



Tim Francisco <info@farmdirection.com>

GOOD MORNING: 05/12/17 Farm Direction - VanTrump Report

1 message

Kevin Van Trump <info@farmdirection.com>
 To: Kevin Van Trump <info@farmdirection.com>

Fri, May 12, 2017 at 7:14 AM



"God could not be everywhere, and therefore he made mothers." - Rudyard Kipling

FRIDAY, MAY 12, 2017[Printable Copy](#) or [Audio Version](#)

Morning Summary: U.S. dollar is heading for its best week this year as more economic data shows inflation and retail sales picking up momentum, providing the Federal Reserve with perhaps even more reason to raise interest rates. Remember, Cleveland Fed President Loretta Mester said earlier this week that the U.S. economy warrants more policy tightening, while Boston Fed chief Eric Rosengren called for three more rate hikes this year. Stocks appear poised to trade slightly lower to end the week after posting fresh new all-time highs on Monday. A lot of uncertainty and noise is being generated in Washington surrounding President Trump's decision to fire FBI Director James Comey, in fact things seem to have intensified the past couple of days. The Senate Intelligence Committee heard testimony from several officials yesterday, including acting FBI Director Adrew McCabe. McCabe sought to reassure lawmakers that the investigation into Russian meddling in the Presidential election was appropriately resourced and was proceeding independently of any political influence from the White House. In the Senate Finance Committee, Trump's nominee for a Treasury post is now being blocked by the top Democrat, Ron Wyden of Oregon. He says he's putting a hold on Sigal Mandelker's nomination to become undersecretary for terrorism and financial intelligence until the Treasury Department provides documents about the financial ties between Russia and Trump associates. However, the Senate did finally confirm Trump's trade nominee, Robert Lighthizer, which means negotiations of major trade agreements, like NAFTA, may finally start moving forward. Next week will likely see a continuing examination of the details surrounding Comey's dismissal and the Russia probe. Some Democrats are pushing for the Justice Department to open a separate investigation. The Senate's work on crafting a new bill to repeal and replace the Affordable Care Act will also be in the headlines, though it's not expected they will have a working bill for at least another week or so. As for today, economic reports worth noting include April Consumer Prices, Retail Sales and Business Inventories. Earnings are very light with Allianz and JCPenney being the main highlights. There is not a lot of market-moving activity on the calendar for next week either. Data is very light with just Empire State Manufacturing and the Housing Market Index on Monday; Housing Starts and Industrial Production on Tuesday; and the Philadelphia Bed Business Outlook on Thursday. There are only two Fed speakers on the calendar next week, Cleveland Fed President Loretta Mester and St. Louis Fed President James Bullard. With little in the way of economic news, I suspect the talking-heads in the media will look to make the most out of headlines from Washington. In other words it wouldn't surprise me to see negative spin in the media put a slight drag on the market. I remain extremely selective with my longer-term holdings and on the sideline in regard to shorter-term plays.

Trump Approves Pentagon Plan For Arming Kurdish Forces: *President Trump has authorized a somewhat controversial Pentagon plan to supply weapons to Kurdish militias fighting Islamic State in Syria despite strong objections of the Turkish government, which views the Kurdish fighters as terrorists. The Pentagon has long backed the Syrian Democratic Forces, a coalition of rebel groups that operates chiefly in northern Syria, with airstrikes, intelligence information and training. U.S. officials view the Kurdish militias, known as the People's Protection Units, or YPG, as the most capable part of the alliance. U.S. military officials contend that Kurdish fighters are needed in the effort to retake Raqqa, the self-declared capital of Islamic State. But officials in Turkey, a U.S. ally and NATO member, maintain the Kurds are linked to militants in their country that the U.S. and other nations classify as terrorists. The issue is once again raising tensions between the U.S. and Turkey. The U.S. will provide*

Davos on the Delta

"The agricultural 'value chain' is about to be reshaped in a manner like we've never seen in the past. Technology and transparency are going to forever change our industry."

Evidence-Based Agriculture Conference

May 16th-18th | Peabody Hotel |
 Memphis, TN

To make certain we all understand the massive change that is now upon our doorstep we are inviting a select group of agricultural leaders to attend a **"Two-Day Networking Event and Executive Session"**.

