

GOOD MORNING: 06/08/18 Farm Direction - Van Trump Report

2 messages

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Fri, Jun 8, 2018 at 6:43 AM



"Only those who will risk going too far can possibly find out how far one can go." - TS Elliot

FRIDAY, JUNE 08, 2018
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Morning Summary: Stock are lower this morning as traders seem to become a bit more nervous about this weekends G7 meeting. There's some thought that tensions between global leaders could flare a bit as trade tariffs become much more of a reality. Large traders and investors continue to debate our location within the cycle. Many have been saying we are in the eighth or ninth inning of the game. This week however we've had a bit of divergence as JP Morgan CEO, Jamie Dimon says we are in the sixth inning. Warren Buffet says our three, four and five hitter are about to come up to bat. On the flip side, famed investor Leon Cooperman, who manages billions, came out this week and said he thought we were actually in extra-innings. Believing the market was near the end of it's cycle, then President Trump was elected, propelling us into extra-innings. Some analyst argue "late cycle" is here in "time" but not in "temperature". Meaning we might be late in the cycle, but we are certainly not over-heating. Regardless of whatever inning, time or temperature you believe, we have to keep showing improved economic numbers to keep new bull money coming into the market. We currently have +20% earnings growth, so the economy must be able to keep that pace or better, in order for stocks to continue pushing higher. Don't forget, next week will be jam pack full of headlines and potential market moving events. President Trump is still scheduled to meet with North Korea's Kim Jong Un on Tuesday. This is the same day the market will be eager to hear a U.S. judge's latest ruling on the "AT&T - Time Warner" merger. The Fed will be announcing their latest momentary policy decision on Wednesday following their two-day meeting. The ECB will be announcing their latest monetary decision on Thursday. The BOJ will make their announcement on Friday. There will also be some important U. S. and Chinese economic data released next week. Should be exciting...

Washington Capitals win the Stanley Cup for the first time in a franchise history that dates back to 1974, defeating the Vegas Golden Knights 4-3 in Game 5. This is also the first Stanley Cup title for Alex Ovechkin, one of the greatest hockey players in modern NHL history and the first Russian player to captain a Stanley Cup champion. Back in March, Ovechin became only the 20th player in NHL history to score 600 goals and just the fourth to reach that number in fewer than 1,000 games Perhaps it's another Russian conspiracy:)

Life On Mars? The "Curiosity" landed on Mars in 2012 and has been drilling into mudstone deposits which it then analyzes in its onboard laboratory. The rover has recently made two discoveries that have injected new hope into the long quest for evidence of life on the red planet. The first announcement by NASA yesterday was that Curiosity's robotic drill had extracted large, organic carbon-containing molecules in a rock sample that seemed remarkably similar to compounds found on Earth. The second discovery was a threefold seasonal rise and fall in levels of methane gas, the simplest organic molecule, in the Martian atmosphere. Some are saying this could be a sign of living micro-organisms that are more active in summer than winter. (Source: Financial Times)



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Happy Farmer Friday...



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.

Kansas City, Mo

Over 700 In Attendance Last Year:

Many of the Largest Producers in our Country
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 Traders and Hedge Fund Managers
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"When the opportunity comes,
it's too late to prepare."

- John Wooden

The
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Report

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Weather in the Corn Belt is seeing mostly dry weather promoting a rapid pace of crop development. More than two-thirds (68%) of U.S. soybeans had emerged by June 3, representing the fastest pace of emergence since 2012. Currently, showers and thunderstorms are overspreading the westernmost Corn Belt. In the South, warm, dry weather prevails, except for a few showers in Florida. Soils remains wet in much of the southern Atlantic region, while drought is developing in some areas from the Mississippi Delta westward. On the Plains, widespread showers and thunderstorms are generally benefiting summer crops and helping to offset the effects of recent and ongoing heat. Oklahoma recently completed its hottest May on record. The majority of the country will experience above normal temperatures for the remainder of the week. Temperatures will continue to reach or exceed 100 degrees F during the next several days as far north as the central Plains. During the weekend and early next week, however, markedly cooler air will overspread the northern Plains and the Northwest. Meanwhile, the Midwest should receive some of the heaviest rain during the next 5 days.

Weather Midwest Ends May Warm and Wet: *An exceptionally warm air mass brought record heat to most of the Midwest during the period. The entire region was 7 degrees F or more above normal, with Minnesota, Iowa and Wisconsin 12 - 14 degrees F above normal. Maximum temperatures were even more above normal in every state except Kentucky. Western Iowa and southern Minnesota had maximum temperatures 15-17°F above normal. More than 1,300 combined daily high maximum and minimum temperature records were broken that week. Most of these records occurred during the Memorial Day weekend. Several rounds of storms led to moderately heavy amounts of precipitation through most of the Midwest except across much of Iowa and Missouri. While Drought decreased under four percent across the Midwest, several counties in northwestern Missouri had severe drought introduced at the end of May.*

