

## GOOD MORNING: 06/28/18 Farm Direction - Van Trump Report

2 messages

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*"The saddest aspect of life right now is that science gathers knowledge faster than society gathers wisdom."* — **Isaac Asimov**

**SPECIAL HOLIDAY SCHEDULE - NO REPORTS NEXT WEEK!** Please remember, I give myself and others in the office two weeks off per year to spend time with friends and family. One week is between Christmas and New Years, the other is the week of July 4th. With this in mind, there will be no Van Trump Reports released next week. If there is any major announcement from Washington regarding trade or a major move in the markets I will send paid subscribers a "Special Report" including my current thoughts. We will resume full-service on Monday July 9th. I'm hoping when we return, the markets will be in a much better mood. I wish you and your family a safe and happy Independence Day!

**THURSDAY, JUNE 28, 2018**

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**Morning Summary:** Stocks are steady this morning, but investors have backpedal a bit as global trade uncertainty continues to loom overhead. The stock market is down about -6% from its peak back in January. Technically, the blue-chip Dow Industrial average has now closed below its 200-day moving average for three straight sessions, while the S&P 500 is trading below its 50-day moving average. On top of the negative headlines surrounding trade, there are also some headwinds created by the U.S. dollar being up +5% this quarter and crude oil being up nearly +60% over the past year. With more extreme volatility also returning to the market, some insiders are thinking we might be about to enter another correction cycle. I'm not personally in that camp, nor that bearish, but I have become much more selective with my holdings and overall approach towards the market. Keep in mind, several large trading groups are still forecasting strong economic growth for the U.S.. In fact, some are thinking upcoming data will show the U.S. economy at +5% growth in the period running from April to June, perhaps one of the highest economic growth periods we've seen in the past 15 years. The Atlanta Federal Reserve is estimating the U.S. economy expand at +4.5% during the second quarter. For what it's worth, in the fall of 2014, U.S. economic growth pushed to +5.2%. Prior to the brief stint in 2014, we hadn't topped +5% economic growth in any quarter since 2003. In fact, the economy hasn't topped +3% "annual growth" for 12 straight years, the longest streak in modern U.S. history. So I'm thinking if we were to catch a quarterly print anywhere near +5% it would be tough to keep the bulls sidelined. On the flip side, more talk about trade wars and rising oil prices could certainly keep a lid on any nearby rally. Oil prices are now at their highest level of the year as U.S. inventories have drawn down more than the trade expected. From what I'm understanding, and perhaps oversimplified, U.S. exports are running at a greater pace than forecast, while imports from Saudi Arabia and Canada are coming in less than forecast. An outage at Syncrude up in Canada has also threatened to remove about -350,000 barrels per day from the market through at least July. Which means oil supplies here at home are probably going to stay tight for an extended period.

### "Swing Vote" Judge Anthony Kennedy Retiring From Supreme Court:

*Kennedy's departure could have massive effects on U.S. policy. He was a California law professor and attorney that was appointed to the Supreme Court by President Ronald Reagan back in 1987. Though appointed by a Republican president, Kennedy is not easily pigeonholed ideologically. He has tended to look at cases individually instead of deciding them on the basis of a rigid ideology. He has often been the "swing vote" for many major cases the past three decades. His announcement to retire immediately raised questions about the importance of the upcoming mid-term elections. In a statement, the Supreme*



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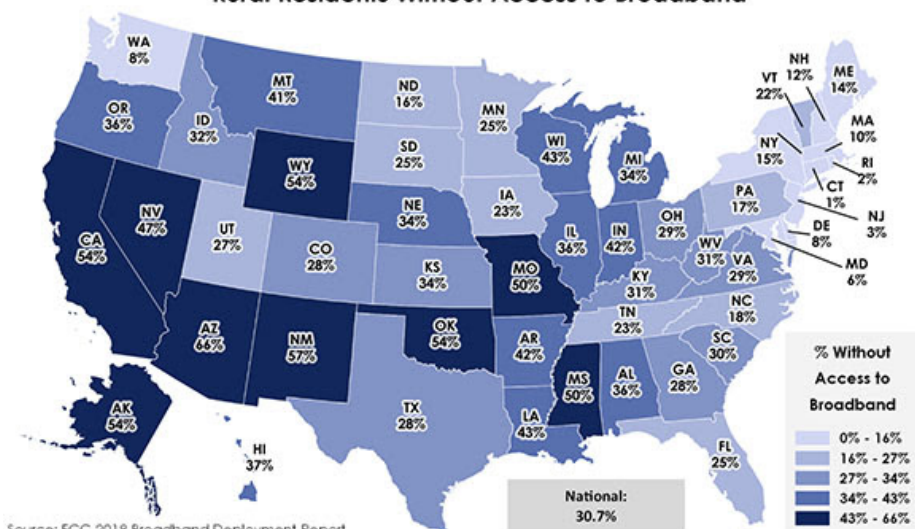


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Court said the 81-year-old Kennedy will step down effective July 31. The judge called it "the greatest honor and privilege to serve our nation in the federal judiciary for 43 years, 30 of those years in the Supreme Court." Kennedy wants to spend more time with his family. Replacing Kennedy will have a massive long-term effect on the highest U.S. court. It will be interesting to see how things play out.

**Rural America Needs Better Internet Access:** More than 30% of rural residents lack broadband access, compared to just 2 percent for urban residents. It is critical that rural America connects to high-speed internet, which would help open doors of economic and educational opportunity. Across rural America, insufficient broadband access is thought to be holding back growth in a major way. The graphic below shows some of the worst areas. As you can see the heart of the country certainly needs some help. I have to imagine it would help boost productivity and overall GDP. (Source: USDA)

#### Rural Residents Without Access to Broadband



Source: FCC 2018 Broadband Deployment Report  
 Note: Broadband is defined as fixed internet with download speeds of 25 Mbps or greater and upload speeds of 3 Mbps or greater; percent shown is the share of rural residents within the state without access to at least one provider that meets that definition; rural is defined based on Census definitions from 2010

## Kansas City, Mo

Over 700 In Attendance Last Year:

Many of the Largest Producers in our Country

CEO's, and Ag Executives

Traders and Hedge Fund Managers

Bank Presidents, FDIC members

Grain Merchandisers, Exporters, Analyst

Leading Ag Retailers

Livestock Executives

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## 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:

You're always cool with me,

Even cooler when I'm high.

What am I?

**Weather** forecasts are calling for mostly favorable conditions for developing Midwest crops during the next five to seven days. A brief hot spell followed by thunderstorms will mostly be favorable, except during periods of afternoon heat. After that, the formation of hot upper-air high pressure ridging over the central U.S. will bear close monitoring due to the prospect of hot and dry conditions developing through early July.

