

GOOD MORNING: 05/30/19 Farm Direction - Van Trump Report

1 message

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

Thu, May 30, 2019 at 7:15 AM

Reply-To: Jordan <reply-fec0167872670c7e-314_HTML-36250946-100003450-1@vantrumpreport-email.com>

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"A average leader takes people where they want to go. A great leader takes people where they don't necessarily want to go, but ought to be." - Rosalynn Carter

THURSDAY, MAY 30, 2019
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock bulls are finding it difficult as of late to build much upside momentum. In fact, we are now in our fifth week of sideways to negative price action. Treasury markets have been flashing a warning signal for several weeks. The 10-year Treasury note's yield dropped as low as to 2.18% yesterday, the lowest level in over two years. Lets also keep in mind, the 10-year Treasury yield fell below the 3-month Treasury bill yield one week ago. Barron's pointed out, this signals the first time since March that this pricing anomaly—known as a yield-curve inversion—has lasted longer than one day. I have to imagine if the inversion can stay in place long enough, many insiders will see it more as a canary in the coal mine, or rather an early signal and or confirmation that some type of recession could be looming out on the horizon, historically within two years after the inversion. This inversion means bond traders believe GDP growth here at home is likely to fall. The CME Group's FedWatch tool is showing that most inside the trade believe the Fed is more likely than not to cut rates at least once by December. In fact, the odds are now greater than 80% that a rate cut happens by year end. I heard some traders talking yesterday that they could see multiple rate cuts in 2020. For what it's worth, the average rates on a 30-year fixed are very close to falling sub-4.00%. The average 15-Year fixed mortgage is around 3.37%, down -8 basis points from a week ago. If you've been thinking about refinancing or buying a new home this might be a great opportunity. As for the stock market, we seem to now be teetering on more significant technical support, closing just above the 200-Day Moving Average. Bulls believe this is the time to buy and that the downside is fairly limited. Bears say this is just the beginning of a much more significant setback and that once nearby technical support is fully breached we will accelerate to the downside. Personally, my biggest position is in cash and I'm looking to add to a few of my favorite stocks on a deeper break in value. As for today, the trade will be digesting revised Q1 GDP data, most suspect to see a slight reduction from 3.2% growth down to 3.0%. Tonight and early tomorrow morning we will be getting a taste of the latest Chinese economic data. Friday here at home, most traders will be monitoring the PCE price index, which reflects changes in the prices of goods and services purchased by consumers here in the U.S. As big market moving events, there's really not much out on the horizon until after mid-June. The next Fed FOMC meeting is scheduled for June 19th, while the highly anticipated OPEC meeting is scheduled to be held June 25th and 26th. The G20 Leader's Summit, where many think President Trump will meet with Chinese President Xi is scheduled to take place June 28th and 29th in Japan. For what it's worth, Bitcoin has reached a fresh new 52-Week high.

Could You Be Banned From Uber? From what I have learned, Uber is now kicking low-rated passengers out of its cars. Things that can lower your rating: being rude, leaving trash, drinking beer and vomiting. Uber has long deactivated drivers who get low ratings. Now the ride-hailing company is turning the tables. Uber announced yesterday that those passengers who receive bad marks from drivers will be booted from the platform. But, Uber said, they'll have to "develop a significantly below average rating." If a passenger's rating starts to slip, the company will send tips on how to get it back up, such as being polite, not asking drivers to speed and not leaving trash in the car. Uber will give riders several opportunities to improve their ratings before kicking them off the app. I should also note, Uber will be reporting earnings today. Read more at [C-NET](#)



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Today In History

Betting on the Weather: Since November, Robert Gibbins has crisscrossed the globe attending scientific conferences, traveling from his home in Geneva, Switzerland, to Arizona, Spain and Austria. All the events had a common theme—climate change—and were well attended by academics, bureaucrats and politicians. One group was conspicuously absent. "I didn't see any other investors there," he says. That boggles his mind. "Climate change is something we have to include in every single analysis, every investment," he says. Most people think—or hope—that global warming is something their children or grandchildren will have to reckon with. Gibbins disagrees. The 49-year-old founder of Autonomy Capital, with \$5.5 billion in assets, thinks that climate change is happening suddenly and soon. I'm told he structures every bet his hedge fund makes around his belief that the world is heading towards a future that's overheated and underwater—and that carbon will be treated as a costly waste product that needs to be captured and stored. You should know, Gibbins has already made good money betting on European carbon-futures contracts and expects richer plays to come. From what I understand, Gibbins has an impressive track record making big calls. His fund, which places large bets on sweeping economic and political trends, is an industry standout, returning an annualized 12.85% net of fees since its November 2003 inception, compared to 8.9% for the S&P 500 index. I have to tip my hat to the guy for traveling 150 days a year in the pursuit of an edge as he meets with local bureaucrats, journalists and business executives to gauge how decisions are made and how well local institutions function—and whether they can handle challenges like climate change, and expects the 24 investment pros and economists working for him to do the same. Read more [HERE](#).

Investment Headwinds

Robert Gibbins expects climate change will jolt everything from northeastern U.S. real estate prices to big energy stocks and the currencies of emerging-market nations. It has already had financial impacts all over the world.



PG&E's stock collapsed due to the huge liabilities it incurred from California wildfires.



1899, Pearl Hart Holds up an Arizona Stagecoach - On this day, the amateur bandit Pearl Hart and her boyfriend hold up an Arizona stagecoach.

Little is known about Pearl Hart's early life. She was born in Petersborough, Ontario, in 1871, and moved to Toronto as a child. She eloped when she was 16, but her husband abused her and the marriage did not last. Eventually, Hart took up with a dance-hall musician and minor gambler named Dan Bandman, and in 1892 the couple moved to Phoenix, Arizona. When Bandman left to fight in the Spanish-American War, Hart relocated to the Arizona mining town of Globe, where she began an affair with a German drifter named Joe Boot. Short on money, the couple determined to hold up a stage, though neither of them appears to have had any prior experience as robbers. On this day in 1899, Hart (dressed as a man) and Boot stopped a stage on the run between Globe and Florence. After taking \$421 in cash from the three passengers, Hart took pity on them and handed back \$1 to each so they could buy something to eat when they arrived in Florence. Unskilled in the art of the getaway, Hart and Boot left an obvious trail and the sheriff of Pinal County arrested the couple four days later. Boot was jailed in Florence, but since the town had no detention facilities for women, Hart was jailed in Tucson. Within several days, Hart had apparently charmed several men into helping her and she escaped. Her freedom, however, was short-lived. A lawman recognized her in Deming, New Mexico, and returned her to Tucson. Tried and convicted in a Florence court, Boot was sentenced to 30 years and Hart to five. Neither served out their terms. After several years of good behavior, Boot was made a trusty and walked off while doing fieldwork, never to be heard from again. After about a year in prison, Hart became pregnant. Eager to save the Arizona Territory the embarrassment of having to explain how Hart arrived at this condition while imprisoned, Governor Alexander O. Brodie pardoned her on December 19, 1902. Hart's life after her release is shrouded in myth. According to the romantic version, Hart leveraged her single experience as a stage robber into a career in show business, billing herself as "The Arizona Bandit." Some said she traveled for several years on the vaudeville circuit, others that she toured briefly with Buffalo Bill's Wild West show. Historians have been unable to verify either of these claims. The more mundane but likely version has it that Hart quickly married an Arizona rancher named Calvin Bywater and settled down to a quiet life of domestic bliss. If Mrs. Cal Bywater was indeed Pearl Hart, she lived into her 80s and other people described her as "soft-spoken, kind, and a good citizen in all respects."

1911, First Indianapolis 500 is Run - On May 30, 1911, the inaugural Indianapolis 500 is run at the Indianapolis Motor Speedway in Indiana. The 200-lap,

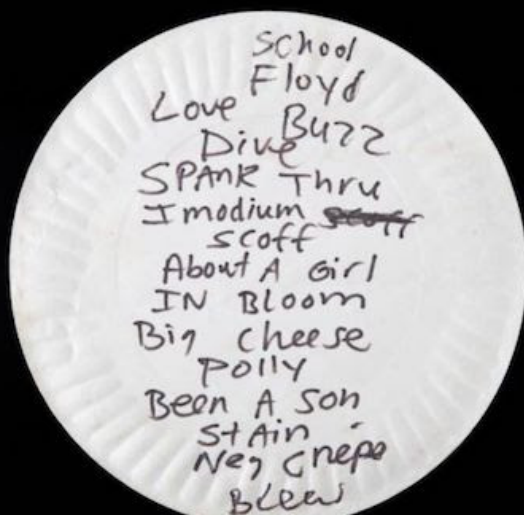


Philippine bond yields were impacted by one of Asia's biggest ever monsoons.