Today in History

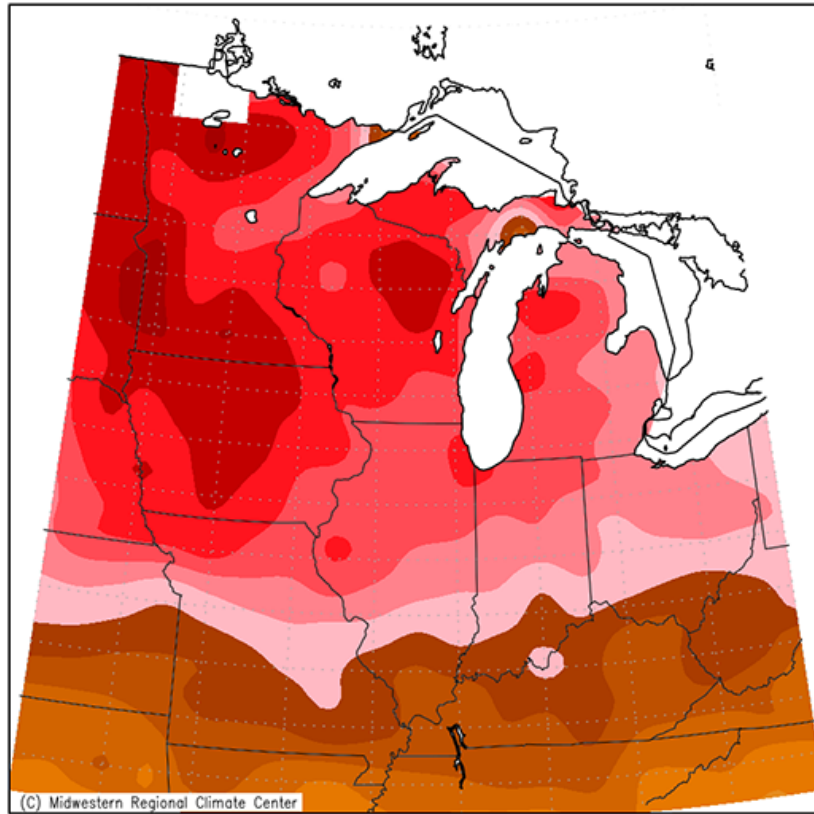


1948, Porsche - A hand-built aluminum prototype labeled "No. 1" becomes the first vehicle to bear the name of one of the world's leading luxury car manufacturers: Porsche. The Austrian automotive engineer Ferdinand Porsche debuted his first design at the World's Fair in Paris in 1900. The electric vehicle set several Austrian land-speed records, reaching more than 35 mph and earning international acclaim for the young engineer. He became general director of the Austro-Daimler Company (an outpost of the German automaker) in 1916 and later moved to Daimler headquarters in Stuttgart. Daimler merged with the Benz firm in the 1920s, and Porsche was chiefly responsible for designing some of the great Mercedes racing cars of that decade. Porsche left Daimler in 1931 and formed his own company. A few years later, Adolf Hitler called on the engineer to aid in the production of a small "people's car" for the German masses. With his son, also named Ferdinand (known as Ferry), Porsche designed the prototype for the original Volkswagen (known as the KdF: "Kraft durch Freude," or "strength through joy") in 1936. During World War II, the Porsches also designed military vehicles, most notably the powerful Tiger tank. At war's end, the French accused the elder Porsche of war crimes and imprisoned him for more than a year. Ferry struggled to keep the family firm afloat. He built a Grand Prix race car, the Type 360 Cisitalia, for a wealthy Italian industrialist, and used the money to pay his father's bail. When Porsche was released from prison, he approved of another project Ferry had undertaken: a new sports car that would be the first to actually bear the name Porsche. Dubbed the Type 356, the new car was in the tradition of earlier Porsche-designed race cars such as the Cisitalia. The engine was placed mid-chassis, ahead of the transaxle, with modified Volkswagen drivetrain components. The 356 went into production during the winter of 1947-48, and the aluminum prototype, built entirely by hand, was completed on June 8, 1948.

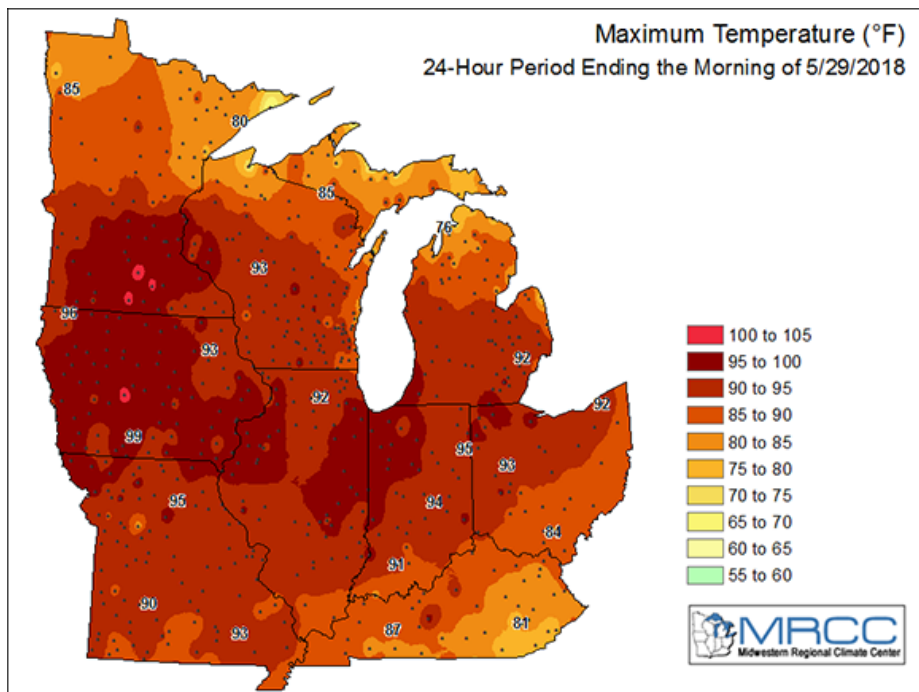


1949, Communism in Hollywood? - including film stars Frederic March, John Garfield, Paul Muni, and Edward G. Robinson, are named in a FBI report as Communist Party members. Such reports helped to fuel the anticommunist hysteria in the United States during the late-1940s and 1950s. The FBI report relied largely on accusations made by "confidential informants," supplemented with some highly dubious

Average Temperature (°F): Departure from Mean May 22, 2018 to May 31, 2018



Midwest Regional Climate Center
Illinois State Water Survey, Prairie Research Institute
University of Illinois at Urbana–Champaign



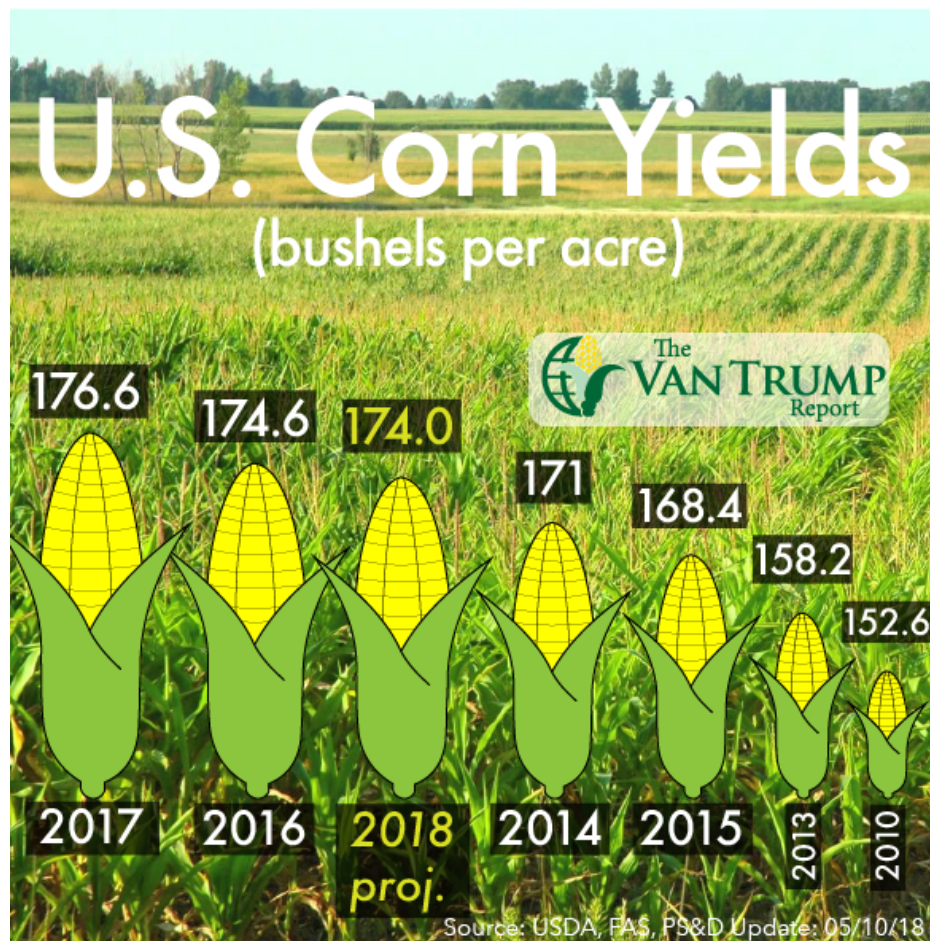
Corn prices are down more than -10 cents this week and down over -30 cents during the past two-weeks. The bulls have backpedaled on lack of weather related risk and continued talk of trade

analysis. It began by arguing that the Communist Party in the United States claimed to have “been successful in using well-known Hollywood personalities to further Communist Party aims.” The report particularly pointed to the actions of the Academy Award-winning actor Frederic March. Suspensions about March were raised by his activities in a group that was critical of America’s growing nuclear arsenal (the group included other well-known radicals such as Helen Keller and Danny Kaye). March had also campaigned for efforts to provide relief to war-devastated Russia. The report went on to name several others who shared March’s political leanings: Edward G. Robinson, the African-American singer; actor and activist Paul Robeson; the writer Dorothy Parker; and a host of Hollywood actors, writers, and directors. The FBI report was part of a continuing campaign by the U.S. government to suggest that Hollywood was rife with communist activists who were using the medium of motion pictures to spread the Soviet party line. Congressional investigations into Hollywood began as early as 1946. In 1947, Congress cited 10 Hollywood writers and directors for contempt because they refused to divulge their political leanings or name others who might be communists. The “Hollywood Ten,” as they came to be known, were later convicted and sent to prison for varying terms. In response to this particular round of allegations from the FBI, movie tough-guy Edward G. Robinson declared, “These rantings, ravings, accusations, smearing, and character assassinations can only emanate from sick, diseased minds of people who rush to the press with indictments of good American citizens. I have played many parts in my life, but no part have I played better or been more proud of than that of being an American citizen.”