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

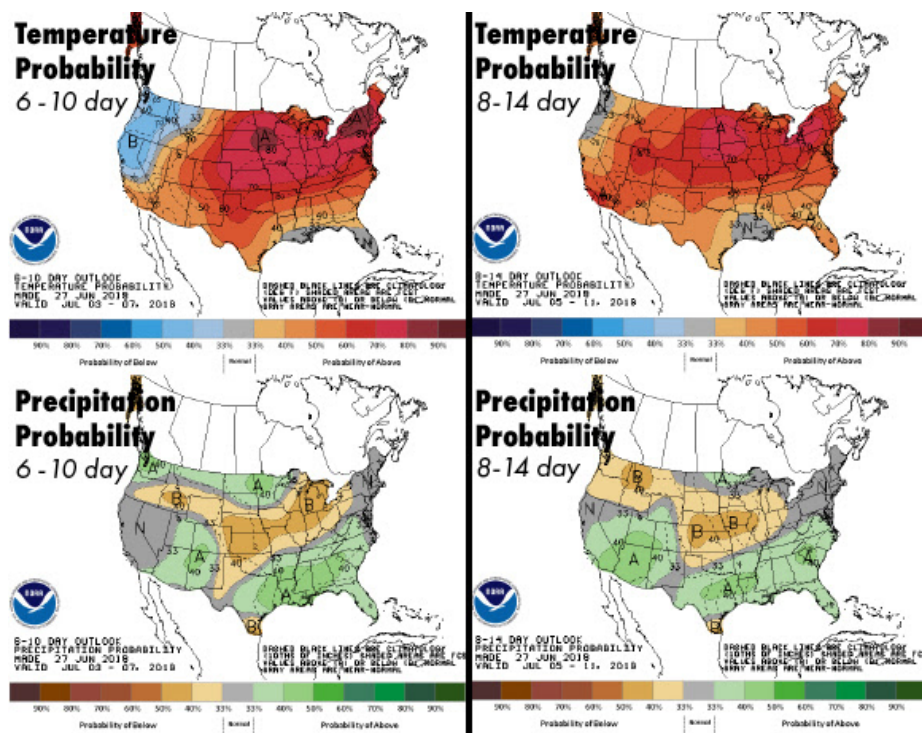
- John Wooden

The  
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This is a key topic, as corn heads into pollination. A return of hot and dry conditions in the southern Plains during the next week to 10 days will favor wheat harvest. However, corn and soybeans, especially pollinating corn, will undergo increased soil moisture loss and crop stress. On June 24, at least one-quarter of the corn (25%), cotton (30%), and sorghum (30%) was rated poor to very poor. Looking ahead, hot weather will further expand across the country. By week's end, above normal temperatures will cover the eastern half of the U.S., while a brief surge of cool air will overspread the Rockies, Plains and upper Midwest. Heat will reintensify, however, across the Far West. At the height of the mid to late week heat wave, multiple days of 100 degree heat can be expected across the central and southern Plains. Elsewhere, periods of showers will affect the northern Plains, Midwest and East, while mostly dry weather will prevail from the Pacific Coast to the southern Plains. Taking a look below, the 6 to 10 day and the 8 to 14 day really says all you need to know. It's going to be hot and dry. I continue to hear about overnight low temperatures being way above normal and much higher than what you want to see going into corn's pollination phase. Click image below for larger view.



**Corn** bulls are keeping a close eye on the extreme heat building across the nations midsection. Several areas in Kansas and Missouri are reporting record breaking temps in the 100s. The questions are how long will the heat last, will it shift to the eastern portion of the belt, and how long will some areas have to go before their next drink? I'm starting to field more questions and hear more talk about yield. I suspect the over/under at the moment stands at around 175 or perhaps 176. The USDA currently has the U.S. average yield estimated at 174 bushels per acre, as they elected to leave it "unchanged" in last months report. Demand remains strong but not of real interest to the trade. The much sexier headlines are obviously those pimping the possibility of a full-blown trade war with China or any of the NAFTA nations. I'm hoping the more extreme heat and potential lack of rainfall over the next several sessions can help spark some bullish interest. The U.S. crop is advancing rather rapidly and in some areas is beginning to enter the more critical pollination stage.



#### Today In History



**1836, James Madison** - Madison was not only a drafter of the Constitution, recorder of Constitutional Convention, an author of the "Federalist

Papers", and fourth president of the United States He would die on this day while at his tobacco plantation in Virginia. Madison was one of the key founders who first distinguished himself as a student at the College of New Jersey, now Princeton University, where he successfully completed a four-year course of study in two years and, in 1769, helped found the American Whig Society, the second literary and debate society at Princeton and the world, to rival the previously established Cliosophic Society. After a bout of poor health, Madison was sufficiently recovered by 1776 and served three years in the legislature of the new state of Virginia, where he came to know and admire Thomas Jefferson. In this capacity, he assisted with the drafting of the Virginia Declaration of Religious Freedom and the critical decision for Virginia to cede its western claims to the Continental Congress. What most remember from history classes is Madison's critical role in the Constitutional Convention of 1787, where he presented the Virginia Plan to the assembled delegates in Philadelphia and oversaw the difficult process of negotiation and compromise that led to the drafting of the final Constitution. Madison's published "Notes on the Convention" are considered the most detailed and accurate account of what occurred in the closed-session debates. In 1794, Madison married a young widow, Dolley Payne Todd, who would prove to be Washington, D.C.'s finest hostess during Madison's years as secretary of state to the widowed Thomas Jefferson and then as the fourth president of the United States from 1809 to 1817. Dolley Madison earned a special place in the nation's memory for saving a portrait of George Washington before fleeing the burning White House during the War of 1812. Madison's presidency would be tested by this war as Federalists were staunchly opposed to war with the British, and threatened to secede from the Union during the Harford Convention. When the

# Corn Growth Stages

Corn plant development can be divided into vegetative (V) and reproductive (R) stages. The (V) stages are designated numerically as V1, V2, V3, etc. through V(n) where (n) represents the number of leaves with visible collars. The first and last (V) stages are designated as VE (emergence) and VT (tasseling). The six reproductive stages are simply designated numerically.

Each leaf stage is defined according to the uppermost leaf whose leaf collar is visible. Loss of the lower leaves will begin about V6 due to increase stalk size and nodal root growth. To determine the proper leaf stage after lower leaf loss, split the stalk lengthwise and inspect for internode elongation. The first node above the first elongated internode is generally the fifth leaf node. This fifth leaf node can be used as a reference point for counting the top leaf collar.

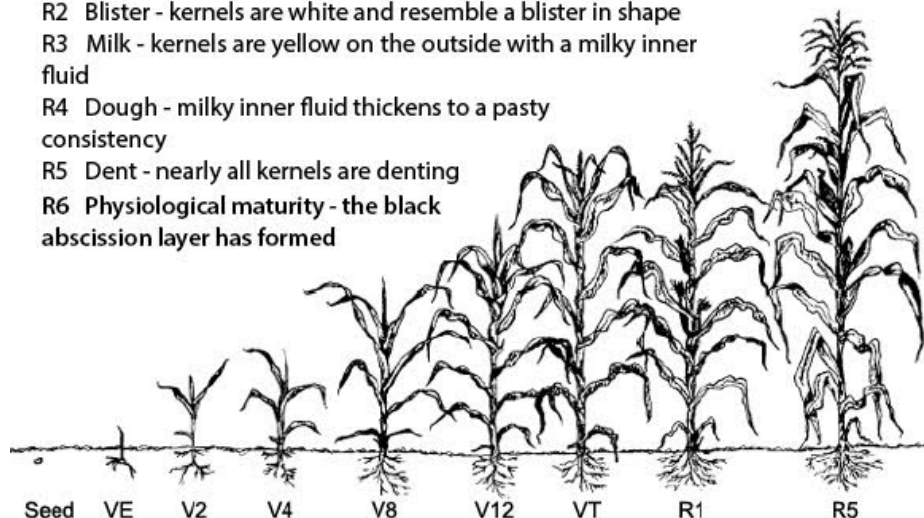
## Vegetative Stages

- VE Emergence
- V1 One leaf with collar visible
- V2 Two leaves with collars visible
- V(n) leaves with collars visible
- VT Last branch of tassel is completely visible



## Reproductive Stages

- R1 Silking - silks visible outside the husks
- R2 Blister - kernels are white and resemble a blister in shape
- R3 Milk - kernels are yellow on the outside with a milky inner fluid
- R4 Dough - milky inner fluid thickens to a pasty consistency
- R5 Dent - nearly all kernels are denting
- R6 Physiological maturity - the black abscission layer has formed



Sources: Iowa State University, Purdue University

new nation managed to muster a tenuous victory, the Federalist Party was destroyed as America's status as a nation apart from Britain was secured. After retiring from official political positions, Madison served Thomas Jefferson's beloved University of Virginia first as a member of the board of visitors and then as rector. In 1938, the State Teachers College at Harrisonburg, Virginia, was renamed in Madison's honor as Madison College; in 1976, it became James Madison University.

