

GOOD MORNING: 03/18/19 Farm Direction - Van Trump Report

1 message

The Van Trump Report <reply@vantrumpreport-email.com>

Mon, Mar 18, 2019 at 7:29 AM

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Today In History

"How wonderful it is that nobody need wait a single moment before starting to improve the world." - **Anne Frank**

MONDAY, MARCH 18, 2019
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks are coming off another strong week of gains. The Nasdaq is now up over +15% in 2019, the S&P 500 and Dow are up +12% on the year. Bears are wondering if a slowing Chinese economy, the slowest growth rate in 28 years, and a sluggish European Union will continue to weigh on global growth? Bulls believe bad news is now being digested as good news in the stock market, as it means the Fed will continue to pause or perhaps remain in retreat. Traditional economic news will be fairly light this week with the majority of the focus falling on the two-day Fed FOMC meeting scheduled for Tuesday and Wednesday. While most inside the trade doubt we see or hear much change in rhetoric, there could be some additional hints about future moves. Keep in mind, this meeting not only brings a followup press conference on Wednesday afternoon by Fed chair Jerome Powell, but also brings a "Summary of Economic Projections". The trade will be very interested in hearing more about their longer-term opinions and potential economic concerns. The trade has switched from talking about a "rate hike" to thinking the Fed might have to cut rates in the next 6 to 12 months. Also this week, the trade will be digesting some fresh U.S. housing data and the Philadelphia Fed Index, which is often referred to as the "Business Outlook Survey". The survey is conducted monthly by the Federal Reserve Bank of Philadelphia and questions voluntary business participants on things such as unemployment, new orders, shipments, inventories, and prices paid. The report is released on the third Thursday of every month, making it the earliest such regional report which is released to investors, hence, the reason it carries some weight with traders. Last week's Michigan Consumer Sentiment numbers, Retail Sales data, Durable Goods, and Construction Spending were all slightly better than anticipated. There has been talk of weakness showing up in the employment numbers. We had a much weaker than expected February jobs report, then last weeks JOLTS report brought about some questions. I've heard from good sources, the problem might simply be lack of qualified applicants. Keep in mind, job openings now exceed hires by a record 1.78 million individuals. Business owners across the country are saying similar things, it's tough to find and hire good qualified help! Me personally, as a business owner, I don't mind paying more money, but in return I want stronger more dedicated work ethic. Unfortunately, many times that's simply not the tradeoff. The lack of available qualified help is creating a tighter labor market and is contributing more quickly to increasing wage growth. Average hourly earnings are up +3.5% on a year-over-year basis. The theory is, lack of qualified available help is starting to force companies to steal employees from other businesses or increase their own employees pay in an effort to keep them from leaving. Several insiders are starting to argue the "wage growth rate" is more quickly approaching levels reached near the peak of prior economic cycles. I am also keeping my eye on crude oil and gasoline prices. Gasoline prices rose almost +5% last week, adding to the +3% they were up the previous week. WTI crude oil is up +27% already in 2019. The good news, gasoline prices at the pump are still not any higher than last year at this time, unleaded averaging about \$2.55 per gallon across the nation, diesel averaging about \$3.01 per gallon. I believe that rumors of ongoing trade tensions between the U.S. and China, along with continued talk of a slowing global economy, has worked to keep a lid somewhat on crude oil prices. If we get an official announcement of a trade deal, I suspect crude oil and energy prices again move higher. There's a lot of moving parts to consider right now, make certain you stay fully engaged.



1766, Parliament Repeals the Stamp Act

The Stamp Act was nullified before it went into effect and was repealed by parliament on March 18, 1766 under the Marquis of Rockingham. In the summer of 1765 King George III fired George Grenville and replaced him with Charles Watson-Wentworth, Marquis of Rockingham. For the new Prime Minister the only alternative to repealing the tax was a long and costly civil war with the American colonies. Britain, as the world's greatest power, could not give up on the decision to uphold the tax and give in to mobs and activists in its colonies. Under those circumstances the Marquis of Rockingham had to find a face-saving excuse to repeal the tax. The King was not in favor of a repeal but he wanted a modification that would keep the tax only on dice and playing cards, however more difficult to enforce. Rockingham threatened to resign and the king conceded to repeal the Stamp Act entirely. Three pieces of legislation made the repeal of the Stamp Act possible, putting an end to the crisis. The first one was interpreted as a face-saving motion. It was the Declaratory Act which affirmed that Parliament had the "full power and authority to make laws and statutes of sufficient force and validity to bind the colonies and people of America...in all cases whatsoever". The text did not mention "taxes" and Rockingham resisted pressure to include "taxes" along with "laws and statutes" in the document. The omission of the word "taxes" affirmed the position of the colonist and drew a clear distinction between British legislation (which they could) and taxation (which they could not). The second one was an economic legislation which labeled the Stamp Act as detrimental to the commercial interest of Britain. The boycott of British goods had been felt in many industries across the Atlantic as well as in the trade of West Indies natural resources. The American

First Official Meeting Between Trump and Bolsonaro: Brazil's new President Jair Bolsonaro is in Washington meeting visiting President Trump. It is Bolsonaro's first trip abroad for a bilateral meeting since taking office on January 1. The tough-talking, far-right leaning, Bolsonaro has long expressed his admiration for President Trump. There's some talk the U.S. might gain access to a satellite-launching base in Brazil near the equator. Most political insiders suspect there will also be a ton of talk about developments surrounding Venezuela, which shares a border with Brazil. I should note, the U.S. is Brazil's second biggest trade partner after China.

Interesting Revenue Data from Lyft: Lyft disclosed in its IPO document that it generates about the same average revenue for each car ride as it does from a trip on Lyft's growing network of rented bicycles and scooters: \$3.75, to be exact, as of the fourth quarter. And second, Lyft's financials show that its average expense for each ride has gone up. Lyft set its preliminary valuation at between \$21 billion and \$23 billion—\$62 to \$68 a share. Read more at [Bloomberg](#)

Tesla "Semi" Will Soon Hit the Market: "Tesla is now accepting \$20,000 deposits on its new Semi, per its website, and also taking \$200,000 deposits for its 'Founders Series' Semi... The Semi is said to "start" at \$150,000 for 300 miles of range and \$180,000 for an extended range model with 500 miles of range." The semi has been in testing since 2017 and has been occasionally spotted on the West Coast. This past Sunday, a new reservation page at Tesla.com went live allowing truckers to put down a deposit for the semi. There's also been some whispers and rumors of a pickup trucking coming out after the semi is released. Musk hasn't been shy about the pickup truck's features. He's noted it will have a dual-motor all-wheel-drive system "with crazy torque and suspension that dynamically adjusts for load." All this will reportedly be standard. It will also have power outlets to use heavy-duty 240V power tools in the field without a generator. (Source: ZeroHedge)

How You Watch Sports is About to Change: Being a sports fan used to mean plopping down on the couch—or, if you were lucky, in the stands—and watching a game. That's not really how it works anymore. More people than ever care about sports, but they're watching less TV and fewer games. Instead, we're checking reactions on Twitter, hunting for highlights on Instagram and sending OMG-that-shot faces on Snapchat, but sports fans aren't yet living the digital dream, though. For one thing, it's too hard to find games online. Because lucrative live rights have mostly stayed with traditional TV networks, the only way to catch all your games is to pay handsomely for a deluxe cable subscription. As more leagues and sports take to streaming, it'll get easier to find stuff to watch. But for sports fans, that's only the beginning. The days of staring at the screen for three hours are about to be replaced by something more accessible, interactive and personalized. It's—wait for it—a game-changer... known as wearing an Oculus Go virtual-reality headset. Keep in mind, you aren't likely to switch to virtual reality as your primary game-viewing experience until faster internet and better headsets arrive, but if you do have a headset, it's worth a try—if nothing else, to remind you that those guys really are huge. Read more [HERE](#) to see what other new tech is coming on the scene to make your sports viewing up close and personal.



colonies had resorted to smuggling needed goods from French and Spanish traders. The third was the Revenue Act which reduced the duty on molasses from three pence to one penny per gallon on all molasses imported from foreign or British territories. This duty generated more revenue than any other duty or tax in the colonies. Few protested this act as it was not seen as internal taxation but external taxation on trade. In summary, the repeal of the Stamp Act was successful because Britain realized the distinction between internal and external taxes. Parliament had tried to extend its authority over the colonies' internal affairs and failed but continued to collect duties in its ports to regulate trade and as revenue. In other words, external taxes did not affect the principle of "no taxation without representation".