1967 - During the Six-Day War, Israeli aircraft and torpedo boats attack the USS Liberty in international waters off Egypt’s Gaza Strip. The intelligence ship, well-marked as an American vessel and only lightly armed, was attacked first by Israeli aircraft that fired napalm and rockets at the ship. The Liberty attempted to radio for assistance, but the Israeli aircraft blocked the transmissions. Eventually, the ship was able to make contact with the U.S. carrier Saratoga, and 12 fighter jets and four tanker planes were dispatched to defend the Liberty. When word of their deployment reached Washington, however, Secretary of Defense Robert McNamara ordered them recalled to the carrier, and they never reached the Liberty. The reason for the recall remains unclear. Back in the Mediterranean, the initial air raid against the Liberty was over. Nine of the 294 crewmembers were dead and 60 were wounded. Suddenly, the ship was attacked by Israeli torpedo boats, which launched torpedoes and fired artillery at the ship. Under the command of its wounded captain, William L. McGonagle, the Liberty managed to avert four torpedoes, but one struck the ship at the waterline. Heavily damaged, the ship launched three lifeboats, but these were also attacked—a violation of international law. Failing to sink the Liberty, which displaced 10,000 tons, the Israelis finally desisted. In all, 34 Americans were killed and 171 were wounded in the two-hour attack. In the attack’s aftermath, the Liberty managed to limp to a safe port. Israel later apologized for the attack and offered \$6.9 million in compensation, claiming that it had mistaken the Liberty for an Egyptian ship. However, Liberty survivors, and some former U.S. officials, believe that the attack was deliberate, staged to conceal Israel’s pending

uncertainties. There's also been a little headwind circulating in regards to ethanol, specifically RINs and "hardship waivers". The fear now is that the ethanol industry might not be able to get year-round E15 sales approved without giving up something fairly significant. Corn used for ethanol is currently running at a record pace and helping to promote a longer-term bullish picture. U.S. exports have also been extremely strong to this point, with weekly numbers yesterday coming in better than expected. As I've mentioned during the past few sessions, I am starting to hear prices in Argentina are becoming much more competitive, which could ultimately create some headwinds for U.S. exporters. In fact, a weak Argentine and Brazilian currency could both create headwinds moving forward and need to be closely monitored. Looking to next week, we have the USDA weekly crop-conditions being updated on Monday, followed by the latest monthly supply and demand report on Tuesday. Most weather forecasters here in the U.S. see little in the way of problems for the next couple of weeks. I could argue that temperatures are going to be slightly above normal and that some areas might be a bit too dry, but for the most part weather is being fairly cooperative. I suspect most inside the trade are looking for another small reduction to the Argentine corn estimate and perhaps a more sizable reduction to the Brazilian corn estimate, down another -2 to -4 MMTs. From a technical perspective, the JUL18 contract has blown through most major support and now has only the contract low at \$3.62 to keep it honest. The DEC18 low is down just below \$3.80 per bushel, still about -20 cents lower. I'm hesitant to try and pick a bottom, but I'm thinking we might be a bit oversold ahead of the upcoming USDA report, and still late-June and mid-July weather ahead.



Soybean bulls continue to take it on the chin as prices are down another -50 cents this week, breaking through most all nearby technical support on the charts. The question now is will the mid-January low at \$9.65*2 be able to hold as nearby support? Beyond this level, I suspect the trade will look to test more major psychological support at or around \$9.50. Some insiders are thinking perhaps the trade could get even more aggressive and try to challenge the 52-week low set back at \$9.35 per bushel on June 23rd of last year. Personally, I think that sounds a bit extreme, but I've been trying to figure out what's going to stop the bleeding, especially if we continue to see no real progress in regards to trade with China, and the weather continues to cooperate are in the U.S. We could also catch some headwinds if the USDA eventually confirms more U.S. soybean acres have been planted and or the fact they might need to reduce their current export estimate as Chinese buyers remain hesitant? Yes, longer-term, I still believe reduced production out of Argentina ultimately comes home to roost, creating a more bullish environment. But as I've mentioned several times, there's still a ton of cards to be turned over between now and then, some of which the bulls in the market aren't finding very palatable. As a producer, I remain extremely patient. My time-frame target for reducing more longer-term price risk remains August-to-October. As a spec, I'm becoming more interested in building a bullish strategy on the pullback, but believe there is still more nearby downside risk. I still see no need to get in a major hurry. It's very easy for equity to get chewed up in this environment, that's why I've stayed extremely patient. Weather and Washington remain very tricky to forecast... For what it's worth, the Goldman roll started yesterday as they moved out of the JUL18 contracts and into the deferred contracts. Most inside the trade are looking for a slight reduction next week by the USDA in regards to the Argentine production estimate and perhaps an

seizure of Syria's Golan Heights, which occurred the next day. The ship's listening devices would likely have overheard Israeli military communications planning this controversial operation. Captain McGonagle was later awarded the Congressional Medal of Honor for his heroic command of the Liberty during and after the attack.