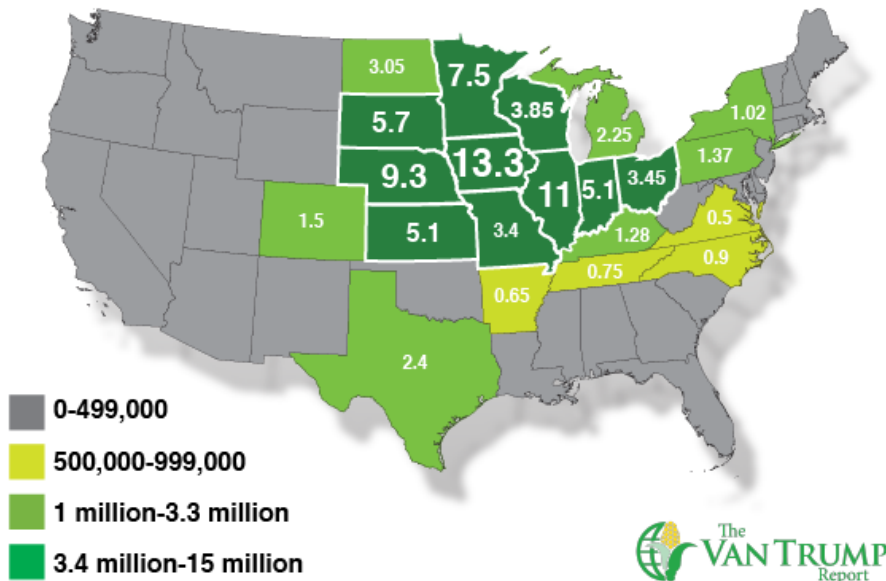


### 1914, On this day in 1914,

Archduke Franz Ferdinand of Austria and his wife Sophie were assassinated by a Bosnian Serb nationalist, 19-year-old Gavrilo Princip, during an official visit to the Bosnian capital of Sarajevo. Princip was one of a group of six assassins (five Serbs and one Bosniak) coordinated by Danilo Ilić, a Bosnian Serb and a member of the Black Hand secret society. Conspirators had the political objective to break off Austria-Hungary's South Slav provinces so they could be combined into a Yugoslavia. Motives were consistent with the movement that later became known as Young Bosnia. The assassination led directly to the First World War when Austria-Hungary subsequently issued an ultimatum to the Kingdom of Serbia, which was partially rejected. Austria-Hungary then declared war, triggering actions leading to war between most European states. The archduke traveled to Sarajevo in June 1914 to inspect the imperial armed forces in Bosnia and Herzegovina, annexed by Austria-Hungary in 1908. The annexation had angered Serbian nationalists, who believed the territories should be part of Serbia. As hostilities broke out, sides were chosen and with Russia supporting Serbia, Austria asked for assurances that Germany would step in on its side. On July 28, Austria-Hungary declared war on Serbia, and the fragile peace between Europe's great powers collapsed, beginning the devastating conflict now known as the First World War. After more than four years of bloodshed, the Great War ended on November 11, 1918, after Germany, the last of the Central Powers, surrendered to the Allies. At the peace conference in Paris in 1919, Allied leaders would state their desire to build a post-war world that was safe from future wars of such enormous scale. The Versailles Treaty, signed on June 28, 1919, tragically failed to achieve this objective. U.S. President Woodrow Wilson's grand dreams of an international peace-keeping organization faltered when put into practice as the League of Nations. Even worse, the harsh terms imposed on Germany, the war's biggest loser, led to widespread resentment of the treaty and its authors in that country—a resentment that would culminate in the outbreak of the Second World War two decades later.

**1997, Mike Tyson** - Tyson was disqualified from the bout with Evander Holyfield after he bit the champ's ear in

# U.S. States: Corn Acres Planted 2018 In Million Acres



**Soybean** bulls are arguing that U.S. conditions have deteriorated in some key locations and that perhaps President Trump is softening his tone in regard to trade negotiations with China, the world's top buyer of beans. There's also some indication that the spread between Brazilian soybean exports and U.S. soybean exports is widening to an extreme that could soon pencil Chinese buyers despite the added tariffs. I still don't know if the Chinese buyers would be willing to take their chance on U.S. deliveries while their leaders are trying to negotiate and send a signal to Trump supporters. I'm thinking if you live in China you don't want to openly go against "the man". It will be interesting to see what happens if the spread gets more and more attractive? Bears are pointing to the fact, Chinese officials have dropped tariffs on soybeans, soymeal, soybean cake, rapeseed, and fishmeal originating from places like Bangladesh, India, Laos, South Korea and Sri Lanka. Supposedly, this makes the Chinese look more serious about not importing U.S. soy and shows they are gearing up to look in other directions. Bears are also thinking the trade will be digesting higher U.S. planted acres following tomorrow USDA report, probably closer to 90 million. I wish I had something fresh, new or enghlighting to say, but it's still all about weather and Washington, where nothing has really changed all that much.

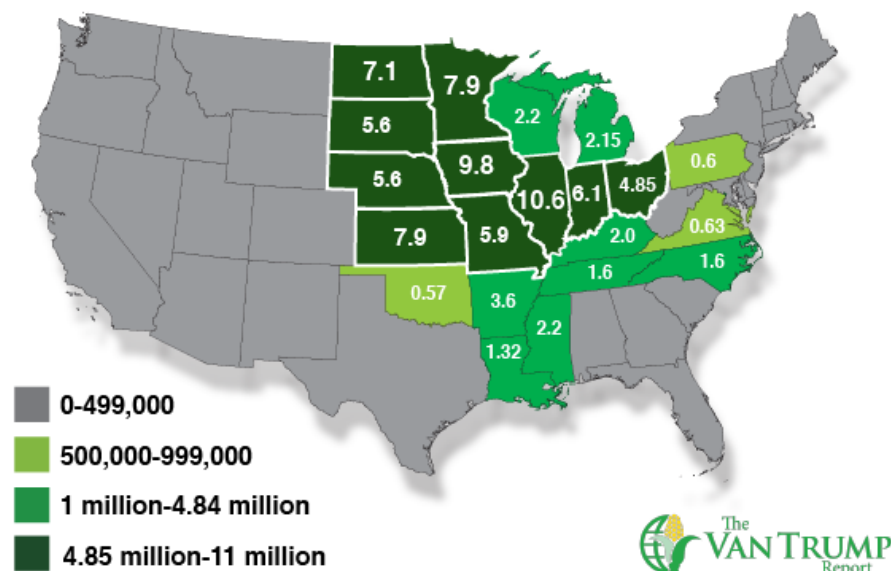


the third round. The attack earned Tyson a suspension from boxing and by far added another chapter to a strange roller-coaster of a career.

Tyson's meteoric rise to stardom began in 1986 as he became the youngest heavyweight champion in history by beating Trevor Berbick at just 19 years old. By 1989, however, Tyson had begun a long downward spiral into sports infamy. His erratic behavior included marrying and divorcing actress Robin Givens after being accused by her of domestic violence, firing and suing his manager, breaking his hand in an early morning street brawl and two car accidents, one of which was reportedly a suicide attempt. Tyson also fired trainer Kevin Rooney and replaced him with notorious promoter Don King. Once thought unbeatable, Tyson would lose his heavyweight title after being knocked out by 42-to-1 underdog James "Buster" Douglas in a stunning upset on February 11, 1990. Finding trouble again, in 1991, Tyson was accused of rape by Desiree Washington, a contestant in a beauty pageant he was judging in Inttdianapolis, Indiana. He was convicted on February 10, 1992, and served three years and one month in a federal penitentiary. Like him or not, you got to respect his tenacity as a fighter as he would regain his title belts after being released from prison. Then he planned a bout with Evander Holyfield, a clean-living, religious former heavyweight champion from Georgia who was considered the best heavyweight challenger for Tyson after number-one contender Lennox Lewis, who Tyson refused to schedule. Holyfield had retired in 1994, but the prospect of a huge payday proved tempting, and on November 9, 1996, the underdog Holyfield shocked the boxing world by beating Tyson in an 11th round TKO to win Tyson's WBA title. Holyfield came into the widely anticipated rematch on this day in 1997 even stronger than he had been for the first fight. In the first round, he hit Tyson hard with body shots while Tyson flailed away, ignoring the science of boxing his trainer had promised he would employ. By the end of the round, the crowd chanted Holyfield's name, turning on the usual fan favorite Tyson. In the second round, Holyfield head-butted Tyson, opening a cut over Tyson's right eye. In the third round, Tyson lost what composure he had left. He spit out his mouthpiece, bit off a chunk out of Holyfield's right ear and then spit it onto the canvas. Though Holyfield was in obvious pain the fight resumed after a brief stoppage, and then Tyson bit Holyfield's other ear. With 10 seconds left in the third round, he was disqualified. His \$30 million purse was withheld while Nevada boxing officials reviewed the fight. As most tragic stories go, and to no one's surprise, Tyson would eventually declare bankruptcy, due in part to a \$400,000 a year expense for his pet pigeons and cocaine habit.



