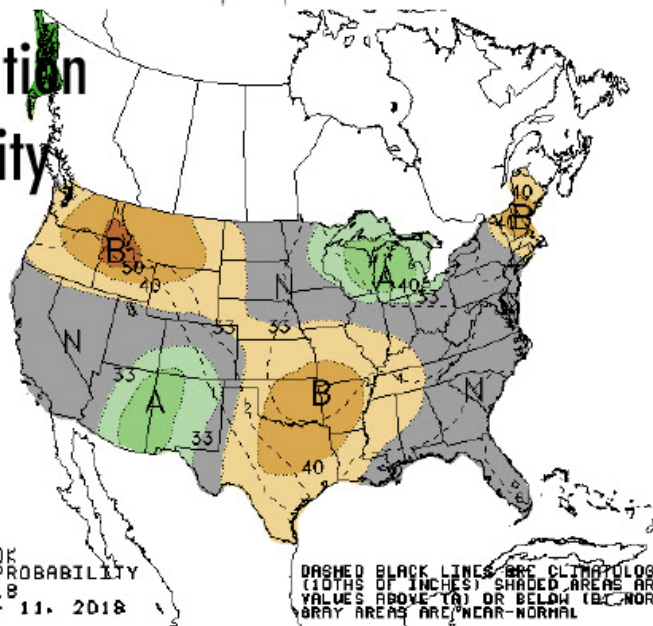
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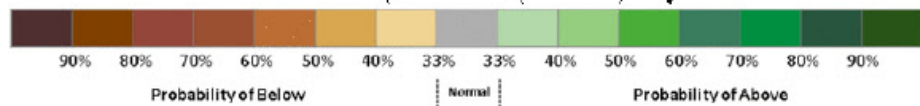
Precipitation Probability



6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 1 JUN 2018
VALID JUN 07 - 11, 2018



DASHED BLACK LINES ARE CLIMATOLOGY (10THS OF INCHES) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL



Another Look At The Historically Hot Month of May: Below is a map showing average temperature departures from normal for May across the USA, warmest departures in a wide band from Texas up to Missouri and then eastward across Illinois, Indiana, Ohio and into Pennsylvania. Data gathered from numerous stations and networks and put together by the Midwest Regional Climate Center.



Today In History



1876, Transcontinental Express -

A mere 83 hours after leaving New York City, the Transcontinental Express train arrives in San Francisco. That any human being could travel across the entire nation in less than four days was inconceivable to previous generations of Americans. During the early 19th century, when Thomas Jefferson first dreamed of an American nation stretching from "sea to shining sea," it took the president 10 days to travel the 225 miles from Monticello to Philadelphia via carriage. Even with frequent changing of horses, the 100-mile journey from New York to Philadelphia demanded two days hard travel in a light stagecoach. At such speeds, the coasts of the continent-wide American nation were months apart. How could such a vast country ever hope to remain united? As early as 1802, Jefferson had some glimmer of an answer. "The introduction of so powerful an agent as steam," he predicted, "[to a carriage on wheels] will make a great change in the situation of man." Though Jefferson never saw a train in his lifetime, he had glimpsed the future with the idea. Within half a century, America would have more railroads than any other nation in the world. By 1869, the first transcontinental line linking the coasts was completed. Suddenly, a journey that had previously taken months using horses could be made in less than a week. The arrival of the Transcontinental Express train in San Francisco on this day in 1876 was widely celebrated in the newspapers and magazines of the day. With this new express service, a businessman could leave New York City on Monday morning, spend 83 hours in relaxing comfort, and arrive refreshed and ready for work in San Francisco by Thursday evening. The powerful agent of steam had effectively shrunk a vast nation to a manageable size.



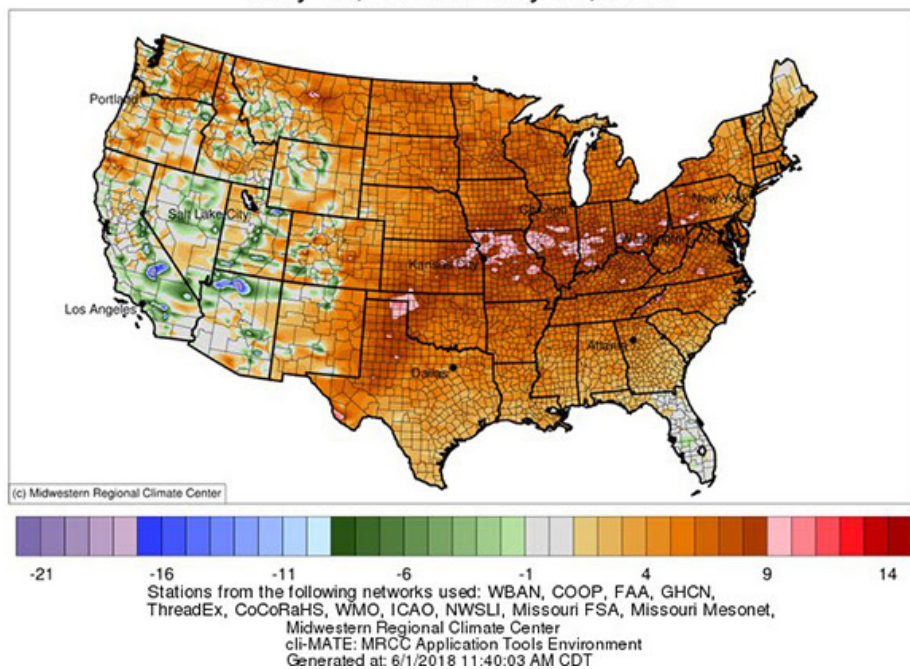
1934, President Franklin

Roosevelt - asks Congress to appropriate \$52.5 million to battle economic and social disaster in the American Midwest caused in part

by a series of droughts in the Great Plains region. A series of great droughts that began in the 1920s and a history of poor land-management practices had created a Dust Bowl in the Great Plains by the 1930s, exacerbating the already difficult economic conditions of the Great Depression for hundreds of thousands of Americans. In 1933, with the nation in the grip of the most disastrous economic depression in its history, Roosevelt took over the presidency. He immediately implemented drastic measures