European car sales slumped last year due to increased emission standards that cause manufacturing delays.

Kurt Cobain Paper Plate Sells for \$22,400: One person's trash is another person's treasure, as a dirty paper plate Kurt Cobain used to write a 1990 setlist on went for \$22,400 at Julien's Auctions. According to the letter of authenticity, Cobain ate off the plate before a show on April 23, 1990 at the 9:30 Club in Washington, D.C. Johnny Riggs of the band THUD, which he said opened for Nirvana that night, took the plate after their performances. I should also note, the set list on the back of the plate included "In Bloom" and "Love Buzz." It's crazy what people pay for celebrity left-behinds. I've also read people have paid \$5,300 for Scarlett Johansen's used tissue, \$8,320 for Elvis Presley's empty quaalude bottle, and \$31,200 for John Lennon's tooth. Below is the picture of the plate that recently went up in auction! (Source: CNBC)



two-and-a-half mile race has since become a Memorial Day weekend tradition. With the exception of a break in 1917 and 1918 for World War I and from 1942 to 1945 for World War II, it has been run every year since, and is now the largest sporting event in the world, attended by about 270,000 spectators annually. When the Indianapolis Motor Speedway was designed, the track was meant to have a crushed rock and tar surface. That surface was abandoned after only a few races in 1909, due to fatal results caused by unevenness. The rock and tar was replaced by over 3 million street-paving bricks that were filled in with sand and then mortar for strength. The track has since been referred to as "the brickyard," although subsequent resurfacing has covered all but about three feet of the bricks. At the first Indy 500 in 1911, 40 cars met the qualifications to race. Track founder Carl Fisher felt the large number could lead to danger, so he decided to lead the first lap around the track at about 40 or 45 miles per hour, before pulling off to the side. The "pace car" has since become standard practice at all auto races. In the 30th mile of the race, 80,000 spectators watched as a driver from Chicago lost a front wheel, which caused his car to turn over on the track. Both the driver and his mechanic, who rode in the front seat with him, were thrown from the car. The mechanic landed against a fence and was killed instantly, while the driver escaped with a broken arm. The race continued, and the crowd watched nervously as accidents piled up, knowing another fatality could take place at any moment. None did, and Ray Harroun, driving a Marmon, was declared the winner with a time of 06:41:08. Harroun was the only driver in the race who didn't ride with a mechanic. Instead, he employed a rear-view mirror, his own invention, to keep an eye on the other cars on the track.



1971, Mariner 9 Departs for Mars - The U.S. unmanned space probe Mariner 9 is launched on a mission to gather scientific information on Mars, the fourth planet from the sun. The 1,116-pound spacecraft entered the planet's orbit on November 13, 1971, and circled Mars twice each day for almost a year, photographing the surface and analyzing the atmosphere with infrared and ultraviolet instruments. It gathered data on the atmospheric composition, density, pressure, and temperature of Mars, and also information about the surface composition, temperature, and topography of the planet. When Mariner 9 first arrived, Mars was almost totally obscured by dust storms, which persisted for a month. However, after the dust cleared, Mariner 9 proceeded to reveal a very different planet—one that boasted enormous volcanoes and a gigantic canyon stretching 3,000 miles across its surface. The spacecraft's cameras also recorded what appeared to be dried riverbeds, suggesting the ancient

FARM TANK

Tweets of the Day



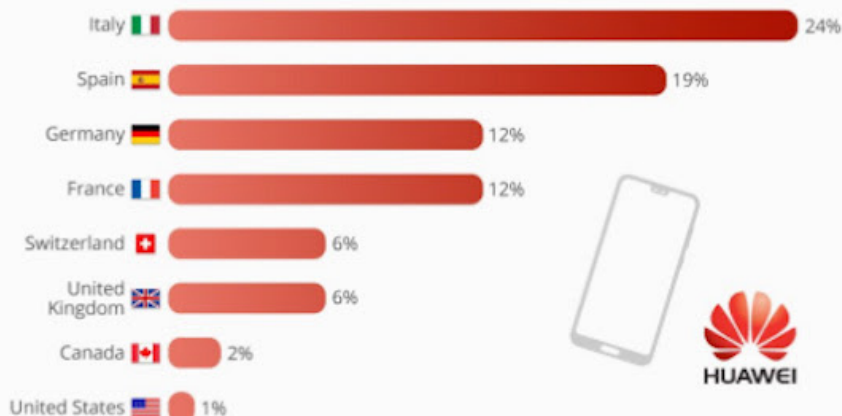
Following

Almost nobody in the U.S. has a [#huawei](#) smartphone, while nearly one in five people in Spain and one in four in Italy report using Huawei as their go-to [#smartphone](#)

bit.ly/2WXpKiF

Almost Nobody in the U.S. Has a Huawei Smartphone

Share of respondents whose main smartphone was manufactured by Huawei in 2019*



* Study conducted from January to March 2019 with samples of 8,000 to 20,000 people depending on the selected countries.

© StatistaCharts

Source: Statista Global Consumer Survey

statista

presence of water and perhaps life on the planet. The first spacecraft to orbit a planet other than earth, Mariner 9 sent back more than 7,000 pictures of the "Red Planet" and succeeded in photographing the entire planet. Mariner 9 also sent back the first close-up images of the Martian moon. Its transmission ended on October 27, 1972.

Upcoming Events

Thur. 05/30 - Jobless Claims, GDP Q1

Fri. 05/31 - Export Sales, Personal Income

Mon. 06/03 - Grain Crashings

Thur. 06/06 - Export Sales, Jobless Claims

Fri. 06/07 - Unemployment Numbers, Wholesale Trade

Mon. 06/10 - Export Inspections, Crop Progress

Tues. 06/11 - USDA Supply/Demand, Crop Production

Wed. 06/12 - Real Earnings

Thurs. 06/13 - Export Sales, Jobless Claims

Fri. 06/14 - Flag Day, Retail Sales

Sat. 06/15 - Father's Day

Mon. 06/17 - Export Inspections, Crop Progress, NOPA Crush

Tues. 06/18 - FOMC Meeting (Day 1), Housing Starts & Pmts

Wed. 06/19 - FOMC Meeting (Day 2)