# U.S. States: Soy Bean Acres Planted 2018 In Million Acres



## Upcoming Events

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

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

## Kevin's Song of the Week

### WHAT I'M LISTENING TO: ▶

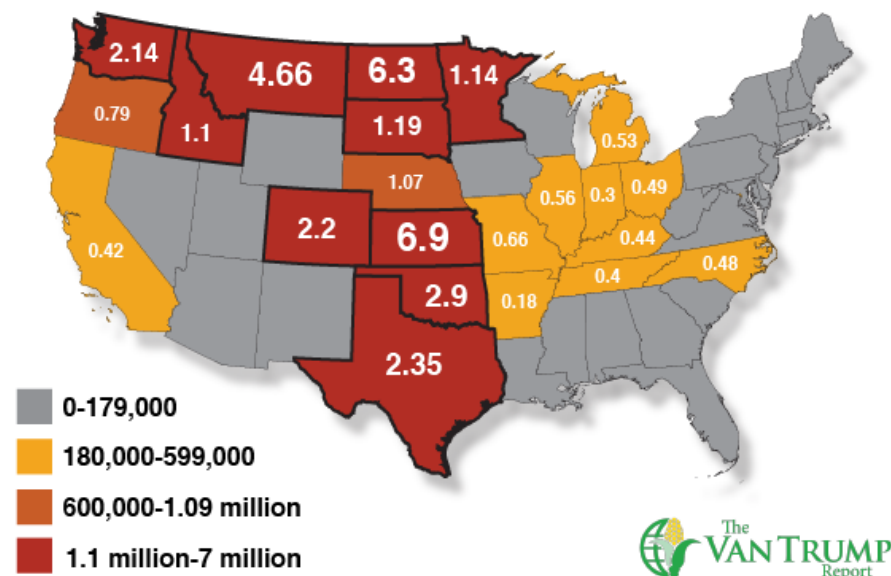


▶ **Kenny Chesney** "Get Along"

## Kevin's Song of the Week

**Wheat** traders are wondering if and when U.S. exports will become more attractive to global buyers. Without a strong demand story it's tough to get the strong-fisted longer-term bulls in the game. From my perspective, prices are getting down to a level where "value" buying starts to become more of a thought or conversation. As a spec, I'm dipping a toe in the water on the bullish side and looking to take additional small bites on further breaks in price. There might be another downside push as global weather seems to have improved a bit with rains in Ukraine, Australia and parts of Canada. I've also heard some areas of China have improved. The good news is production from the Black Sea region has clearly come down from last year and the global balance sheet is starting to take steps in the right direction. Producers, who were aggressive in making sales, like we were, and are sold-out at much higher levels, might slowly consider re-owning a few sales on breaks during the next few weeks.

# U.S. States: Wheat Acres Planted 2017 In Million Acres



## 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*

## June 1 Quarterly Stocks Estimate

	June #	Avg. Trade Est.	Trade Range	March USDA
<b>Corn</b>	???	5.268	5.004 - 5.500	8.888
<b>Soybeans</b>	???	1.225	1.115 - 1.305	2.107
<b>Wheat</b>	???	1.091	1.042 - 1.190	1.494

## June 1 Planted Acreage

	June #	Avg. Trade Est.	Trade Range	March USDA
<b>Corn</b>	???	88.562	87.600 - 90.463	88.026
<b>Soybeans</b>	???	89.691	89.100 - 90.700	88.982
<b>All Wheat</b>	???	47.102	46.575 - 47.700	47.339
<b>Winter Wheat</b>	???	32.633	31.469 - 33.100	32.708
<b>Spring Wheat</b>	???	12.431	12.000 - 13.000	12.627
<b>Durum Wheat</b>	???	2.030	1.996 - 2.119	2.004
<b>Cotton</b>	???	13.781	13.450 - 14.137	13.469
<b>Sorghum</b>	???	5.909	5.700 - 6.200	5.932



**> China Report H5N1 Bird Flu at Chicken Farm:** China reported an outbreak of highly pathogenic H5N1 bird flu at a farm in its northwest Qinghai province. It is the first case of the H5N1 strain of flu to be reported on a Chinese poultry farm since 2014. This is the sixth case of highly pathogenic bird flu reported by China this year. Most of the cases in the country this year have been a highly pathogenic form of H7N9, the same strain that killed hundreds of people in China last year, hitting consumer demand and leaving the egg and broiler industries reeling. The situation needs to be watched closely. (Source: Reuters)

**> Turkey Soybean Imports Increasing:** With domestic production declining and consumption on the rise, Turkey has become one of the world's leading importers of soybeans and soybean meal. A Global Agricultural Information Network (GAIN) report from the U.S. Department of Agriculture, released June 26, forecast 2018-19 soybean planted area and production at 64,000 acres and 95,000 tonnes, respectively. It noted that in the Cukurova region, where 95% of the local soybean crop is planted, soybeans have to compete with wheat, corn and cotton. (Source: WorldGrain)

**> Farmers Looking For Details On Trump's Promise To Protect:** The administration has provided little detail to its often-repeated promise to protect farmers from the effects of current trade tensions. In April, there were rumors that \$15 billion would be available and chatter about using USDA's share of customs duties (so-called Section 32 funds) to purchase food in order to bolster prices or using the broad powers of its Commodity Credit Corp, created during the Depression to support farm income

## What Others Are Saying

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

**A.M., FDIC**

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

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

## My Own Personal Truisms

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

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

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

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

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

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

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

and prices, to indemnify producers. USDA used the CCC in 1985 to create the Export Enhancement Program of export subsidies. From what I understand, Secretary Perdue is giving himself a couple of months – until around Labor Day – before deciding whether to proceed with President Trump's promise of shielding farmers from "China's unfair retaliation". (Source: [agriculture.com](http://agriculture.com))

> **Conagra Closes Deal To Buy Pinnacle Foods for \$10.9 Billion:** Conagra Brands is buying Pinnacle Foods for about \$10.9 billion in cash and stock, the maker of Healthy Choice and Marie Callender's said in a statement. Pinnacle Foods' shareholders will receive about \$68 per share, including \$43.11 per share in cash and 0.6494 shares of Conagra common stock for each share of Pinnacle Foods they hold. The food giant will add well-known brands such as Birds Eye, Duncan Hines, Hungry-Man, Log Cabin, Vlasic and Wish-Bone to its portfolio. (Source: [fooddive](http://fooddive.com))

> **Recent Price Swing Is Adding Up To Lost Dollars for Farmers:** Written back on June 25, the analysts over at Agricultural Economics did some number crunching on the recent price swings in the commodity markets. Compared against the last week in May, rotation profitability for corn and soybean farms has declined by \$78 per acre. To put that number in perspective, based on a 2,700 acre farm that would amount to a \$210,000 swing. This is a substantial cash flow swing and highlights the importance of risk management. Of course, corn and soybean prices could again swing back upward, thus improving farmer profitability. However, the situation is critical right now and needs to be closely monitored. (Source: [Agricultural Economics](http://AgriculturalEconomics.com))

> **Oil Prices Rally To Highest Levels Since 2014:** Oil prices rallied Wednesday, with the U.S. benchmark settling at its highest since 2014 as domestic crude supplies notched their biggest weekly drop of the year so far. Traders also showed concerns over U.S. threats to sanction countries that don't stop importing oil from Iran by Nov. 4. On the New York Mercantile Exchange, August West Texas Intermediate crude, tacked on \$2.23, or 3.2%, to settle at \$72.76 a barrel. That was the highest finish since Nov. 26, 2014. (Source: [Marketwatch](http://Marketwatch.com))

> **Housing Inventories Continue To Cause Drag:** Potential home buyers pulled back from a pricey and competitive housing market in May, signing fewer contracts to buy existing homes. A monthly index of so-called pending home sales from the National Association of Realtors fell 0.5 percent compared with April and was 2.2 percent lower than May of 2017. The expectation was for a 0.5 percent gain. Sales have now fallen on an annual basis for five straight months. Pending home sales are a forward indicator of closed sales in June and July. Read more [HERE](#).