Average Temperature (°F): Departure from 1981-2010 Normals

May 01, 2018 to May 31, 2018



Corn prices are down again this morning after tumbling by almost -15 cents last week. The question now becomes can we stop the slow bleeding? The USDA recently showed the current U.S. crop as being one of the best we've seen in a long time this early in the season. We all understand it's not where we start the race but rather how we finish. Unfortunately, the fundamentals show we are still adequately supplied and with the U.S. crop getting planted without many wide-spread hiccups, a great start to overall crop-conditions is perhaps carrying more weight than it normally would. Especially, as U.S. trade uncertainty continues to brew inside the geopolitical space. With both Chinese and NAFTA trade deals now fully in question, I suspect it will take more and more from a U.S. weather story to keep prices supported. At the moment there's just not a lot of weather complications here in the U.S. The trade seems to believe this year's U.S. crop is in better shape than we've seen in any of the most recent record yielding seasons. Bulls however are quick to remind everyone, on June 4th, 2012, the USDA released their weekly crop-condition estimate showing 93% of U.S. corn was "emerged" and 72% of the crop was rated "Good-to-Excellent". By June 24th of 2012, the USDA estimated 56% of the U.S. crop was still rated "Good-to-Excellent". By July 29th of 2012, just 24% of the U.S. crop was rated "Good-to-Excellent". Harvest data started rolling in by mid-August and prices peaked north of \$8.00 per bushel. By the following August, prices had tumbled to sub-\$5.00 and have never returned. I have no idea what the weather will do during the next 60-days, but I recognize the fact we are entering this window of extreme uncertainty. I also recognize the fact we are adding additional uncertainty in the macro space involving U.S. trade negotiations, problems in the Middle East, crude oil price volatility, direction of the U.S. dollar, etc... With 50% of our estimated new-crop price risk currently removed, I feel like I'm right where I want to be to watch the next few weeks play out. Those who are more worried about downside risk might want to think about hedging a few more bushels. Those who are more optimistic and can afford to stay patient longer should mentally prepare for a wild ride the next two-months. If I had to pinpoint current areas of largest concern, I would have to say portions of the Delta and some select dry areas in Iowa, Illinois and Indiana. I also still believe Brazil's second-crop corn is going to be less than the USDA is currently forecasting, which could ultimately provide some additional tailwind.

to aid the nation's more than 13 million unemployed workers, hoping to stave off starvation and massive social unrest. His New Deal policies, which included drought relief, were unprecedented in scope and size; the sheer amount of federal financial aid involved dwarfed anything the nation had seen before. Until the Great Depression, U.S. presidents had maintained a relatively passive role in organizing disaster relief, preferring to encourage private charitable-aid efforts. Roosevelt's predecessor, Herbert Hoover, had been harshly criticized for failing to avoid the Depression through proactive economic policies. To the contrary, Roosevelt's drought-aid plan provided cash, livestock feed and equipment to farmers and businesses directly affected by the drought. It also established free emergency medical care for the indigent in hard-hit areas. The plan funded research into better land-management practices and set up government-based markets for farm products. By 1938, when the drought had abated and normal rainfall levels returned, over \$1 billion in federal aid had been appropriated for the Great Plains region. Out of Roosevelt's drought-relief program grew soil conservation districts that remain in place today and have helped to prevent the emergence of drought conditions as devastating as the ones of the 1930s.



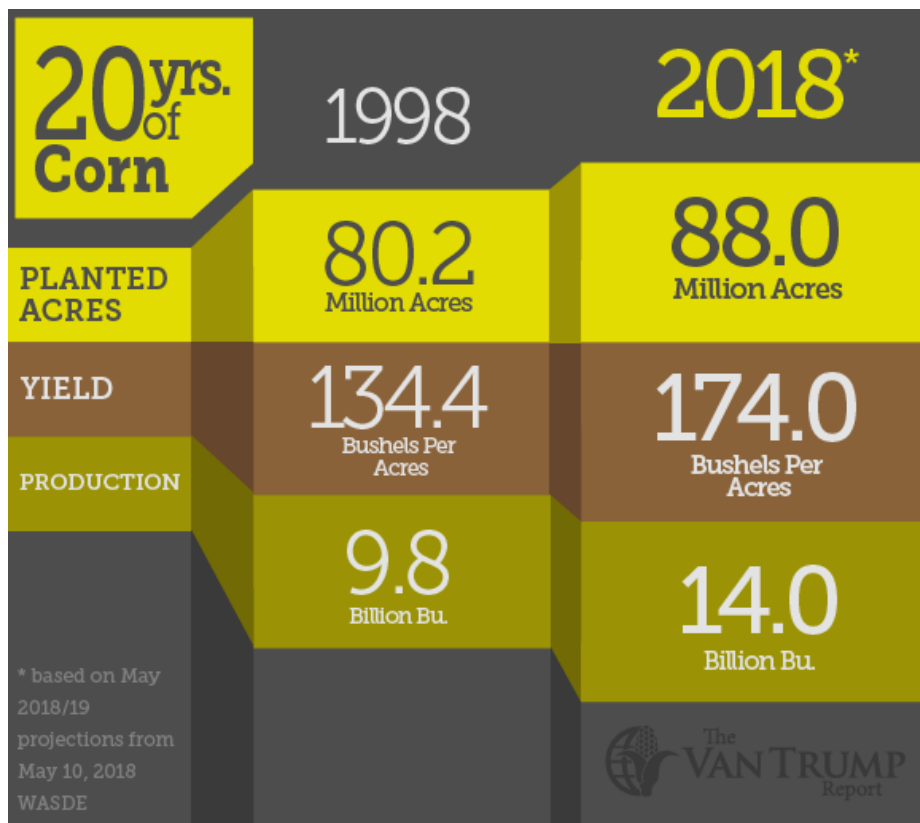
1942, The Battle of Midway – one of the most decisive U.S. victories against Japan during World War II – begins. During the four-day sea-and-air battle, the outnumbered

U.S. Pacific Fleet succeeded in destroying four Japanese aircraft carriers while losing only one of its own, the Yorktown, to the previously invincible Japanese navy. In six months of offensives prior to Midway, the Japanese had triumphed in lands throughout the Pacific. The United States, however, was a growing threat, and Japanese Admiral Isoroku Yamamoto sought to destroy the U.S. Pacific Fleet before it was large enough to outmatch his own. A thousand miles northwest of Honolulu, the strategic island of Midway became the focus of his scheme. Yamamoto's plan consisted of a feint toward Alaska followed by an invasion of Midway by a Japanese strike force. When the U.S. Pacific Fleet arrived at Midway to respond to the invasion, it would be destroyed by the superior Japanese fleet waiting unseen to the west. If successful, the plan would eliminate the U.S. Pacific Fleet and provide a forward outpost from which the Japanese could eliminate any future American threat in the Central Pacific. U.S. intelligence broke the Japanese naval code, however, and the Americans anticipated the surprise attack. In the meantime, 200 miles to the northeast, two U.S. attack fleets caught the Japanese force entirely by surprise. By the time the Battle of Midway ended, Japan had lost four carriers, a cruiser and 292 aircraft, and suffered an estimated 2,500 casualties. The U.S. lost the Yorktown, the destroyer USS Hammann, 145 aircraft and suffered approximately 300 casualties. Japan's losses hobbled its naval might—bringing Japanese and American sea power to approximate parity—and marked the turning point in the Pacific theater of World War II.

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

WHAT I'M LISTENING TO: ▶



▶ Luke Combs "Must've Never Met You"

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.