Upcoming Events

Tues. 6/12 - USDA Supply and Demand

Tues.-Wed. 6/12-6/13 - FOMC Meeting

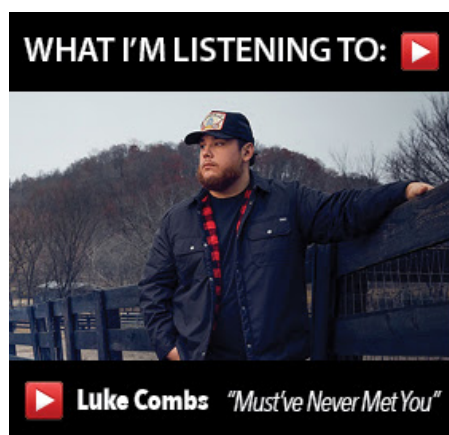
Fri. 6/22 - Cattle on Feed

Fri. 6/22 - Cold Storage

Thurs. 6/28 - Quarterly Hogs and Pigs

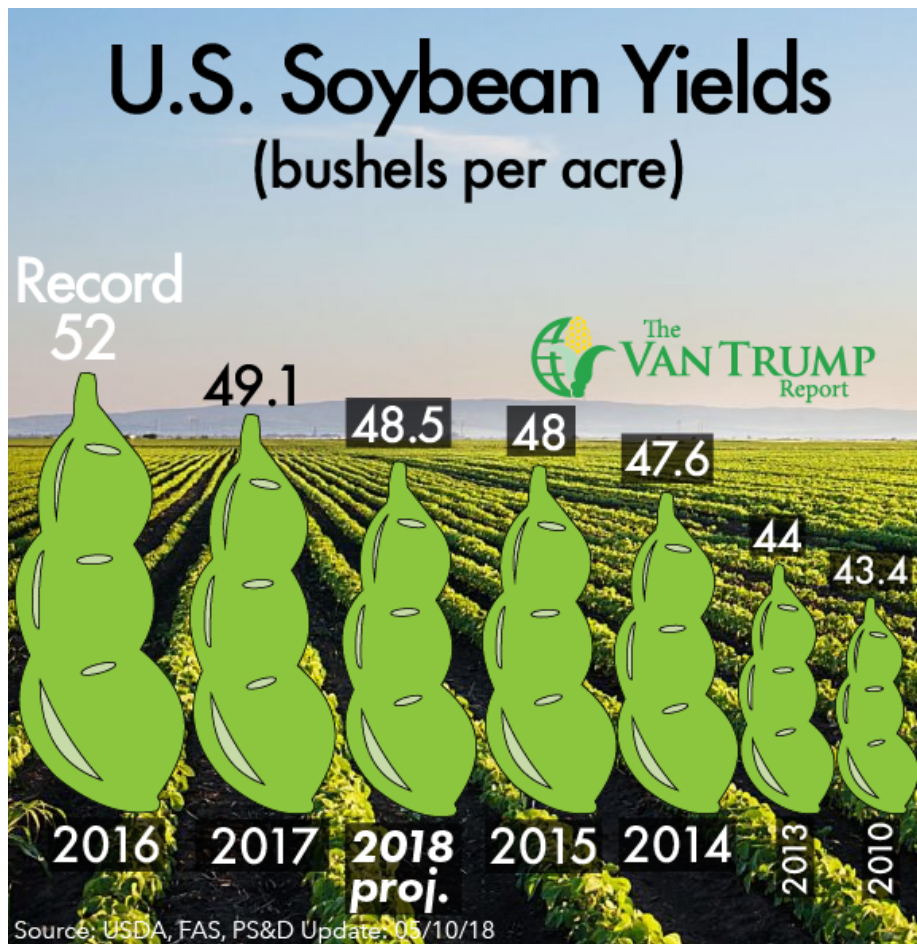
Fri. 6/29 - Quarterly Stocks and Acreage

Kevin's Song of the Week




Kevin's Song of the Week

ever so slight increase in U.S. ending stocks. Not a lot of big adjustments expected in Tuesday's report.



Wheat bulls continue to battle the seasonal headwinds and the weight of both corn and soybeans being pulled lower. As I've mentioned several times the past couple of weeks, the trade is becoming more and more focused on weather outside the U.S., particularly forecasts for southern Russia, Ukraine, Australia, northeastern China, and portions of the European Union. There's clearly enough weather related headlines that the bulls are staying engaged. However, from a more traditional fundamental perspective, it's still extremely difficult to find a "demand" story to help build a more bullish hand. Is suspect if a card like that were to be turned over it would give the bulls reasons to raise their wagers even higher. I just struggle to find how, where or when a strong demand card will pop up. U.S. exporters remain largely uncompetitive and global supplies appear more than adequate. In other words, if the weather improves in the Black Sea region the bulls could quickly have the rug pulled out from under them. As a producer, I'm keeping a close eye on the market and if more of a rally takes place, I will be looking to reduce a bit more longer-term risk. As a spec, I am not at all interested in buying the strength or the current momentum...

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

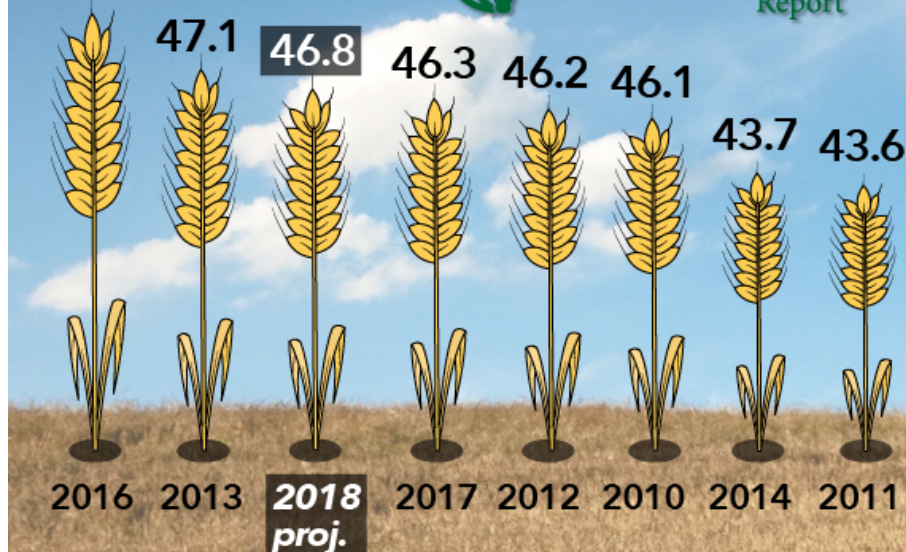
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis 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

U.S. Wheat Yields (bushels per acre)

Record
52.7



Source: USDA, FAS, PS&D Updated: 05/10/18

U.S. Ending Stocks 2017/18

	June #	Avg. Trade Est.	Trade Range	USDA May
Corn	???	193.39	190.0 - 195.1	194.85
Soybean	???	91.35	88.3 - 93.1	92.16
Wheat	???	269.99	267.0 - 271.0	270.46

U.S. Ending Stocks 2018/19

	June #	Avg. Trade Est.	Trade Range	USDA May
Corn	???	1.663	1.495 - 1.790	1.682
Soybeans	???	0.417	0.395 - 0.480	0.415
Wheat	???	263.0	260.0 - 265.8	264.33

World Ending Stocks 2017/18

	June #	Avg. Trade Est.	Trade Range	USDA May
Corn	???	193.39	190.0 - 195.1	194.85
Soybeans	???	91.35	88.3 - 93.1	92.16

happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

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

My Own Personal Truisms

"Not To Trade, is often considered a good trading decision..."

"First Rule of HOLES: When you are in one stop digging..."

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

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

"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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

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

I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.

Wheat	???	269.99	267.0 - 271.0	270.46
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World Ending Stocks 2018/19

	June #	Avg. Trade Est.	Trade Range	USDA May
Corn	???	157.56	150.67 - 161.0	159.15
Soybeans	???	86.74	83.5 - 92.1	86.7
Wheat	???	263.0	260.0 - 265.8	264.33

U.S. Wheat Production

	June #	Avg. Trade Est.	Trade Range	USDA May
Hard Red Winter	???	0.645	0.608 - 0.670	0.647
Soft Red Winter	???	0.318	0.310 - 0.325	0.315
White Winter	???	0.228	0.202 - 0.242	0.229
All Wheat	???	1.822	1.787 - 1.870	1.821
All Winter	???	1.190	1.159 - 1.221	1.192

South American Production

	June #	Avg. Trade Est.	Trade Range	USDA May
Argentina Corn	???	32.53	31.0 - 33.0	33.0
Argentina Soybeans	???	37.89	36.0 - 39.0	39.0
Brazil Corn	???	84.47	78.39 - 87.00	87.00
Brazil Soybeans	???	117.43	116.5 - 119.0	117.0



> **Bayer's Ag Assets To BASF:** Bayer has successfully completed the \$62.8 acquisition of Monsanto, delisting the shares of the U.S. company from the NYSE. The combined unit will be based in Monheim, Germany. Integration should begin in about two months once the sale of Bayer's agriculture assets to BASF is completed, satisfying regulatory concerns. (Source: SeekingAlpha)

> **Senator Heitkamp Talks Trade With Mexico:** Heidi Heitkamp and seven North Dakota agriculture leaders met with Mexican Ambassador Gerónimo Gutiérrez on Wednesday to stress that U.S. growers want to maintain close ties with markets like Mexico and Canada. Heitkamp and the farmers are "working to maintain those critical relationships so our farmers and ranchers can continue to



export to Mexico, despite the uncertainty created by the administration's actions on trade," she said in a statement. (Source: Politico)

> **Tallying The Costs Of Tariffs:** More than 14 percent of \$140 billion in annual U.S. farm exports have been or are likely to be hit by retaliatory tariffs in trade disputes with countries such as China and Mexico, a top U.S. trade negotiator said on Thursday.