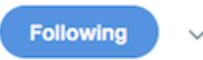
1837, Grover Cleveland is Born - On this day in 1837, Grover Cleveland, the only president to serve two non-consecutive terms in the office,

is born. Cleveland served as the 22nd president from 1885 to 1889 and as the 24th president from 1893 to 1897. As a young man, Cleveland left his native New Jersey to study law in New York. He went on to serve as Erie County sheriff, mayor of Buffalo and governor of New York before running for president. A Democrat known for the qualities of honesty and hard work—seen as rare among politicians—Cleveland made anti-corruption the cornerstone of his first presidential campaign. Die-hard Republicans were so impressed with Cleveland's integrity and fiscal responsibility that they abandoned their own party to help elect him president in 1885. Even revelations he had sired an illegitimate child while mayor of Buffalo did not sway substantial public opinion against him. When the secret came out during his first presidential campaign, Cleveland told his press secretary to just tell them the truth and the scandal quickly dissipated. Cleveland won his first campaign for the presidency in 1884. He ran again in 1889, but lost to Benjamin Harrison, primarily over the issue of tariff revisions. Cleveland beat Harrison the second time around in the election of 1892, but his second term was not as well-received as his first. His stubborn commitment to appointing officials based on merit rather than political connections infuriated the Washington political establishment and alienated him from even his own party. Cleveland's second term also coincided with a major economic panic that led to a deep recession in the United States. He became truculent with the press, stubbornly kept the U.S. on the gold standard during the recession and angered the working class when he sent troops to put down the Pullman railroad strike of 1894. Cleveland's popularity headed further downhill when another episode from his past surfaced. He was harshly criticized by citizens all along the political spectrum when it was revealed



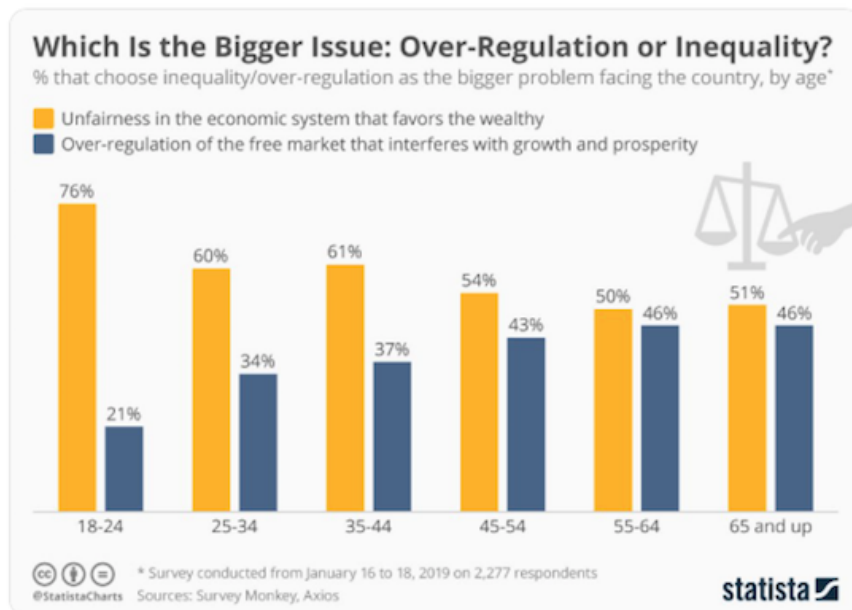
FARM TANK

Tweets of the Day



76% of 18-24 year-olds believe that unfairness in the [#economic](#) system is a bigger issue than over [#regulation](#) via [@SurveyMonkey](#)

statista.com/chart/17334/un...



that Cleveland avoided serving in the Civil War by paying someone \$150 to take his place—a then-legal, but seemingly cowardly option. Cleveland's presidencies were also notable for a pair of happy White House firsts. He was the first bachelor president to get married in the White House, marrying a woman during his first term who was 27 years his junior—Frances Folsom Cleveland, who was the daughter of his former law partner and his legal ward. Cleveland literally had known Frances from the time she was born. When she was 11, her father died and Cleveland became the child's legal guardian, remaining close friends with her mother. His pet name for Frances was Frank. Observers thought Cleveland would marry his friend's widow and were completely surprised when instead he married Frances, shortly after her 21st birthday. In his second term, the couple's second daughter, Esther, became the first child born to a president in a White House bedroom. Although remembered as one of the hardest-working presidents, Cleveland thoroughly enjoyed his hobbies of fishing and hunting (he named his hunting rifle Death and Destruction), and was also known to consume vast quantities of beer and food. After his second term, the portly president retired to Princeton, New Jersey, with his young wife and their five children. He died in 1908 at age 71.



1933, Studebaker goes Bankrupt - On this day in 1933, American automaker Studebaker, then heavily in debt, goes into receivership.

The company's president, Albert Erskine, resigned and later that year committed suicide. Studebaker eventually rebounded from its financial troubles, only to shut down the assembly line and transition out of the automobile business in 1966. The origins of the Studebaker Corporation date back to 1852, when brothers Henry and Clement Studebaker opened a blacksmith shop in South Bend, Indiana. Studebaker eventually became a leading manufacturer of horse-drawn wagons and supplied wagons to the U.S. Army during the Civil War. Around the turn of the century, the company entered America's burgeoning auto industry, launching an electric car in 1902 and a gas-powered vehicle two years later that was marketed under the name Studebaker-Garford. After partnering with other automakers, Studebaker began selling gas-powered cars under its own name in 1913, while continuing to make wagons until 1920. Albert Erskine (1871–1933) assumed the top job at Studebaker in 1915. Under his leadership, the company acquired luxury automaker Pierce-Arrow in the late 1920s and launched the affordably priced but short-lived Erskine and Rockne lines (the latter named for the famous University of Notre Dame football coach: Before his death in a plane crash in 1931, Studebaker paid Rockne to give talks at auto conventions and dealership events). During the early 1930s, Studebaker was hit hard by the Great Depression and in



Texas Agriculture ✓
@TexasDeptofAg

Following

The Texas Department of Agriculture is continuing to celebrate [#WomensHistoryMonth](#) ♀ with those influential women in the agriculture industry! [#WomenInAg](#) [#FarmHer](#) [#TexasAgricultureMatters](#)



March 1933 it was forced into bankruptcy. (In April 2009, Chrysler became the first major American automaker since Studebaker to declare bankruptcy.) Erskine, who was saddled with personal debt and health problems, killed himself on July 1, 1933. New management got the company back on track, dropping the Rockne brand in July 1933 and selling Pierce-Arrow, among other consolidation moves. In January 1935, the new Studebaker Corporation was incorporated. In the late 1930s, the French-born industrial designer Raymond Loewy began working for Studebaker: There, he created iconic and popular models including the bullet-nosed 1953 Starliner and Starlight coupes and the 1963 Avanti sports coupe. By the mid-1950s, Studebaker, which didn't have the resources of its Big Three competitors, had merged with automaker Packard and was again facing financial troubles. By the late 1950s, the Packard brand was dropped. In December 1963, Studebaker shuttered its South Bend plant, ending the production of its cars and trucks in America. The company's Hamilton, Ontario, facilities remained in operation until March 1966, when Studebaker shut its doors for the final time after 114 years in business.

Upcoming Events

Mon. 03/18 - Export Inspections

Tues.-Wed. 03/19-31/20 - FOMC Meeting

Wed. 03/20 - Spring Begins, Full Moon

Thurs. 03/21 - Export Sales, Jobless Claims

Fri. 03/22 - Cattle on Feed, Cold Storage

Mon. 03/25 - Export Inspections, New Home Sales

Thurs. 03/28 - Export Sales, Jobless Claims, Hots & Pigs Report

Fri. 03/29 - Personal Income, Grain Stock, Prospective Planting

Mon. 4/1 - April Fool's Day, Export Inspections, Crop Progress

Wed. 4/3 - US Trade Balance

Thurs. 04/04 - Export Sales, Jobless Claims

Fri. 04/05 - Unemployment Data, Consumer Credit

Mon. 04/08 - Export Inspections, Crop Progress

Tues. 04/09 - Crop Production, USDA Supply & Demand

Thurs. 04/11 - Export Sales, Jobless Claims



David W Fathauer

@seedeye

Following

You can pour water on a frozen sponge, but you can't make it drink. Actually, central Illinois is very fortunate ... other regions have it much worse. #plant19 #Illinois



Mon. 04/15 - NOPA Crush, Export Inspections, Crop Progress

Tues. 04/16 - Retail Sales

Thurs. 04/18 - Export Sales, Jobless Claims, Cattle on Feed

Fri. 04/19 - Good Friday, Full Moon

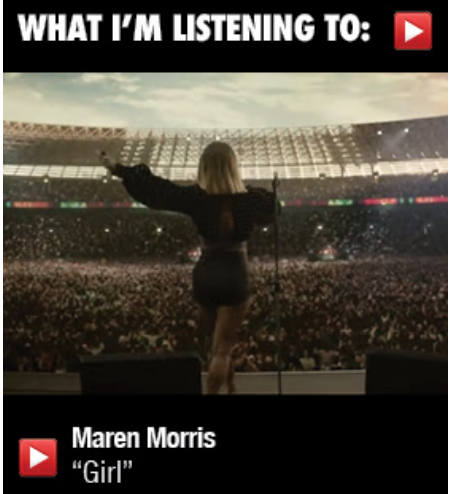
Mon. 04/22 - Easter Monday, Export Sales, Crop Progress

Tues. 04/23 - Cold Storage

Thurs. 04/25 - Export Sales, Jobless Claims

Mon. 04/29 - Export Inspections, Crop Progress, Personal Income

Kevin's Song of the Week



Kevin's Song of the Week



farmerjay
@JayReiners

Following

Glad corn isn't planted otherwise replant time. Now imagine that the dry fertilizer that my Coop spread isn't there either 😞.