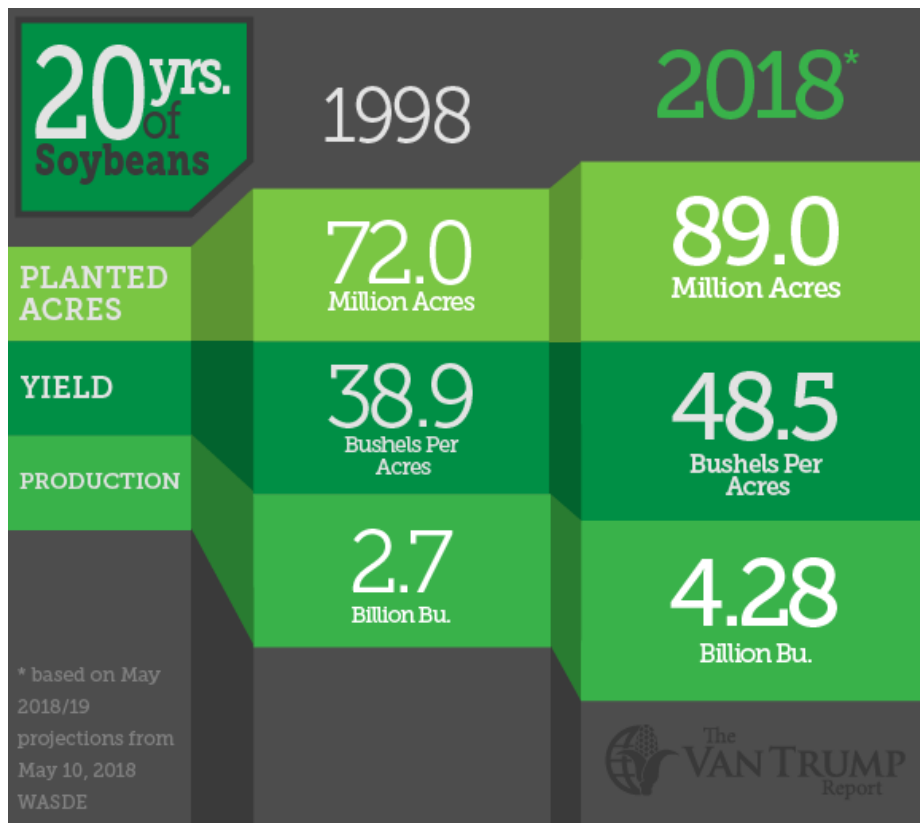
What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific 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

Soybean prices are down again this morning after falling by -15 to -20 cents last week and I'm afraid the market may continue to find it difficult to rally nearby. The USDA will release data this afternoon that shows U.S. producers are close to getting a near record number of soybean acres fully planted. Last week we had 77% of the crop planted, this weeks data probably shows north of 90% of the crop as planted. There's also a chance the USDA could show extremely good overall crop-conditions. Last year we didn't see the first crop-condition forecast until June 12th, when the crop was 92% planted and 77% emerged, so we still might be a bit early. The first condition rating for last year's crop was estimated at 66% "Good-to-Excellent". The same week in 2016 showed the first crop rating at 74% "Good-to-Excellent". In other words, if the crop-condition estimate for soybeans is actually released after the close today, the trade will probably be digesting a fairly strong overall condition estimate. Throw on top the fact we have no fresh or real positive headlines regarding trade with the Chinese or a new NAFTA deal being inked anytime soon, makes it tough for the bulls to gain or sustain much upside momentum. As both a producer and a spec, I continue to look towards "early-August to late-October" as my next targeted time-frame. I'm thinking U.S. weather headlines could kick things off, followed by an extremely volatile 30-60 day period of Brazilian political headlines. Remember, the Brazilian presidential election takes place the first Sunday in October. If the most-voted candidate takes more than 50% of the overall vote, he or she is declared elected. If the 50% threshold is not met by any candidate, a second round of voting is held on the last Sunday in October. During this same general election all 513 members of the Chamber of Deputies will be elected and two-thirds of the 81 members of the Federal Senate will be elected, the other third having been elected in 2014. From what I am hearing, the field of presidential candidates is still wide open. The massive favorite was former president Luiz Inácio Lula da Silva, the founder of the left-wing Workers' Party, this former union leader—who goes by "Lula"—has dominated Brazilian politics for the last 30 years. Lula was a top contender in the 1989, 1994, and 1998 elections. He won the presidency in 2002 and was re-elected by a landslide in 2006. Leaving office with an 80% approval rating, he helped get Dilma Rousseff elected to succeed him in both 2010 and 2014. Lula once again became the clear favorite for Brazil's October 2018 presidential election, but now there's one big problem... he's in jail. With Lula more than likely out of the race, we have 12 candidates and no clear front-runner, making this Brazil's most unpredictable election since it transitioned from dictatorship to democracy in the 1980s. Lets also keep in mind, current Brazilian president Michael Temer, who rose to power after Dilma Rousseff's 2015 impeachment, has also been charged with corruption, and is extremely unpopular. In fact, most sources estimate his approval rating is in the single-digits and he will not be running for re-election. Most current polls show Congressman Jair Bolsonaro, a staunchly pro-gun, former military commander as having the lead. Also near the top of the current polls are Marina Silva, an evangelical environmentalist now in her third presidential bid. And Ciro Gomes, of the centrist Democratic Labor Party, who seems to have the best chance of appealing to and winning over some of the Lula voters. As I've mentioned for several weeks, I'm positioning myself for later-fireworks. I'm looking for more extreme market volatility and opportunity to present itself

between August and October. If we get a sizable setback in price between now and then, I'll more than likely be looking for ways to get long or ways to re-own some of my previous sales.



Wheat prices are again under pressure after falling by -20 to -35 cents last week depending on the variety and the contract. Improved rain fall totals across portions of the Plains and Canadian Prairies, along with better-than-expected yields from the early-harvest in Texas and portions of Oklahoma has caused the bulls to walk things back a bit. A strengthening U.S. jobs market is also signaling rising rates and the likelihood of a stronger U.S. dollar. This obviously creates more concern about the already struggling U.S. wheat exports. The bears believe we could continue to see headwinds for the market as the U.S. harvest starts to gain more momentum and U.S. exports continue to struggle. Bulls on the other hand continue to point to global production uncertainties, particularly areas inside Ukraine and southern Russia. There are also some areas inside Australia that are being heavily monitored by the bulls. As both a producer and a spec, I remain somewhat bearish nearby prices. Without much support from the corn and soybean market, improved weather here in the U.S., and lack of an overall demand story, it remains tough to get overly excited about extended gains to the upside. There also seems to be more talk circulating inside the trade that the USDA could raise their U.S. winter wheat yield estimate in the upcoming June 12 crop report. Keep in mind, this could easily be offset by a reduction in total harvested acres, which I suspect will be the case. I'm staying nearby bearish, but looking to become a longer-term bull if prices break to an extreme. As a producer, I feel I'm in a good position. I have essentially no new-crop price risk remaining and 30% of our estimated 2019 production already priced at great levels.

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 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..."