Thurs. 06/20 - Export Sales, Jobless Claims

Fri. 06/21 - Summer Begins, Cattle on Feed

Mon. 06/24 - Export Inspections, Crop Progress, Cold Storage

Tues. 06/25 - Consumer Confidence, New Home Sales

Thurs. 06/27 - Export Sales, GDP, Jobless Claims, Hogs and Pigs

Fri. 06/28 - Grain Stocks, Planted Acreage

Kevin's Song of the Week

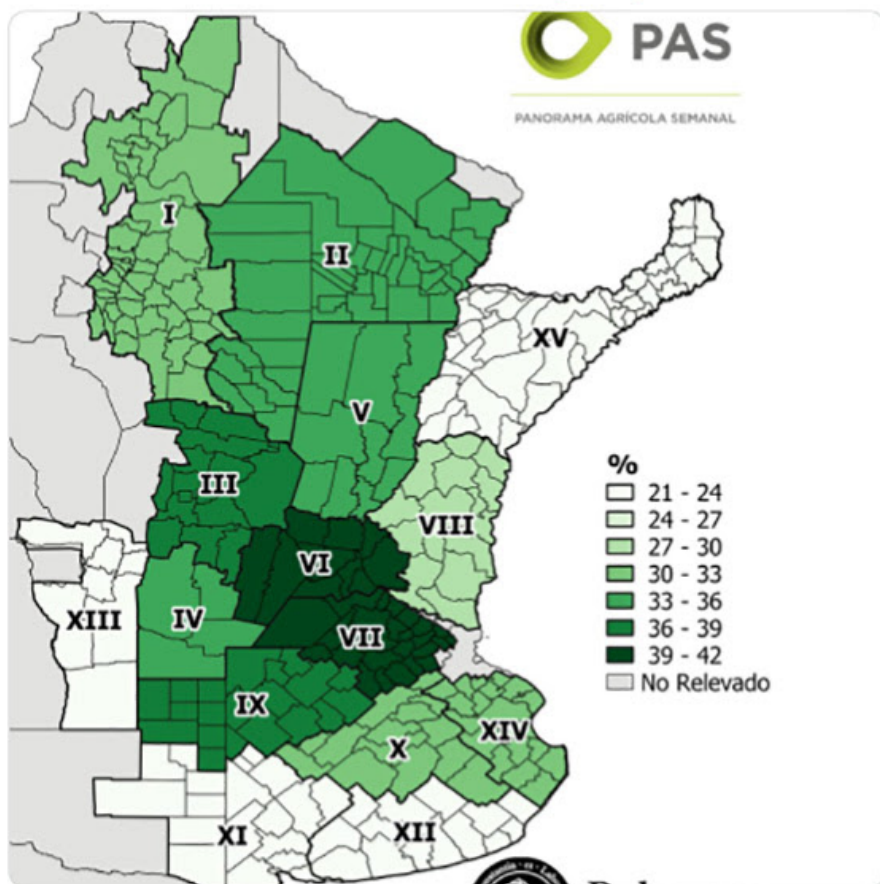


Bolsa de Cereales
@estimacionesbc

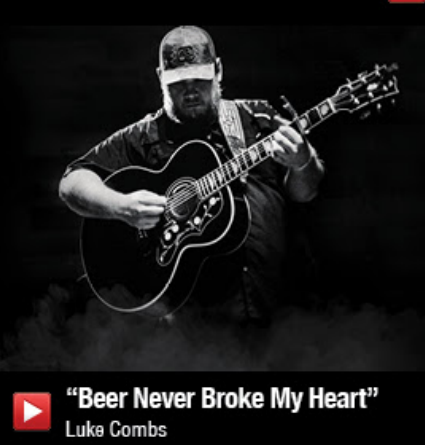
Following

#WAG #soybeans Harvest is 76,7 % complete. Second croppings are yielding above our initial projections. For this reason, we raise our final production estimate to 56 M tons.

For more information bit.ly/1qrt7rB



WHAT I'M LISTENING TO:



"Beer Never Broke My Heart"
Luka Combs

Kevin's Song of the Week

NEXT level THINKING

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

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

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

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

Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with



NDSoybean
@NDSoybean

Following

Check out the submissions for the **#Plant19** photo contest. Like, comment, or retweet to vote for your favorite.

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.
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Submitted by Taylor Olson



the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

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

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

My Own Personal Truisms

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

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

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

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

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

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

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

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



Jenny Burgess
@BurgessHillFarm

Following

In all the [#stress](#), all the worry right now, and weather troubles. Let's trying to list what we are thankful for. Me: time spent teaching these two (my greatest investment in this life) about the world around them. [#noplant19](#) [#kswx](#) [#plant19](#) [#thankfulfor](#)



Farm Direction
RECIPES

★ **FAMILY** ★
FAVORITES

-SENT IN BY OUR READERS-

**Oven Roasted
Barbecue Potato Salad**



CLICK TO SEE RECIPE



Brook Conrad
@BroConrad

Following

I've given up on meteorologist and gone to a more traditional system. #plant19
#ohiofarmers #nwohio40daysand40nights





Bianca Carolina
@BeMisty

Following



#CountryMusic Jerry Reed & Waylon
Jennings





ActionComplete
@ActionComplete

Following



Discovery consists of seeing what everybody has seen &...

~Albert Szent-Gyoryi

#quotes #inspiration #leadership

Discovery
consists of
seeing what
everybody
has seen and
thinking
what nobody
has thought.

- ALBERT SZENT-GYÖRGYI

neuro mining

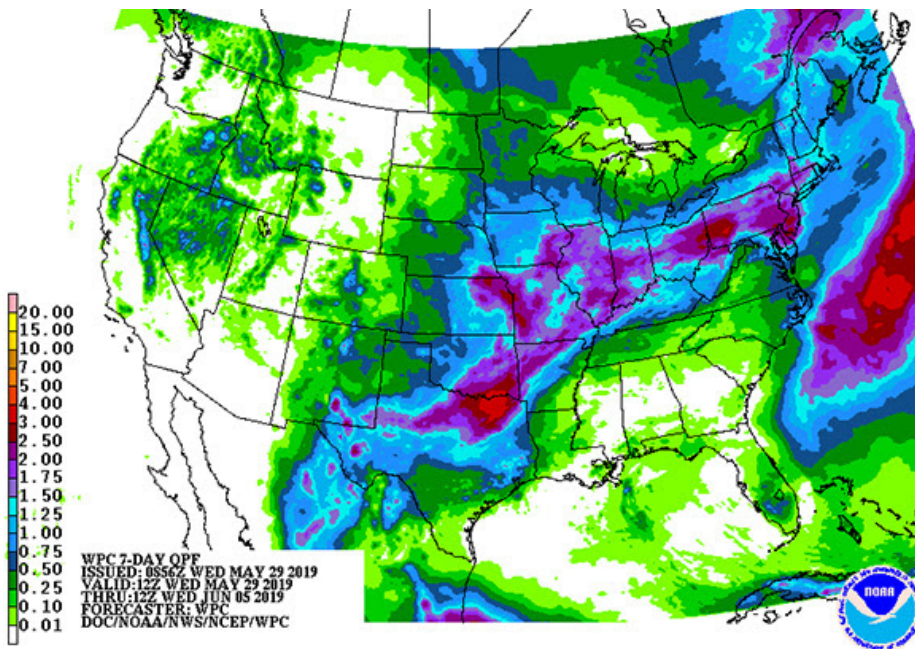


As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we 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.

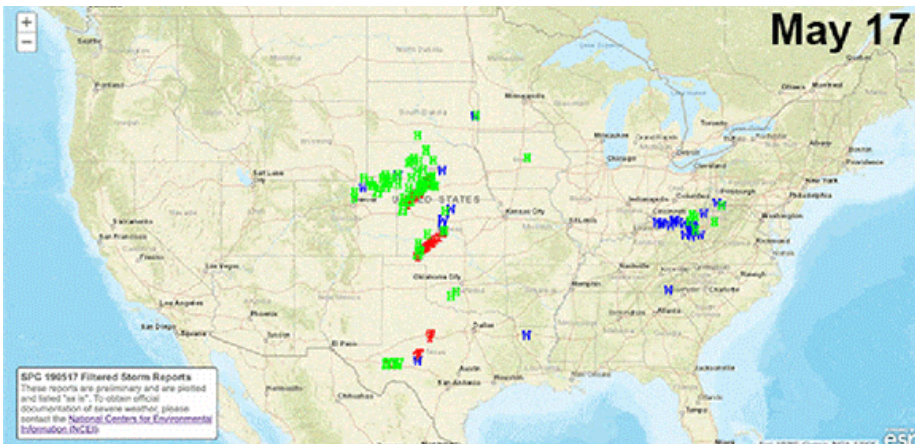
TODAY'S RIDDLE:

What kind of shoes do frogs wear?

Here's the 7 day rainfall forecast...WOW!



Most Prolonged Stretch of Tornadoes in the U.S. in Eight Years: Since May 17, there have been over 300 reports of tornadoes and almost 2,200 reports of severe weather. The U.S. is experiencing the most active prolonged period of tornadoes since the April 2011 Super Outbreak. Below is a map showing reports of tornadoes (red Ts), thunderstorm wind damage or high winds (blue Ws) and large hail (green Hs) by day from May 17 - May 27, 2019.



Note From a Good Friend Regarding Wet Soils: I received this e-mail last night and thought I would pass along. I've personally been trying to learn more about soil health. My friend Chris Masters at BioVante and good friends Barrett Ersek and David Stark at Holganix have been helping to bring me up to speed with the latest technological and scientific advancements happening in soil. I am also now on the board of an exciting new company that will soon be coming to market called LandBack. If anyone else has any helpful tips and or thoughts for working through these overly wet field conditions please feel free to send our direction and we will try and share. For full-disclosure, the note below is from the President of the Ag Division of Holganix, a company I am invested in and work with closely on a regular basis.