> **Corn Net Exports Rise:** US net export sales of current crop corn and next crop totaled 1.257 million mt in the week ended May 31, up 10% from 1.142 million mt in the previous week, Department of Agriculture data showed Thursday. Market expectations were for total weekly export sales to be between 800,000 mt and 1.300 million mt, a source said. Weekly corn export sales were ahead of the pace needed to reach USDA's overall forecast and the new low corn prices were not yet reflected in the export sales, another source added. (Source: Platts)

> **GrainCorp Establishes Presence In Ukraine:** Australian grain group GrainCorp has established a new company that will trade agricultural raw materials, grains, seeds and animal feed, according to a report from Reuters. The new company, GrainCorp Ukraine Ltd., was registered with the Ukrainian state registry on May 14, Reuters said. Ukraine is among the world's largest global grain producers and exports, with plans to harvest more than 60 million tonnes of grain this year.

> **Canada Approves Bayer-Monsanto Merger...With Conditions:** The Canadian Competition Bureau has officially approved Bayer's acquisition of Monsanto, with some conditions. The agreement addresses the Bureau's concerns that the acquisition would have significantly harmed competition and innovation in Canada's agricultural sector. In order to address those concerns, the agreement requires Bayer to sell its canola seeds and trait business, soybean seeds and traits business, carrot seed business, as well as the nematode seed treatment business, as well as other assets. (Source: agnetwest)

> **Whole Foods Delays Mandatory GMO Labeling:** Whole Foods recently announced that the company would not be going forward with mandatory GMO labeling requirements. The labeling mandate was originally announced in 2013 and would have required foods that contain genetically modified organisms, or GMOs, as part of their ingredients be clearly labeled as such on the packaging. The company, acquired by Amazon last summer, noted confusion and concern related to the U.S. Department of Agriculture's (USDA) Bioengineered Food Disclosure Standard. The letter sent to suppliers noted that "as the USDA finalizes the federal regulation in the coming months and the food industry assesses the impact, we do not want our Policy to pose further challenges for you and your business." (Source: foodandwine)

> **\$1.1 Billion In Cryptocurrency Has Been Stolen This Year:** Roughly \$1.1 billion worth of cryptocurrency was stolen in the first half of 2018, and unfortunately for owners, according to cybersecurity company Carbon Black. Exchanges were the most popular target for cybercriminals, making up 27% of attacks this year. Instead of stealing Bitcoin, criminals appear to prefer the cryptocurrency Monero. This lesser-known coin was used in 44% of all attacks because of its privacy and its difficulty to trace compared with bitcoin. The U.S. was the most vulnerable country, with 24 crypto-related attacks. China was next with 10, and the U.K. came in third with eight. (Source: CNBC)

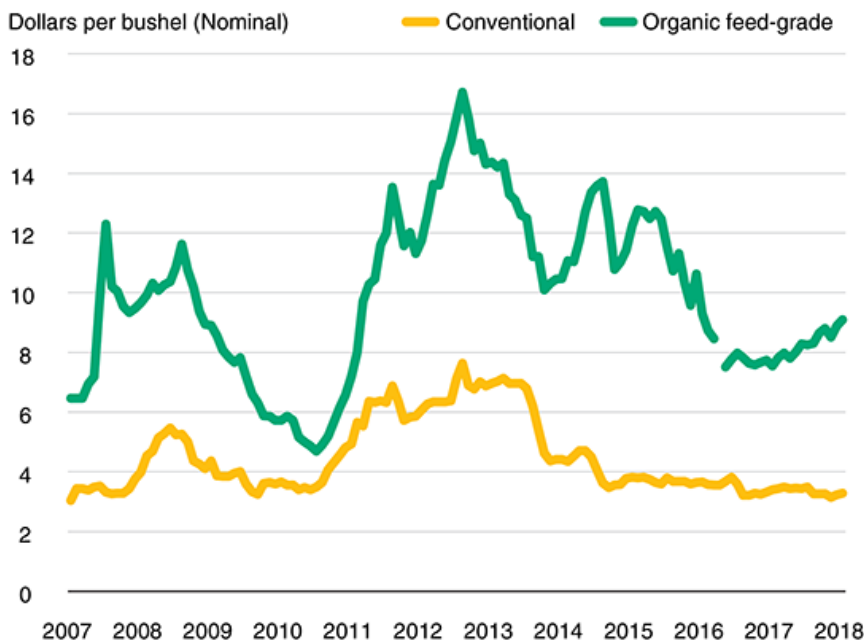
> **GM and Honda to Collaborate On Next Generation Battery for EV's:** Under the terms of the new deal, the two will work on GM's next generation battery system with Honda sourcing battery modules from GM. The next-gen battery will deliver higher energy density, smaller packaging and faster charging capabilities for both companies' future products, mainly for the North American market. The companies are already cooperating in developing an advanced hydrogen fuel cell system by 2020. (source: MarketWatch)

> **Women Have \$890 Billion in Student Loan Debt:** Women are carrying nearly two-thirds of the country's outstanding student loan debt. Student loans are increasingly a burden for anyone in pursuit of an education. Since 1976, the cost of college attendance has ballooned 150% The average person leaves school \$30,000 in arrears, while nearly 20% owe more than \$100,000. Americans are now more burdened by education loans than they are by credit card or auto debt. As for women, 56% of today's college students are women, and so it makes sense that more women than men hold education debt. (Source: CNBC)

> **Tesla Warned Driver Early:** A Tesla vehicle involved in a fatal crash in March was speeding on a highway with its driver-assistance feature engaged, but investigators say the vehicle had alerted the driver to put his hands on the steering wheel more than 15 minutes before the collision.

> **Organic Prices Generally 2 to 3 Times Higher:** We all know corn is one of the most widely grown crops in the U.S. Lower prices for conventionally produced corn — and strong U.S. demand for organic livestock feed — spurred increased U.S. organic corn production starting in 2016. Organic corn prices are generally two to three times higher than conventional corn prices. Converting from conventional to organic production systems takes 3 years before you can be certified organic. To meet these requirements may decrease crop yields, increased labor requirements, and slow the adoption of certified organic farming systems in some commodity sectors. The organic premiums help offset the cost of organic production. (Source: USDA)

U.S. organic and conventional corn prices, 2007-18



Note: USDA received too few reports to publish organic corn prices in April 2016. Data are expressed in nominal dollars.
Source: USDA, Economic Research Service using organic price data from USDA, Agricultural Marketing Service and conventional price data from USDA, National Agricultural Statistics Service.



Central Illinois - The crops could sure use a drink right now as it has been dry around here. All in all the corn and beans look good at the moment, so it becomes a weather game for the next couple of months. We had snow on Easter then rain the week after and that's the last measurable amount we've seen on our farms. We are getting a bit concerned with prices dropping as they are. A lot of guys around here still have some bushels to get rid of and Trump's actions are not reassuring everyone at the moment. We have 75% of our corn gone and all the beans are sold. We haven't taken as much risk off as we should but figure we will a weather or geopolitical story in the next few weeks.