#plant19



NEXT

level

THINKING

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

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

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

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

Kevin Van Trump

What Others Are Saying

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

A.M., FDIC

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



Mary Hightower

@AgWriterArk

Following

For many **#Arkansas** farms, whether row **#crop** or **#livestock**, the view is the same: water, mud and more water. **#Plant19** windows approaching; **#beef #cattle** producers worry about hay supplies, spring **#pastures #ag #arwx**

bit.ly/2UstmrR



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.



You Had One Job

@YouHadOneJOB

Following

Took way longer than it should have for me to solve it.





The Old Man Club
@TheOldManClub

Following

2050 is as far away as 1980.



Farm Direction
RECIPES

★ FAMILY ★
FAVORITES
-SENT IN BY OUR READERS-

Chicken Ranch
Potato Bake



CLICK TO SEE RECIPE

neuro mining



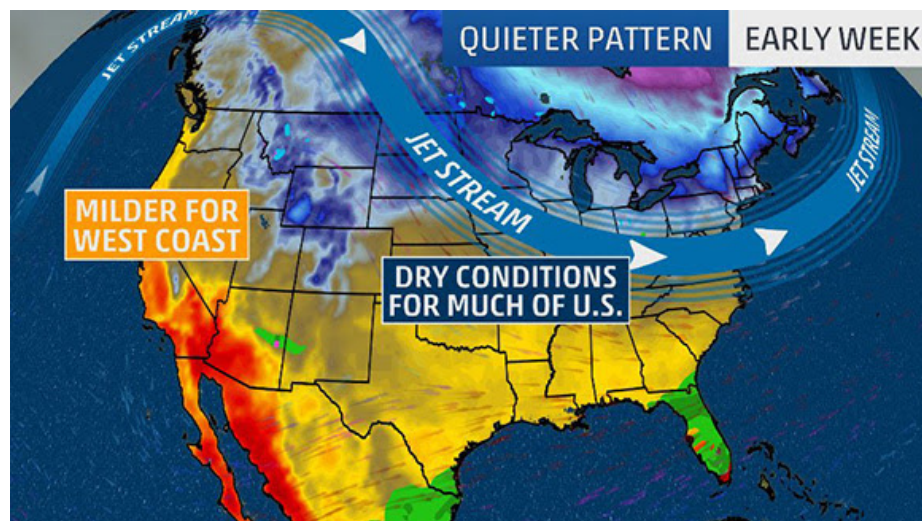
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we 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 can bring tears to your eyes; resurrect the dead, make you smile, and reverse time. I form in an instant but I last a life time. What am I?

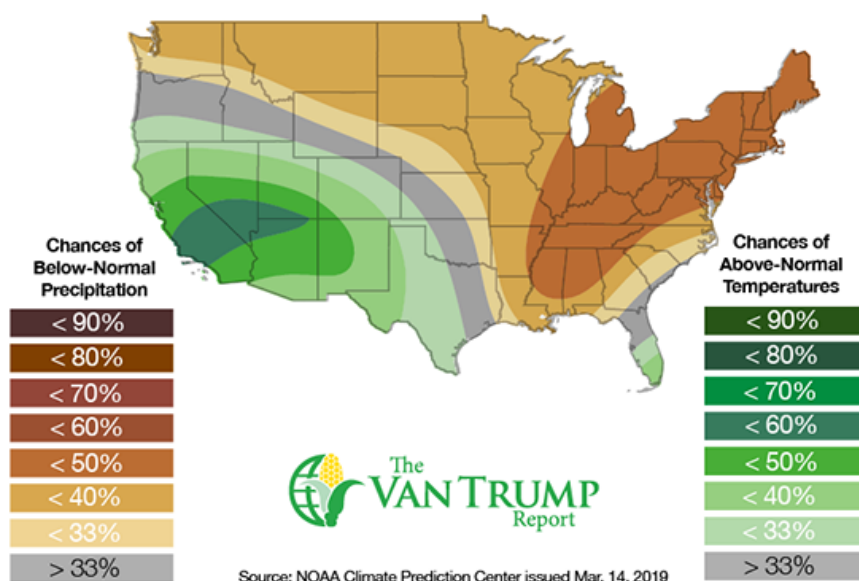
Long-Awaited Weather Pattern Change Ahead: A much-awaited weather pattern change is on the horizon and will bring a needed break from the parade of storms that have tracked across the U.S. recently. The shift in the weather comes after last week's winter storm brought blizzard conditions to the Plains and flooding and severe weather to parts of the South, Plains and Midwest. An area of high pressure is expected to dominate the weather across the Lower 48 this week bringing drier than average

conditions from the northern Rockies into much of the South. In addition, warmer temperatures are anticipated as well.