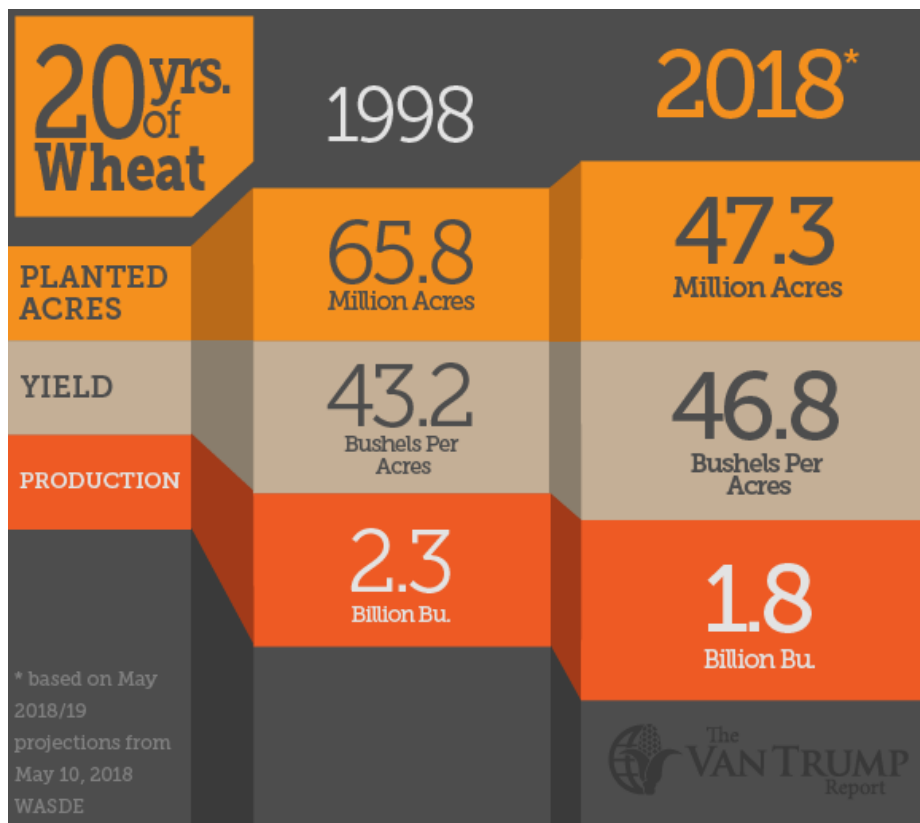
"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."

"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. Ethanol Demand Could Be Underestimated:** Reports continue to indicate the current record USDA forecast for a 5.575 billion bushels used to produce ethanol could still be a bit too conservative. April's production numbers were about +3% higher than the previous April and it doesn't look like we are slowing down.

> **Argentina's Corn Exports To Take Over:** South America is back in the game as Up River FOB basis values dropped below those of the US Gulf for the first time in nearly six months. South Korea's recent tenders are taking a bit of the action away from the U.S.'s trend of sales, especially in the PNW.

> **U.S. Soybean Crush Higher:** Data showing U.S. soybean crush in April jumped by +16% compared to the previous year. Soybean oil production also jumped by +13% and was +10% higher than last April.

> **Brazilian Soybean Exports Remain Large:** Recent data is showing Brazil's soybean exports in May were +20% higher than in April and +12% higher than in May of last year. Brazil's soymeal and soy oil exports were also larger than last year. I should note, their corn exports were lower than last year by a fairly large margin. However, Brazil's ethanol exports in May were almost 10% higher than last year.

> **Bunge CEO Reflects On Changes Over His Tenure:** People want to know what they eat," Bunge CEO Soren Schroder told participants at the Sanford C. Bernstein Strategic Decisions Conference held May 31 in New York, New York, U.S. "They want to relate to what they eat. They want to eat real food, less processed, connected to the origin. And so I think this umbrella of real food is a massive change, and you see it, of course, in the packaged goods companies, but it's something that we're beginning to feel also in our business as we supply, not only the established companies but also the new ones that are coming up knocking on the door." (Source: WorldGrain)

> **Dollar General Could Add Fresh Fruits And Vegetables:** 200 Dollar General's are considering the addition of fresh fruits and vegetables to "thousands" of locations in the future. As they seek to capitalize on the healthy snacking trends, they have recently launched a private label, Good & Smart. The line will eventually include 130 products and will comprise 75% of Dollar General's better-for-you offerings. (Source: fooddive)

> **Dick's Sporting Goods Beats The Street Despite Gun Sales Being Down:** Last week, Dick's Sporting Goods beat earnings expectations despite concerns that the retailer's new restrictions on gun purchases would harm sales. In February, on the heels of the Parkland school shooting, Dick's

CEO Edward Stack announced the company was enacting a few restrictions including raising the minimum age to purchase guns to 21 and suspending sales of all AR-15s and semiautomatic rifles. Despite the restriction, Dick's sales rose 4.6% year-over-year in the quarter, while profit climbed 3.2% to \$60 million.

> **Vermont Will Pay You \$10,000 to Work There:** Starting in 2019, Vermont will pay people who move there and work remotely for an out-of-state employer \$10,000 over two years to cover relocation expenses, coworking memberships, computers, internet, and other work-related expenses. Gov. Phil Scott signed the bill into law on Wednesday (May 30). With an aging population leading to a rapidly shrinking tax base, state officials are looking at some creative solutions. (Source: Quartz)

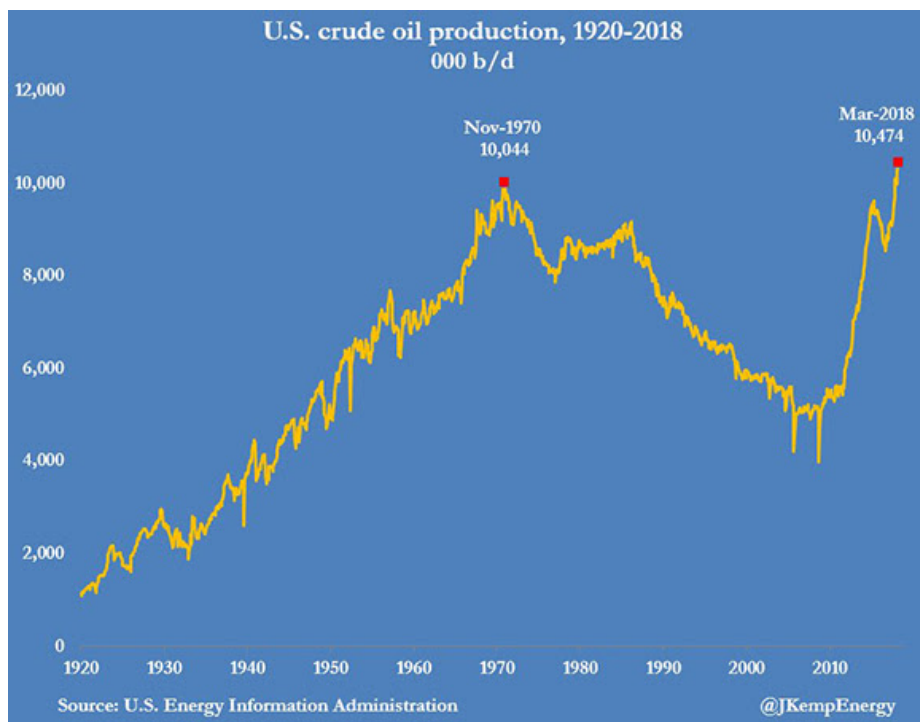
> **Is Blockchain the Solution to E.coli Outbreak:** Some experts believe the FDA should use blockchain technology to better track the source of food outbreaks. Companies can contribute encrypted blocks of data to a "distributed" ledger that can be monitored and verified by each farmer, packer, shipper, distributor, wholesaler and retailer of produce in order to track from field to fork. That could result in saving time, money and possibly lives. The romaine incident is a real-world example where if tools were available it might be managed a bit more effectively. (Source: LA Times)

> **Market Bull Says Ignore the Geopolitical Noise:** According to Wall Street veteran Edward Yardeni, the increasing geopolitical concerns will not damage the stock market this year, even though he believes that President Trump is making that hard to see at the moment. Yardeni, who heads Yardeni Research, and is a former New York Fed economist, has never seen a President that is so bullish and bearish at the same time. If you consider the Trump tax cuts have made the economy stronger alongside his nationalistic policies, you tend to agree with that assessment. Earnings are what Yardeni is looking at and believes the S&P 500 index will end the year near 3100, or a 13% increase from where we are. Specifically, Yardeni sees consumer discretionary, industrials, financial and the technology sectors leading the way.