Central Michigan - The beans were planted (20" rows) early May. Sprayer chased the planter with 1 qt glyphosate, 2 pts Prowl, 3 oz Sencor, and 3 oz Fierce. So far weed control is excellent and the only escapes are some grass and volunteer corn. The original plan was to come back 20-30 days after emergence and post with Select, Firststar, and Flexstar but given how clean everything is this seems like overkill to me. On the other hand, we've had a lot of rain and don't want to run out of residual before we canopy. Other than grass, typical problem weeds are mares tail, rag, and velvetleaf. It would be nice to drop out the Firststar to save some money. Maybe just go with Select and Flexstar. Also, most of this will be rotating to corn next year so need to be careful on carryover since it's going to be late June-early July before everything gets sprayed post if weather stays wet around here.

Central Kentucky - We finished replanting corn today. I am not real hopeful as June 6 is getting pretty late here in Ky. We had a hurricane come through May 27 that dumped 3 inches of rain in 45 minutes along with lots of hail. I think it's obvious that the weather is getting more and more violent and unpredictable. I have been at this for 44 years and it seems to be getting harder every year because of the weather. Yes, we have always had storm events and droughts but the frequency seems closer now versus 30 years ago. Maybe, it is just a matter of my age, but it sure seems as though the weather has changed.

CROSSING WIRES

A place to share intelligent thoughts...

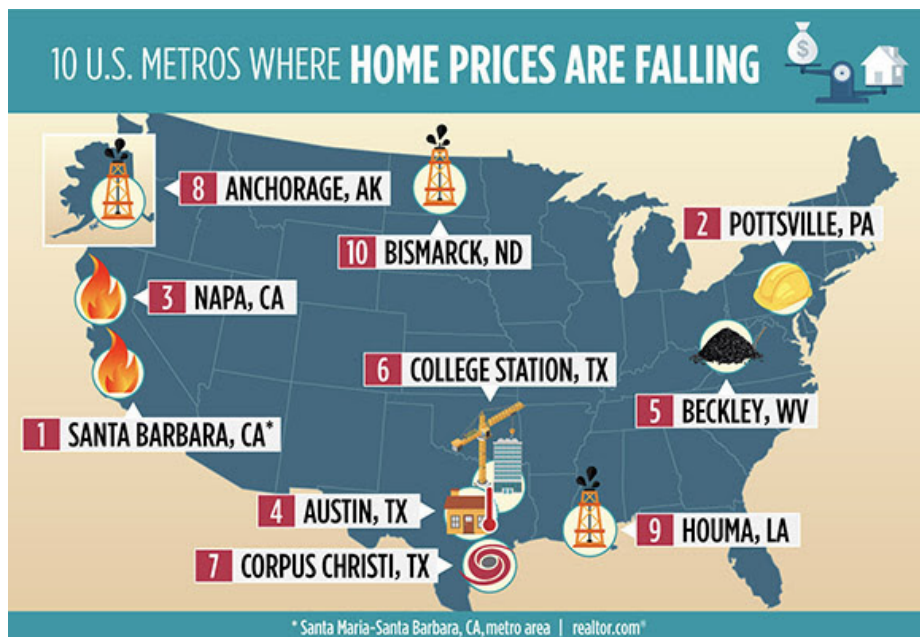
Cargill Moves To A "Integrated Food Company": Recognizing the old model of being a middleman for a commodity trade is no longer relevant, CEO David MacLennan is swinging Cargill's turrets towards becoming a more integrated food company, focusing on the global demand and need for protein. It's a timely move as producers no longer need to rely on agribusiness giants for pricing intelligence. See how a 153-year-old company is staying relevant [HERE](#).

Scientists Find Walking Faster May Add Years To Your Life: Walking at an average pace was linked to a 20% reduction in the risk of mortality compared with walking at a slow pace, while walking at a brisk or fast pace was associated with a risk reduction of 24%, according to a new study. A similar result was found for risk of dying from cardiovascular disease. It's not too late to start. In fact, the benefits were far more dramatic for older walkers. Average pace walkers aged 60 years or over experienced a 46% reduction in risk of death from cardiovascular causes, and fast pace walkers a 53% risk reduction, the study found. Read more [HERE](#).

Making Better Decisions Under Stress...Learn From Firefighters: Some of the most important decisions you will make in your lifetime will occur while you feel stressed and anxious, from medical decisions to financial and professional ones. Take for example expectant parents who need to make a series of important choices during pregnancy and labor, when many feel stressed. Do we become better or worse at processing and using information under such circumstances? Princeton Cognitive Neuroscientist Neil Garrett, now at the Princeton Neuroscience Institute ventured from the safety of his lab to fire stations in the state of Colorado to investigate how the mind operates under high stress. Gain insights from his team's research [HERE](#).

Federal Law May Will Create Challenges As Betting Becomes Legal: A U.S. Supreme Court decision last month overturned a decades-old federal ban on sports wagers in most of the country, but a separate federal law that remains on the books restricts interstate money transfers involving bets. That means each state must essentially operate as its own betting market, increasing the risk for bookmakers who may struggle to attract wagers on teams opposing popular local favorites. I suspect there will be much lobbying for new laws regarding interstate transfers of bets and it may boost the yields of the less legit operations for abit. Read more [HERE](#).

Sizzling Home Market Does Have A Few Exceptions: The housing market is on fire and it's a go-go seller's paradise of historic proportions, with hordes of stressed home buyers duking it out to find affordable—and available—places they can call their own. It may seem like nothing can slow down those runaway prices for everything from high-rise condos in the biggest cities to cookie-cutter, single-family homes in the suburbs. But there are exceptions to every rule. The data team at [realtor.com](#)® found 27 of the nation's 350 largest metros where prices dropped. Read more [HERE](#).



