

GOOD MORNING: 06/15/18 Farm Direction - Van Trump Report

2 messages

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"My father gave me the greatest gift anyone could give another person, he believed in me." - Jim Valvano

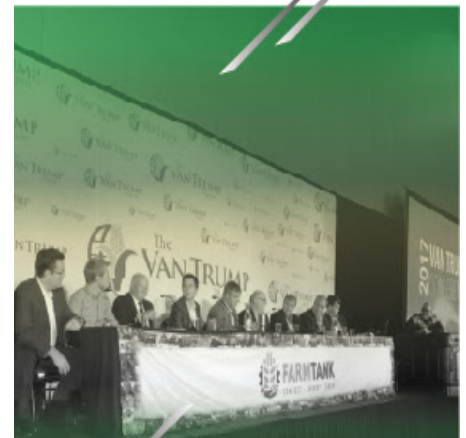
FRIDAY, JUNE 15, 2018
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Morning Summary: Traders are bracing as a possible "wild-card" is about to hit the table. President Trump is thought to have approved issuing tariffs on about \$50 billion of Chinese goods, as the U.S. raises the stakes on trade negotiations with China. From what I am hearing, Washington is about to release the final list of Chinese imports that will be subject to the first wave of U.S. tariffs. It is expected to be largely similar to the preliminary list that was released back in early-April. Despite "the list" possibly being release today or early next week, it's still not clear when the tariffs will officially go into effect. Regardless, China has said on numerous occasions they will be retaliating, and intends to impose its own set of new tariffs on a corresponding amount of U.S. goods. Interestingly, the U.S. stock market has been performing much better than many would have anticipated, especially with talks of tariffs becoming more real, the Fed taking a slightly more hawkish stance towards raising interest rates and the U.S. dollar pushing to new 2018 highs. With many stocks trading near all-time highs, there seems to be an increasing debate about how much longer this bull market can run? I personally think there's still a more time on the clock, but I am definitely being more cautious and selective with my strategy. Rather than buying and holding a larger diversified portfolio, I am "trading" only a select few stocks... When your up by a lot points on the scoreboard, you don't focus as much attention on your offense, trick plays go out the window, you focus on playing a strong defense, limit the mental mistakes, and make certain you hit your layups and free-throws. No need to over-coach or over-think it... "KISS", keep it simple, stupid, was the acronym one of my coaches always liked to use when we were up big. As for today's economic data, the trade will be digesting Industrial Production, Consumer Sentiment, and the latest Baker-Hughes Rig Count. Looking towards next week, the biggest event on the calendar is probably the highly anticipated OPEC meeting scheduled for Friday, June 22. The trade is wanting to know if Russia and Saudi Arabia are using their production to help cover losses by Iran and Venezuela. A bit further down the road we have some important elections in Turkey on June 24 and the highly anticipated election in Mexico on July 1st, which could ultimately have a major impact on NAFTA negotiations. By mid-July, U.S. second quarter corporate earnings will start rolling in, which could help the market post another leg higher. Make certain you are listening to the music and not the noise.

SEC Comments Spark Bitcoin Surge: The SEC's point man on cryptocurrencies and initial coin offerings (ICOs) says that neither Bitcoin and Ether are securities, but that many ICOs are and will come under the regulatory control of the SEC and relevant securities laws. William Hinman, head of the Division of Corporation Finance at the SEC, specifically said that Bitcoin is not a security because it is decentralized, meaning there is no central party whose efforts are a key determining factor in the enterprise. In addition, Ether is also not a security because the ethereum network is also decentralized. Bitcoin investors are hoping the recent regulatory comments can help them clear a few more hurdles. Read more [HERE](#).

What's Causing American's To Spend More Money? Americans have been spending much more money the past few months, which could soon help the economy grow by more than 4% in the second quarter. Many insiders are suggesting the Trump tax cuts are having their intended effect. Whether that is true or not we do know that spending has picked up impressively as of late. Retail sales, for example, surged +0.8% in May after strong gains in April and March. And sales have now climbed almost +6% in the past year, the second highest yearly rate since 2012. Economists now are actually predicting gross domestic product (GDP) will top +4% in the second quarter, putting the U.S. on a path to potentially exceed +3% annual growth in 2018, which would be the first time since 2005. Read more [HERE](#).

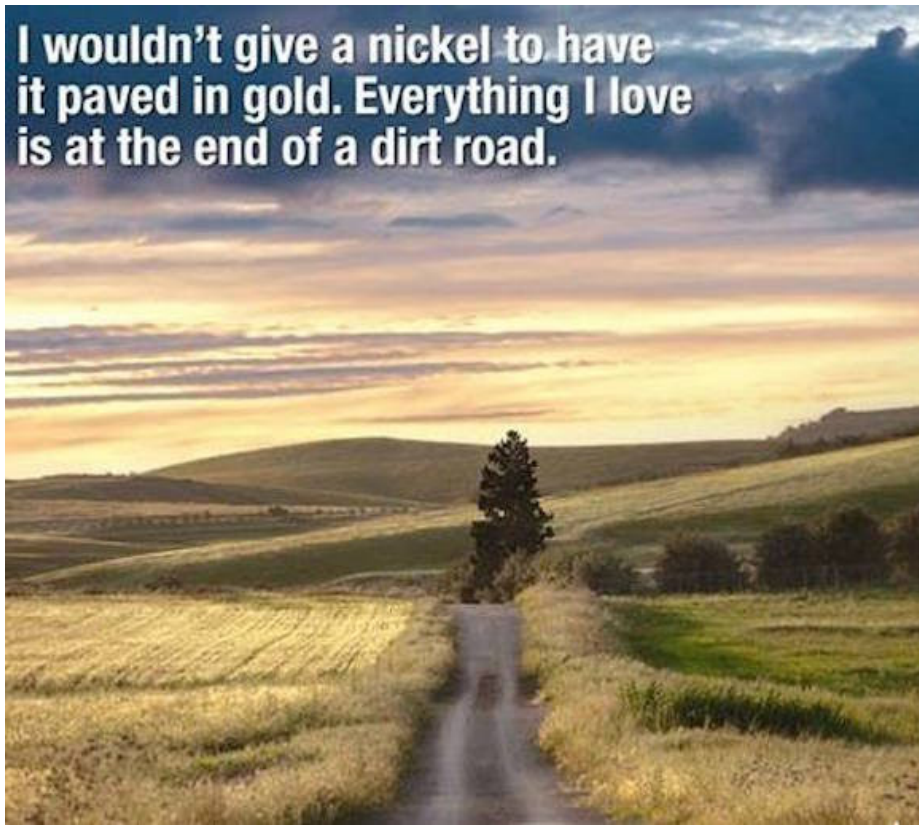
THE 2018 VAN TRUMP CONFERENCE



November 28-29
Special 2 Day Event
Kansas City, Mo

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.

I wouldn't give a nickel to have
it paved in gold. Everything I love
is at the end of a dirt road.



Over 700 In Attendance Last Year:

Many of the Largest Producers in our Country

CEO's, and Ag Executives

Traders and Hedge Fund Managers

Bank Presidents, FDIC members

Grain Merchandisers, Exporters, Analyst

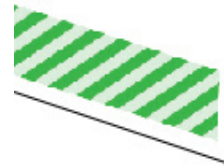
Leading Ag Retailers

Livestock Executives

Venture Capitalist and Early Investors

Transportation and Logistics Executives

Innovative Start-ups



~~\$500~~

Early Bird Special

For First 200 to Register :

~~\$299~~



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

- John Wooden



Co-hosted by:



neuro mining



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

TODAY'S RIDDLE:

I am word with six letters.

My motto is together as one.

If you remove my first and second letters, you can wear me.

If you remove my third letter I can be painful.

If you remove my second, third and sixth letters, Adam & Eve did it.