> **Could This Be The First-ever Star Wars Film To Lose Money?** In its second week, Solo earned just \$29.3M from North American theaters - a 65% drop from its opening weekend, which was itself a disappointingly low take for a film with its high production budget. The Disney movie has now earned \$148.9M domestically vs. the estimated \$250M it cost to make. (Source: SeekingAlpha)

> **Saudi's And Russians Oil Producers May Have To Walk A Tight Line:** *Saudi Arabia and Russia hinted last week that easing the cuts was an option that they had discussed and that would be up for talks at the OPEC and allies' meeting in less than a month. From what I understand, many analysts don't think the group would add the reported +1 million bpd of supply. "I can't see them putting a million barrels on the market," Helima Croft, RBC Capital Markets Managing Director and Global Head of Commodity Strategy, told CNBC earlier this week. The Saudis have to "walk a fine line" between their own revenue needs and helping consumer nations out and helping the Trump Administration out, according to Croft. There will definitely be plenty to keep our eyes on leading up to the June 22nd meeting. Read more [HERE](#).*

> **U.S. Crude Oil Production rose another +215,000 barrels per day to a record 10.474 million barrels per day in March.** We are now clearly above the previous peak set back in 1970. (Source: U.S. EIA)





FROM THE FIELD

Northeast North Dakota - Do you want to hear the good news or the bad news... well the bad news is last week we got a little less than 300 acres of soybeans pounded to the ground with hail. They were at the 3-leaf stage and now they are at the no leaf stage, so we will need to go back in and replant. The good news is the hail came with 2.1 inches of rain, so we got a much-needed drink on the rest of the crop. As soon as it dries up we will go back in and replant the field so it's not a huge deal other than the headache of fighting with the insurance guys. It took us from April 28th to May 20th to plant corn because we could only get about 100 acres a day of fertilizer spread due to the shortage around here. We would spend 3-4 hours a day planting and then we would spend the rest of the time waiting for our next load of fertilizer. It was a slow frustrating process because it had nothing to do with weather. Corn is ahead of pace right now. A rule around here is the corn should be knee high by the 4th of July but this year because of the heat and rain we just received we will know high by June 10th which is a good thing because the roots are going to get a good chance to really push deep in the ground and we should be able to take June/July heat if it comes. My gut feeling is we are going to raise a good crop of corn, but the weather will tell that story over the next 2-3 months. Another anomaly we are seeing this year is soybeans emerged in 2.5 days rather than 4-5 days like normal and again I think that is because of heat and timely rain.

Southwest Wisconsin - We have our corn and triticale in the ground and run 2,500 dairy cattle. We feed most of the grain to our cows. We are fortunate to have good contracts in place for our milk. We started using radishes as a cover crop this year and like how they turned out. We haven't seen many other folks doing the same and we plan to continue. Also, we started planting peas as well and the nice thing about them is you harvest during the bloom stage so it doesn't take that long to turn a crop. We haven't added any new practices or tools to our operation, we are simply trying to manage what we have in a more efficient manner.

Central Indiana - We are in the ground and now worried a bit about the record heat we are experiencing. It was in the mid-90's the last few days but fortunately, our moisture levels have been good to this point. Emergence has been very good, considering we were a bit worried over the crusting that had taken place recently. I was happy to avoid the 20%-30% yield drag that can occur if crusting was bad enough. As far as prices up here go - the good stuff is costly and the not so good stuff, not so much. You can still expect to pay \$8,000-\$10,000 for purchase and \$200-\$225 for good rental ground.



CROSSING WIRES

A place to share intelligent thoughts...

How Competitive is the U.S. vs. Argentina, Brazil, Russia, Ukraine? The agri benchmark network collects data on beef, cash crops, dairy, pigs and poultry, horticulture, and organic products. There are 38 countries represented in the cash crop network. The agri benchmark concept of typical farms was developed to understand and compare current farm production systems around the world. Read more [HERE](#).

Taking A Harder Look At Growing Organically and Profitably: High demand and high profits are certainly a good reason to take a look at planting organic corn and beans. Low adoptions rates for the two crops that dominate our landscape will most likely change as producers start looking at the numbers. The volume of imported organic soybeans increased from \$41 million in 2011 to \$271 million last year. Organic corn imports jumped from about \$24 million in 2013 to nearly \$122 million in 2017. Transitioning to organic is not an easy or a quick process, but as incomes level approaching 12 year lows, and most guys struggling to breakeven, it may be time to take another look. Get more details and insights [HERE](#).

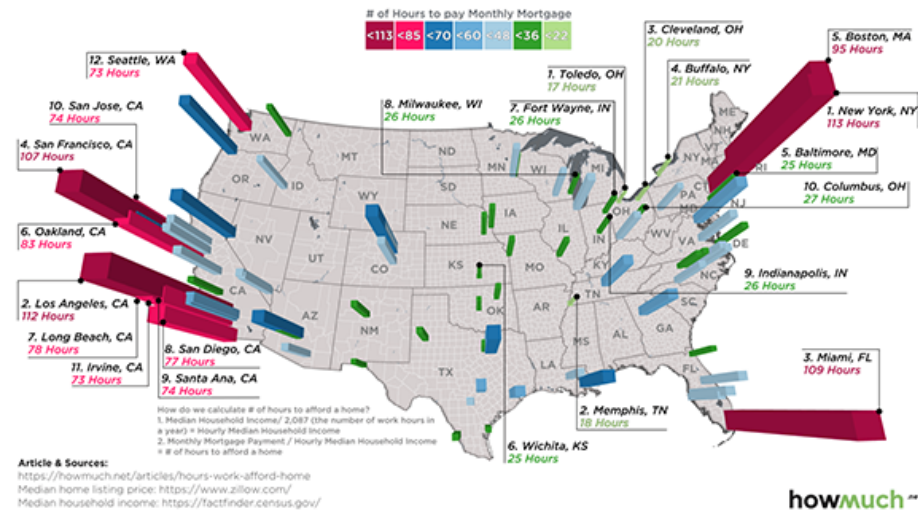
How Companies Successfully Navigate Change: How do you measure a brand's success? Through profit? Innovative ideas? Sheer ubiquity? Rather than talk about the biggest and best brands, we here at the Carbone Smolan Agency decided to look at which brands are best positioned to endure within their industries. These brands appear across a range of sectors—from law to insurance to nonprofits to tech—but they all share one key trait: the ability to successfully navigate change. The consumer insights generated through this process allowed us to develop an Enduring Brands Index and surface five essential traits that every brand needs to endure. Check them out [HERE](#).