Kevin,

I write this in the middle of yet another thunderstorm...

I've been talking with a lot of our distributors, especially those in Illinois, where little field work is happening. I keep telling them for anyone that is still going to plant, or replant, using Holganix is even more important than ever. A late planted or replanted crop is biologically younger when summer stress hits, and the accelerated rooting from using Holganix helps the crop catch up. Plus, a lot of guys are telling me their ground smells like a swamp. This is bad – the ground has gone anaerobic so the beneficial, aerobic (oxygen requiring) microbes have died, and almost all the beneficials need oxygen. Putting seed and fertilizer into that ground is not ideal since the beneficials help the fertilizer stay in the root zone in a form

chemically available to the plant. A lot of fertilizer and fertilizer dollars are wasted without the beneficial microbes.

My recommendation to these guys is to buy \$9/acre less NPK (all three together, not just N) and use the \$9 on Holganix. The cost is neutral, but the actual results will be better. Holganix instantly adds back all the needed beneficial microbes, plus gets the roots going. Ashton, one of our Illinois guys, said where corn and Holganix have gone down the crop looks a lot better despite everything it is going through.

Is there a way to get this message out? I really believe this is in the farmers' best interest, especially on ground that has been flooded or water-logged.

Thanks, your friend

Dave



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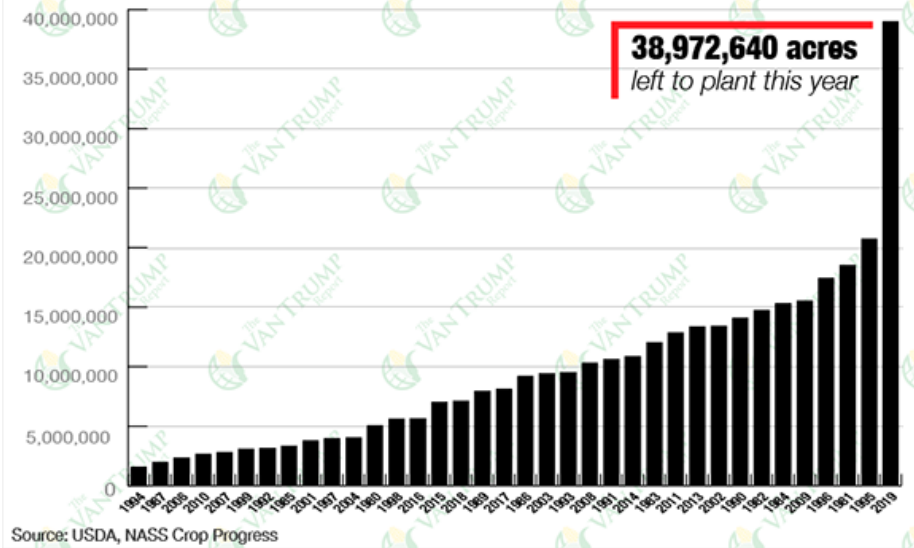
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 **HOLGANIX**
Soil Nourishing Root Stimulating™

Corn bulls point to the slowest planting pace ever in modern U.S. history. This brings about a wave of unanswered questions and uncertainty about the crop and total U.S. production. Bears are hoping at some point bulls will have to stop to catch their breath, but the question is how far will prices fall if we start to back-and-fill a bit? The battleground is now set, the funds are thought to have liquidated their massive net short position and the talk of extreme weather and planting complications here at home have been well advertised. In other words, the bears that were caught offside have been heavily penalized and the playing field has been leveled...where do we go from here? Most are thinking there will still be +25 million unplanted corn acres at the beginning of next week. There's also all of the re-planted acres that need to be considered. From my perspective, it's clearly a guessing game at the moment. I continue to hear talk from the bulls of sub-85 million planted corn acres. That's aggressive, but certainly an argument that can be made considering the weather extremes that many have faced. In fact, I've talked to some very well known and seasoned trading professionals who have a tough time debating or rebutting sub-83 million planted corn acres. Then we have the debate brewing around yield? Obviously, the USDA's previous early estimate of 176 bushels per acre is being questioned, but how low do you go this early in the season? As I've been saying for the past few weeks, this brings about a ton of unanswered questions and some never before seen wild-cards. How the trade will deem or judge the associated "risk" is the big question? From my perspective, nobody knows for certain. Me and many of my professional trading friends are actually surprised the market has been this orderly with this many wild-cards in play. We are thinking this might just be the calm before the actual storm. Perhaps this is just the beginning??? As a spec, I'm staying bullish and adding on the deeper breaks in price! As a producer, I'm wanting to get 50% of my new-crop price risk removed then sit and wait. I'm also trying to re-own a portion of those old-crop and new-crop sales with OTM calls when flat price starts to come under pressure. Again, I believe this market has the potential and underlying landscape to be explosive. With this in mind, the last thing you want to do is get over leveraged and shaken out of the position on a volatile swing. You have to recognize with this much uncertainty it's going to take some time and a lot of room for the trade to whip around and try to figure it all out. In the famous words of 38 Special, "Hold on loosely, But don't let go. If you cling to tightly, You're gonna lose control..." In case you are wondering, the song was released in the summer of 1981, what a great summer it was! It was actually the 13th video ever played the first day of August on a new channel called MTV.

Corn Acres Left to Plant

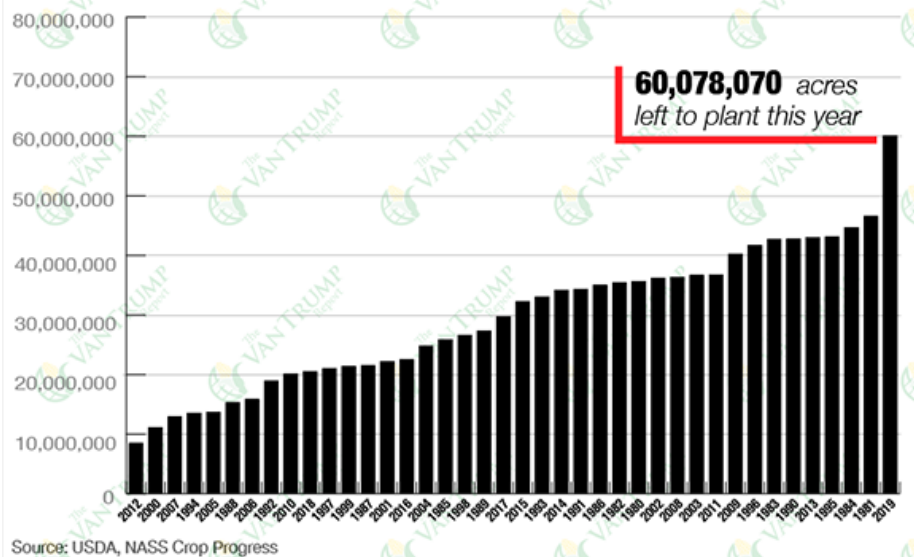
most acres left to plant at week 21 (May 26) running from 1980 - 2019



Soybean traders are debating if this market has also now been pulled into a full-blown weather market? Bulls are talking about flooded fields and complications from overly wet conditions negatively impacting acres and yield. Bears are pointing to slightly drier conditions in the forecast into mid-June and extremely strong genetics that have made recent crop years very resilient. Similar to corn, there's just so many variables still up in the air. The market recognizes the fact it needed to add "risk-premium", but how this early in the season? How volatile and extreme will price discovery be as the trade tries to sort out all of the pieces? Technically, we are still trading below the 100 and 200-Day Moving Average. I suspect, if we were able to muster enough upside momentum to close above these levels, somewhere between \$9.00 and \$9.10 in the JUL19 contract and between \$9.20 and \$9.25 in the NOV19 contract. As a spec, I still have no position in this market. As a producer, I'm hoping that corn can do the heavy lifting and pull this market higher. I would like to reduce risk on another 20% of my estimated new-crop production during the next 30 to 60 days. I'm closely watching for a window of opportunity!