FROM MY PERSPECTIVE

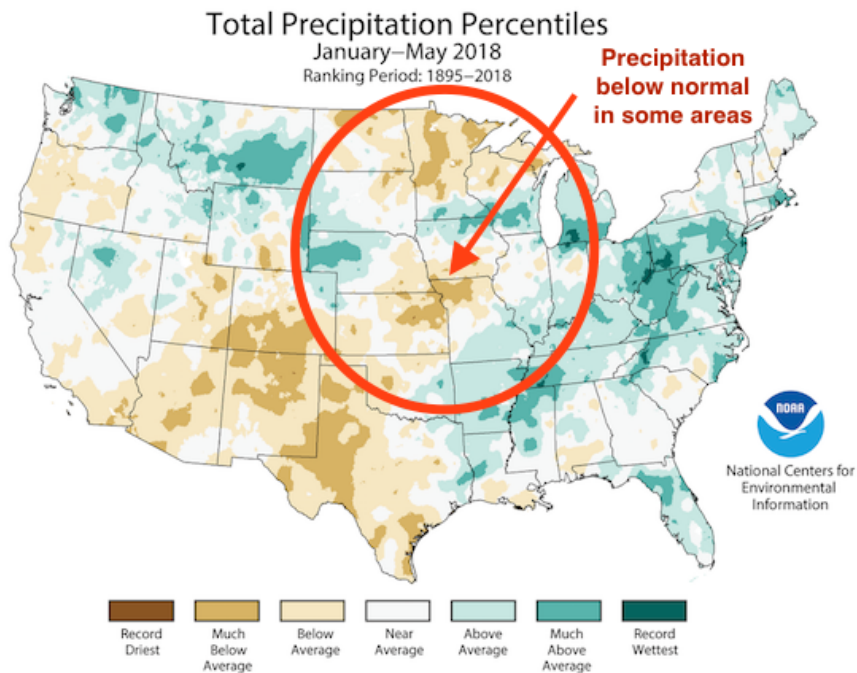
Kevin Van Trump



Another Round Of Record-Breaking Weather

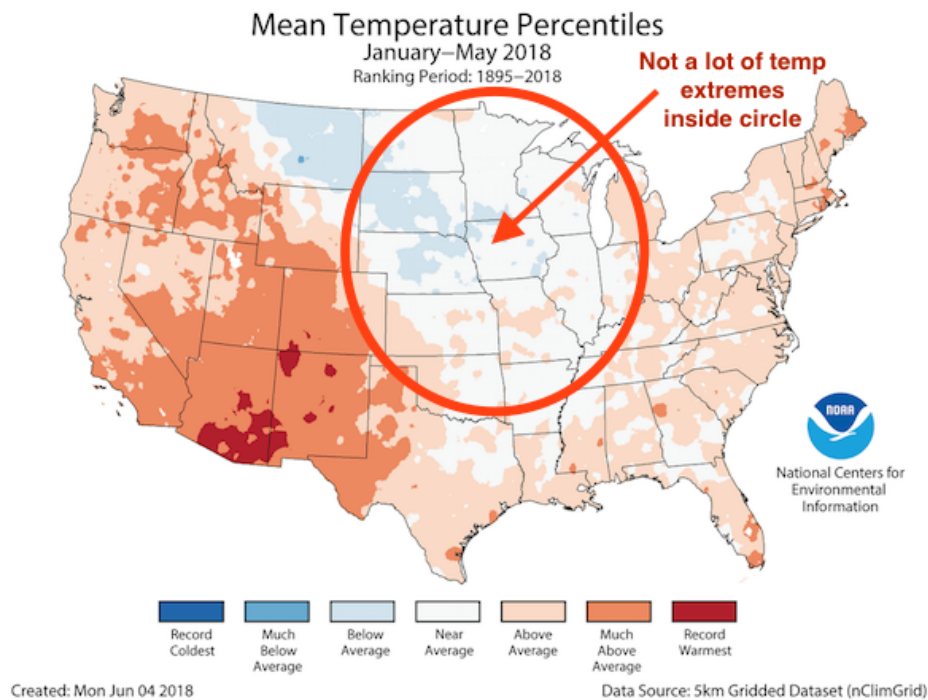
Official numbers are in the books, with the average temperature last month +5.2 degrees fahrenheit above the 20th century average. This surpassed the previous May record which was set back in 1934, meaning it was the warmest May in 124 years. The first five months of 2018 have clearly been marked by large month-to-month swings in temperature, remember April was abnormally cool. So perhaps we are entering a period of more extreme temperature changes. As for precipitation, both the spring and year-to-date precipitation totals for the contiguous U.S. are near average but marked with regional extremes. Below are some additional highlights: (Source: [NOAA](#))

- All states reported above-average record May temperatures. Forty-two states actually reported monthly temperatures that were much above average with eight of those states – Arkansas, Illinois, Indiana, Kentucky, Missouri, Ohio, Oklahoma and Virginia – being record warm.
- Overnight low temperatures were also reported as exceptional warm during May at +5.1 degrees above average. Fourteen states had a May minimum temperature that was record warm.
- On the daily side, there were more than 8,590 daily high temperature station records broken or tied during May. Several of the daily records were noteworthy, including 100 degrees F on May 28 in Minneapolis, Minnesota - the earliest such occurrence on record.
- Above average and near-record precipitation was observed across the Southeast and Mid-Atlantic, partially due to two slow-moving weather systems, including subtropical storm Alberto in late-May. Several other locations, including Key West, Florida, had their wettest May on record. Above-average precipitation was also observed across parts of the West, Central Plains and Midwest.
- Swings in temperature has become the norm, particularly from the Great Plains to the East Coast. Despite the cool periods, when averaged for the first five months of the year, much of the West, southern Plains and East Coast were warmer than average.
- Ag traders will be closely monitoring the areas that have experienced below normal precipitation.



Created: Mon Jun 04 2018

Data Source: 5km Gridded Dataset (nClimGrid)



The U.S. Army Just Purchased The World's Tiniest Drone

The U.S. Army is getting tiny personal surveillance drones as part of a \$2.6 million contract with Fair, a thermal imaging and technology company. It's called the Black Hornet Personal Reconnaissance System and it's the world's smallest combat-proven nano-drone. The U.S. Army has ordered the next-generation Black Hornet 3, which weighs 32 grams and packs navigation capabilities for use in areas outside of GPS coverage. The drone, which has advanced image processing from earlier versions and can fly a distance of more than one mile at more than 15 miles per hour and carries a thermal micro camera. The U.S. Army is aiming to provide military personnel with more awareness of their surrounding using drones. Choosing the Black Hornet drones provides soldiers in every U.S. Army squad a critical advantage on the modern battlefield. The Black hornet continues to represent the cutting-edge in the combat space, enabling small combat units, SWAT teams, and first responders with immediately available intelligence, target-acquisition, and reconnaissance capability. While the U.S. Army is the first to get delivery of the Black Horney, the tiny drone will also be deployed by the Royal Australian Army and French Armed Forces. While these tiny drones are very interesting, what I found most intriguing is that the the size of this latest version could still allow for "payloads." However, they did not identify what types of payloads might be used by the mini drone. I suspect they already have drones that are the size of small insects, the media probably just hasn't seen them as of yet (Source: CNET)



"Justify" Is Running For History At The 150th Belmont Stakes

Kentucky Derby and Preakness winner, Justify will try to become only the 13th Triple

Crown winner in history this Saturday at the Belmont Stakes. I personally think Justify is going to run away with it, but many handicappers say the 10-horse field has a strong combination of talent, many of which are well rested for the race. It's also worth noting, Tuesday's draw for starting positions put Justify on the rail, which is trainer Bob Baffert's least favorite post position. Baffert doesn't like the fact Justify may be forced to try and bolt out to an early lead to avoid getting pinched on the rail. This could open the door for contenders to push Justify beyond the pace he would normally prefer. There's also another wild-card, the current weather forecast is calling of heavy rain. Some say this could actually give an advantage for Justify, who won by two and a half lengths at Churchill Downs during the wettest Derby in history, which saw nearly 3" of rain followed by unfavorable weather conditions at the Preakness. I've added some interesting facts as well as odds for all participants below. Should be exciting to watch... (Source: cbssports, wiki, [app.com](#))

Starting Time: 5:37 pm CST on NBC. The race is run at Belmont Park in Elmont, NY.

Triple Crown History: Only 12 horses have won all three races to claim the "Triple Crown": Sir Barton in 1919, Gallant Fox in 1930, Omaha in 1935, War Admiral in 1937, Whirlaway in 1941, Count Fleet in 1943, Assault in 1946, Citation in 1948, Secretariat in 1973, Seattle Slew in 1977, Affirmed in 1978, and American Pharoah in 2015.

Time For Another Big Win: Triple Crown winners own the two largest winning margins in the Belmont. Secretariat won by 31 lengths in 1973 and Count Fleet won by 25 lengths 30 years prior. It could be time again.

Favorites Don't Always Win: Favorites at Belmont have only won six of the last 32 starts. In fact only one of the last dozen favorites has won the Belmont — American Pharoah in 2015 returning his backers \$3.50.

Most Wagered: The record amount bet on Belmont Stakes day came in 2014, when a whopping \$150,249,399 was wagered.

Trainer's Record At Belmont: D. Wayne Lukas leads all active trainers with four Belmont wins — Tabasco Cat (1994), Thunder Gulch (1995), Editor's Note (1996) and Commendable (2000). He has started 24 runners. Todd Pletcher is second among active trainers with three Belmont winners — Rags to Riches (2007), Palace Malice (2013) and Tapwrit (2017). Pletcher has started 33 runners. Bob Baffert has two winners — Point Given in 2001 and American Pharoah in 2015 — among his 10 starters

The Horses, Trainers and Odds:

Justify 4:5 - Trainer: Bob Baffert - The big kahuna. After winning the Kentucky Derby by 2.5 lengths, Justify stayed undefeated with a dominant Preakness Stakes victory and now, with the Apollo Curse well behind him, looks to become only the 13th Triple Crown winner in history.