> **Auto Demand Shows Signs of Slumping:** Order for durable goods such as new cars and trucks - stuff designed to last at least three years - fell in May (-0.6%) for the second month in a row. This is the biggest drop in new orders for cars and trucks since 2015. Orders for autos and parts shrank 4.2% in May and orders for commercial jets also fell slightly. There was also softness in new orders for primary metals, some computer products and electrical equipment. (Source: [MarketWatch](http://MarketWatch.com))

> **Durable Goods Order Decline In May But No Worries:** New orders for key U.S.-made capital goods and shipments unexpectedly fell in May, but data for the prior month was revised higher, suggesting moderate growth in business spending on equipment in the second quarter. Other data on Wednesday showed a sharp narrowing in the goods trade deficit last month, and solid increases in retail and wholesale inventories, the latest indications that the economy was accelerating this quarter after losing some steam at the start of the year. Keep in mind there are those who fear that escalating trade tensions will intervene to offset the current strength of the economy. Read more [HERE](#).

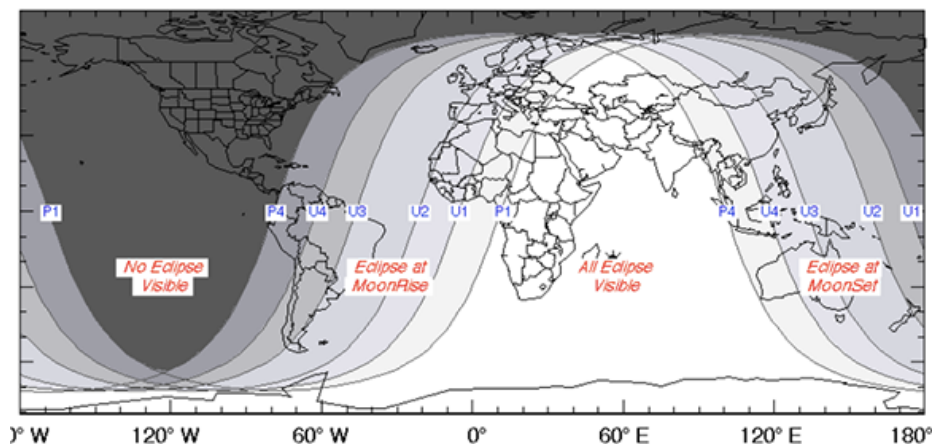
> **Why Didn't LeBron James Win the NBA MVP Award?** The NBA honored the best players in the league Monday night during the 2018 NBA Awards show, which James Harden won the MVP award. Many debates have been circulating this week saying LeBron James should have won the MVP for this past season. LeBron finished second in MVP voting for the third time in his career. The voting wasn't even close, though. Harden led the votes with 86, while LeBron was next with 15 total votes. The reason many are on LeBron's side is the fact he had better stats in points, rebounds, assists, FG PCT, and games played, which doesn't even include his outstanding postseason performance. Some are saying perhaps its because Harden was the MVP runner-up in both 2015 and 2017, and with his teams strong season this year he deserves to win one. At the end however, it's tough to deny that LeBron James completely carried the Cav's this past season and is arguably the leagues most valuable player.

> **The Longest Lunar Eclipse Of The Century:** We are beginning to see stories everywhere about the coming lunar eclipse which is being called the longest you will see in this century. However, if you live in North America, I'm hearing we will not be able to see it. From what I understand, if the country is dark on the map below, the eclipse will not be visible to you. This is because the total eclipse will occur from roughly 3:30 pm to 5:15pm and the moon won't be visible. You can of course watch the eclipse online, at the [Virtual Telescope Project](http://VirtualTelescopeProject.com). (Source: [Gizmodo](http://Gizmodo.com))

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.







Eastern Iowa - We have had an excellent streak of weather so far this year, getting just the right amount of rainfall when we have needed it. The corn looks tall and lush green and is starting to tassel, looking like another bumper crop year. That being said I do have some small concerns that the corn is maturing to quickly and if we get enough wind we could have a problem with the stocks not being thick enough to take it. The beans are sitting good as well, the only problem we have is in the low areas with some of our beans being drowned out, but all in all we will finish our second round of spraying next week and be in good shape. The only diversifying we are seeing in our area is more guys starting to buy fertilizer and chemicals bulk-wholesale then selling to farms in the area.

British Columbia Canada - Normally we plant corn and we chop that corn for silage because there's not much time before winter this far north and we have a lot of cattle in this area. We also normally follow the chopping process by planting a cover crop or winter crop depending on the situation, but we do it after the corn is chopped and off the field. This year we are trying something new, We are using an axis spreader on a few acres and planting 50 pounds of rye grass when the corn is about thigh high. This is becoming more and more popular up here but we are not completely sold on it just yet. So we only planted about 5 acres just to dip our toe in the water. I am hearing that guys are inter-seeding with a side dresser, this is basically the same theory but just a different method of getting the seed out there. Just something new I thought guys might be interested in hearing about.

Eastcentral Nebraska - Guys are getting soaked up here over the last 25 days. Most of the fields have received 15" of rain during that time, with the latest batch Tuesday evening totaling over 4". Flooding is definitely is a problem in areas and of course there is concern over nitrogen runoff. Fortunately, a lot of folks have irrigation and run the nitrogen through the system, meaning it isn't all sitting there at once waiting to be washed away. There is a lot of spraying left to do as well as fertilizing but I can't seem most of use getting back to that for a bit. I will tell you the aerial applicators are definitely going to have their phones ringing off the hook as long as these conditions persist. Up here the best marketers have already taken off a lot of this year's risk on both corn and beans, with 90% corn and 70% beans sold above.



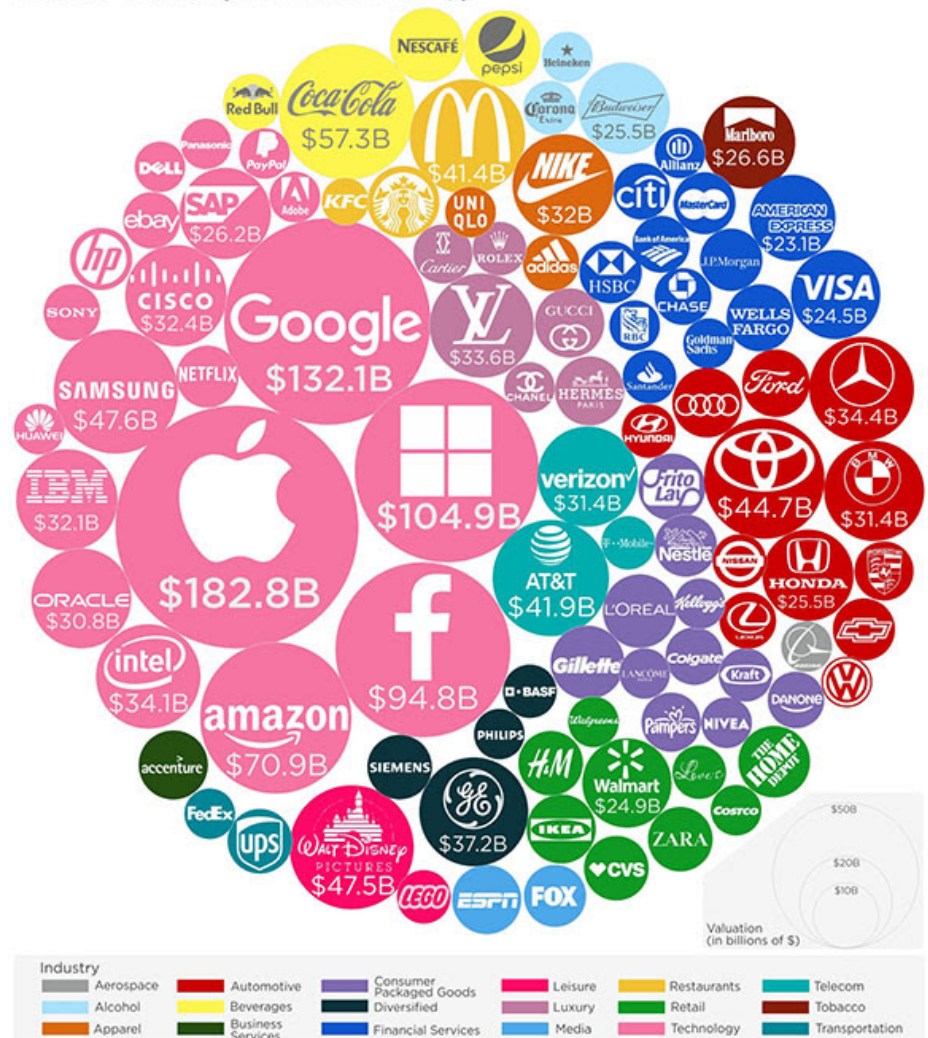
Managed Livestock Practices Returning Life To Soil: While the academic debate over regenerative agriculture rages on, beginning and veteran farmers throughout the U.S. have been quietly turning to managed livestock grazing to rebuild their soil, cut costs, and keep their businesses afloat. Regenerative agriculture, is gaining momentum as practitioners see positive results, and turning the heads of conventional farmers struggling through an era of falling commodity crop prices and rising fuel and chemical costs. The model has successfully scaled up from small farms to farms as large as Dave Brandt's 1,150-acres in Ohio and Rick Bieber's 10,000 acres of crop fields and range in South Dakota. No matter your system, there is some good food for thought [HERE](#).