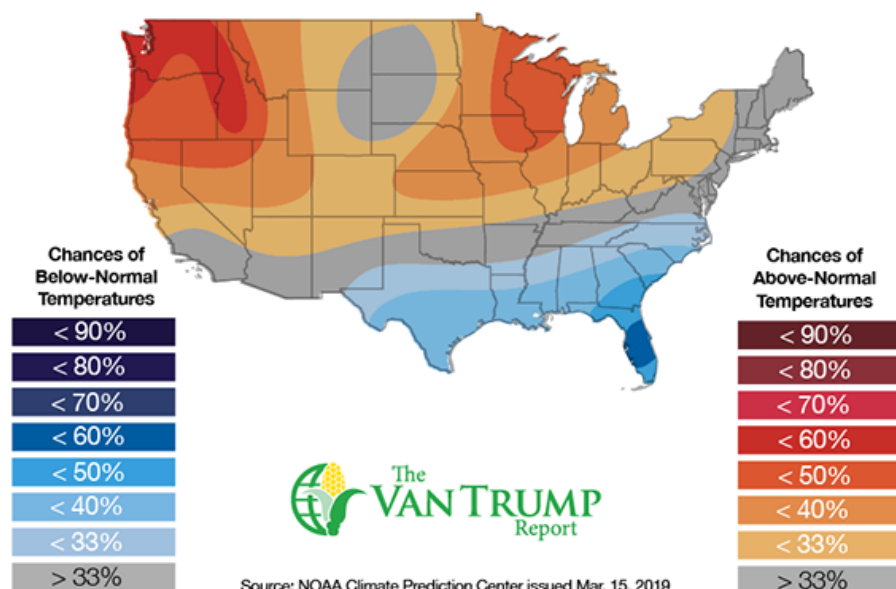
6-10 DAY PRECIPITATION OUTLOOK

MAR. 20 - MAR. 24, 2019



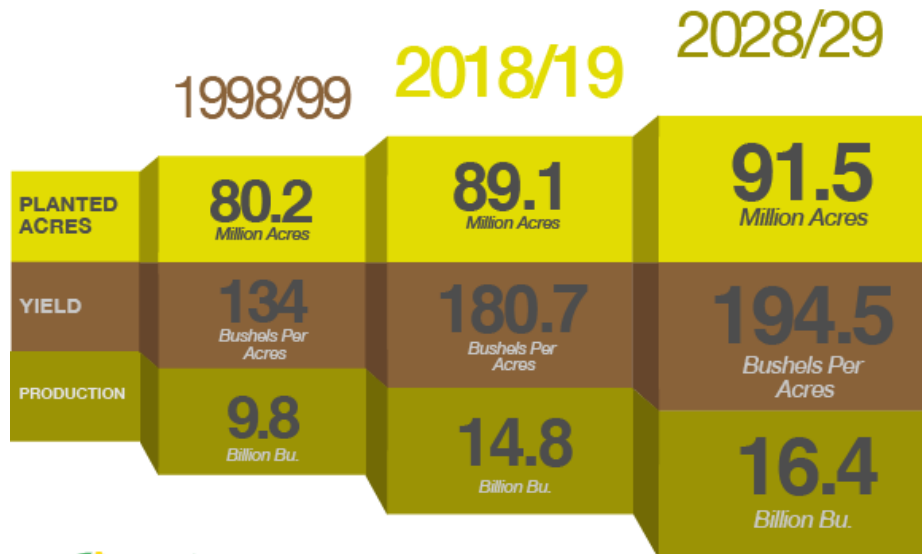
6-10 DAY TEMPERATURE OUTLOOK

MAR. 20 - MAR. 24, 2019



Corn bulls are keeping an eye on extreme U.S. weather conditions that have included late-winter blizzards and early-spring flooding. The updated 6-10 day forecast is calling for above normal temps and average to below normal precipitation for a large chunk of the major corn producing states. Interestingly, the longer-term forecast again brings in talk of above normal precipitation, which could further complicate planting for many producers in key growing areas. As for South America, it feels like the Argentine corn crop is getting bigger, not smaller, perhaps 48 to 49 MMTs compared to the USDA's current forecast of 46 MMTs and well higher than the 32.0 MMTs produced the previous year. I also feel like Brazil's production estimates are starting to creep higher as well, perhaps 95 to 96 MMTs compared to the USDA's current forecast of 94.5 MMTs and well higher than last years production of 82.0 MMTs of corn. Bears argue, that's a lot of extra corn being harvested in South America compared to last year and it will ultimately work it's way into the global marketplace, creating more headwinds for U.S exports. Bulls remain curious about just how much of the NEW South American corn will be make its way to the exporters? If I wanted to argue weather concerns in South America, I would consider perhaps too much rain falling in northern parts of Brazil and too little rain falling to the extreme south. I could also argue too little rain in southern parts of Argentina. But these weather arguments just aren't wide-spread enough to equal macro setbacks in production. As a spec, I'm hesitant to trust the recent rebound in price. We posted a fresh new-low in the MAY19 contract last Tuesday at \$3.61, then rallied for three consecutive days, to close the week at \$3.73². I suspect we could continue to climb higher for a moment as traders digest the weekends wild weather. Unfortunately, those types of weather headlines can quickly fade, especially if the forecast shows improvement. I'm also worried that the trade could again become disappointed with the lack fresh headlines and details about U.S. and Chinese negotiations. In other words, if the weather forecasters show improvement and the trade talks continue to drag out, the bears could once again try and retest the lows. I would like to say that wide spread flooding and talk of perhaps fewer corn acres actually getting planted will keep us supported through the Spring, but I'm hesitant to make that call, at least at this point as it just seems like the obvious...

30 Years of U.S. Corn

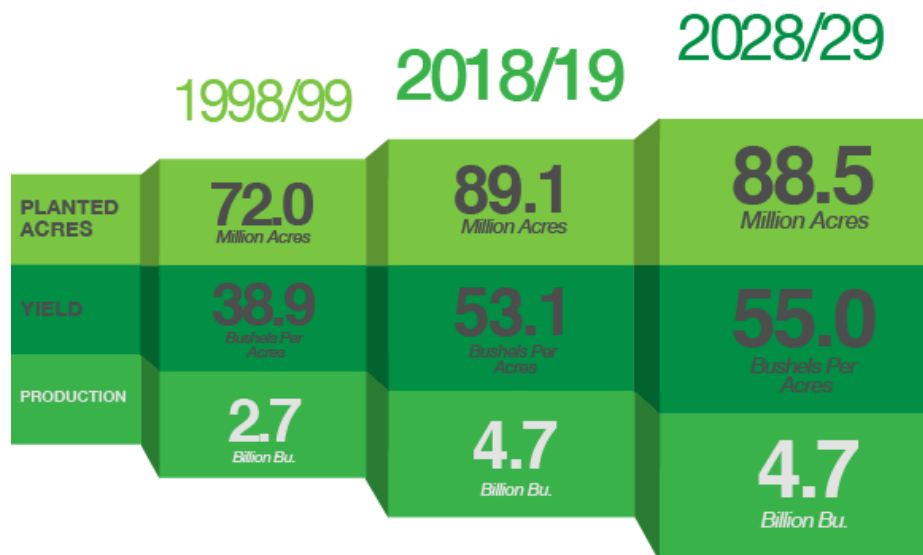


Data from USDA Long-term Projections to 2028/29
the projections were complete in October 2018

Soybean prices actually gained +10 cents last week despite disappointing trade headlines. Perhaps that's a good sign for the bulls in this market. I can think of three headlines that should be bringing negative price pressure. First, the bulls seemed let down when they heard the meeting between President Trump and Xi was not going to take place at the end of March like once anticipated. Talk now is that the meeting between the two leaders might not happen until late-April or perhaps even May. Next, we had a bit of disappointing data released on Friday when the NOPA crush numbers came in less than expected, just shy of 154.5 million bushels. Keep in mind, despite the slowdown, it was still the strongest February for crush on record. Soybean oil stocks at the end of February swelled to a seven-month high of 1.752 billion pounds, compared with 1.549 billion pounds at the end of January. Soybean exports last month totaled 784,660 tons, down from 905,923 tons in January but above the 755,103 tons exported in February 2018. Another headline that could be digested either way is the recent extreme weather here in the U.S. At first glance, wide-spread flooding in many locations and extreme snowfall to the north should be digested as bullish, but ultimately it could mean more soybean acres and perhaps more production? At this point it's just too early to call. I did hear over the weekend, FC Stone has their U.S. soybean acres estimated at around 87.0 million, which is more realistic than the 83 to 84 million number some have been suggesting. Remember, this past year we planted just over 89.0 million soybean acres across the U.S.

MUST READ: *Pro Farmer's Jim Weisemeyer, recently wrote a very informative article titled, "**Feds Seize 1 Mil. Lbs. of Pork Smuggled from China to N.J.**" U.S. Customs and Border Protection agents made the biggest seizure of agricultural product in American history, officials announced. The million-pounds of pork (454 metric tons) of pork were smuggled from China, where there has been an outbreak of African swine fever (ASF). More than 100 Customs and Border Protection agricultural specialists and canines from USDA worked to uncover the prohibited food. The U.S. has never had ASF, and officials are stepping up efforts to keep the disease out." Click [HERE](#) to read the entire article.*

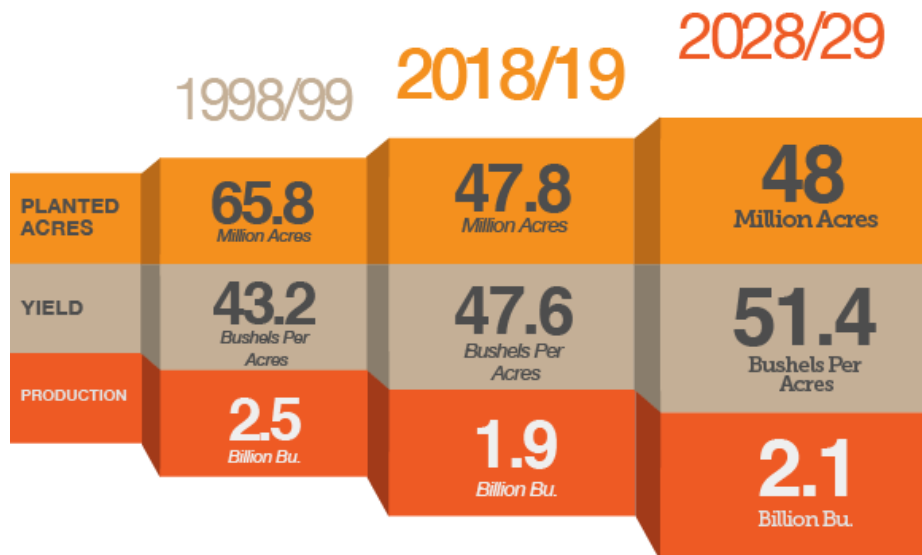
30 Years of U.S. Soybeans



Data from USDA Long-term Projections to 2028/29
the projections were complete in October 2018

Wheat prices have rebounded +30 cents from their recent lows. Bears say it's simply a "dead-cat-bounce" after the market got extremely over-sold, followed by a temporary short-covering rally to the upside. Fundamentally, very little has changed. U.S. exporters continue to battle stiff global competition, U.S. ending stocks remain burdensome at over +1.0 billion bushels, and global stocks are also extremely large. Low-cost providers such as Russia, European Union, and Australia are all seeing talk of increased production compared to this past year. Here at home, myself and many other bulls have been saying for several weeks there's a story brewing, but the market has given it no consideration. In fact, the wheat market has done nothing but take a massive tumble in the past 30-days. I'm worried that the bulls who were betting on the lowest number of wheat acres planted in the U.S. in over 100-years have already been blown out of the market and nursing their wounds on the sideline. I'm also worried that those who were making bullish bets on U.S. weather are also nursing their wounds. Which means there might not be a ton of bulls left who want to jump in the ring and give it another shot, at least not just yet. Perhaps, like most fundamental traders, we were just too early to the party? It will be interesting to see what the market does once some of the weaker bears are finished covering their current short positions. As a producer, I still need to price about 50% of our estimated new crop production, so I'm pulling for a rally in a bad way. I was lucky and got that first 50% priced at really strong levels, so I'm not completely jammed up, but I would have liked to have gotten a bit more priced. As always, hindsight vision is 20/20. I'm staying optimistic

30 Years of U.S. Wheat



Data from USDA Long-term Projections to 2028/29
the projections were complete in October 2018

Guest Market Comments: I've been asked through the years to include more comments and opinions about Cotton, Rice, Cattle and Hogs. Yes, I've traded all of them through the years, some big winners and some big losers, but I just don't feel overly qualified to provide my opinion on a regular basis. Therefore, I'm going to allow some qualified guest commentary from time-to-time regarding the above mentioned markets. I hope it provides some additional insight and value for our readers.