Your "Virtual Assistant" Might Soon Be Doing A Lot More Than You Think: As virtual assistants get to know their owners better, they will be able to not only make product recommendations but carry them out without asking their owners. For example, within the next few years, many believe a virtual assistant will know its owner's lifestyle, personal preferences, financial positions, risk appetite, personality makeup and schedule so well that it will do the grocery shopping, trade stocks, purchase

new products, buy books and schedule appointments -- without even needing to ask for permission. While it may be scary to think about, this new reality might be closer than you think. Read more [HERE](#).

How Much You Need To Work To Pay Mortgage In Different Cities: The ability to afford a home depends entirely on where you live and your level of income. This makes apples-to-apples comparisons across the country extremely difficult. How can you easily compare real estate locations and income levels for the entire population? Check out the map below from HowMuch and read more [HERE](#) about how they came up with the numbers...interesting.

The Hours Americans Work to Pay a Mortgage



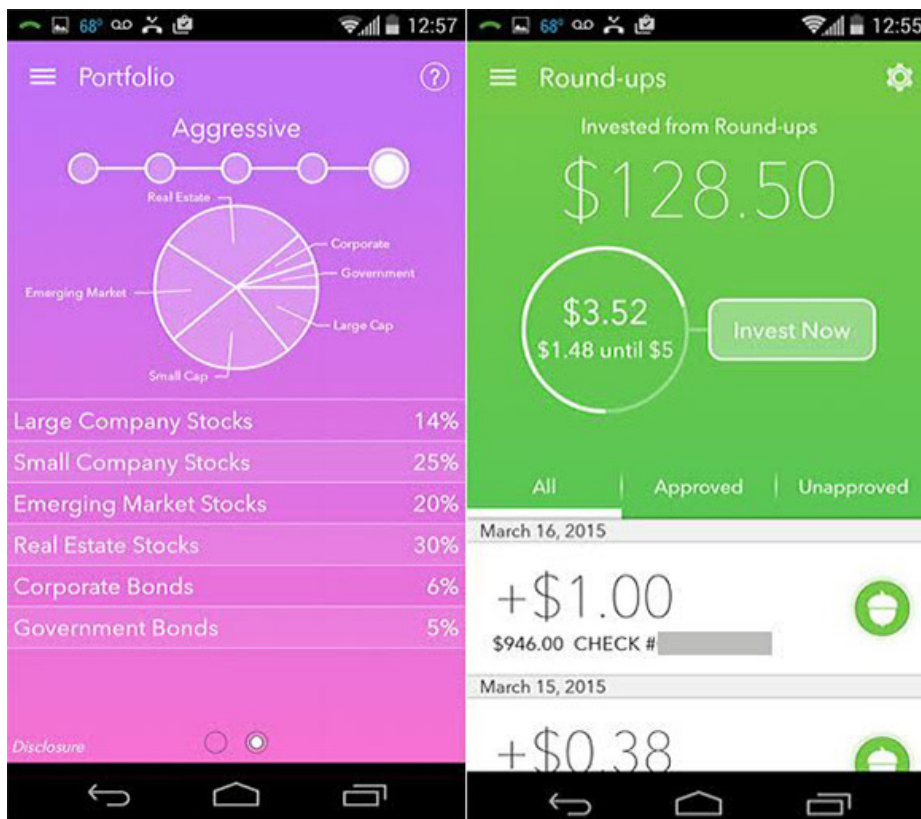
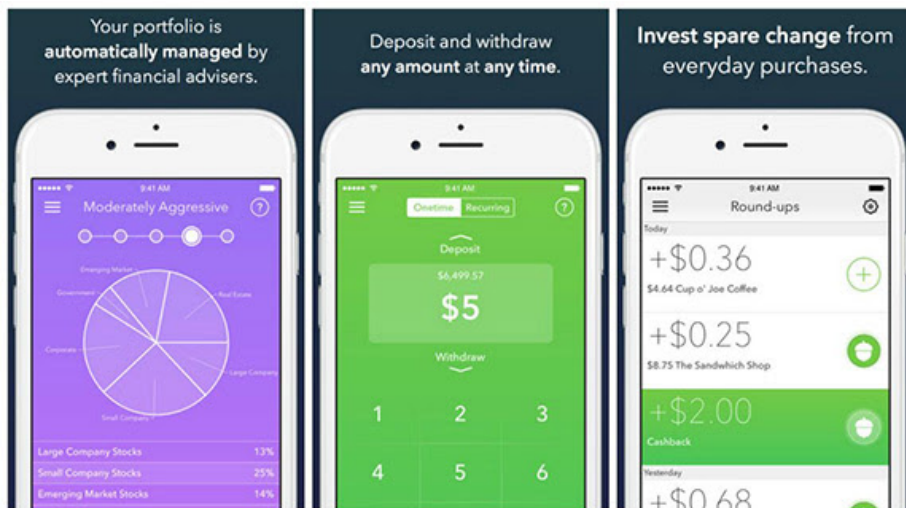
Tyson Is Matching The Agility Of Small With The Power Of Scale

Last October officials at Tyson decided it was time to do something different as competition in the space has been coming on strong. As they viewed the landscape it was apparent that growth was coming from smaller startup companies, most of which would be the competition in upcoming years. So, they decided to join the small, quick and responsive movement by creating a new seven-person innovation lab. In an effort to adopt a startup mentality, Tyson hired a food scientist, a brand marketer, a product designer and a trained chef, who have a mandate to create and get a product to market within six months. It's worth noting, the group is responsible for everything from designing the packaging to creating, launching and marketing products, including the use of social media. Innovation lab's team have kicked out two products thus far. The first product was a collaborative effort with startup Flash Food to produce the Flashfoodbox, which includes surplus protein from Tyson along with extra produce and sold directly to the consumer. I'm told sales will go on for three months in Detroit before deciding if a full-scale release is warranted. Their second product, ¡Yappah!, a protein crisp which incorporates Tyson chicken trim with ingredients that would otherwise not be used, engaged the Indiegogo crowdfunding platform to raise the funds from targeted consumers. They believe using crowdfunding was the best way to quickly determine consumer purchase intentions. ¡Yappah! and its four flavors including Chicken Carrot - Curry Flavored; Chicken Celery - Mojo Flavored; Chicken IPA White Cheddar Chicken; and Shandy Beer Flavored — will be sold at one Chicago store in July. All projects by design, focus on areas that tackle larger global issues: food waste, health and nutrition, and food deserts, which Tyson hopes will keep them ahead of the everchanging consumer sentiments. Moving forward, the lab plans to work on two projects a year until the need to grow presents itself. Personally, I think more companies may want to consider adopting this model which brings innovation in-house to see how it works versus shelling out millions to buy the future competition. I know Tyson is hoping they can gain insights and strategies that can be applied across their entire company.