CLICK HERE
 TO SEE IF YOU QUALIFY FOR THIS SPECIAL EVENT

Is your business or farm operation properly positioned to withstand this game-changing shift?

once again raising tensions between the U.S. and Turkey. The U.S. will provide training to the Kurdish forces and give them the equipment "on a very limited basis" specifically for retaking Raqqa, Defense Department spokesman Eric Pahon said in an interview. That includes small arms such as rifles and ammunition, armored vehicles, heavy machines guns, and construction equipment such as bulldozers. (Source: Bloomberg)

Is U.S. At Full Employment? Mark Zandi of Moody's Analytics said in a new report that the U.S. economy has returned to "full employment," adding good things should soon happen for many of the heretofore financially disenfranchised. The unemployment rate was at 4.4% right before the last recession started, in 2007. It peaked at 10% during the recession and has since fallen back to 4.4%. Moody's and other forecasters expect unemployment to fall further, perhaps even dipping below 4% by the end of the year or early 2018. "Full employment" is an economic term that means the unemployment rate is low by historical standards, most workers looking for a job can get one, and labor shortages are developing in some areas. Full employment might seem like a fuzzy concept, but it's important because of what usually happens next. As the labor market tightens, employers begin to have trouble finding qualified workers to fill all the jobs they have open, which means they have to start paying more. As wages rise, more people who gave up on work change their minds and start to look for a job again, lowering the unemployment rate further. Keep in mind, higher wages also tend to lead to higher inflation, which could force the Fed to raise interest rates more aggressively. (Sources: Yahoo Finance, CNBC)

Income Buys Happiness Differently Based on Where You Live: Does income buy happiness? This oft-debated question now has a definitive answer: Yes -- up to a point. In the U.S., the chances of experiencing three positive emotions or actions -- happiness, enjoyment and smiling/laughter -- on any given day increases with household income. But those chances reach their limit at around \$75,000 per year. This limit varies regionally, however. Some areas maximize positive emotions at much lower income levels than others, as you can see in the map below. In the central U.S. -- exemplified in the West South Central and West North Central regions, running from Texas northward through the Northern Plains -- income's apparent impact on positive emotions plateaus around \$54,000 per year. Beyond this point, ever greater amounts of income yield no greater odds of experiencing positive emotions on any given day. Residents of regions with a higher cost of living, such as the Pacific and Middle Atlantic do not hit this emotional plateau until nearly double the income level. This analysis is a part of a broader special research project by Gallup and Sharecare in conjunction with TIME magazine. (Source: Gallup)