RICE written by Trey Morris – [Husk Trading and Investments, LLC](#) - Rice futures continue to trade sideways since making recent highs late last week. Nearby MAY futures have traded sideways this week between 10.90 – 10.70 (cwt). Weather seems to be the main story affecting rice right now and is likely the main factor providing price support. Excessive rainfall and extremely high river levels in the Delta growing regions of Arkansas, Mississippi and Louisiana have already delayed planting attempts. Texas and California growing regions have also been wet. There is a dry stretch in the 6-10 day outlook, but many producers will have to tackle fieldwork first before any planting can be done. The fall and winter months saw record precipitation in some growing areas which denied producers the opportunity to prep fields for Spring planting. Even with a good stretch of dry weather, it may not be enough to dry the already extremely saturated soil. Concerning Trump and tariffs, an announcement last Thursday that there will be import duties on rice from India and Turkey caused a bump in futures. This tariff could make it hard for rice imports to enter the US which could tighten ending stocks. On the other end, retaliatory tariffs by Turkey on US rice imports among other things have caused the US to lose Turkey as a major buyer. To give you an idea, Turkey was in the top-5 list for US rice exports just 5 years ago, now they're down toward the very bottom of the list. This news is already in the books but is worth mentioning. Looking forward, demand seems to be steady and weather is likely going to continue to be in the driver's seat affecting rice prices. This will likely keep a bottom underneath the market if conditions remain wet. Saying all of that, there is still time to get the crop in the ground so no acreage loss is worth losing sleep over just yet.



> **USDA May Be Low On Foot-And-Mouth Vaccine:** According to a Government Accountability Office report released last week, the USDA may not have a sufficient supply of the foot-and-mouth

disease vaccine to control more than a small outbreak in livestock. The current supply would only protect about 14% of Texas cattle or 4% of Iowa swine. The 2018 Farm Bill, directs USDA to increase supplies of the vaccine. (Source: GAO)

> More Ethanol Waivers Granted: The EPA has retroactively granted five additional "hardship" waivers to exempt small refineries from having to comply with the ethanol mandate for 2017 sales. This raises the total for 2017 to 34 waivers and has sparked protests from the ethanol industry.

> California is Drought-Free: For the first time since 2011, all of California is officially free of prolonged drought after a very wet winter. There are just two relatively small areas still listed as "abnormally dry" but that is quite insignificant when you consider the time California has spent in a historically long drought.

> Cheeselandia At SXSW: Did you hear about the multiday pop-up that featured some 3,000 pounds of Wisconsin cheese. It was called Cheeselandia and it's the second year Dairy Farmers of Wisconsin and Wisconsin Cheese hosted a mega cheese fest at SXSW. The exhibits features not only thousands of pounds of cheese, but also a cheese Ferris wheel, gourmet fondues and fried cheese curds.

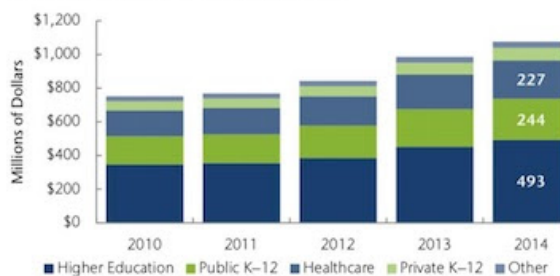
> Trump Looks for Good Faith in Trade Deal With EU: President Trump warned the EU that if they don't negotiate in good faith on pending negotiations, they could expect economic pain. I'm told most expect that involves levying auto tariffs against the EU, but sources say they don't expect Trump to put tariffs on EU imports, including autos, until a trade deal with China is close or more likely completed.

> First Ever Online Census... Hopes to Reach Millennials: Millennials (born from 1981 to 1996) and Generation Z (born after 1996) account for about 35% of the approximate 325 million people in the U.S., according to estimates, and census officials say their traditional means of outreach — mail-in questionnaires, landline phone calls and door-to-door surveys — are failing to connect with this significant segment of the population. With that fact in hand, the Census Bureau plans to conduct its first-ever online headcount, which it predicts will generate 60% of the total responses for 2020. (Source: Washington Post)

> Kyle Busch Make History in Southern California: After overcoming a speeding penalty, Kyle Busch took the checkered flag to earn his 200th win in NASCAR's top three national series (Monster Energy Cup Series, Xfinity Series, Gander Outdoors Truck Series). Busch joined NASCAR Hall-of Famer and seven-time champion Richard Petty as the only drivers with 200 wins, though Petty earned all his victories in the Cup Series. (Source: USA Today)

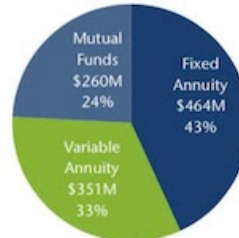
> Teachers Deserve Better: How is it possible that two variations of tax-deferred retirement accounts, born of similar ideals and motivations, have evolved into shockingly different animals? I refer to 401(k) and 403(b) investment accounts. Despite being part of similar tax codes with nearly identical goals, in practice the portfolios of each bear little resemblance to each other. As a result, millions of American teachers, among others, are retiring with less in savings than they deserve. Read more [HERE](#).

Exhibit 1: \$1,075M 403(b) Market by Industry



Source Data: Spectrem Group

Exhibit 2: 403(b) Investment Vehicles



Northern Illinois – We are finally going to warm up a touch and hopefully pull a little of the subsoil frost out of the ground. The top of the ground is like walking on a sponge. I don't foresee us drying out in the next week because we have a good chance of rain every day the week after next. Our topsoil is setting around 35 degrees but that

will slowly start to warm up over the next couple days. If we can get our fertilizer on sometime in April and our corn planted in May we are going to be doing okay.

Northeast North Dakota – This is the time of year where we can get big heavy snows. I think our biggest snow last year was the first part of April when we got 18 inches. We have seen snow every week for the last month and it's starting to peak as far as how much is on the ground. I think we have another snow Monday, but it shouldn't amount to much, but like I said we can get big snows out of nowhere. After this snow we will start to jump into the 40's and we should see some melting happen. The only problem is there is no where for all the water to go.

Northern Texas – We are sitting in the high 60's over the weekend so we decided to sew a little corn and try and beat this big chance of rain we have coming next week. The rain should water the corn in nice unless it's one of those down pours that washes our seeds away. Right now, it looks like we have just a slight chance of showers so we rolled the dice with planting. A little rain will get this corn off to good start.



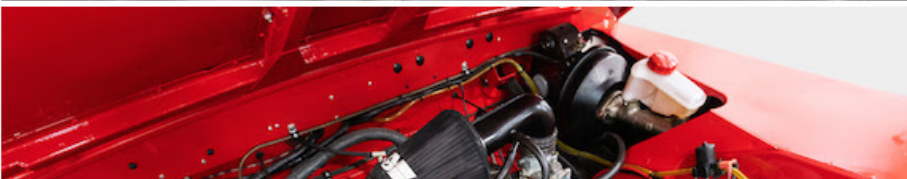
Future of Food... Are Kitchens on Their Way Out? For entrepreneurs and investors in the agtech startup space, David Friedberg is a major celebrity. When he sold his weather data startup The Climate Corporation to Monsanto for \$1 billion in 2013 – achieving that elusive “unicorn” status – he put the category on the map. Ever since, entrepreneurs and venture capitalists have flocked to apply the latest in technology to the food and agriculture industries in an effort to cure it of its many woes, including climate change, obesity and the dominance of a few mega agrifood businesses globally. Since selling Climate Corp, Friedberg became an investor himself, quietly building a portfolio of companies from farm to fork for his investment company The Production Board over the last five years. Friedberg is a visionary and the insights he offers on what and how we will be eating in the future are inspiring, exciting, if perhaps a little scary. Find out Friedberg's vision for the food system of the future (including the possible disappearance of kitchens), and how he's building his investment portfolio, which food trends he finds hot –or not – and his moonshot idea, by clicking [HERE](#).