New Way to Invest Your Spare Change Gaining Big Traction

Millennials are starting to go completely nuts for the new phone application called "Acorns." The latest data shows Acorns now has 650,000 members, mostly millennials, that have saved over \$25 million since the launch last August. I wrote about this app last year, but here 's a quick review.... Acorns is a financial tech company that allows its customers to use as little as \$5 to invest in groups or funds depending on their risk tolerance level. Acorns claim to fame is "nickel-and-diming" their customers. Meaning Acorns lets its clients automatically invest spare change from debit and credit card purchases giving customers an easy way to save more money. On average, most customers are investing around \$100 a month. Acorns has raised over \$100 million in venture capital along the way from many initial investors like PayPal Holdings Inc, Bain Capital Ventures, and Greycroft Partners. BlackRock, Capital Group. Individuals like Ashton Kutcher and Kevin Durant are also said to be early investors in this company. Every Acorns portfolio has been structured with ETFs from well-known investment companies such as Vanguard and BlackRock. Acorns believes if people put \$10 in their account and do nothing with it then they will gain nothing. One of Acorns main concerns is 70% of Americans don't have at least a \$1,000 emergency fund and 66% of Americans don't have any money saved for retirement. Acorns main goal is to get more people to save and invest. Their signature hashtags are #MakeLaterNow and #GrowYourOak. Acorns wants all of their customers to reach \$1 million through their investment system by the age of 62. One of the coolest features is that the Acorns app eliminates guessing for amateur investors. Also cool is the fact there are no traditional commission fees. Acorns charges customers \$1 a month to invest their money, \$2 a month for retirement accounts, \$3 for accounts over a million and is also free for college students. For most people, they will be paying a total of \$24 a year to invest their money. This is clearly a tool that could disrupt the investing world. I also think Acorns is conveniently helping the younger generations save more money and learn a bit more about investing. Good stuff... tell your kids and or grandkids about it, they might be interested.



Another Worth Passing Along... By The Legendary T. Boone Pickens

I've received this e-mail from several of my friends and thought it was certainly worth sharing. T. Boone Pickens has always been one of my favorite investors and business leaders. In case you haven't heard his story... He was born in Holdenville, Oklahoma in 1928. By the age of 12, Pickens was delivering newspapers. He quickly expanded his paper route from 28 papers to 156 in just a few weeks. Pickens later cited his boyhood job as an early introduction to "expanding quickly by acquisition", a business practice he favored later in life. When the oil boom in Oklahoma ended in the late 1930s, Pickens' family moved to Amarillo, Texas.[5] Pickens attended Texas A&M on a basketball scholarship, but he lost the scholarship and transferred to Oklahoma A&M (now Oklahoma State University), where he majored in geology. Following his graduation, Pickens was employed by Phillips Petroleum as a wildcatter for about five years. Following his period as a wildcatter, he founded the company that would later become Mesa Petroleum. By 1981, Mesa had grown into one of the largest independent oil companies in the world. Pickens led Mesa's first major acquisition, a takeover of the Hugoton Production Company, which was 30 times the size of Mesa. He then shifted his focus to acquiring other oil and gas companies by making solicited and unsolicited buyout bids and other merger and acquisition activity. His most publicized deals included attempted buyouts of Cities Service, Gulf Oil, Phillips Petroleum, and Unocal. His later takeover targets included Newmont Mining, a New York-based firm, Diamond Shamrock, and Koito Mfg., Ltd., a Japanese auto-parts manufacturer, making substantial gains in the process. Pickens' corporate acquisitions made him a celebrity during the 1980s, arguably one of the most talked about "corporate raiders". In 1997, Pickens founded BP Capital Management (then called BP Energy Fund) – the initials standing for "Boone Pickens" and not related to British Petroleum. He holds a 46% interest in the company which runs two hedge funds, Capital Commodity and Capital Equity, both of which invest primarily in traditional energy companies such as oil, natural gas, and nuclear power

corporations like Halliburton, Schlumberger, and Shaw Group. Pickens has given away hundreds of millions to charity and is among the elite group of billionaires who have made "The Giving Pledge," a commitment to give away half of his wealth for charitable purposes. Pickens was recently awarded the Albert Schweitzer Leadership Award by the Hugh O'Brian Youth Leadership Foundation for his lifetime of accomplishments and in particular for the example that he has set for the future leaders of the world.

Ninety Years Of Lessons Learned:

T. Boone Pickens' Letter To The Class Of 2018

By T. Boone Pickens

This article originally appeared on forbes.com.

I'm often asked for my advice and insights on leadership. And I give it in many forms - in speeches, on social media, and here on Forbes. And every May, I am especially keen to impart my near-90 years of experience to the next generation of aggressive young entrepreneurs - college and university graduates.

Perhaps my best advice can be found in *The First Billion is the Hardest*, a book I published 10 years ago that chronicled some of my biggest life comebacks. From walking off my first job to starting my first company to closing down Mesa Petroleum and to opening up my own hedge fund at 68, it's three quarters of my life laid bare.

The book is built around little bits of advice I've been known to give over the years. At some point, family, friends and staff began writing them down and they became their own genre, now known as "Booneisms." Many of them are about life and leadership, and other lessons I've learned through my ups and downs over 90 years.

And many of them just happen to apply very well to recent graduates who are chomping at the bit to join the real world. So, Class of 2018, here are a handful of Booneisms to get you started.

"A fool with a plan can beat a genius with no plan."

This one is actually from my father. I was at Oklahoma State University (Oklahoma A&M at the time) when he pulled me aside. He asked - rather told - me to change my major from Business to Geology and get the hell out of college, because I wasn't following his plan for me to graduate in June of 1951. When I saw that he was serious, he said: "Listen son, a fool with a plan can beat a genius with no plan. Your mother and I are concerned that we have a fool with no plan."

You graduates have made it this far, which is itself an impressive feat. But as you go now from having a rigid academic schedule to striking out on your own, you have to fill in the blanks. You have to take what you've learned and come up with a strategic plan to get where you want to go.

"Keep focused. When you are hunting elephants, don't get distracted chasing rabbits."

Life is full of distractions - personal and professional ones. It's important to maintain focus on the plan and the ultimate objectives. There will be curveballs thrown your way, and opportunities presented to you. Periodically step back and assess how they advance your overall plan. Often times they don't. And you can spend a lot of wasted time on small deals that, at the end of the day, just don't amount to much.

"Don't fall victim to what I call the 'ready-aim-aim-aim-aim' syndrome. You must be willing to fire."

You've got a plan, but now, you have to execute the plan. After all, a plan without action is not a plan - it's a speech.

When I did graduate that June in 1951, my father pulled me aside again. I thought he was about to pull out a bundle of money. Instead, it was his hand, reaching to shake mine. "Good luck, son."

That was not what I was expecting, but it was all I needed. It was an early lesson that I was not going to be able to sit around and wait for help with my hand out. I'd have to take initiative for myself. No one was going to make my decisions for me.