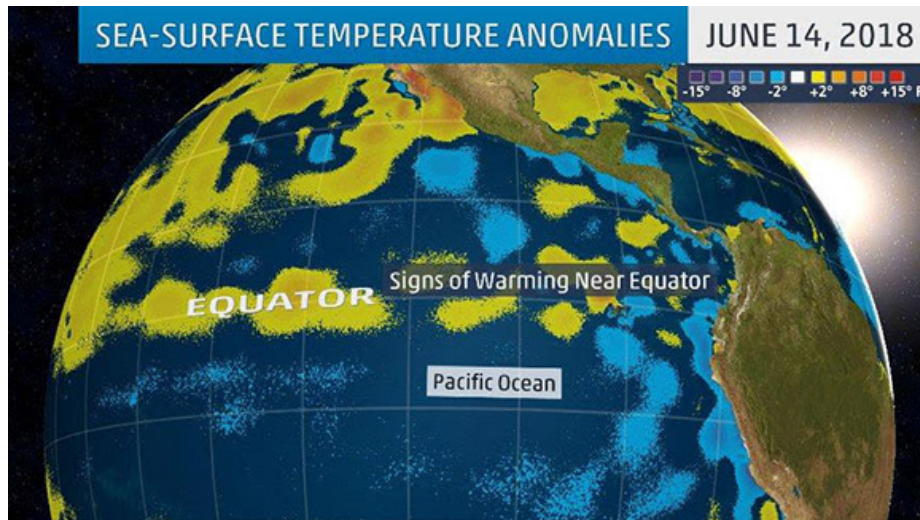
If you remove my second and third letters, you do this using your mouth.

What am I?

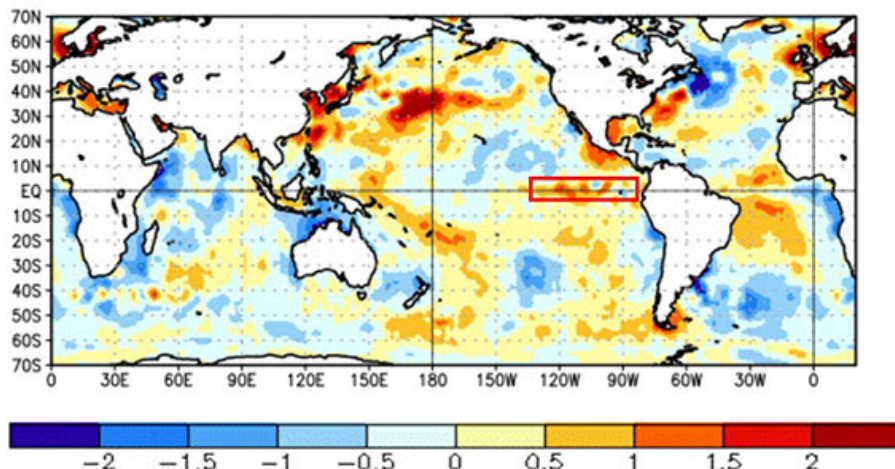
Weather on the Corn Belt has seen scattered showers mostly confined to the lower Missouri and middle Mississippi River Valleys. elsewhere, warm, dry weather continues to promote a rapid corn and soybean development pace. On the Plains, showers are subsiding, accompanied by rising temperatures. In areas with soil moisture shortages, such as the southern Plains the return of hot, dry weather is bringing renewed stress to

rangeland, pastures, and summer crops. In the South, warm, humid weather accompanies scattered showers. Excessive wetness has slowly subsided in recent days in the Atlantic Coast States, while unfavorably dry conditions persist in much of the western half of the Gulf Coast region. During the remainder of the week, heat will continue to spread eastward across the Plains and Midwest. The triple-digit heat will continue to spread eastward across the Plains and Midwest over the weekend. We are hearing forecast showing temperatures will top out around 95 degrees all across the Corn Belt.

El Nino Watch: Government forecasters are telling us that the June ENSO is indicating a 50% chance of El Nino developing during the late summer or early autumn, and an approximately 65% chance of El Nino conditions in the winter, so forecasters have instituted an El Nino Watch. Remember, the criteria for El Nino conditions are that the average sea-surface temperatures in the central and eastern equatorial Pacific Oceans are warmer than average and persist for three consecutive months. Temps in this area have been building throughout this spring. If an El Nino pattern were to emerge this fall and into the winter, the jet stream pattern over the U.S. shifts and can result in a wetter than average winter across the southern tier of the U.S. including portions of California and eastward into the southern Plains.



Change in Weekly SST Anoms (°C)
06JUN2018 minus 09MAY2018



Corn has taken it on the chin as of late. I'm hearing the funds have trimmed enough size they may now be flat this market. As I wrote in a Special Report to clients yesterday, it seems as if the funds wanted to see "the flop". The first few cards they got to peek at were: Good planting and no early wide-spread weather problems here in the U.S.; Increasing trade tensions involving both China and NAFTA; uncertainties in the ethanol space regarding exports and RINS; and a stabilizing second-crop in Brazil. With the price of poker having risen the past few weeks, perhaps these cards might have been just enough to cause them to fold their hand. The bulls will argue that problems in the Black Sea region have intensified enough that corn production is now in question. They will also argue that global demand is strong enough that shrinking global supply is creating "true value". I'm in total agreement, but that certainly doesn't make me right. I've taken the first steps toward re-owning a few of our old-crop sales, but I am using an extremely cautionary and scaled approach. I respect