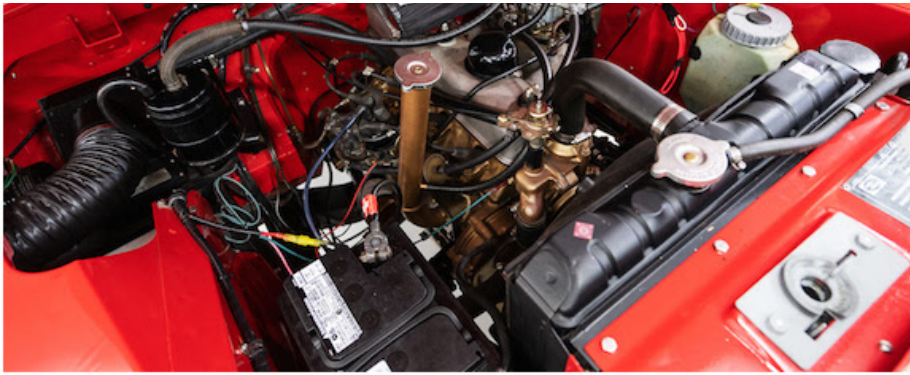
Gift From George Washington To Seneca Chief Finds its Way Home: I love both history and old artifacts, so this story really caught my attention. From what I understand, Washington presented a maple handled peace pipe-tomahawk to the Seneca Nation Chief, that somehow managed to survive, when all the other gifts the Chief received over the years had been destroyed. Apparently the Seneca Chief became disheartened over time from all the broken treaties that constantly took place. The peace pipe-tomahawk, however, survived and it resurfaced in 1850 in the New York State Museum in Albany, where it remained until someone stole it between 1947 and 1950, according to Gwendolyn Saul, the museum's curator of ethnography and ethnology. I'm told in April 2018, the mystery of what happened to the artifact began to clear up. Saul received a letter from a law firm saying a collector in the Northwest had an object that might belong to the museum. It turned out to be the peace pipe-tomahawk. The museum, through the law firm, was able to contact the collector, who said she wanted to return the artifact at no cost to the museum even though she paid \$75,000 for it. Click [HERE](#) to see a picture of the beautiful artifact and get more of the story.

Disruption is Coming to the Real Estate Industry: Instead of disrupting the sector, the last generation of real estate technology companies primarily improved efficiencies of existing processes. Industry leaders Zillow/Trulia and LoopNet* helped us search for homes and commercial real estate better and faster, but they didn't significantly change what we buy or lease or from whom or how. The next generation of real estate technology companies is taking a more expansive approach, dismantling existing systems and reimaging entirely new ones that address our growing demand for affordability, community and flexibility. One segment of startups is focused on making existing homes more affordable, especially in high-cost markets like New York and the Bay Area. Divvy helps consumers, many of them with low credit scores, rent-to-own homes, which are assessed for viability by a combination of contractors and machine learning. Landed, funded by the Chan Zuckerberg Initiative, helps educators afford homes in the communities in which they teach. Homeshare divides luxury apartments into multiple more-affordable units, and Bungalow takes a similar approach with houses. Both companies have built technology platforms to manage their tenant listings and to allocate tenant expenses and streamline payments. Another segment of startups is aiming to reduce the costs of building new homes, such as with modular, prefab housing to reduce construction costs. Also, consumers aren't just craving affordability, they're also seeking company, as more than half of Americans feel lonely. Read more [HERE](#) on how startups will bring flexibility to the real estate sector to address all these and more issues.

Collecting Water Out of Thin Air: Using solar power and what they refer to "super sponges," a team of engineers at the University of Texas at Austin have developed a neat, and potentially life-saving, magic trick: pulling water out of thin air. I'm told the sponges are actually hydrogels, gel-polymer hybrid materials that are designed to hold and contain substantial amounts of water. The Texas team focused on combining the abilities of an especially absorbent hydrogel known as hygroscopic polypyrrole chloride with one that reacts to heat called isopropylacrylamide. It's a mouthful, but the two melded together are able to function in both humid and dry weather conditions and have been proven to pull water out of the atmosphere. Given the increased threat of drought across the globe due to climate change, the 50,000 cubic kilometers contained within the atmosphere are a tempting target for relief. Prototypes showed daily water production of up to 13 gallons per just over two pounds of hydrogel. Read more [HERE](#).

Checkout the 1971 Land Rover Defender Series II: As excited as we are about all the upcoming variations of the new Ford Raptors, electric SUVs and supertrucks, it's the classic vintage SUVs like old school Land Rovers that really tickle our fancy. In case their restoration of a 1986 Chevy Silverado wasn't indication enough, Classic Car Studios knows how to make just about anything beautiful. This 1971 Land Rover Defender Series II they made might be our favorite one of their creations to date, and it doesn't even have a thousand horsepower engine in it. For starters, the Poppy Red paint job with gloss black accents and matching leather interior is nothing short of breathtaking. It wouldn't be a Classic Car Studios creation if all they did was slap on new paint and redo the interior, so they rebuilt or replaced just about everything else from the 2.25 liter engine and carb to the transmission and differentials. Even the undercarriage on the truck has been detailed to better than new. Click [HERE](#) to see more about this classic.





Working Together to Advance the Future Global Food System

I ran across this very in depth analysis produced by Brook Cunningham, the Managing Director at Lazard, regarding the advancement of agriculture amidst this period of significant transformational change in which we find ourselves. Meaning, while technology, data analytics and digital connectivity are slowly coming together to increase both the efficiency and sustainability of global food production, there still exists fundamental unaligned priorities and cultural differences between key players in the space. Below, I share the four familiar key players she identifies in the space and the areas of concerns and needs they seek to address as they take steps to in coming together with the common goal of delivering the food the world needs, and doing so as efficiently and sustainably as possible. As I said earlier, Cunningham has provided excellent and very in depth analysis that I believe is worth your time to read. Click [HERE](#) for the full article. It's worth mentioning, Cunningham will be one of many speaking at the upcoming World Agri-Tech Innovation Summit in San Francisco this month, you can click [HERE](#) to check out what world food leaders and companies will be discussing over the four-day summit. It's a great way to stay in front of the trends. (Source: [worldagritechusa](#))

Consumers: *Driving the engine of change behind the new paradigm is consumers, who are demanding changes in the food supply chain to deliver enhanced food quality, authenticity and sustainability. As I've said many times before, the game has gone from the days when we just produced what we chose and sold it to the markets, to now having to listen to the market, making sure we are on the right side of demand. Availability of information along with focus on health and wellness from developed countries has been a leading force behind the movement, as well as a strong cultural shift in the view of diet programs, and how they fit into companies branding and storytelling. These trends have meaningful implications to the food supply and demand equation as we move forward. But sometimes left out in the discussion is the fact that many of the consumers behind the push don't and frankly can't appreciate the massive costs involved to restructure the supply chain and in some cases the production methods required to meet their demands. For instance, in the article Cunningham has great insights into the challenges and differences for growers to produce the organic crops required to fulfill desires. Also, she discusses how the current infrastructure for delivery will take time to transition*

over to handle the increase in demand, as well as touching on the fact consumers will need to absorb some of these costs as we transition.

Farmers: Producers are now having to take a hard look at their operations from top to bottom. Like I've shared in all my talks the last two-years... we are at an inflection point with technology, meaning each operator needs to determine which side of the tech line they're on. There is no question adoption of tech will be required to stay in commodity space as well as to be most efficient moving forward. I suspect these pressures, in combination with demographic shifts in some markets, will ultimately lead to increased farm consolidation and the growth of larger, more sophisticated, "mega farm" enterprises with economies of scale and enhanced ability to weather market volatility. The small and mid-sized farms that remain will be those that excel at managing costs, risks and profitability through operational excellence. As you dig deeper into the article, Cunningham addresses Ag Tech's promises of better informed decisions for producers, as well as its focus on maximizing profitability and its low adoption rates. She does an excellent job of suggesting the proper blend of old and new to enable producer to succeed. For instance... using the wisdom of legacy agronomic expertise, leveraging the power of advanced seed, crop protection and crop nutrient technologies, as well as how new data collection and predictive analytic tools of advanced Ag equipment, software, AI/machine learning platforms and other products will allow producers to be most effective and competitive.

Agribusiness: Global retailers and cooperatives need to take a leadership role and connect the farmers to the technologies. They could be the aggregators, validators and integrators of products and services into outcome-based solutions and provide growth capital for promising startups as public equity market capacity for Ag Tech companies will likely be limited and take time to develop. Also, they could leverage their massive distribution channels to accelerate the placement of the best new Ag Tech into farms, as they fulfill their key role as trusted advisor to farmers, helping them navigate an increasingly challenging environment. Keep in mind, many of them have to transition from siloed, commodity-centric organizations to innovative ecosystem connectors, which will require capital investment and management focus. Also, agriculture is the last major industry to digitize, which presents both tremendous opportunities for growth and advancement using data-driven tools as well as the threat of disruption to existing supply chains for which many companies are unprepared. In my opinion, this is where we are seeing tremendous early disruption seeking to be had as end-users are creating direct relationships with farmers. Again, as I've said before, this is where we believe blockchain may come in to offer the bigger companies the chance to stay relevant in the supply chain.