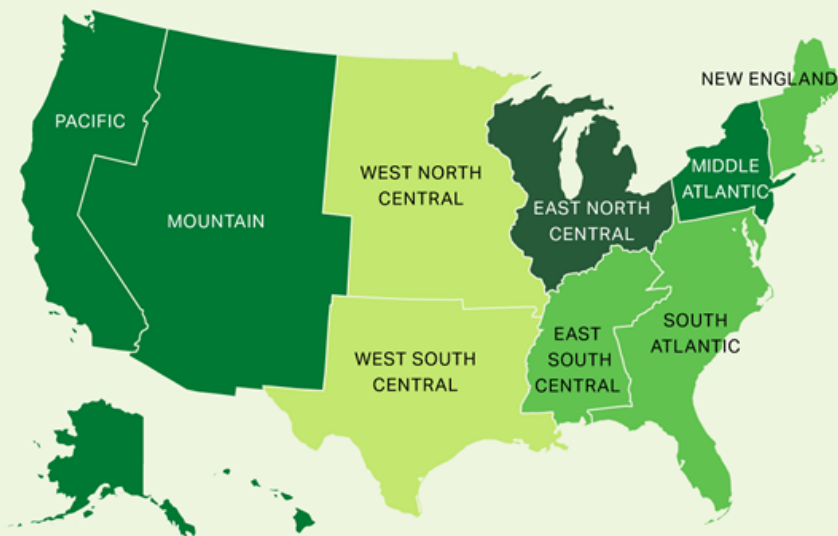
Today In History



1864, Civil War - Close-range firing and hand-to-hand combat at Spotsylvania Court House, Virginia, result in one of the most brutal battles of the Civil War. After the Battle of the Wilderness (May 5-6), Generals Ulysses S. Grant and Robert E. Lee raced respective Union and Confederate forces southward. Grant aimed his army a dozen miles southeast of the Wilderness, toward the critical crossroads of Spotsylvania Court House. Sensing Grant's plan, Lee sent part of his army on a furious night march to secure the road junction before the Union soldiers got there. The Confederates soon constructed a five-mile long system of entrenchments in the shape of an inverted U. On May 10, Grant began to attack Lee's position at Spotsylvania. After achieving a temporary breakthrough at the Rebel center, Grant was convinced that a weakness existed there, as the bend of the Confederate line dispersed their fire. At dawn on May 12, Union General Winfield Scott Hancock's troops emerged from the fog and overran the Rebel trenches, taking nearly 3,000 prisoners and more than a dozen cannons. While the Yankees erupted in celebration, the Confederates counterattacked and began to drive the Federals back. The battle raged for over 20 hours along the center of the Confederate line—the top of the inverted U—which became known as the "Bloody Angle." Lee's men eventually constructed a second line of defense behind the original Rebel trenches, and fighting ceased just before dawn on May 13. Around the Bloody Angle, the dead lay five deep, and bodies had to be moved from the trenches to make room for the living. The action around Spotsylvania shocked even the grizzled veterans of the two great armies. Said one officer, "I never expect to be fully believed when I tell what I saw of the horrors of Spotsylvania." And yet the battle was not done; the armies slugged it out for another week. In spite of his losses, Grant persisted, writing to General Henry Halleck in Washington, D.C., "I will fight it out on this line if it takes all summer."

Average Annual Household Income Where Positive Daily Emotions Reach Their Peak

■ Around \$54,000 per year ■ Around \$75,000 per year
■ Around \$105,000 per year ■ At least \$120,000 per year



Results control for age distribution, gender, race/ethnicity, education, marital status, children in household, previously existing health conditions and day of the week.

GALLUP-SHARECARE WELL-BEING INDEX

Weather is improving for the Midwest as forecast are calling for drier and warmer conditions in the central and western regions. This should bring favorable conditions for planting. On the Plains, mild dry weather continues to promote spring wheat planting and other fieldwork in Montana and the Dakotas. Farther south, however, cool, showery weather is halting fieldwork. In the mid-South a return of rain across the area is complicating flood recovery efforts. Five-day rainfall totals should reach 1 to 3 inches across much of the southern and eastern U.S., including flood-recovery areas of Arkansas and southern Missouri.

El Nino Update: U.S. forecasting Agency the NCEP has lowered the probability of El Nino later this year to 45% from 50% a month ago. However, the NCEP CFSv2 and most of the statistical models are more conservative and indicate that while sea surface temperatures may be near or greater than +0.5 degrees C for several months, the warmth may not last long enough to qualify as an El Nino episode, 5 consecutive overlapping seasons and/or may not significantly impact the atmospheric circulation. Bottom line, the chances of El Nino hitting this Summer or early Fall are dropping.

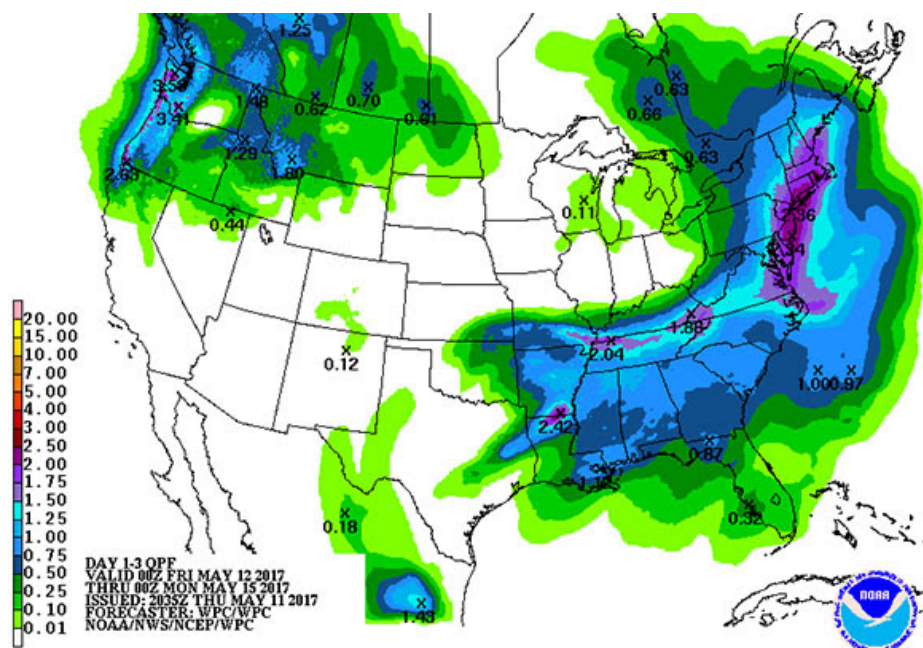
Clear Forecast For Midwest: Like we talked about above, conditions are turning drier for much of the Midwest this weekend. This should allow for a great number of farmers to get in the field. Below is the 3-day map for the weekend that shows little to precipitation for the majority of the Corn Belt.