Boeing Wants To Get You To London In Two Hours: Boeing revealed a concept hypersonic jet that could fly passengers from New York to London in just two hours. The aerospace giant said Tuesday it's studying a passenger plane that would be capable of hitting speeds of Mach 5, or five

Meet Your New Favorite Element...Bismuth: I'm guessing most people are not familiar with Bismuth. But it could be time to take notice. Not only is it cool to look at as it forms a kaleidoscopic staircase of glittering silver, pink, and gold. It's worth noting, the element is used in everything from cosmetics to ammunition to the bottle of Pepto-Bismol in your medicine cabinet. But recently, new research shows that bismuth has a particularly fascinating property that we can use to turn CO<sub>2</sub> directly into liquid fuel. Read more [HERE](#) to learn some cool facts as well as what science is doing with the interesting element.

**Say It Isn't So...Beer Rationing In E.U. Due To CO2 Shortages:** A shortfall of CO2 in Europe comes at a time of excitement over the World Cup soccer tournament and amid peak season for summer barbecues. The ill-timed crisis has subsequently prompted several big name producers in the food and drinks industry to warn consumers of major shortages over the coming weeks. The trade journal *Gas World* — which was the first to report on an EU-wide shortage of CO2 earlier this month — described it as the “worst supply situation to hit the European carbon dioxide business in decades.” Issues don't end with the beverage industry, find out how deep the concerns are [HERE](#).

Top 100 World's Most Valuable Brands: According to Forbes, the world's 100 most valuable brands are worth a staggering \$2.15 trillion. While that singular number is impressive, the publication's 2018 rankings of global brands can be further broken down in other ways that are also quite intriguing. Using Forbes data, the team at Howmuch considered companies with a presence in the U.S. market to produce a look at the top 100 in one chart. The visualization highlights how the tech sector dominates consumer perceptions of brand value, representing an incredible \$872.6B in combined value. Each of the top 5 companies come from the technology sector, including 6 of the top 10. This isn't a surprise if you've been paying attention to the stock market recently, where the so-called FAANG stocks have generated outsized returns for several years running. If anything, the one surprise at the top of the list is that Netflix is missing; it's way down at 55th on our list. "Netflix and chill" just doesn't have the same appeal as iPhones. Read more [HERE](#).



**Article & Sources:**  
<https://howmuch.net/articles/top-100-most-valuable-brands-2018>  
<https://www.forbes.com/>





## The State Of Rural America

Rural Americans make up 14% of those living in the United States, while 72% of the nation's total land areas are considered rural. I personally thought more than 14% of our population lived in rural America. These 46 million residents play an essential role in the overall economy, starting new businesses, and supplying many of our agricultural products. A new report by the U.S. Congress Joint Economic Committee called "[Investing in Rural America](#)" points out some interesting facts. Of course, rural America still faces many challenges, but this segment of American life isn't dead and should not be neglected. In fact, recent data shows Rural America has not shared equally in the economic progress since the end of the Great Recession. While urban areas have long since recovered to pre-recession employment levels, rural America has yet to fully recover. In fact, in some parts of the country they have not recovered at all. Wages have somewhat stagnated for Americans across the country, but the problem is particularly burdensome for rural workers. We are also seeing an aging rural population and younger people continuing to move out of rural areas. This report tries to provide some factual data to help policy makers better leverage rural communities' and their unique strengths and resources. Beyond this, the report highlights some positive and not so positive trends taking shape in rural America. I don't necessarily agree with all of the comments in the report, but I was certainly surprised by some of the findings and the data. (Source: U.S. Joint Economic Committee)

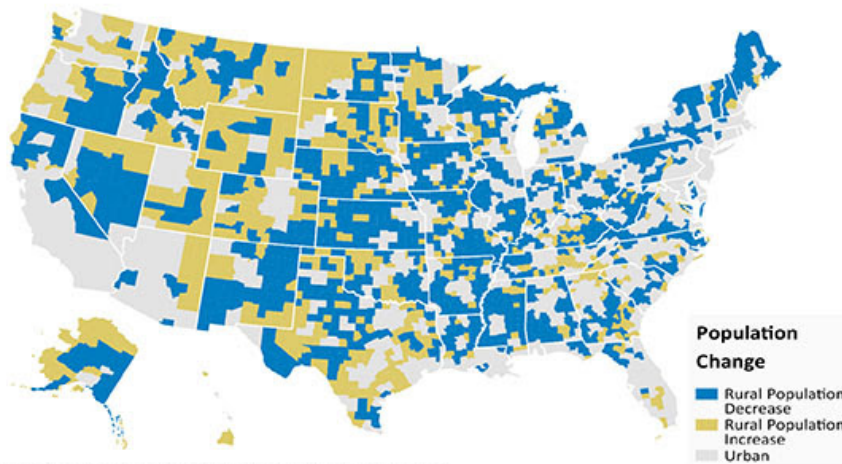
- **What Is Considered Rural?** *The Census Bureau, for example, defines rural as everything that is not "urban." Urban areas, according to the bureau, are split into two buckets: urbanized areas, each of which is home to at least 50,000 people, and urban clusters, each of which contains between 2,500 and 50,000 people. Today, roughly 2,500 counties that were classified as rural in 1974 are now classified as urban and home to more than 80 million Americans.*
- **Getting Older And Becoming More Diversified:** *Rural areas are more economically and demographically diverse than in past decades. Rural economies support a wide and changing range of jobs, from advanced manufacturing to recreational tourism. Though they remain older on average compared to their urban counterparts, rural Americans are now more racially and ethnically diverse than in the past. Overall, rural residents are older than urban residents. In 2016, almost one in five rural residents was 65 or older.*
- **Losing Our Farmers:** *The average age of a farmer in 1978 was 50 years old. As of 2012, the average age was 58, much higher than the median age of 42 among the national workforce. Only 6 percent of farmers in 2012 were under the age of 35, while one-third was over the age of 64. Between 2007 and 2012, the number of new farmers fell by 20 percent.*
- **Farms Growing Larger But Less Of Them:** *According to the USDA, there were roughly 2 million farms in 2016. While the number of farms has fallen significantly from its peak in 1935, the total amount of land farmed has only decreased slightly, reflecting the increase in farm size over time. Between 1935 and 2017, the average farm grew from 155 acres to 444 acres. Between 1992 and 2012 alone, the country lost more than 250,000 small commercial and midsize farms. During that same period, however, large farms consolidated their acreage and the number of large farms increased by 35,000.*
- **Livestock Operations Growing Massively Larger:** *Livestock production has seen a similar shift toward larger operations in some of its major sectors, including dairy and poultry. In 1987, the median size of a milk cowherd was 80 cows. By 2012, that number jumped more than tenfold to 900 cows. Over the same period, the median size of an egg-laying chicken flock grew by nearly 700 percent.*
- **Hired Hands On The Farm:** *Farm laborers, both citizens and non-citizens continue to earn very little. In 2017, farm laborers earned a median wage of \$11.41 per hour and average annual pay of \$23,730.50. Among all farmer laborers in 2016, 75 percent were male and nearly 45 percent had less than a high school diploma.*
- **Earnings Are Much Less Than Urban Areas:** *Rural families on average earn -25% less than their urban counterparts, but live in areas with some of the highest rates of upward economic mobility in the nation.*
- **Limited High Speed Internet:** *Nearly one-third of rural residents are still without access to high-speed internet.*
- **Health Care Cost More Expensive:** *The growing cost of health care is eating into rural household incomes. Annual health care expenses for rural individuals are 18 percent higher than those for urban residents. Others estimate a two-person urban household spends 13 percent of their income on health care expenses, compared to 20 percent for those in rural areas. This is in part due to*

limited services and a lack of access to near and affordable care, along with the growing cost of an aging population in rural communities.