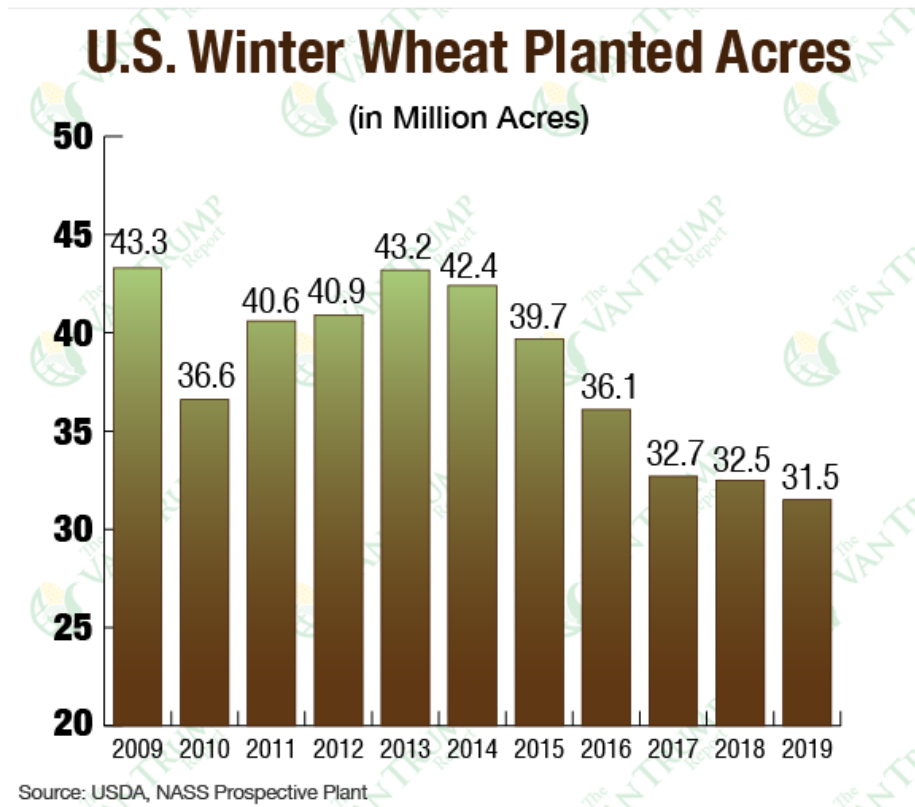
Soybean Acres Left to Plant

most acres left to plant at week 21 (May 26) running from 1980 - 2019



Wheat prices are slightly higher this morning, but bulls may have gotten a bit ahead of themselves. As I've warned, I'm not so sure wheat has the ability to run and stay upright on the merits of it's own legs. Any sign of weakness in corn probably causes more sizable backpedaling in the wheat market. The U.S. winter wheat crop is facing some condition pressure, while spring wheat acres could be less than many had previously forecast. On the flip side, bears point to strong exports and near record

production still talked about inside Russia. Yes, there are some pockets where dry conditions are worth monitoring, but this doesn't seem to be a market driving headline. I still see wheat as a follower, not a leader. Technically, it also feels like we are starting to run into more difficult resistance on the upside. I'm desperately wanting to see at least one more leg higher, so I can reduce risk on a bit more new-crop production. I now have 70% of estimated production priced, but wouldn't mind getting to 80% in the next few weeks. As a spec, I would rather focus my attention and dry powder on the corn market.



Rice continues to march higher fueled by fears of acreage loss. Nearby JUL futures have been flirting with the 12.00 level and has yet to experience a sell-off in the past eight sessions. Strength in other grain markets and a recent 120k ton sale to Iraq has also fueled the run higher. Tuesday's crop progress report showed planting nationwide at 84% complete vs 96% on average. Arkansas came in at 80% planted vs 97% on average. The final crop insurance planting date for rice was this past Saturday. There will still be some producers that continue to plant, but there are many that will throw in the towel. Record flooding along the Arkansas river could also affect some planted acres in that basin due to water backing into cropland from tributaries. I still believe that we will see at least 200k acres lost in Arkansas alone which would put total acreage around 1.2 million from March estimates. Other than the recent sale to Iraq, weekly exports have been down. The "overall" export sales picture has been unimpressive, and a strong US dollar is not helping. As I stated above, rice has yet to have a major price set back in recent sessions and seems to be due a slight correction. There is certainly merit to the recent rally we have seen, and rice has clearly shown its determination to push higher. However, the question again becomes how much acreage loss still needs to be priced in? We may have to wait until the end of June to get a better idea. Trey Morris – Husk Trading



> African Swine Fever Could Plague China for Years: According to the World Organization for Animal Health (OIE) it will take years for china too notion the deadly Africa swine fever virus that has spread throughout the country, which is the world's biggest pork producer. The situation will continue to evolve in Asia because there is significant contamination of the meat and meat products supply chain. These Asian countries are going to have to transform their farming systems into higher biosecurity systems and that will be an enormous challenge. (Source: OIE)\

> EPA Backs Off Broad Reforms: *Plans for sales of year-round E15 fuel are moving forward as the EPA looks to allow that, while choosing not to restrict trading of Renewable Identification Numbers. I'm told they will continue to evaluate other market changes and will probably pursue a separate rule making on those reforms. From what I understand EPA is taking the action as it seeks to finalize the rule allowing E15 sales throughout the year by the start of summer driving season June 1.*

> South Korea Seeks Quarantine Cooperation Against ASF: *Hoping to avoid the spread of African Swine Fever, South Korea has asked North Korea for a joint quarantine effort to keep the devastating disease out of the country. Though North Korea has not confirmed any cases of ASF, there are reports circulating that the virus is indeed spreading into the country. I should mention that USMEF data shows South Korea was the No. 4 buyer of U.S. pork in 2018; as well as a growth leader in U.S. beef imports.*

> Canada Pushes Forward With USMCA: *The Canadian government is introducing legislation to implement the new U.S. - Mexico - Canada Agreement, the first legislative step by any of the three North American countries toward ratification. The bill is thought to have strong support from the chamber's two largest parties, the Conservatives and the governing Liberal Party.*

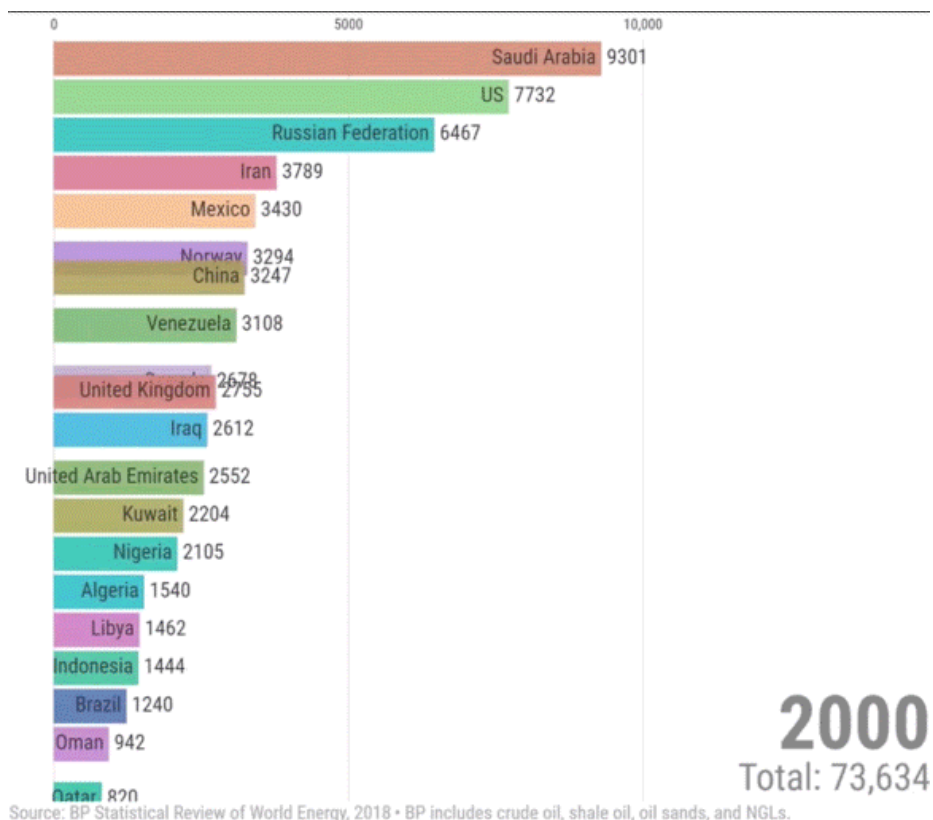
> ADM Consolidating Grain Trading and Oilseed Businesses: *The global grains trader has announced they will combine five business units into four by combining its grain trading and oilseeds segments into a new business unit called aG Services & Oilseeds effective July 1.*