Vino Rosso 8:1 - Trainer: Todd Pletcher - Pletcher's Always Dreaming captured headlines for his 2017 Kentucky Derby win, but Vino Rosso barely cracked the top 10 in Louisville. Still, he makes for a potential upset pick since he's rested up and looked fly at the Wood Memorial.

Bravazo 8:1 - Trainer: D. Wayne Lukas - He finished sixth in the Kentucky Derby as one of that 20-horse field's biggest long shots, then skyrocketed to a second-place finish in Baltimore for the Preakness. He might represent Justify's biggest challenge under the guidance of Lukas. After finishing sixth at Churchill Downs, he then came in as runner-up at the Preakness Stakes, where he became the first horse to finish within two-and-a-half lengths of Justify and was reeling in the winner over the final furlong.

Noble Indy 30:1 - Trainer: Todd Pletcher - The second of Pletcher's horses in the Belmont Stakes, he underwhelmed at the Kentucky Derby with a 17th-place finish but has three first-place runs in his last five races - the most recent being the Louisiana Derby on March 24.

Hofburg 9:2 - Trainer: William I. Mott - He's a spoiler candidate with decent odds entering the race after a seventh-place showing at the Kentucky Derby. From purely a physical standpoint, he figures to give Justify a run for his money down the stretch. His sire, Tapit, has produced three of the last four Belmont winners—Tonalist (2014), Creator (2016) and Tapwrit (2017)—so he has excellent pedigree to succeed.

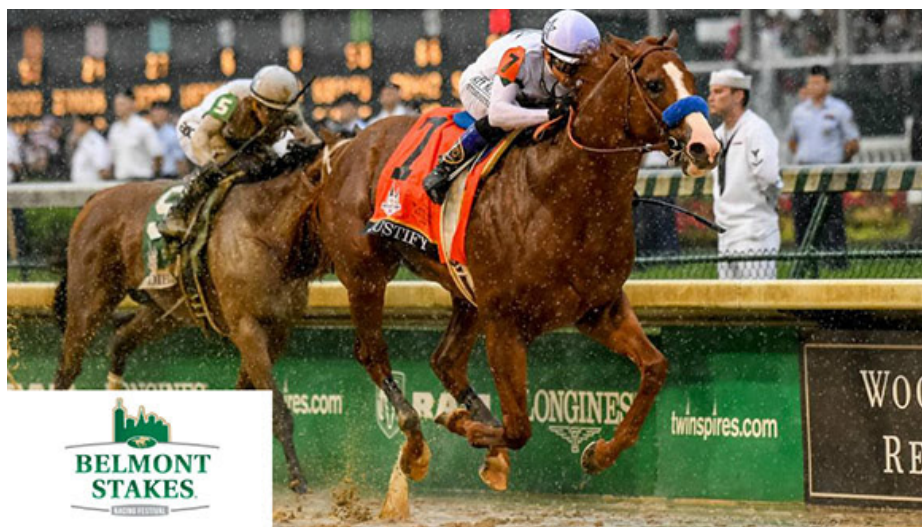
Tenfold 12:1 - Trainer: Steve Asmussen - Tenfold did not race as a 2-year-old and missed this year's Kentucky Derby after a fifth-place run in the Arkansas Derby, but with Espinoza -- a three-time Preakness winner -- riding him, he captured a third-place finish in Baltimore.

Gronkowski 12:1 - Trainer: Chad C. Brown - Most known for being named after New England Patriots tight end Rob Gronkowski, he missed out on the Kentucky Derby because of an infection but is ready for his debut after a dominant run in Europe's Burradon Stakes. Gronkowski is much more of an outsider than Bravazo or Hofburg, but he has won his last four races and has never finished outside of the top three in six total starts. He should be fresh and raring to go in New York.

Free Drop Billy 30:1 - Trainer: Dale L. Romans - He hasn't had a first-place finish since October 2017 and is probably the biggest long shot of the bunch. Still, he got himself warmed up with a 16th-place spot in the Kentucky Derby.

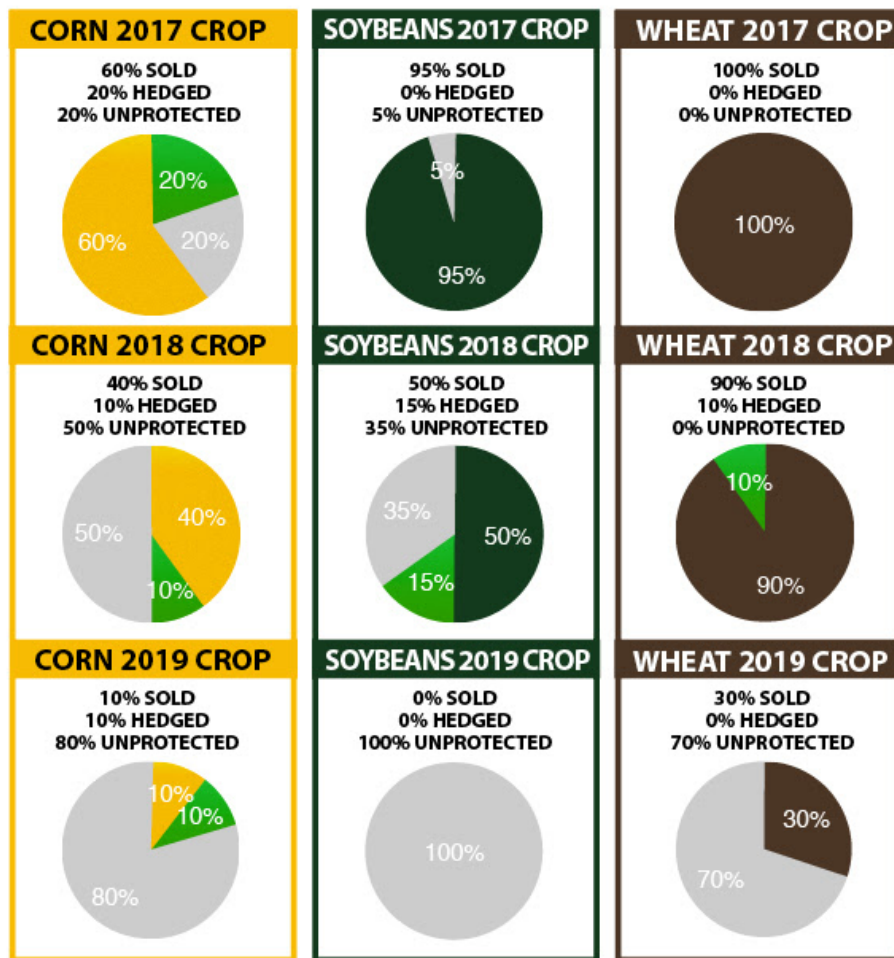
Blended Citizen 15:1 - Trainer: Doug F. O'Neill - His first-place mark at the 2018 Peter Pan have some hopeful for his showing at Belmont, where he won in May. He has just one other first-place finish in his previous nine races, however.

Restoring Hope 30:1 - Trainer: Bob Baffert - An anticipated addition to the Belmont lineup, he's another Baffert horse, which obviously spawns some questions about what kind of competition Justify will get from him. He finished 12th in the May 5 Pat Day Mile.



ANSWER to riddle: A comb.

CASH SALES & HEDGING TOTALS



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