Today in History

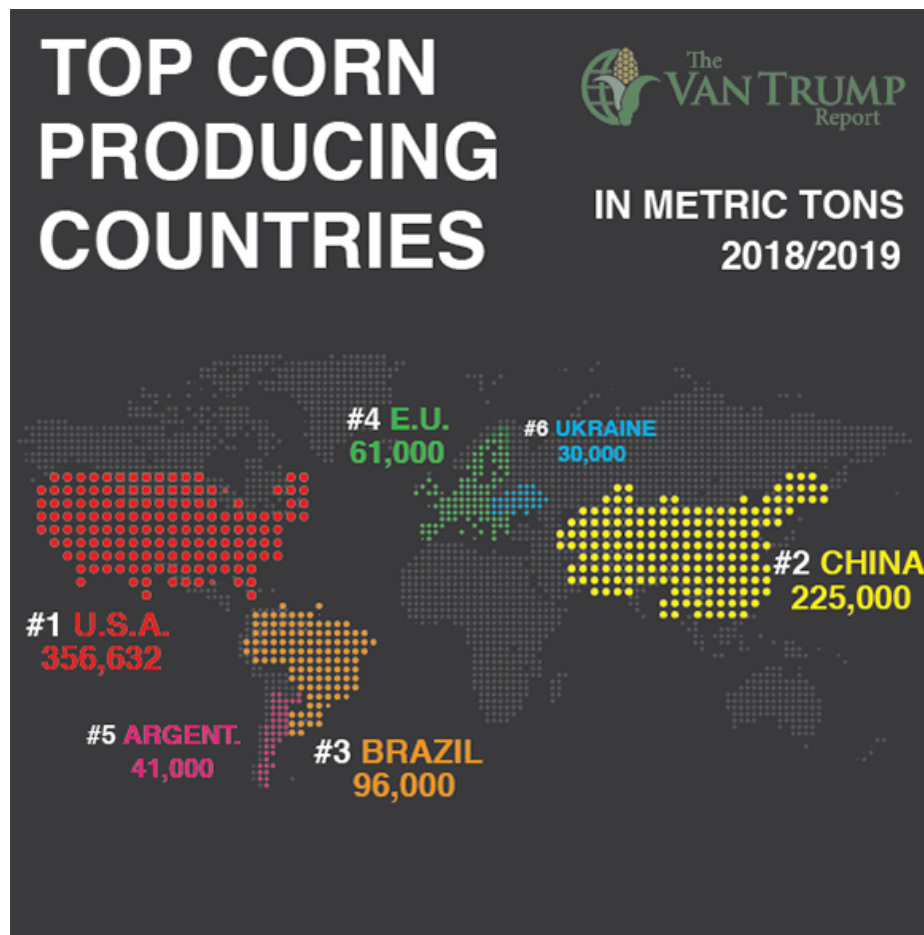


1775, George Washington - who would one day become the first American president, accepts an assignment to lead the Continental Army. Washington had been managing his family's plantation and serving in the Virginia House of Burgesses when the second Continental Congress unanimously voted to have him lead the revolutionary army. He had earlier distinguished himself, in the eyes of his contemporaries, as a commander for the British army in the French and Indian War of 1754. Born a British citizen and a former Redcoat, Washington had, by the 1770s, joined the growing ranks of colonists who were dismayed by what they considered to be Britain's exploitative policies in North America. In 1774, Washington joined the Continental Congress as a delegate from Virginia. The next year, the Congress offered Washington the role of commander in chief of the Continental Army. After accepting the position, Washington sat down and wrote a letter to his wife, Martha, in which he revealed his concerns about his new role. He admitted to his "dear Patcy" that he had not sought the post but felt "it was utterly out of my power to refuse this appointment without exposing my Character to such censures as would have reflected dishonour upon myself, and given pain to my friends." He expressed uneasiness at leaving her alone, told her he had updated his will and hoped that he would be home by the fall. He closed the letter with a postscript, saying he had found some of "the prettiest muslin" but did not indicate whether it was intended for her or for himself. On July 3, 1775, Washington officially took command of the poorly trained and under-supplied Continental Army. After six years of struggle and despite frequent setbacks, Washington managed to lead the army to key victories and Great Britain eventually surrendered in 1781. Due largely to his military fame and humble personality, Americans overwhelmingly elected Washington their first president in 1789.



1846, Oregon Treaty - Representatives of Great Britain and the United States sign the Oregon Treaty, which settles a long-standing dispute with Britain over who controlled the Oregon territory. The treaty established the 49th parallel from the Rocky Mountains to the Strait of Georgia as the boundary between the United States and British Canada. The United States gained formal control over the future states of Oregon, Washington, Idaho, and Montana, and the British retained Vancouver Island and navigation

the fact the funds could become much more aggressive holders of short positions and could continue to pressure price much further than I believe is rational. From a technical perspective, the JUL18 contract has essentially tested the \$3.62 low set back on January 12th. The new-crop DEC18 contract is nearing the low of \$3.79² set back on December 15th. Could we keep pushing lower? I suspect we certainly could, but I have to imagine with each day passing and the market closing lower, the downside risk is getting less than the upside potential. I personally don't believe the weather as a whole can get much better than we've seen reported. I'm also not sure the worries and fears currently surrounding trade renegotiations can create much more "uncertainty". Remember, it's the "uncertainty" that spooks the market. In other words, can U.S. weather get much better than we've seen reported? I personally don't think it's been as good as advertised. The next question is can fears surrounding trade headlines get much worse? I suspect the current headlines and uncertainty has been enough to keep the bulls from jumping in on the break. Can the headlines get worse, keeping even more bulls out of the mix?



2018 Spring Revenue Protection Prices - These were the prices established for crop revenue protection based on the average of new-crop prices during February. I had a couple of friends ask me and I wanted to remind everyone.

Corn - \$3.96 (80% is \$3.16)

Soybeans - \$10.16 (80% is \$8.13)

Soybean prices continue to tumble! They have now fallen by more than -\$1.40 since late-May in a combination of funds exiting their long positions and macro traders using the ag space as a cross-hedging opportunity to protect against ancillary risk associated with Chinese trade renegotiations. From what I'm hearing, the funds have gone from holding large net-long positions to flat or perhaps now net-short this market. I'm personally taking a beating on old-crop bushels. I had some JUL18 contracts left to price, and obviously looking back lifted my hedges a couple of weeks too early. I thought the market had been kicked hard enough regarding the Chinese trade headlines and we were going to get back to trading real value, wow, was I wrong!

From a technical perspective, the old-crop JUL18 contract has managed to blow through all support levels and has now closed at it's lowest level in over a year. The new-crop NOV18 contract, has fallen by more than -\$1.00 since late-May, but is still a ways from the \$9.27² low-close set back on June 23, 2017. It's crazy to think about, but when you look back on the charts, we've basically gone nowhere since last June. The close on June 14th of last year (2017) in the NOV18 contract was \$9.50 per bushel. Exactly one year later, yesterday, June 14th, the NOV18 contract closed at \$9.50 per bushel.

As a producer, I had been an aggressive seller on the rallies, now I'm looking for ways to start buying back a few of those previous sales. As a spec, I'm also looking for ways to start slowly building a longer-term bullish position. I personally believe we are overdone to the downside, but I'm using traditional fundamental and technical logic to make that call. That's why I'm not aggressively jumping

rights to part of the Columbia River. In 1818, a U.S.-British agreement had established the border along the 49th parallel from Lake of the Woods in the east to the Rocky Mountains in the west. The two nations also agreed to a joint occupation of Oregon territory for 10 years, an arrangement that was extended for an additional 10 years in 1827. After 1838, the issue of who possessed Oregon became increasingly controversial, especially when mass American migration along the Oregon Trail began in the early 1840s. American expansionists urged seizure of Oregon, and in 1844 Democrat James K. Polk successfully ran for president under the platform "Fifty-four forty or fight," which referred to his hope of bringing a sizable portion of present-day Vancouver and Alberta into the United States. However, neither President Polk nor the British government wanted a third Anglo-American war, and on June 15, 1846, the Oregon Treaty, a compromise, was signed. By the terms of the agreement, the U.S. and Canadian border was extended west along the 49th parallel to the Strait of Georgia, just short of the Pacific Ocean.



1863, Civil War - President Abraham Lincoln calls for help in protecting Washington, D.C., America's capital city. Throughout June, Confederate General Robert

E. Lee's Army of Northern Virginia was on the move. He had pulled his army from its position along the Rappahannock River around Fredericksburg, Virginia, and set it on the road to Pennsylvania. Lee and the Confederate leadership decided to try a second invasion of the North to take pressure off Virginia and to seize the initiative against the Army of the Potomac. The first invasion, in September 1862, failed when the Federals fought Lee's army to a standstill at the Battle of Antietam in Maryland. Lee later divided his army and sent the regiments toward the Shenandoah Valley, using the Blue Ridge Mountains as a screen. After the Confederates took Winchester, Virginia, on June 14, they were situated on the Potomac River, seemingly in a position to move on Washington, D.C. Lincoln did not know it, but Lee had no intention of attacking Washington. All Lincoln knew was that the Rebel army was moving en masse and that Union troops could not be certain as to the Confederates' location. On June 15, Lincoln put out an emergency call for 100,000 troops from the state militias of Pennsylvania, Maryland, Ohio, and West Virginia. Although the troops were not needed, and the call could not be fulfilled in such a short time, it was an indication of how little the Union authorities knew of Lee's movements and how vulnerable they thought the Federal capital was.