It turned out to be one of my most valuable lessons. Early in my career, I saw that much of mainstream corporate America would often fall into a pattern of "Ready, Aim, Aim," instead of taking prudent action. I jumped into the ring and began to shake things up with my attempted corporate takeovers and shareholder rights initiatives. I now believe that decisiveness played a major role in my success.

So, remember: be willing to make decisions. That's the most important quality in a good leader.

"Work hard. Come early, stay late."

You've worked hard to get here and have every right to celebrate. But your degree is not an end, it is a means. You've got to hit the pavement and continue to prove yourself, because once you've been invited to dinner, you've got to bring the duck.

Your education is a tool that you now have to move you forward in your strategic plan. Nothing will substitute for old-fashioned hard work. It's why, entering my ninth decade, I'm still the first in the office and the one who hits the lights on the way out.

I tell anyone who will listen that the most critical trait for success in the workplace is hard work. So, set and maintain a good work ethic. That's the way leaders have to approach it to be successful.

"Be the eternal optimist. Act like the fella who fell off the top of a 10-story building...as he passed the third floor, said, 'I'm not dead yet. So far, so good.'"

I'm a geologist, and in this field, you have to be optimistic. You drill your fair share of dry holes, in the oilfield, and in life. Optimism is key. Never count yourself out.

I formed my first oil and gas firm, Petroleum Exploration Inc., with \$2,500 of borrowed money. It was tough work, and I, at one point, was living in my truck and shaving in gas station bathrooms. But that firm was a predecessor company to Mesa Petroleum, the company I took public in 1964, which became one of America's largest independent natural gas and oil companies. A good plan and hard work helped me get there, but neither are possible without healthy optimism. So, be the eternal optimist.

"The higher the monkey climbs a tree, the more you can see his ass."

In order to launch the BP Energy Fund in the fall of 1996, I had to pass a National Futures Association exam to become a commodity pool operator. Well, I failed. Twice.

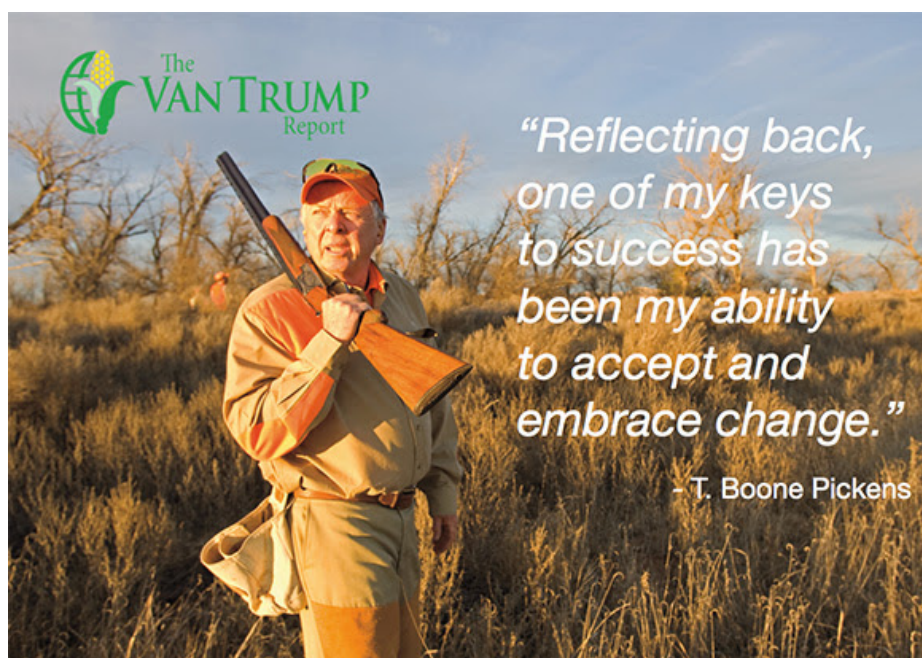
I've always been confident in my abilities, and it's kept me going in times like when I failed two exams at age 68. Failures are almost always fuel for my determination to finally get it right. But they also keep me humble.

I didn't make my first billion until I was 70. Not bragging, just making a point. Be confident, yet modest.

You all are Forbes readers, and maybe you one day want to be featured in Forbes like me. You are entrepreneurs, young visionaries and innovators ready to make your mark on industries and businesses. You'll get there, I'm sure of it. Just keep these Booneisms in mind.

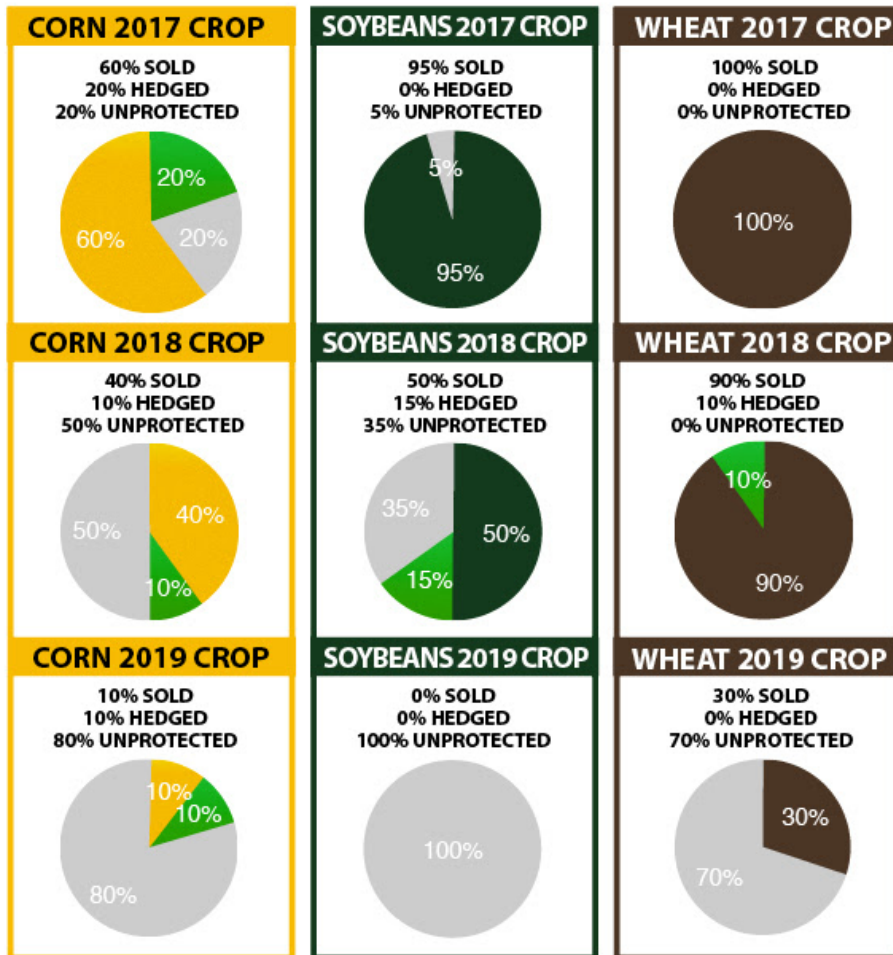
Now go get 'em!

T. Boone Pickens,



ANSWER to riddle: Risk.

CASH SALES & HEDGING TOTALS



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