- **Rural Education Still Strong:** Rural schools benefit from having small class sizes, frequent community engagement, and active parent-teacher interactions. Rural America also enjoys higher high school graduation rates than urban residents. All of this despite the rural teacher earning about -20% less than their urban counterpart.
- **Rural Leading In Clean Energy:** Rural Communities are well-positioned to lead in clean-energy infrastructure. 99% of wind projects are in rural areas.
- **Lack of Housing Supply:** While rural residents enjoy higher homeownership rates than their urban counterparts, with more than 70 percent of occupied rural housing being owned instead of rented, there's just not enough inventory. While rural homeownership remains high, decades of underinvestment in construction and maintenance have significantly reduced the supply of available housing. At the beginning of 2018, roughly 20 percent of rural housing units were vacant. The vast majority of these units were off the market, however, leaving less than 3 percent of existing housing units available for purchase or rent. Many rural communities also lack senior living facilities with the requisite medical staff to accommodate their growing elderly populations.
- **Rural Residents Less Likely To Pay Rent:** Rural renters are more likely to experience financial hardship than both rural homeowners and urban renters. Almost half of rural renters are cost burdened, meaning they spend more than 30 percent of their monthly income on rent. Of these cost burdened households, more than half spend over 50 percent of their monthly income on rent.
- **Fewer and Fewer Rural Banks:** Over the last 20 years, the number of local community banks has continued to decline. Out of 1,980 rural counties, 625 lack a locally owned community bank, approximately 115 are serviced by just one branch, and 35 counties have no bank at all. Over the last five years, the number of credit unions has declined by nearly 20 percent. On an average small-dollar loan of \$375, borrowers can easily pay \$520 in fees and be indebted for 5 months out of the year. More than 80 percent of payday loans are rolled over or renewed within 14 days.
- **Finding It Tough To Retire:** The latest study finds that less than half of rural families have any type of retirement savings.
- **Rural Poverty Higher Than Urban:** Rural communities have higher poverty rates than urban residents. In 2016, the rural poverty rate was 16.9 percent compared to 13.6 percent in urban areas. Rural residents are also more likely than urban ones to be uninsured.
- **Opioid Epidemic:** One study found that from 2004 to 2013, the rate of rural-born infants displaying opioid withdrawal symptoms grew by more than six times, nearly twice that of urban-born infants.
- **New Energy Puts Strain On Rural Infrastructure:** Between 2000 and 2016, U.S. production of liquid fuels, including crude oil and natural gas, has increased 46 percent. The production of renewable energy, including wind and solar, saw a 51 percent increase. The transportation of crude and natural gas absorbed rail capacity previously used to move agricultural products. This placed new strains on the infrastructure network, including roads and bridges, and raised costs to farmers and consumers. Rural communities face a variety of infrastructure challenges. Small rural communities desperately need investments such as wastewater projects, new roads, and high-speed broadband that would benefit consumers and businesses. Testifying before Congress, rural leaders identified many areas that require immediate infrastructure investment.
- **Delays On The Waterways:** Most locks on inland waterways now exceed their expected lifespans and often fail. Between 2000 and 2014, the average delay per lock doubled from about an hour to two hours with the cost of delays expected to reach \$49 billion by 2020.
- **More Consumer Buying Direct From Growers:** The number of registered farmers' markets in the U.S. increased 98 percent over the last decade, reflecting growing consumer demand for local food. This is also creating an increased demand for organic. The rise of organic farming presents new opportunities for small and midsize farms across rural America. Today, organic farming in the U.S. is a nearly \$50 billion industry, with almost 25,000 certified farms and businesses in operation—nearly quadruple the number in 2002.



## Two-Thirds of Rural Counties Lost Population 2010-2016

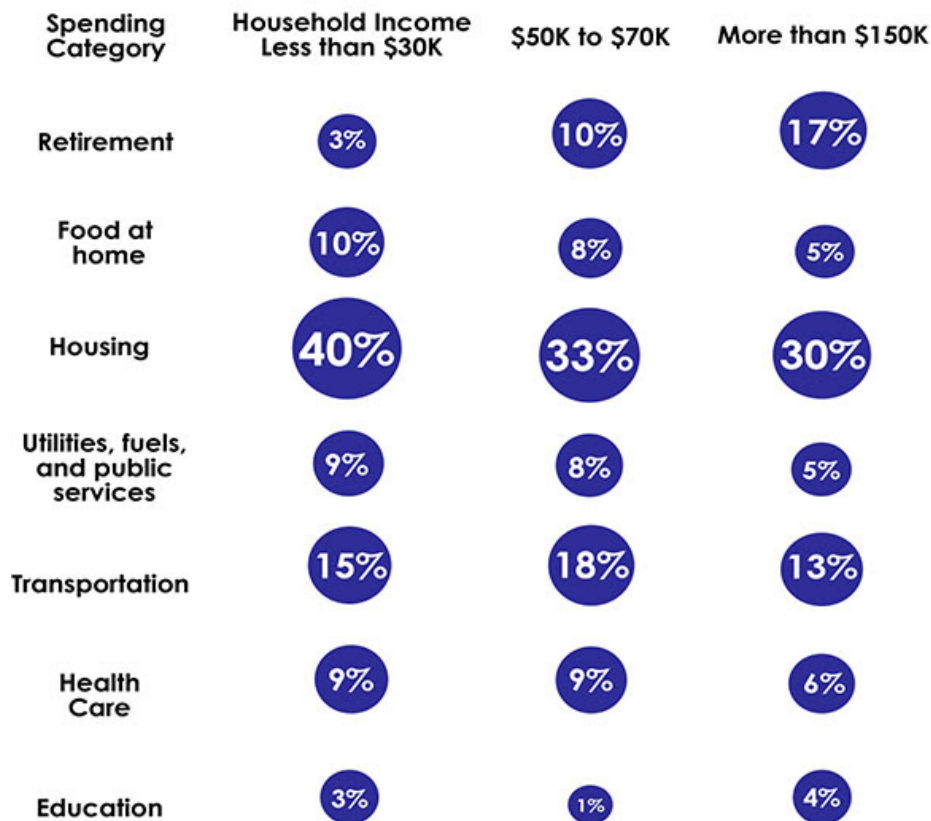


Source: Census Bureau 2010-2016 Population Estimates.

Notes: Urban are metropolitan counties and rural are nonmetropolitan.

## A Walk Down Pocketbook Lane

*The Average Rural American Makes Less than \$60K a Year*



Source: 2016 Consumer Expenditure Survey, Bureau of Labor Statistics

Note: Dots are for illustrative purposes and are not drawn to scale.

Retirement includes all Social Security contributions paid by employees; employee contributions to railroad retirement, government retirement, and private pension programs; and retirement programs for the self-employed.