Upcoming Events

Fri. 6/22 - Cattle on Feed

Fri. 6/22 - Cold Storage

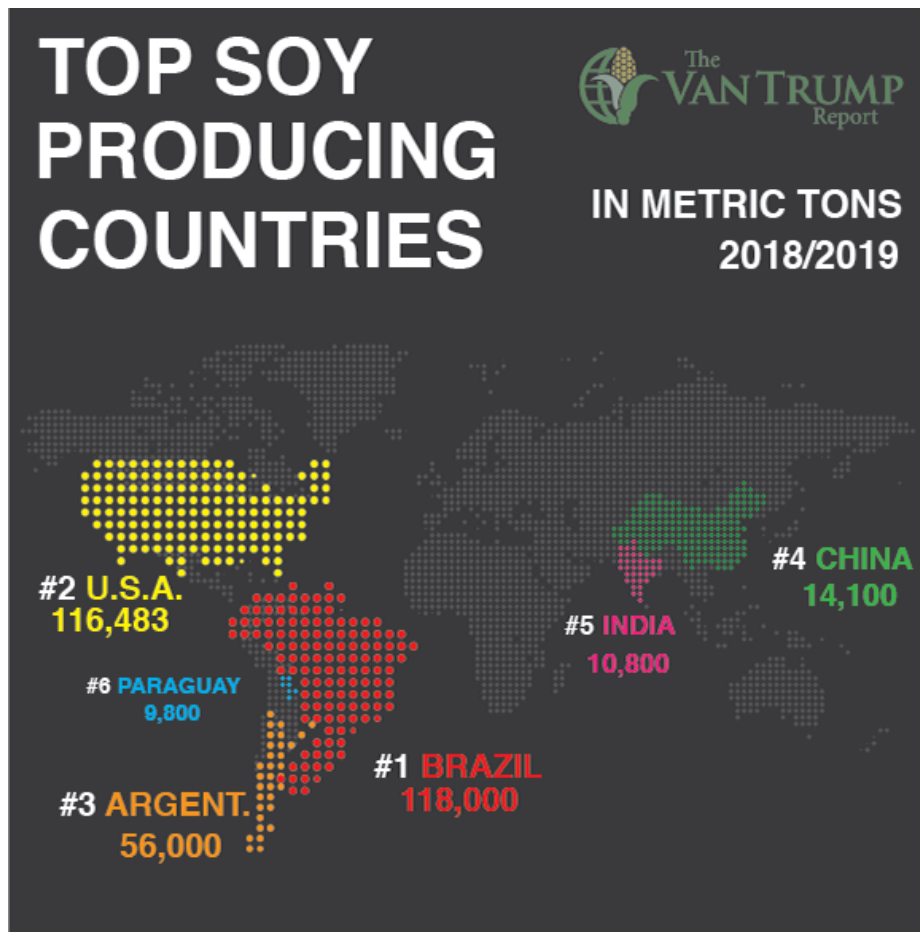
Thurs. 6/28 - Quarterly Hogs and Pigs

Fri. 6/29 - Quarterly Stocks and Acreage

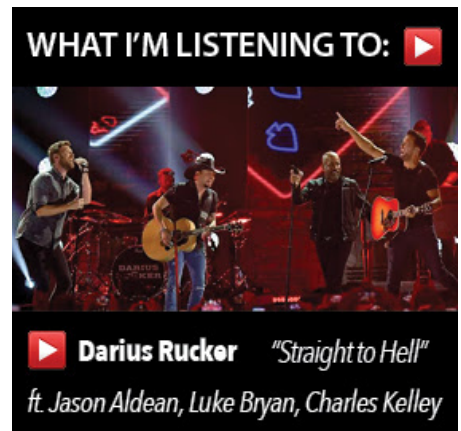
Kevin's Song of the Week

in with both feet. I've learned the past several years that the market doesn't have to listen to traditional fundamental or technical logic. It can stay irrational much longer than I can remain solvent.

It's not so much about who is selling or why, it's more about the fact there just aren't enough people on the buy-side to offset the wave of sell paper. Unfortunately, I don't know when that balance comes back into play or when the buy-side paper is going to amount to more than the sell-side pressure. That's the magic question? The traditional end-user and the traditional fundamental bull simply can't muster up enough volume to offset the larger players who are now throwing around orders in our markets. In other words, all the kings horses and all the kings men might not be able to put Humpty back together again... at least not until the negative trade headwinds start to calm down. Then why am I re-owning? I think eventually the fundamentals will come home to roost. Just as I've been saying for weeks, in our new trading world, the traditional fundamentalist shows up to the party way too early. Eventually they are right, but generally just way too early for the algos, quants, cross-hedgers and high frequency players. How much lower can we go? Just as they can over do things to the upside, we've learned they can over do things to the downside. I personally see real value at our current level, but if we catch more headlines risk surrounding trade talk, perhaps the funds could become net-short 100,000 to 200,000 contracts. From my perspective, that means we could push new-crop prices to an extreme of between \$8.80 and \$9.20 per bushel. Hence the reason I'm scaling in my re-purchases and longer-term bullish spec plays.



Wheat bears continue to point towards lack of demand and adequate global supply as reason enough to justify lower prices. Bulls believe the weather issues in the Black Sea region and parts of Australia are enough to tighten supply and reduce available exports from our worlds low-cost providers. Here at home, weather doesn't seem to be a wide-spread issue as the winter wheat harvest is well underway and the seasonal push is creating some headwind. Spring wheat areas here at home have been considered too dry, are also now receiving a little more rain. Despite improved rainfall in some areas, I continue to hear that South Dakota will still need to be monitored closely in the days ahead. There's just not a lot fresh or new in the headlines. With Black Sea production and Australian production pulling back, I want to believe U.S. exporters will start to find more interest. Unfortunately, Iraq recently tendered for 100,000 MTs and Australian wheat won the business. In other words, not until the trade really starts to see more U.S. demand will the market be able to sustain upside momentum. I don't want to be short with weather problems in the Black Sea region, but I'm not ready as of yet to be long at this level.



Kevin's Song of the Week

NEXT

level

THINKING

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

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

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

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

Kevin Van Trump

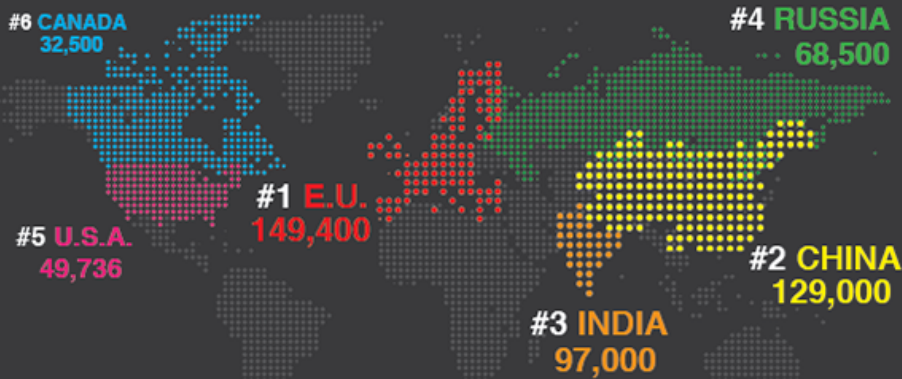
What Others Are Saying

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

TOP WHEAT PRODUCING COUNTRIES



IN METRIC TONS
2018/2019



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.

Connecting the Dots

> Japan Halts Canadian Wheat Imports on Genetically-Modified Crop: Japan's agriculture ministry has suspended imports due to the discovery of genetically-modified wheat in Alberta, according to Tetsuo Ushikusa, director for grain trade and operation at the ministry. The action is aimed at preventing cargoes containing unapproved wheat from entering Japan. (Source: Bloomberg)

> Total Grain Inspections Continue to Slide: For the week ending June 7, total inspections of grain (corn, wheat, and soybeans) for export from all major U.S. export regions reached 2.5 million metric tons, down 2% from the previous week, unchanged from last year and 33% above the 3 year average. Although total grain inspections continued to decrease, wheat and soybean inspections increased 6 and 12 percent, respectively, from the previous week.