> Diabetes Rates Are Falling Across the U.S.: *The number of Americans diagnosed with diabetes fell by more than one-third since 2009, according to new CDC data. There were 1.3 million new cases in 2017, down from 1.7 million in 2008. The number of new diabetes cases among U.S. adults keeps falling, even as obesity rates climb, and health officials aren't sure why. Health officials aren't sure what's driving these trends, but it could be due to changes in testing and getting people to improve their health before becoming diabetic. (Source: CDC)*

> Canadian Farmer Income Down 21%: *Canadian farmers' net income plummeted 21% last year to C\$11.6 billion (\$8.60 billion) due to soaring costs, marking the lowest income level in seven years according to Stats Can. Higher borrowing rates and debt levels resulted in interstate's expenses rising 19.5%. Other costs, such as for animal feed, labor and fuel also climbed.*

> Tornado Outbreak Hits All-Time Record: *Over the last 30 days, there have been more than 500 tornadoes in the United States, which is simply not normal. In fact, Tuesday was the 12th day in a row when at least eight tornadoes were spawned, which happens to be record-setting. Since 1998, there has been an average of 279 tornadoes during the month of May. So the fact that we have had more than 500 over the last 30 days means that we are running way, way above normal...*

> The Changing Oil Landscape: *The global production of oil is driven by a host of complex factors, ranging from resource scarcity to a country's access to the latest technological breakthroughs. As these factors play out, the oil production landscape can dramatically change. Countries can secure energy independence and global influence by rising up the rankings -- or they can fall off the map completely, becoming a footnote on the global stage. Today we have an animation that shows you how the oil landscape has changed in terms of production by country. For the full version of this, click [HERE](#) to see the full video. (Source: Visual Capitalist, BP Statistical Review)*



FROM THE FIELD

Eastern Nebraska – We farm along the state line of Iowa, near the Missouri River. Thankfully we only have one field along the river, and it was supposed to go soybeans this year. It's probably going into prevent plant unless the river drastically pulls back. I have never seen so much water in my 23 years of farming. We have all our corn planted and maybe a little less than 50% of our soybeans planted. We will need to replant about 100 acres of corn after the weekend where we got 5 inches but everything else should be good. The rain came just slow enough over enough days that we got lucky otherwise we would be replanting half or more of our corn.

Northwestern Oklahoma – We have had more rain in the month of May than I have ever seen in Oklahoma. We are going to be harvesting wheat in the next month and I can tell you from experience that we will not have the yield that we had a month ago. I usually rent a couple fields to a neighbor to graze cattle and I turned away an opportunity to graze all my fields thinking we had a chance to raise a good yield at a good price. Now we are looking at disease, lower yields and a crappy price. It's frustrating to feel like you made the wrong decision when farming has gotten so much more competitive.

Northern Illinois – We finally have seen the sun for the first time in 6 days and the kicker is we were supposed to get thunderstorms. We have a good chance of rain tomorrow which will make it nearly impossible to get all our corn planted by the deadline. We are waiting to decide weather we can plant a few more acres of beans or just put our corn in prevent plant. Our decision will solely be dictated by the aid program and how they pay on preventive plant. If they pay us a higher percentage on corn it will be pretty hard to not take that payment and give our ground a break. The only thing we will do is throw a little clover seed out there and if it grows it grows otherwise, we don't worry about it.

CROSSING WIRES

A place to share intelligent thoughts...

Synthetic CBD Could Prove to be a Player in the Medical Space: Last year the FDA approved CBD for the treatment of two rare forms of severe childhood-onset epilepsies. This milestone moment marked the first approval of a marijuana-derived compound for clinical purposes in the United States. Alongside this approval there is a rapidly growing body of research exploring a whole host of different beneficial medical uses for CBD, from controlling chronic pain to improving anxiety disorders. Now a team of chemists from the University of California, Davis, recently demonstrated that a new synthetic analogue of cannabidiol (CBD) may be just as effective for medicinal uses as its naturally extracted counterpart. This synthetic CBD compound, called 8,9-Dihydrocannabidiol (H2CBD) also promises to be easier, cheaper and faster to produce. Interestingly, this means that H2CBD can now be legally produced in areas where marijuana and CBD are still regulated substances. Read more [HERE](#) to see what this could mean for certain medical conditions and patients.

Before You Consume That Next Energy Drink... you should know that a new study from the Journal of American Heart Association shows that downing 32 ounces of energy drinks in under an hour spike the risk of electrical disturbances in the heart for up to four hours later. From what I understand, researchers had thirty-four healthy volunteers between the ages of 18 and 40 randomly assigned to drink 32 ounces of one of two commercially-available caffeinated energy drinks, or a placebo drink, on three separate days. Both energy beverages had 304 to 320 milligrams of caffeine per 32 fluid ounces. In order to measure the hearts activity, researchers took electrocardiograms to measure the QT interval, or the length of time it takes the ventricles in the heart to prepare to beat again. Participants who gulped the energy drinks had a higher QT interval at four hours compared to the placebo drinkers, and their blood pressure increased, as well. I should mention, QT intervals that are too short or too long can cause life-threatening heart arrhythmias, and increased blood pressure can lead to heart failure, stroke and aneurysms by damaging the arteries and the heart. Click [HERE](#) for more insights.

New Study Shows Investors Not Willing to Pay a "Greenium": "Green" investing is a big business, and virtually every brokerage firm offers a slew of financial products aimed at environmental improvement-green mutual funds, green stocks, green bonds, and green exchange-traded funds. I'm told, Morningstar, the investment research firm, identified a record 351 "sustainable" stock and bond funds in 2018, a 50% jump from the year before. I should mention, those funds managed \$161 billion in assets. But while it's clear that there is a growing appetite among investors to go green, a rigorous new study finds that people aren't willing to pay a premium-or "greenium"-just for the satisfaction of doing so. The new study, by David Larcker and Edward Watts at Stanford Graduate School of Business, finds that municipal bond investors demanded exactly the same returns for green municipal bonds as for virtually identical non-green bonds issued on the same day by the same municipality. So while lots of folks will espouse their views on "green projects", they want to get paid for the investment. Read more [HERE](#).

Is There a Market for Data Exchanges? New players want to disrupt the collection and use of the personal data marketplace. It's worth mentioning, market researchers at PwC estimate that in 2018, companies that collect personal data to use for targeted advertising brought in \$178 billion in revenue, and data brokers earned a further \$21 billion last year. Keep in mind, these numbers are only trending up, meaning by 2025, PwC expects the global data economy to be worth more than \$400 billion. Enter the so-called data exchange, a new breed of tech startup promising to cut us in on a share of the vast wealth being created by the sale of our personal data. Billing themselves as disruptors of a top-heavy and exploitative industry, these companies promise to build platforms where we can collect, store, and ultimately sell our browser histories, Fitbit analytics, bank statements, Instagram posts, Spotify habits, and all the other data points that drop from us like skin cells and hair follicles as we go about our lives. Find out the pros and cons that surround this industry [HERE](#).

Not Your Everyday Auto Show: Set on the beautiful shores of Lake Como, Italy, the Concorso d'Eleganza Villa d'Este brings auto enthusiasts from around the world to admire 50 of the best cars built between the 1920s and 1980s. On the grounds of the Grand Hotel Villa d'Este last weekend, guests flocked to see the 1967 Lamborghini Marzal once driven around the 1967 Monaco Grand Prix circuit by Prince Rainier and Princess Grace Kelly. Not to mention a 1955 Alfa Romeo 1900 Super Sprint La Fleche considered the "aristocrat" of European cars; a rare 1967 "Nocciola" (hazelnut) version of the Ferrari 275 GTB/4; and the infamous 1970 Ferrari 512 S Modulo created by Paolo Martin. Now in it's 90th year, event organizers describe the showcase as "the symphony

of engines." If you are into admiring well preserved beauties, and would like to learn more about the cool event, click [HERE](#).