### Elvis Presley's Jet Up for Auction

Elvis Presley's 1962 Lockheed JetStar is being sold in online auction on the site IronPlanet. Many could say the jet isn't in the best shape, but it is one thing many jets are not, it was owned by "The King" Elvis Presley. From what I understand, the plane is missing the engine, the cockpit needs restoring, and its once bright red and silver exterior is faded as well as tarnished with rust. GWS auctions the previous auction house, claims the interior is the exact same condition as Presley left it. In fact, Elvis

designed the interior himself with gold-tone woodwork, red velvet seats and red shag carpet. The plane is currently sitting at a boneyard in Roswell, New Mexico, where it's been in storage for more than 35 years. The current owner of this jet supposedly paid \$430,000 last May, which is well below the estimated selling price at the previous auction. Some experts speculate, the price might have been driven down due to the fact this is one of three jets that Elvis owned. Elvis' other planes included the Lisa Marie, a 1958 Convair 880 named after his daughter, and the Hound Dog II, another Lockheed JetStar he bought in 1975. Both of these jets are owned by the Graceland private estate, which means the 62 Lockheed is the only privately owned jet in Presley's collection. Many experts say this jet could fetch several million if it were fully and professionally restored. There are around 30 days left until the bidding closes. I'm thinking there might be an opportunity to pick up a bargain on this super cool Elvis collectable. My wife sent me this story and link to the auction site. She is huge Elvis fan, so I'm thinking she's hinting around... I can't tell what the reserve is, as it seems they are just fielding offers. My staff did some research and apparently a really nice Jetstar can be picked up for under \$1 million. This one certainly has a strong pedigree, but it's also in terrible condition and I suspect would cost a small fortune to get back up in the air. IronPlanet is accepting online bids for the plane until July 27th. Click [HERE](#)



### **The Vietnam War... Some Interesting Facts**

With Independence Day right around the corner, I thought I would pass along an e-mail I recently received that contains some interesting facts about the Vietnam War. My father was in Vietnam for four years and just recently told me a few of the stories. He never wanted to talk about it in the past, just discounting the conversation whenever I brought it up, saying he hoped me or my children would never have to experience such a thing. He was just 20 years old when he was drafted. He has been having some health issues, and has been getting some treatment and benefits from the VA because he was in active areas where Agent Orange was being used for tactical purposes in the War. From what I understand, between 1964 and 1973, the U.S. military drafted 2.2 million American men from our neighborhoods. It's crazy to think about, especially considering my father was younger than my children when he was summoned to fight in Vietnam. Below are some interesting facts about the Vietnam Wall Memorial and those who served:

**58,267 names are now listed** on that polished black wall in our nations capital, including those added in 2010. The names are arranged in the



order in which they were taken from us by date and within each date the names are alphabetized. It is hard to believe it is 63 years since the first casualty.

**The first known casualty** was Richard B. Fitzgibbon, of North Weymouth, Mass. Listed by the U.S. Department of Defense as having been killed on June 8, 1956. His name is listed on the Wall with that of his son, Marine Corps LCpl Richard B. Fitzgibbon III, who was killed on Sept. 7, 1965.

**The Demographics of the Draft:** The demographics of troops deployed to Vietnam were close to a reflection of the demographics of the U.S. at the time. 88.4% of troops deployed to Vietnam were Caucasian, 10.6% were African-American and 1% were of other races. More than three-quarters of the men who fought in Vietnam volunteered to join the military. Of the roughly 8.7 million troops who served in the military between 1964 and 1973, only 2.2 million were drafted. It is believed that about 30% of the combat deaths in the War were draftees.

**Fathers & Sons:** There are actually three sets of fathers and sons on the Wall. 31 sets of brothers are on the Wall, meaning 31 sets of parents lost two of their sons.

**Youth Was Not Spared:** 39,996 on the Wall were just 22 or younger; 8,283 were just 19 years old; The largest age group, 33,103 were 18 only years old; 12 soldiers on the Wall were 17 years old; 5 soldiers on the Wall were 16 years old; Don't ask me how, but one soldier, PFC Dan Bullock was thought to be just 15 years old.

**First Unlucky Day:** 997 soldiers were killed on their first day in Vietnam .

**Last Unlucky Day:** 1,448 soldiers were killed on their last day in Vietnam .

**Overall Bad Days:** The most casualty deaths for a single day was on January 31, 1968 ~ 245 deaths. The most casualty deaths for a single month was May 1968 - 2,415 casualties were incurred.

**Only A Few Women Lost:** 8 Women are on the Wall, all of who lost their lives nursing the wounded. I suspect that number would be a lot higher today with women actively enrolled.

**Some Home Towns Impacted More than Others:** 54 soldiers attended Thomas Edison High School in Philadelphia. I wonder why so many from that one school. Beallsville, Ohio with a population of 475 lost 6 of her sons. West Virginia had the highest casualty rate per capita in the nation. There are 711 West Virginians on the Wall

**The Marines of Morenci, AZ:** They led some of the scrappiest high school football and basketball teams that the little Arizona copper town of Morenci (pop 5,058) had ever known and cheered. They enjoyed roaring beer busts. In quieter moments, they rode horses along the Coronado Trail, stalked deer in the Apache National Forest . And in the patriotic camaraderie typical of Morenci's mining families, the nine graduates of Morenci High enlisted as a group in the Marine Corps. Their service began on Independence Day, 1966. Only 3 returned home.

**The Buddies of Midvale, UT:** LeRoy Tafoya, Jimmy Martinez, Tom Gonzales were all boyhood friends and lived on three consecutive streets in Midvale, Utah on Fifth, Sixth and Seventh avenues. They lived only a few yards apart. They played ball at the adjacent sandlot ball field. And they all went to Vietnam . In a span of 16 dark days in late 1967, all three would be killed. LeRoy was killed on Wednesday, Nov. 22, the fourth anniversary of John F. Kennedy's assassination. Jimmy died less than 24 hours later on Thanksgiving Day. Tom was shot dead assaulting the enemy on Dec. 7, Pearl Harbor Remembrance Day.

**Total Casualties:** It is believed that more than 3 million people died because of the War. The U.S alone suffered +58,250 deaths in action. North Vietnam plus the Viet Cong had +3,000,000 soldiers and civilians killed.

For most who read this they will only see the numbers that the Vietnam War created. To those of who survived the war, and to the families of those who did not, you see the faces, you will feel the pain that these numbers created. These were our friends, fathers, husbands, wives, sons and daughters There are no noble wars, just noble warriors. Please pass this on to those who served and those who feel blessed by their sacrifices.





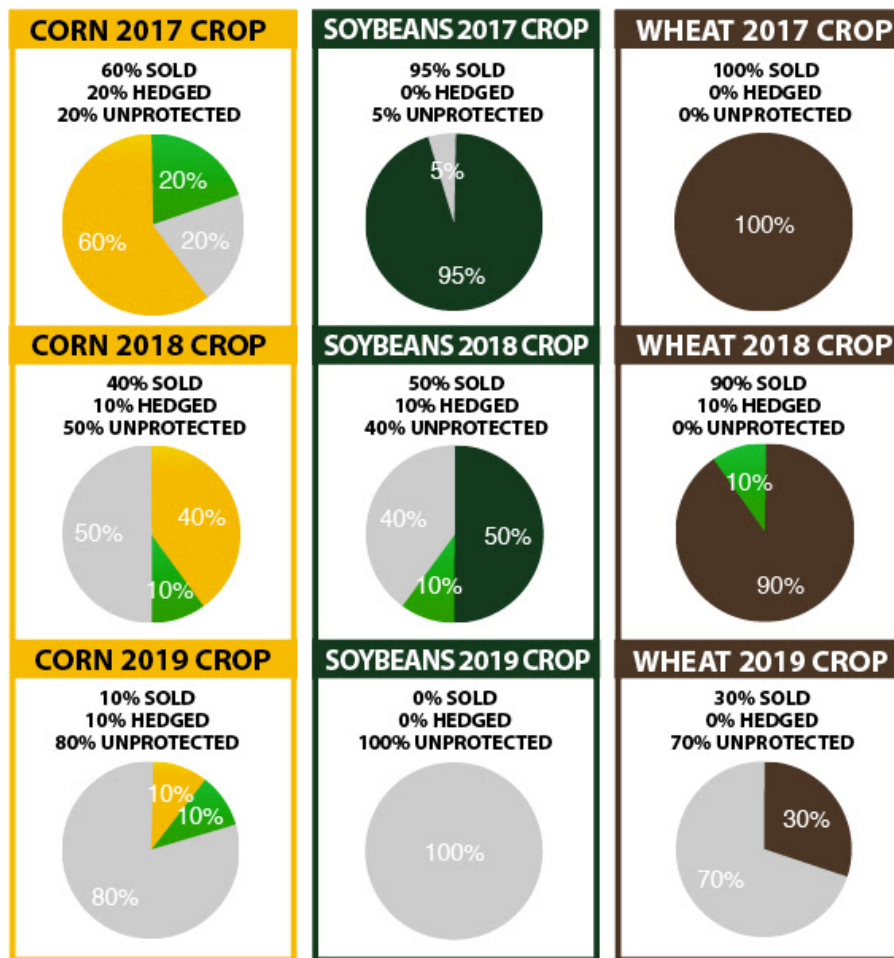




**ANSWER to riddle:** An electric fan.

**CASH SALES & HEDGING TOTALS**





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