> Diesel Fuel Price Drops Slightly: For the week ending June 11, the U.S. average diesel fuel price decreased -2 cents from the previous week at \$3.27 per gallon, but is still +74 cents higher than the same week last year. (Source: EIA, DoE)

> Hawaii Bans Chlorpyrifos Pesticides by 2023: The Hawaii Governor signed a bill into law making it the first state in the U.S. to ban pesticides with chlorpyrifos. The bill was unanimously approved by the state legislature. The law also prohibits the spraying of pesticides within 100 feet of schools during normal school hours. Proponents of the bill pointed to studies that have shown a link between prenatal exposure to the chemical and developmental issues in children, like reduce IQ, attention disorders and working memory problems. They also found farm workers who have been exposed to high levels of chlorpyrifos have been found to be at higher risk of lung cancer and immune disorders. (Source: AgPro)

> Syngenta's Enogen Corn Has Agreements With 30 Plants: If you remember, Enogen corn is a seed innovation available exclusively from Syngenta and features the first biotech trait designed to enhance ethanol production. The company has now

announced they have agreements in place with more than 30 ethanol plants with a combined production capacity of approximately 3 billion gallons. Producers who grow Enogen corn are eligible to earn a premium for their corn. In 2018, Enogen corn is expected to generate an estimated \$28.5 million of additional revenue for growers. Definitely an interesting opportunity for producers out there looking to diversify a bit. (Source: Ethanol Producer)

> Sorghum Buyers From Mexico Pay U.S. A Visit: A team of Mexican grain importers and feed millers from the National Association of Food Manufacturers for Animal Consumption (ANFACA) will visit the United States June 18-22 to tour major sorghum growing areas, develop new relationships as well as continue to strengthen existing relationships with U.S. suppliers. The group of buyers selected by the U.S. Grains Council represents companies from central and northern Mexico, including the state of Jalisco, the No. 1 livestock producing state in the country, Michoacán and Sonora. Mexico is the fourth largest producer of livestock feed worldwide accounting for 33.87 million tonnes. Of this total, Jalisco, Sonora and Michoacán contribute to a combined 31% of overall production.

> New Nielsen Report On Consumer Food Purchase Sentiment: Nearly 65% of U.S. households buy sustainable products, according to the Nielsen report. The greatest sales growth in that area comes from products that claim sustainable farming (+14%), social responsibility (+8%), sustainable resource management (+6%) and sustainable seafood (+3%.) Nielsen also found 67% of consumers wanted to know everything that goes into the food they buy. And 46% of Americans said food product claims have a direct influence on their purchases, including words such as "organic," "natural," and "free from." Still, consumers increasingly read ingredients labels because they don't necessarily trust generic health claims. They are much more likely to trust FDA-claims such as "low sodium" or "heart healthy." (Source: fooddive)

> Tesla Wins Bid to Build High-Speed Underground Rail in Chicago: Elon Musk's underground transportation business, The Boring Company, has won a bid to create an underground high-speed rail line from downtown Chicago to O'Hare International Airport. The company beat out at least four other developers for the project. Unlike Musk's much-hyped plan for a Hyperloop, this new proposal is for a slower system that Musk is simply calling Loop. The Loop is expected to take passengers the roughly 18 miles between downtown Chicago and O'Hare in about 12 minutes. The existing above-ground Blue Line trains currently take about 40 - 45 minutes to travel that route. From what I have seen, there are no numbers being released on cost or a timeline of when this will happen. (Source: Gizmodo)

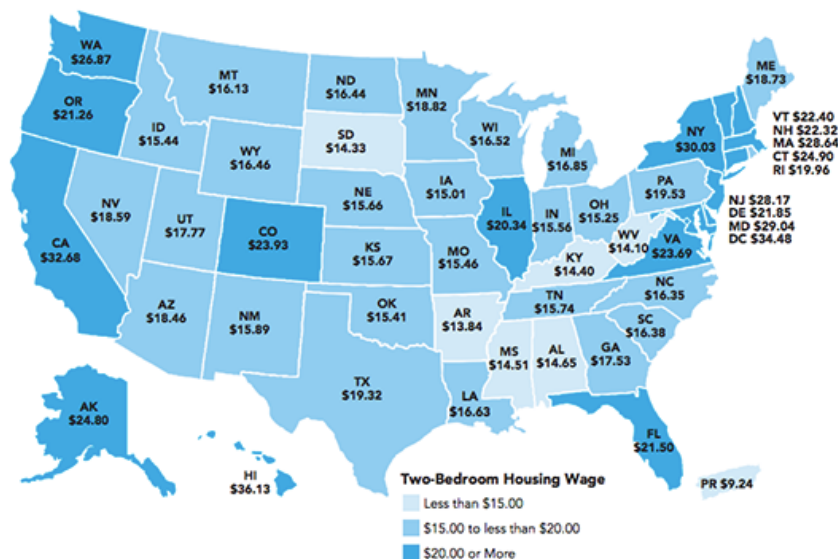
> Student Debt Continues To Climb: Nearly 45 million people carry student debt in the U.S.—the total amount has more than doubled over the past decade to \$1.4 trillion.

> Affordable Housing Is Hard To Find For Minimum Wagers: The report from the National Low Income Housing Coalition found that it is virtually impossible for a minimum wage worker to afford a fairly priced two-bedroom apartment in any state in the country. The map below shows the "housing wage" for a two-bedroom apartment by state. The study's authors created the metric by calculating "the hourly wage a full-time worker must earn to afford a rental home at HUD's fair market rent (FMR) without spending more than 30% of his or her income on housing costs." (Source: [splinter.com](https://www.nlihc.org/publications/2018-two-bedroom-rental-housing-wages))



2018 TWO-BEDROOM RENTAL HOUSING WAGES

Represents the hourly wage that a household must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a **TWO-BEDROOM RENTAL HOME**, without paying more than 30% of their income.





FROM THE FIELD

Northcentral North Dakota - Things have been terribly dry in our area until we received an inch of rain recently. It was a tough winter up here for a lot of folks as the harsh winter wreaked havoc with their cattle operations. The high cost of hay disrupted lots of budgets around here - normally \$50 a bale, but averaged \$150 this winter during the shortage. On top of that we had losses of cattle in the field during our snow events as folks couldn't get out there during the worst parts. As I drive around the southern part of the state, I'm seeing wheat headed out and if all goes well harvest is only a month away for them. Nothing much new going on up here, most everyone sticking with pulse crops and some spring wheat along with cattle.

Southcentral Iowa - We had a pretty big rain Thursday morning. We got nearly 4 inches of rain in 2 hours in our specific area. We were in need of rain but we definitely didn't need rain this fast. I have heard everything across Iowa from .10 all the way to the top of the rain gauge. I even heard a couple guys got golf ball size hail all the way down to pea size that only lasted a few minutes. The weather has certainly been unpredictable. We, fortunately didn't have any damage and will continue with spraying when things dry out a bit. Things have emerged ok where we are at but there are some not far away really struggling with heat issues and suffering crops.

Northeast North Dakota - We had one pop up hailstorm that hit some acres. We had soybeans planted in there and we are put back in soybeans after the hail. They are Dicamba soybeans so we are going over the top right after with Dicamba and Holganix BIO 800+. We just got this new product from Holganix and they shipped it to us in boxes rapped in blankets to keep it cool. It was about 45 degrees when I open the boxes and it going straight into the sprayer.. we will attempt to spray tonight as soon as the wind dies down. We spray at a slight angle to the crop so I don't run over as much seed or freshly emerged soybeans. We are excited to see how this product works.



CROSSING WIRES

A place to share intelligent thoughts...