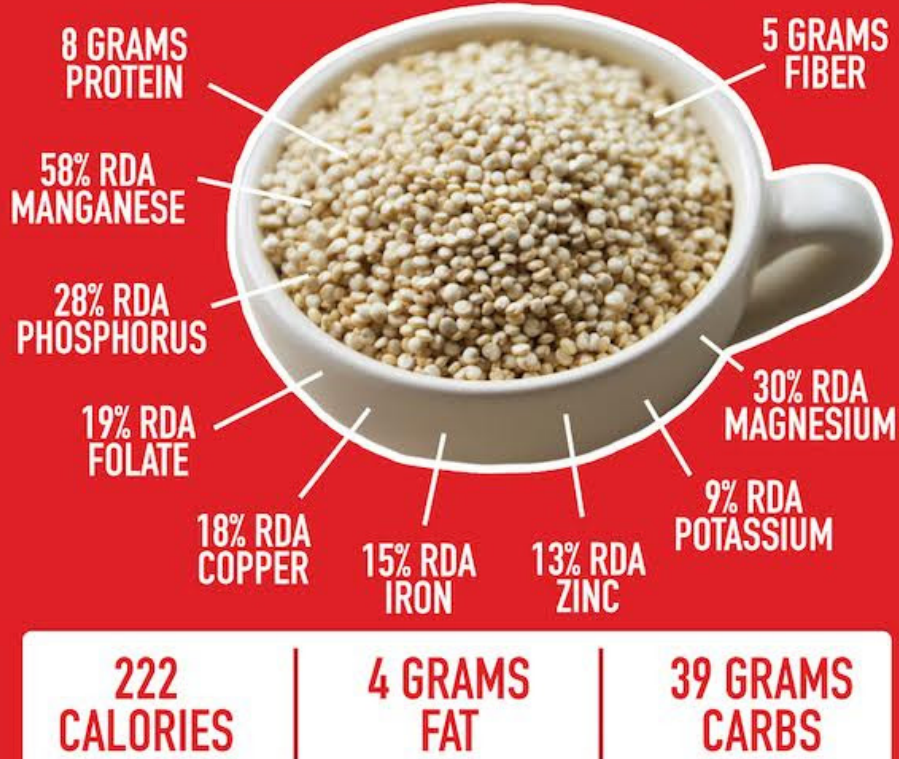
Producers in U.S. Might Start Thinking About "Quinoa"

Big agribusiness is taking another look at Quinoa, whose seeds are rich in protein, dietary fiber, B vitamins, and dietary minerals in amounts greater than many other grains, it's also garnering a premium because it can be marketed as gluten-free. It's worth mentioning however, Quinoa currently finds itself in an over-supplied market, as between 2009 and 2019, global production tripled from 75,000 to 230,000 metric tons, in return prices drastically fell as many talked of "peak quinoa". But

with its strong dietary benefits, quinoa has become a popular health food worldwide and gaining more demand type traction, with distributors in America and Europe thinking the glut is only temporary. For growers, opportunities are available as quinoa's rare resilience to different conditions is allowing researchers to experiment with variants of the crop in diverse locations, perhaps turning quinoa into a potent agricultural product that can survive climate change and may soon demand greater premium. Keep in mind, the crop that originated in the cool, tropical mountains of the Andes is now being cultivated in a multitude of environments. For the last few years, its adoption as an ingredient in higher-margin processed food has been hampered by volatile prices and inconsistent production, meaning that current purchases of quinoa from thousands of Bolivian farms, where the majority is sourced from can contain half a dozen different varieties, which behave differently, making it hard to convert into reliable flour or snacks. Now, Ardent Mills, America's biggest flour-maker, who wants to explore more adventurous opportunities with quinoa, find themselves looking for more dependable supply, and they are hoping to make that happen here in the United States. Seeking solutions to their problem, Ardent Mills launched a unit that works with breeders and food scientists to sponsor American growers, starting in its native Colorado and the Pacific north-west, as well as eyeing California. As Andean Naturals, a California based leading importer of quinoa, looks to source more from domestic growers, they are testing plots here in the states and by 2025, are hoping to convert a large number of rice acres to quinoa. Moving forward, I believe that opportunities and premiums may become available for quinoa, as new varieties allow production in areas once thought out of reach for many growers. I should also mention, the genome of quinoa was sequenced in 2017 by researchers at King Abdullah University of Science and Technology in Saudi Arabia, where they were able to modify genes to produce a higher crop yield, improved tolerance to heat and biotic stress, and greater sweetness. It may not be for everyone, but definitely worth further research for those looking for new opportunities. (Source: Economist, Wiki, ozzy.com)

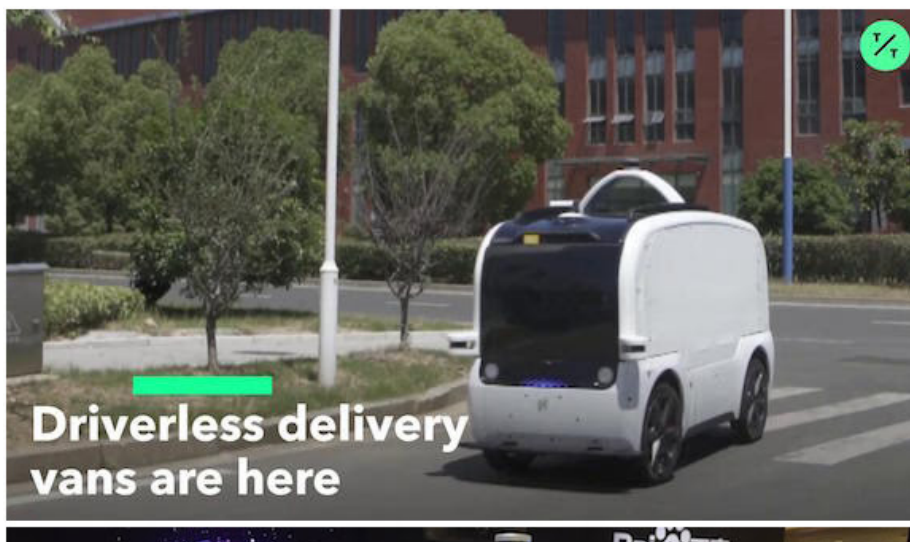


1 CUP COOKED QUINOA



Here Come the Robo-Vans

Bloomberg ran an article the other day that started out, "Forget drones. The future of deliveries may be robo-vans." From what I understand, a Chinese company called Neolix is rolling out mass production of its self-driving vehicle. Neolix isn't alone in this space as Silicon Valley's Nuro raised almost a billion dollars this year and is starting to deliver groceries in Arizona. China is estimating that within the decade autonomous vehicles or in this case self-driving vans could be delivering +1 billion packages per day. Interestingly, the Neolix vans have already dropped in price and now costs around \$30,000, which makes them highly competitive. The founder of the Chinese company is a 45 year old entrepreneur that was previously an inventor of smart tools for the logistics industry, said delivery of goods is just the start. Down the road, he envisions fleets of robo-vans providing everything from 24/7 mobile vending to help with running errands. China's not the only place where robo-deliveries are emerging. In the U.S., large self-driving trucks are hauling mail between Phoenix and Dallas, and Nuro started a robo-delivery service with grocer Kroger Co. in Scottsdale, Arizona, in December. I thought it was interesting to read, Ford Motor Company is looking at building partnerships and delivering a small robot that walks on two legs to bring the parcel from the vehicle to the customers doorstep. Bottom-line, while self-driving vehicles with passengers on board seems to still have many hurdles to overcome, the self-driving delivery vehicles seem to be right around the corner and starting to build some momentum. (Source: [Bloomberg](#))





NBA Finals Start Tonight... Here's What You Need To Know

Golden State Warriors will play the Toronto Raptors in the NBA Finals this year, which will mark the Warriors' fifth straight appearance in the championship series. In addition, the team is on a quest for an NBA Finals three-peat, which will make them the first team to win three championships in a row since the Los Angeles Lakers did so in 2000, 01, 02 while the Raptors are making their first Finals

appearance in franchise history. Keep in mind, this will be the first time in four years the NBA Finals will not consist of the Golden State Warriors and the Cleveland Cavaliers. I should also note, the Raptors are just the fourth team from the East to appear in the championship series since 2010. Even though the Warriors were the top overall seed in the West and the Raptors were the second seed in the East, the Raptors will have home-court advantage in this series as they finished the regular season with a better overall record with 58 wins compared to the Warriors' 57. I also want to mention, the two teams played twice during the regular season and the Raptors won both games. The Warriors are hot, they have won six playoff games in a row dating back to Game 5 of the Western Conference Semifinals against the Houston Rockets. At the end of the day, if anyone is going to have a chance to beat the Warriors in the playoffs, it could be the Raptors... but I'm still taking the Warriors to three-peat!