Innovators: Mission critical moving forward will be for innovators to communicate in more effective ways with farmers and corporations. In the process, I suspect we will begin to see less of the "solutions" being offered for problems that don't exist. Part of the disconnect is that many new innovators are speaking the language of technology, concepts and revolutionary ideas, which need to be put into a language farmers and corporations can understand—that of capital requirements, investment risk, data-backed financial returns and required infrastructure. Farmers want data-backed support for the return proposition of new technologies, based on case studies from other farms and/or field analysis. While strong technology, well designed sales strategies (aligned with farm culture) and informative product demonstrations are important, ROIC datasets are becoming table stakes to advance adoption. Similarly, the Ag Tech innovators that will be most successful in striking partnerships or achieving investments and acquisitions by corporations will be those that can clearly communicate their investment thesis with farm ROIC and other data in ways strategic investors can underwrite with confidence.

WORLD AGRI-TECH INNOVATION SUMMIT

San Francisco, March 19-20, 2019



Traditional Banking Continues to Lose Marketshare... "Chime" Leading the Online Banking Surge

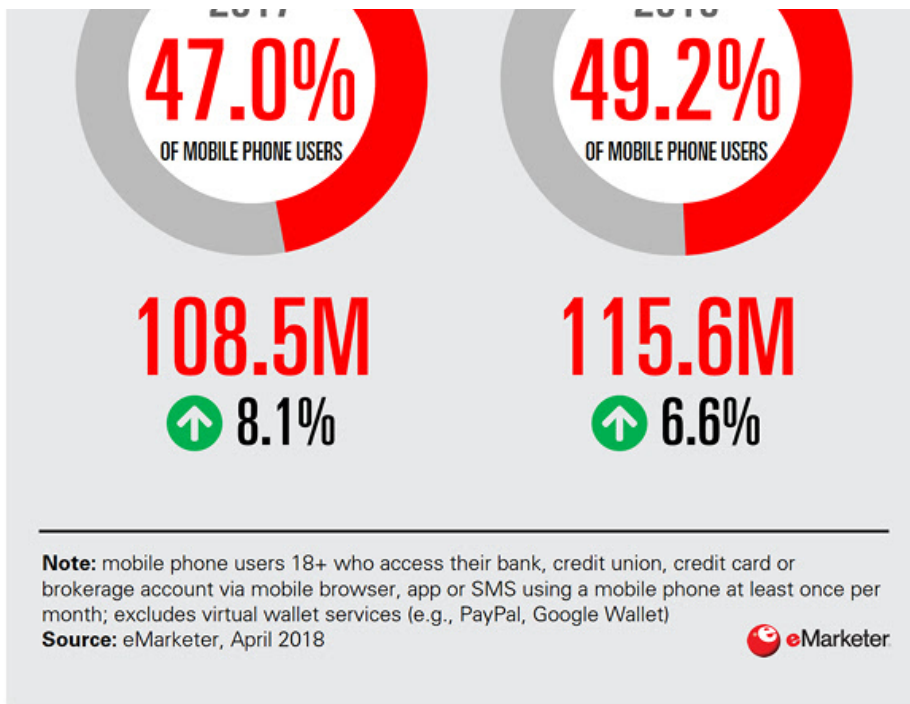
Chime is a new online bank that gets customers paid up to 2 days early with direct deposit, grows their savings automatically, and offers a "no fees" bank account, which won't penalize users for things like dropping below a minimum balance or even overdrafts. With the new funding from DST Global, Chime now has the highest valuation among any other U.S. challenger bank with a \$1.5 billion valuation. The company is one of many banks like Revolut, N26, and Acorns going after the younger millennial crowd who no longer see the need for physical banks and hate being nickel-and-dimed by countless fees. Keep in mind, the biggest US banks each make around \$1 billion a year in fee-related revenue. From what I've learned, the company seems to be making their money from the revenue they get from a portion of the interchange fee on its debit card, which is different from traditional banks. So, every time someone uses their Chime Debit Card the company gets a percentage of that interchange fee similar to Visa. When customers open a Chime bank account, they get a Visa Debit Card and a Spending Account that can be managed entirely from their smartphone, which is available on both Android and iOS. The Chime app also features daily balance notifications and instant transaction alerts anytime someone uses their Chime debit card to help customers stay on top of their money. In addition, Chime has a network of over 38,000 fee-free ATMs for Chime members through MoneyPass and Visa Plus Alliance. I also want to mention it seems like Chime has the background to make waves in the online banking space with a mix of both tech and finance. Chime's co-founder and CEO Chris Britt previously worked at Flycast, was an early comScore employee, worked at Visa, and worked at Green Dot. The other co-founder and CTO Ryan King spent time most of his time at Plaxo and Comcast before Chime. To date, customers have opened more than 3 million FDIC-insured bank accounts on Chime, which makes it one of the largest brand in its category. In addition to the 3 million bank accounts, Chime recently opened over 10,000 new bank accounts in 24 hours following a Wells Fargo outage. I suspect the biggest challenge for Chime in the future is going to be

PayPal and Amazon, who already have their war chests open and are eager to go after the traditional banking customers. Keep in mind, PayPal has begun offering banking features to groups of customers that includes FDIC insurance, a debit card that can be used at ATMs, photo check deposit, direct deposit services, and real-time instant wire transfers. In addition, Amazon has reportedly been in talks with the major banks about creating a bank account product for its prime members. It will be interesting to see how big banks will shift their business model in the next few months as online banking is becoming more and more popular. We hate to think these new tech type banks will upset and change how we deal with out hometown local banking branches, but it could certainly create some shifts or changes in their strategy. I personally hate going to the banks where there are no personal tellers or smiling faces to interact with. I guess I'm just getting old. I remember when going to the bank once a week with my grandpa was a lot of fun. I hope that isn't something we lose in our rural communities, but sure seems like it's going to be more and more difficult to compete.



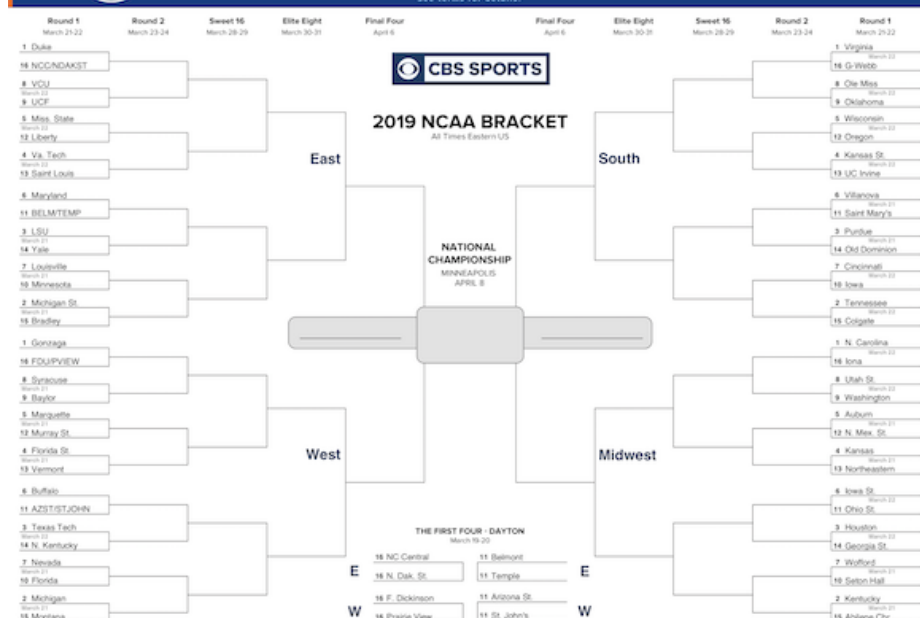
How Many Mobile Phone Banking Users Are There in the US?





Are You Ready for March Madness???