Exclusive: Mexico Studies Tariffs on Billions of Dollars of U.S. Corn, Soy: *Mexico could strike at \$4 billion in annual imports of U.S. corn and soybeans if President Donald Trump escalates a trade spat with new tariffs, officials told Reuters this week, and it is studying how to reduce the pain of such a move. Read more at [Reuters](#).*

Illegal HT Cotton Seed Thrives In The Indian Market: *Following the Delhi High Court's rejection of Monsanto's patent rights in April, the sale of illegal or unapproved cotton seeds on the black market in India has continued unabated amid a dearth of new variants from established seed producers. Despite being well above the price of approved BT cotton seeds, farmers are buying illegal HT cotton seeds in droves because there's a shortage in the supply of new and approved variants. From what I understand, with less than a year to go to national elections and considering farmers are an important vote bloc, the government likely will to not crack down on sales of these seeds in the absence of other alternatives. Read more [HERE](#).*

"Cal 3" Initiative Makes It To November Ballot: *The "Cal 3" initiative is driven by venture capitalist Tim Draper, who has tried and failed in the past to place an effort to break up California on the ballot, including a bid in 2016 to create six separate states. Backers of the measure argue California has become "ungovernable" because of its economic and geographic diversity as well as its population approaching 40 million people. Election officials say this year's effort gathered the roughly 365,000 signatures it needed to land on the general election ballot. It will be officially certified later this month. Even if it wins passage from voters, the measure would face significant hurdles. Check them out [HERE](#).*

Commercial Flights Hope To Break Sound Barrier By 2023: *It has been 15 years since the Concorde was grounded and commercial flight slowed to subsonic rates. But a new wave of aviation startups is gunning to break the sound barrier as soon as 2023. The new breed of supersonic aircraft brings a reduction in both noise and environmental pollution. Aviation startups are developing planes with two engines (compared with the Concorde's four) and lower cruising speeds of Mach 1.1 to Mach 1.6. Along with thinner noses, this will minimize sonic boom and possibly allow for overland flights. Check out the details [HERE](#)*

China Adds Vehicle Surveillance To Track Its Citizens: China will add RFID chips to all vehicles in order to add another level of surveillance on its citizens. Keep in mind the nation's law enforcement agencies have already littered cities with surveillance cameras in both private and public spaces and earlier this year shared their intention to combine them into a single network, called "Sharp Eyes," that will be linked to facial recognition technology and artificial intelligence capable of tracking and surviving individuals. Though optional this year, it becomes mandatory in 2019. Read more [HERE](#).

This Solar Powered Car Won't Need A Charging Station: German manufacturer Sono Motors is taking pre-orders for its Sion solar-powered car, with the vehicles due on Europe's roads in 2019. Keep in mind, these are not EV's in need of recharging but rather solar powered cars that, in theory, could go on and on. Even if the Sion's battery was empty, its manufacturer says the car could drive 30km per day. Interestingly, if this technology were to work, it might overcome the biggest hurdle to full-scale adoptions...lack of charging infrastructure. Sono Motors is not the only company releasing a solar powered car. Read more [HERE](#).

The Rise of Electric Cars

By 2022 electric vehicles will cost the same as their internal-combustion counterparts. That's the point of liftoff for sales.

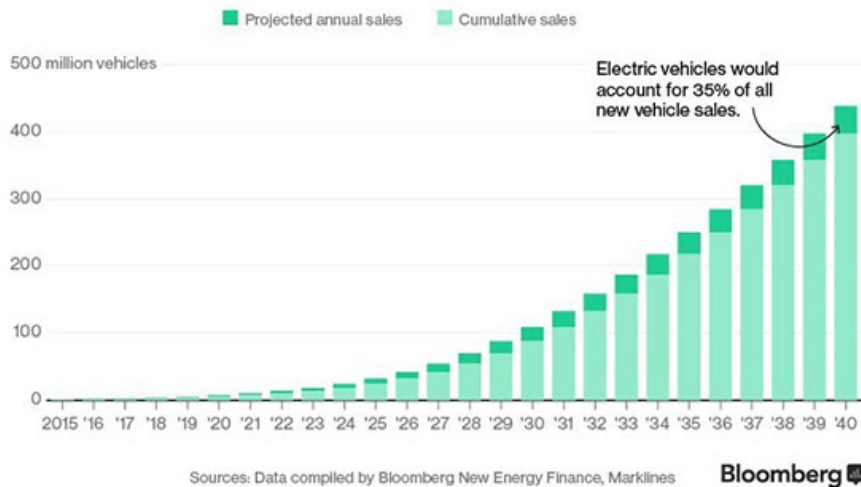
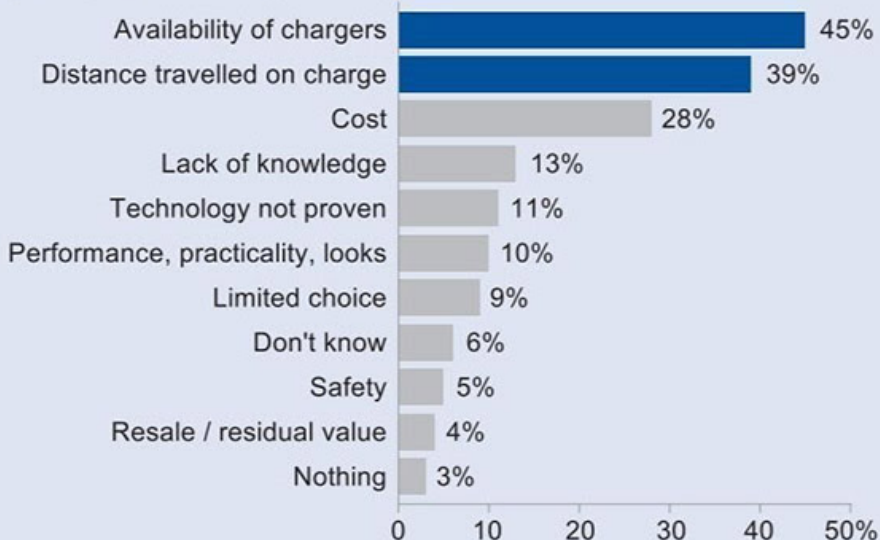


Figure 5: Lack of charger availability is the main barrier to EV adoption

Reason for not purchasing an EV
(multiple selections possible)



Source: UK Department for Transport (2016), N=649 licence holders

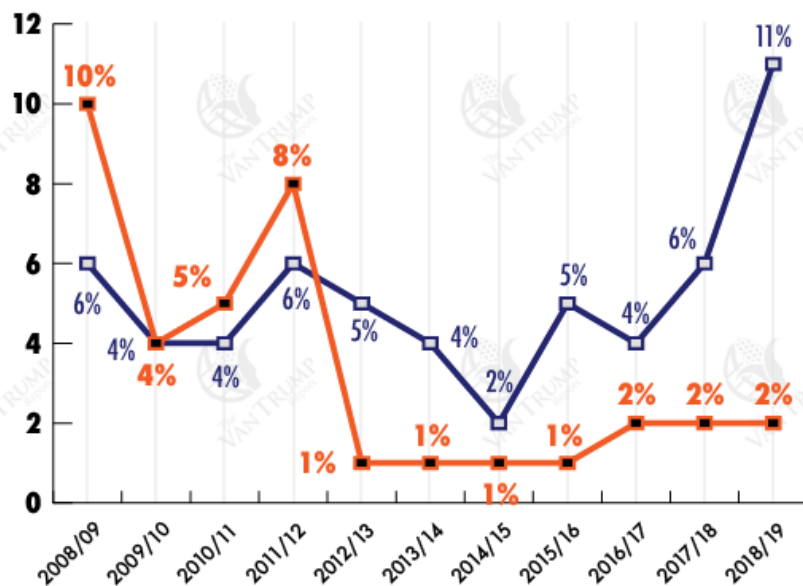


Brazil Remains A Major Competitor to U.S. Soybean Exporters

With Brazilian soybean production currently estimated at yet another all-time record — 119 million metric tons — Brazil has ample supplies for export in 2018. Adding to this competitive pressure is the continued weakening of the Brazilian currency relative to the U.S. dollar, as political and economic uncertainty has helped drive it to low levels. The weaker currency generally brings pricing power as it allows them to offer cheaper prices to global buyers. But U.S. producers and exporters have been dealing with this pricing situation for most of the decade, so it's not a major surprise. While short crops and strong global demand in the early part of the decade helped all exporters draw down stocks, the large crops of the past few years have led to stock building, much of the rebuilding occurring in the U.S. Since 2014/15 when stocks in both Brazil and the U.S. reached minimum levels, Brazilian stocks have remained relatively unchanged, while stocks in the U.S., as a percent of supplies, are projected to be about 11% in the coming year. Furthermore, not only has the difference in currency valuation helped Brazil in regard to exports, but it has also encouraged Brazilian producers to continue with acreage expansion. Ultimately, as long as U.S. exporters have to continue battling a weaker Brazilian currency, this trend of Brazil gaining more marketshare will likely continue. While that outlook isn't ideal for U.S. producers, especially nearby, there's thought that Brazil will likely clear out all of its 2018 crop fairly early this year. With strong global demand, Brazil running out of exports early and smaller supplies being available from Argentina and Uruguay, this could create lack of supply in the global marketplace in the latter half of 2018. Meaning, despite a weak Brazilian currency, reduced competition in the global soybean market, could boost U.S. exports in late-2018 and early-2019. (Source: USDA, FAS June 2018)