Steph Curry: *The Warriors' superstar has been on a complete tear the last six games without Kevin Durant. By the end of the Western Conference Finals, Curry finished with an average of 36.5 points, 8.3 rebounds, and 7.3 assists in almost 40 minutes per game in the series. Keep in mind, he also recently scored the most points in NBA postseason history by a player in a four-game sweep with 146, passing players like Shaquille O'Neal, LeBron James, and Kobe Bryant. I should also note, Steph Curry missed his first free throw in the 4th qtr/OT in game 4 last week since Game 6 of the 2015 NBA Finals. Keep in mind, the streak he had going was 81 consecutive free throws made in the fourth quarter and overtime of the playoffs.*

No Durant?: *Kevin Durant has missed Golden State's past five games because of a calf strain and looks to be out game 1 of the Finals. Keep in mind, the Warriors have been nearly unbeatable since Durant's absence, winning the past six games. In addition, in games which Durant has missed but Stephen Curry has played, the Warriors have gone 33-4. I should also note, the Warriors won the 2015 NBA title along with a record-breaking 73 regular-season wins in 2016 without Durant. At the end of the day, it will be interesting to see what Golden State does with Durant in this year's Finals.*

Toronto Fans: *Raptors' fans in Canada have gone mad filling the streets of Toronto singing "O Canada" as their team heads to the NBA Finals for the first time in franchise history. Click [HERE](#) to watch a few videos of the cities reaction to their game six win to advance to the NBA finals. In addition, the Twenty One Pilots have cancelled their show in Toronto because it will clash with game one of the Finals. I suspect the town will go absolutely crazy if they pull this series off.*

The Line: *The Golden State Warriors opened to win the Finals with 4/11 odds. Since then, early money has gone in favor of the Warriors. As of Monday morning, Golden State was favored with 5/16 odds. In addition, despite being favored to win the title, the Warriors are one-point underdogs in Game 1. I also want to include NBA Finals exact results odds, which include Warriors in 6: +250, Warriors in 5: +350, Warriors in 4: +450, Warriors in 7: +450, Raptors in 7: +550, Raptors in 5: +800, Raptors in 6: +900, and Raptors in 4: +2500.*

Celtics or Lakers: *The Celtics and/or the Lakers were in every Finals of the 1980s, but always some team (Rockets, 76ers, and Pistons) jumped in to prevent their pairing three times in a row. The Lakers and/or Celtics however have played in 40 of the 72 NBA Finals series ever played, and have combined for 33 Championships. They have played each other in the NBA Finals 12 times (Celtics won 9 and Lakers 3 times). Only five franchises have more than four titles. The Celtics and Lakers lead the pack by a mile with 17 and 16 titles, respectively. Bulls and Warriors have claimed six and the Spurs with five. Together, they account for 69% of the league's championships.*

Five Straight Finals: *The Warriors have made it to the NBA Finals for a fifth consecutive postseason. Keep in mind, this makes them the only team to join the 1960s Boston Celtics with 10 consecutive appearances as the only groups to achieve five consecutive NBA Finals in league history, which outlasts LeBron James' Miami Heat (2011-14), LeBron James' Cleveland Cavaliers (2015-18), Larry Bird's Boston Celtics (1984-87), and the Showtime Los Angeles Lakers (1982-85). I should also note, Golden State became the sixth franchise in the four major North American sports leagues to make five or more consecutive championship appearances as they joined the Montreal Canadiens, New York Islanders, Cleveland Browns, New York Yankees, and Boston Celtics.*

Never an Appearance in an NBA Finals: *Six of the current 30 NBA teams have no Finals appearances. The list includes the Charlotte Hornets (Bobcats), New Orleans Pelicans (Hornets), Los Angeles Clippers, Minnesota Timberwolves, Memphis Grizzlies, and Denver Nuggets.*

Tickets: *The lowest priced tickets at game 1 are going for \$675 and the most expensive tickets are going for as much as \$50,000.*

No LeBron James: *For the first time since 2005, the NBA playoffs won't feature LeBron James. Keep in mind, this was the same time Apple was releasing their first iPad; The band "One Direction" was auditioning on the X-Factor as individuals; Oprah was still on television every day in the afternoon; Lost was the most popular show; and Angry Birds was quickly becoming one of the coolest games to play on your phone.*

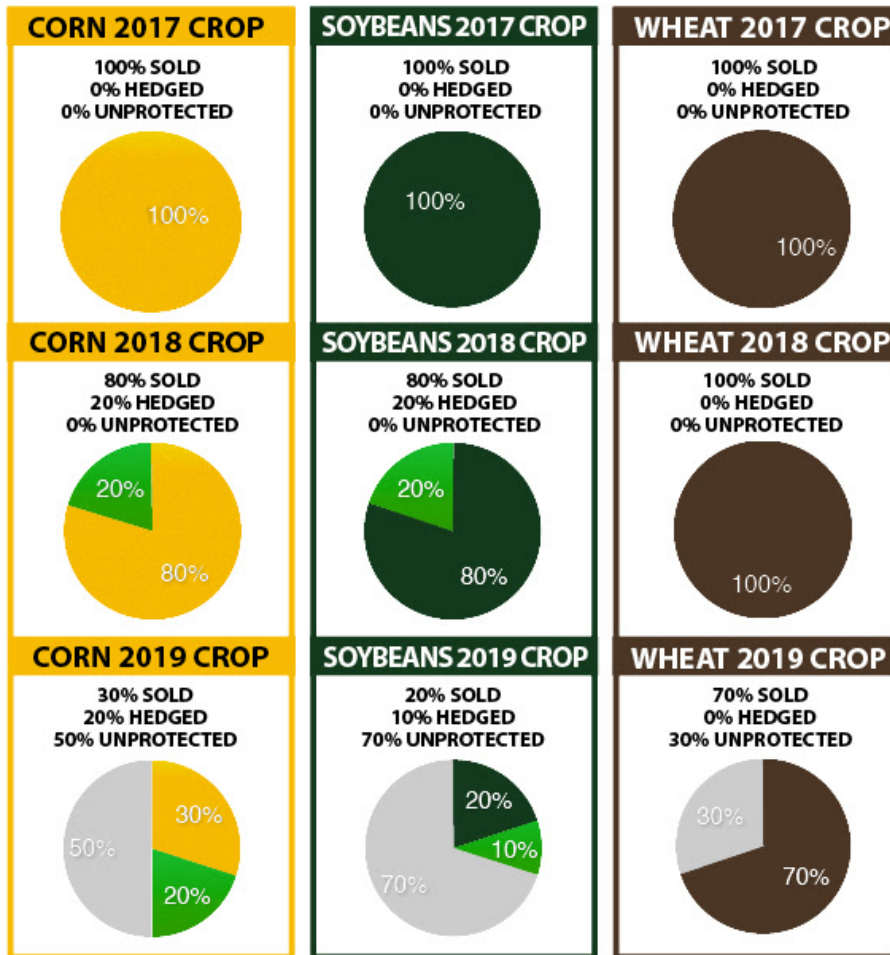
Tip-Off: The game will start at 8:00 pm CST on ABC in Toronto, Ontario, Canada. Game 2 in this series will take place Sunday night at 8:00 pm CST on ABC as well. In addition, you will be able to stream the series on WatchESPN.



ANSWER to riddle: Open toad.

CASH SALES & HEDGING TOTALS

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