If you haven't followed Men's NCAA Basketball throughout the season this is your "quick look," so you can fit in at any watch party or conversation in the office. The very first game of the tournament tips off tomorrow, Tuesday, March 19th. The tournament will continue until the Championship game is played on April 8th in Minneapolis, MN. In addition, Sweet-16 and Elite-8 locations include Kansas City, Washington DC, Anaheim, and Louisville. Too bad we don't work at Berkshire Hathaway. From what I understand Warren Buffett is continuing the tradition he started last year, by offering any Berkshire Hathaway employee that can pick the "Sweet-16" correctly \$1 million a year for the rest of their life. Getting the 16 teams right after two rounds of the NCAA Tournament is tough, but not impossible. Keep in mind, a string of upsets last year meant none of the 17.3 million ESPN brackets had a perfect Sweet 16. 2017 was better, 18 out of 18 million ESPN brackets actually picked the Sweet-16 correctly. Essentially you have to pick who will win their games during the first two rounds. Interestingly, Buffett provides a consolation prize and awards \$100,000 to the person who goes the furthest even if they can't get all 16 correct, which eight people split last year. Keep in mind, Berkshire Hathaway is a massive conglomerate with 367,000 employees (only 25 at its headquarters in Omaha, Neb.), but it's made up of nearly 90 companies, including Benjamin Moore, Fruit of the Loom, Geico, NetJets, etc. I've included this years March Madness tournament bracket below. You can print your own bracket or see a larger version by Clicking [HERE](#)



Teams favored to Win: I've included below the teams and odds that Vegas was showing yesterday afternoon. In simple terms, if you bet \$100 on Duke to win it all you could win \$200. If you bet \$100 on K-State you could win \$8,000.

- Duke 2/1**
- Gonzaga 5/1**
- North Carolina 6/1**
- Virginia 8/1**
- Kentucky 12/1**
- Michigan State 12/1**
- Tennessee 12/1**
- Michigan 16/1**
- Texas Tech 18/1**
- Houston 30/1**
- Florida State 30/1**
- Purdue 30/1**
- Iowa State 40/1**
- LSU 55/1**
- Auburn 55/1**
- Kansas 60/1**
- Villanova 60/1**
- Kansas State 80/1**
- Marquette 80/1**
- Wisconsin 80/1**

Most Championships: UCLA has 11 titles, which 10 of those titles were earned under coach John Wooden and seven of them came in a row.

Biggest Upsets in March Madness History

- (8) Villanova vs (1) Georgetown, 1985 national championship**
- (16) UMBC vs (1) Virginia, round one in 2018**
- (15) Middle Tennessee State vs (2) Michigan State, round one in 2016**
- (11) Virginia Commonwealth vs (1) Kansas, Elite Eight in 2011**
- (15) Hampton vs (2) Iowa State, round one in 2001**
- (15) Norfolk State vs (2) Missouri, round one in 2012**
- (11) George Mason vs (1) UConn, Elite Eight in 2006**

Lowest Seed Ever to Win the Tournament: #8 seed Villanova in 1985

#1 Seeds in the Final Four: 2008 is the only time that all four #1 seeds made it to the Final Four, which included Kansas, North Carolina, UCLA, and Memphis.

No #5 Seed has Ever Won a Championship: Butler in 2010, Indiana in 2002, and Florida in 2000 are the only #5 seeds to make the title game, which none won.

Most Points in a March Madness Game: Notre Dame shooting guard Austin Carr set a tournament game record by sinking 61 points in a first-round matchup with Ohio. NBA Hall of Famer David Robinson came closest with Navy scoring 50 points in 1987.

Number of Perfect Brackets is 0: At NCAA.com, Bleacher Report, CBS, ESPN, Fox Sports, and Yahoo! one March Madness bracket remained perfect through 39 games before busting in the final matchup on the third full night of games, when Purdue beat Iowa State, which is the longest known recorded and verified streak (that we could find) to open an NCAA tournament. Keep in mind, your odds of filling out a perfect bracket are lower than your odds of winning the lottery.

Businesses Affected by March Madness: Wallethub estimates that hourly corporate losses will amount to roughly \$1.9 billion as a result of workers whose productivity has been diverted by March Madness.

Winning it All as a Player and Coach: Joe B. Hall as a player and coach of Kentucky, Bob Knight as a player with Ohio State and coach of Indiana, and Dean Smith as a player at Kansas and coach at North Carolina are the only individuals that have won an NCAA championship as a player and as a coach.

Picking The Long-Shot: March Madness is famous for just that – madness – so it's tempting to make bold upset picks in your bracket. For most, the goal of filling out a bracket is to have fun. And choosing a No. 10 seed to make it to the Final Four (and watching it come to fruition) is a blast. But the data shows that it's not the best course of action. Below you'll see A) the percentage of people who pick certain seeds to advance to the Final Four, and B) how often those seeds have reached the Final Four since 1985, when the tournament expanded to 64 teams. There are exceptions. You can gain some real ground by, say, picking a No. 3 seed. Those teams have advanced to the Final Four more often than the public predicts it will happen. Best of Luck...

SEED	2ND ROUND	SWEET 16	ELITE 8	FINAL FOUR	CHAMP GAME	WIN CHAMP	TRUE ODDS
1	99.3%	85.3%	69.1%	41.2%	24.3%	15.4%	61.8%
2	94.1%	62.5%	45.6%	20.6%	9.6%	3.7%	14.7%
3	84.6%	51.5%	25.0%	11.8%	7.4%	2.9%	11.8%
4	79.4%	47.1%	15.4%	9.6%	2.2%	0.7%	2.9%
5	65.4%	33.8%	5.9%	4.4%	2.2%	0.0%	0.0%
6	63.2%	30.9%	10.3%	2.2%	1.5%	0.7%	2.9%
7	61.8%	19.9%	7.4%	2.2%	0.7%	0.7%	2.9%
8	50.0%	9.6%	5.9%	3.7%	2.2%	0.7%	2.9%
9	50.0%	5.1%	2.9%	0.7%	0.0%	0.0%	0.0%
10	38.2%	16.9%	5.9%	0.7%	0.0%	0.0%	0.0%
11	36.8%	16.2%	5.9%	2.9%	0.0%	0.0%	0.0%
12	34.6%	14.7%	0.7%	0.0%	0.0%	0.0%	0.0%
13	20.6%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%
14	15.4%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
15	5.9%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
16	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Sleeper Teams to Watch: There's always a lot of speculation about who will be this years "bracket busters". We are looking at Seaton Hall, Cincinnati, Saint Mary's, and Buffalo. We are also extremely interested in seeing how the Wofford Terriers will perform. For those who don't know, Wofford College is in Spartanburg, South Carolina and won the Southern Conference hands down.



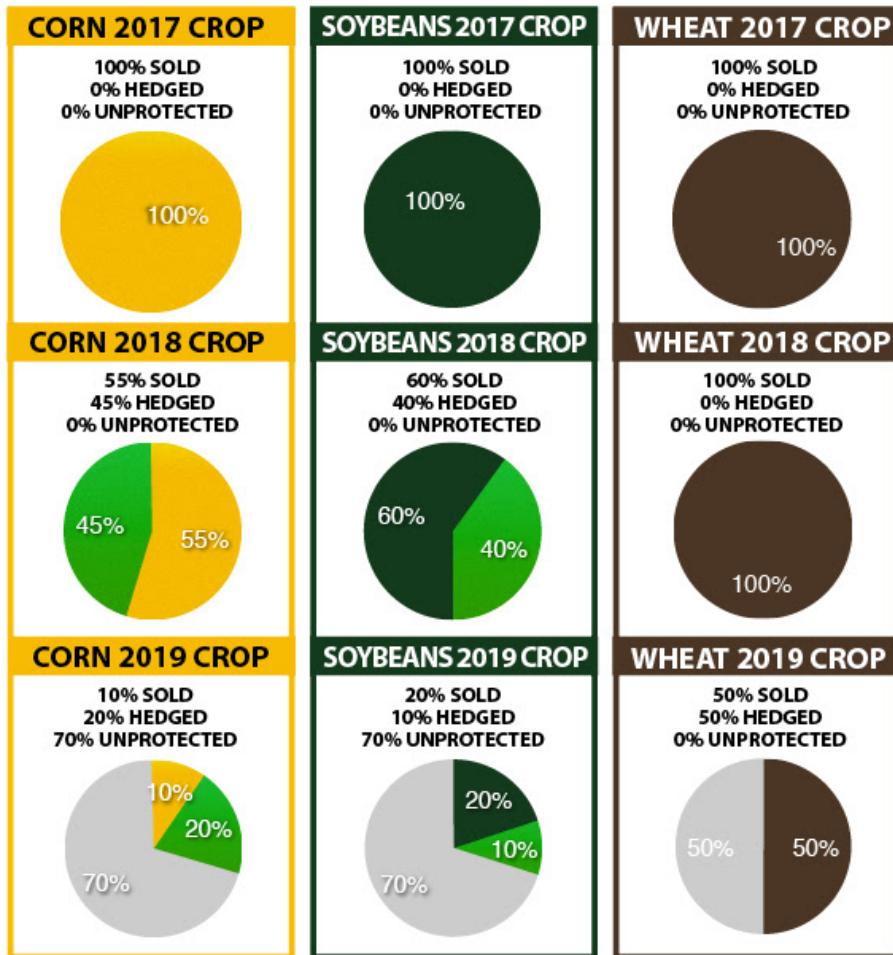




ANSWER to riddle: A memory.

CASH SALES & HEDGING TOTALS

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