Soybean Beginning Stocks as a Percent of Supply

U.S. ■ Brazil ■



Source: USDA, FAS Oilseeds: World Markets and Trade June, 2018)

College World Series... What You Need To Know

The 72nd Men's College World Series kicks off Saturday in Omaha, Nebraska. Eight teams have made it to the big dance and will now be competing during the next 10-days to see who will be crowned World Series Champs. The first game at TD Ameritrade Park in Omaha will start on Saturday, June 16 at 2 p.m. CST, which will feature #3 ranked Oregon State (49-10-1) against #6 ranked [North Carolina \(43-18\)](#), the game will be shown on ESPN. The second game on Saturday features two nationally unranked teams, Washington (35-24) against Mississippi State (37-27), which will begin at 7 p.m. CST. Sunday's games will feature #5 ranked Arkansas (44-19) vs. #13 ranked Texas

(42-21), which is scheduled to start at 1 p.m. CST. The second game on Sunday will feature the defending champions and #1 ranked Florida (47-19) squaring off against #9 ranked Texas Tech (44-18). Florida had one of the most exciting roads to Omaha, beating Auburn in game three, which they won with a 12th inning home run and a steal swiping home plate that allowed the team to play in extra innings. Remember, this tournament is "double elimination," so if the team you're rooting for has a bad game then they have a chance to make up for it. The championship of this tournament will take place June 26th and if necessary June 27th. Personally, I'm pulling for the hogs to win this whole thing. The Razorbacks have been to nine College World Series and never won, so I'm hoping this is their year! Below are a few fun facts...

Washington will be playing in their first-ever College World Series. The Huskies enter the Series ranked last among the eight teams in runs scored, 75 fewer than the seventh-ranked Longhorns. In fact, they only have two hitters with more than 35 RBIs on the season. One of these players is Joe Wainhouse, who is 6 foot 6 inches. Wainhouse leads the team with 19 home runs this season. It will be interesting to see if they can manufacture enough runs against some of the offensive powers in the tournament. Four Huskies were selected in the Major League Baseball Draft. This is one team out of the eight that people ask how did they get here, which happens every year.

Texas is making their 36th appearance in the College World Series. The Longhorns' six national championships rank tied for second all-time behind only USC (12 titles) as they are seeking their first since 2005. Five Texas players were taken in the Major League Baseball Draft, including Kody Clemens, who was selected with the first pick of the third round. Kody's father, Roger Clemens, was a former Longhorn back in his day. Clemens gave all 4 of his son's names with the first letter K, you know like strikeouts. You may think Kory is a dominant pitcher, but he has actually had a better bat as of late hitting three home runs in one game. Pitchers better be careful when he comes up to the plate.

Florida is looking to become the seventh team in NCAA history to repeat as national champs. Oregon State was the last team to repeat as champions when the Beavers beat UNC in back-to-back-years in 2006 and 2007. This is the school's fourth consecutive trip to Omaha and its seventh appearance in the last 11 years under head coach Kevin O'Sullivan. All seven of their appearances in this tournament have come after 1988. The Gators have two of the most valuable players in all of college baseball. Jonathan India, the SEC Player of the Year, was selected fifth overall in the draft. The Gators also have Brady Singer, SEC Pitcher of the Year, who was selected 18th overall in the draft. Florida has a lot of talent looking to be the eighth team in history to win back to back national championships.

Oregon State hasn't lost a series since early-April and has won all five games in the postseason by a combined score of 49-8. Head coach Pat Casey has led the Beavers to all 15 of the program's wins in Omaha. This team has more pop than any in the country; the team's 59 home runs are one shy of the school record. It isn't outrageous to say the Beavers are the hottest team entering the College World Series and seem to be playing their most complete baseball — offense, pitching, and fielding — of the season as they arrive in Omaha. I should also note that six Beavers were selected in the Major League Baseball Draft, including shortstop Nick Madrigal, who was selected fourth overall.

Mississippi State Bulldogs are back in the CWS for the third time since 2000. Their record shows they aren't the best team in the tournament this year after finishing 5th in the SEC West. The Bulldogs are one of the hottest teams right now though winning the past 5 elimination games and beating Florida State, which was nationally ranked 7th. Mississippi State had seven players selected in the Major League Baseball Draft. The player to watch on this team is Elijah MacNamee, who has hit 5 home runs in the NCAA tournament so far including two walk-offs against Florida State and Vanderbilt.

Texas Tech Red Raiders are back in Omaha for the third time in five seasons, led by some powerful bats. In fact, a total of only four players in the College World Series have produced more than 70 RBI this season, and two of them are batting #3 and #4 for Texas Tech. Red Raiders' third basemen Josh Jung (78 RBI) and left fielder Grant Little (73) have produced more runs batted in than anyone playing in Omaha, joining Texas' Kody Clemens (72) and Oregon State's Adley Rutschman (70) as the only players with at least 70 RBI. A program-record 11 Texas Tech players were taken in the Major League Baseball Draft.

North Carolina coach Mike Fox has reached Omaha a total of seven times since he took over the program in 1999. This will also be the 11th College

World Series appearance for the university. Their best finish ever has been second, which they accomplished in 2006 and 2007. The Tar Heels haven't been to the College World Series since 2013. During the years between 2006 and 2013, North Carolina appeared in the tournament 6 of the years, which 4 of them were consecutive. This program also broke a record this year, which was 10 North Carolina players were selected in the Major League Baseball Draft.

Arkansas Razorback head coach Dave Van Horn has the Razorbacks back in Omaha for the fifth time since he took over after leaving Nebraska. This is the fifth time the Hogs have been in the tournament since 2004. Their best finish was in second 1979. Eleven Arkansas players were taken in the Major League Baseball Draft, making it among the most impressive in program history. Carson Shaddy is the main player to watch on this team who is having an excellent year. Shaddy was in shambles last year after blowing the regional home for the Razorbacks. Shaddy has now almost single-handedly taken his team back to Omaha. The team is not a disappointment by any means, though. The Razorback's batting average has been over .300 all year and 4 players have hit over 10 home runs this season.





2018 NCAA Men's College World Series
TD Ameritrade Park Omaha - Omaha, Nebraska
June 16-26/27

BRACKET 1

*Oregon St. (49-10-1)

Game 1
Saturday, June 16
2 p.m.
ESPN
North Carolina (43-18)

*Mississippi St. (37-27)

Game 2
Saturday, June 16
7 p.m.
ESPN
Washington (35-24)

Game 5
Monday, June 18
1 p.m.
ESPN

Game 6
Monday, June 18
6 p.m.
ESPN

Game 11
Friday, June 22
2 p.m.
ESPN

*Bracket 1
(if necessary)
Saturday, June 23
TBA
ESPN

Loser Game 11 (if first loss)

**BRACKET 1
WINNER**

CWS Finals
(Best two-of-three)
Game One - Monday, June 25
6 p.m. ESPN
Game Two - Tuesday, June 26
6 p.m. ESPN
#Game Three - Wednesday, June 27
6 p.m. (if necessary) ESPN

**NATIONAL
CHAMPION**

BRACKET 2

*Arkansas (44-19)

Game 3
Sunday, June 17
1 p.m.
ESPN
Texas (42-21)

*Florida (47-19)

Game 4
Sunday, June 17
6 p.m.
ESPN2
Texas Tech (44-18)

Game 7
Tuesday, June 19
1 p.m.
ESPN

Game 8
Tuesday, June 19
6 p.m.
ESPN

Game 12
Friday, June 22
7 p.m.
ESPN

*Bracket 2
(if necessary)
Saturday, June 23
TBA
ESPN

Loser Game 12 (if first loss)

**BRACKET 2
WINNER**



All times Central. *Home Team

*Bracket 1 will be necessary if the winner of Game 9 also wins Game 11. If it is the only game scheduled for that day, the game will tentatively start at 7 p.m. If there are two games for that day, the game will tentatively start at 2 p.m.

Happy Father's Day... For All The Things You Didn't Do!

I've ran this Fathers Day rant of mine in the past, but we always hear such positive feedback, I wanted to pass it along again as it always makes me think. I hope everyone has a safe and happy fathers day! As many of you know I recently lost my father-in-law, so I'm expecting it might be a rough day around our house, especially for my wife and mother-in-law. He was a great man and will be forever missed.

In the hustle and bustle of life, I can't lie, I have in the past forgotten Father's Day. Maybe it's because my Dad has never expected or asked for any type of accolades, gifts of accomplishment for what he provided. We never had a lot growing up, but certainly enough to get us by. My Dad never asked for thanks for working overtime or for the countless hours moonlighting so we could have a few extras. He also never asked for repayment for the many valuable lessons he has taught me through life. Most of all my Dad never let me quit or take the easy way out. My parents were young when I was born and my father spent the first few years of my life in Vietnam. He taught me that life was tough and nothing came easy or for free. He never made excuses for my lack of success or failures. He never went to the school to talk to a teacher or complain about one of my coaches. He never tried to manipulate the system by getting me on a better team. He taught me that while it might be a tough "road-to-hoe," my success or failure would exclusively rest on my own merits and efforts. I have tried to parent in a similar way, but have found just how difficult it can be watching our children struggle and often fail. As parents we want to do all we can for our children, unfortunately I am of the belief this is ALL wrong. I believe our society, somewhere along the path, has taken a wrong turn in parenting. I suspect most are thinking they are doing "good"... when in actuality they might be doing "harm." I often find myself surrounded by parents who are desperately trying to make the road "easier" for their children. Switching them out of a class where the teacher might be considered mean or they have heard maybe not as good as

another; removing them from a team because the coach won't let them play their favorite position; blaming the coaches for their kid not getting a college scholarship; blaming the school or someone else for disciplinary problems. Sure there are times I thought my old man was insanely tough on me: Dropping me off in the mornings on his way into work at around 5:00am, at the age of 12, so I could throw hay for \$0.01 a bale, then picking me up on his way home at around 7:00pm; Not letting me quit the basketball team my Sophomore year when the Varsity coach told me I wasn't going to be a starter (truth be told, my Dad said there was no @\$% way I was going to quit when he just spent \$30 on a pair of new basketball shoes); or when I was being bullied at school, he told me to stay the hell away from the kids or find a way to fight back, as he was tired of hearing me complain about it. He certainly didn't go to the school and blame the staff for allowing it to happen... instead he blamed me for allowing it. He taught me that often times in life the "best" decisions aren't the ones that appear to be the easiest or the ones that make us feel good. Bottom-line, here is to you Dad, not only for the things you did do...but also for all of those things you didn't do! I am glad you were NOT like all of the others. When you read the short passage below regarding the butterfly, think about the decisions you are making for your children. Are you doing what appears to make things easier for them or doing what is BEST for them?



The Butterfly

by Author Unknown

A man found a cocoon of a butterfly. One day a small opening appeared. He sat and watched the butterfly for several hours as it struggled to force its body through that little hole. Then it seemed to stop making any progress. It appeared as if it had gotten as far as it could, and it could go no further.

So the man decided to help the butterfly. He took a pair of scissors and snipped off the remaining bit of the cocoon.

The butterfly then emerged easily. But it had a swollen body and small, shriveled wings.

The man continued to watch the butterfly because he expected that, at any moment, the wings would enlarge and expand to be able to support the body, which would contract in time.

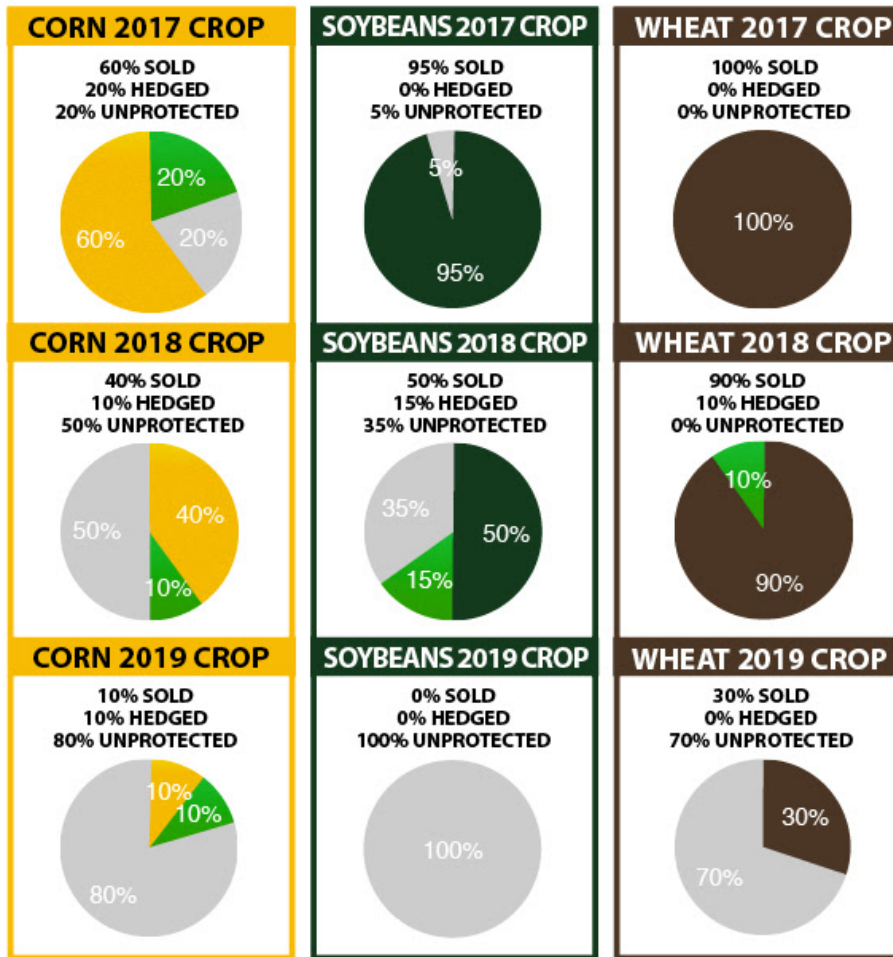
Neither happened! In fact, the butterfly spent the rest of its life crawling around with a swollen body and shriveled wings. It never was able to fly.

What the man, in his kindness and haste, did not understand was that the restricting cocoon and the struggle required for the butterfly to get through the tiny opening were God's way of forcing fluid from the body of the butterfly into its wings so that it would be ready for flight once it achieved its freedom from the cocoon.



ANSWER to riddle: String.

CASH SALES & HEDGING TOTALS



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Fri, Jun 15, 2018 at 6:14 AM

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