1949, Cold War - An early crisis of the Cold War comes to an end when the Soviet Union lifts its 11-month blockade against West Berlin. The blockade had been broken by a massive U.S.-British airlift of vital supplies to West Berlin's two million citizens. At the end of World War II, Germany was divided into four sectors administered by the four major Allied powers: the USSR, the United States, Britain, and France. Berlin, the German capital, was likewise divided into four sectors, even though it was located deep within the Soviet sector of eastern Germany. The future of Germany and Berlin was a major sticking point in postwar treaty talks, especially after the United States, Britain, and France sought to unite their occupation zones into a single economic zone. In March 1948, the Soviet Union quit the Allied Control Council governing occupied Germany over this issue. In May, the three Western powers agreed to the imminent formation of West Germany, a nation that would exist entirely independent of Soviet-occupied eastern Germany. The three western sectors of Berlin were united as West Berlin, which was to be under the administration of West Germany. On June 20, as a major step toward the establishment of a West German government, the Western powers introduced a new Deutsche mark currency in West Germany and West Berlin. The Soviets condemned this move as an attack on the East German currency and on June 24 began a blockade of all rail, road, and water communications between Berlin and the West. The four-power administration of Berlin had ceased with the unification of West Berlin, the Soviets said, and the Western powers no longer had a right to be there. With West Berlin's food, fuel, and other necessities cut off, the Soviets reasoned, it would soon have to submit to Communist control. Britain and the United States responded by initiating the largest airlift in history, flying 278,288 relief missions to the city during the next 14 months, resulting in the delivery of 2,326,406 tons of supplies. Flights were made around the clock, and at the height of the Berlin airlift, in April 1949, planes were landing in the city every minute. Finally, on May 12, 1949, the Soviets abandoned the blockade, and the first British and American convoys drove through 110 miles of Soviet Germany to reach West Berlin.



1970, Ernie Banks - Chicago Cubs slugger Ernie Banks hits the 500th home run of his career. "Mr. Cub" was known for his engaging personality and love of the game, traits on display even as the dismal Cubs suffered through losing season after losing season. They had a losing record every year from 1946 to 1952, during which time they finished in last place three times. Despite Banks' contributions, the Cubs went 64-90 in 1954. In 1955 Banks played brilliantly.



1954. In 1955, Banks played primarily, manning shortstop and hitting 44 homers with five grand slams (a single-season record that stood for 20 years), but the Cubs still finished the season at 72-81. Overall, only five of Banks' 19 seasons with the Cubs were winning efforts. These included 1969, when in late August, the team found itself in first place by nine-and-a-half games over the "Amazin'" New York Mets. The Mets rallied in September, and the Cubs collapsed, losing 10 of their final 11 games and missing the playoffs yet again. Banks was named the team's most valuable player twice, in 1958 and 1959, and led the National League in RBIs twice and home runs twice, finishing with 512 home runs for his career. He was elected to the Hall of Fame in 1977. Despite a long and impressive career, Banks never got a chance to play in the post-season.

Upcoming Events

Mon. 5/22 - Cold Storage

Wed. 5/24 - Minutes From 5/3 FOMC Meeting Released

Fri. 5/26 - Cattle on Feed

Mon. 5/29 - Memorial Day - Markets Closed

Fri. 6/9 - USDA Supply and Demand

Tues.-Wed. 6/13-14 - FOMC Meeting

Thurs. 6/22 - Cold Storage

Fri. 6/23 - Cattle on Feed

Fri. 6/29 - Quarterly Hogs and Pigs

Fri. 6/30 - Quarterly Stocks and Acreage

Tues. 7/4 - Independence Day - Markets Closed

Wed. 7/5 - Minutes From 6/14 FOMC Meeting Released

Wed. 7/12 - USDA Supply and Demand

Fri. 7/21 - Cattle on Feed

Mon. 7/24 - Cold Storage

Tues.-Wed. 7/25-26 - FOMC Meeting

Fri. 8/10 - USDA Supply and Demand

Wed. 8/16 - Minutes From 7/26 FOMC Meeting

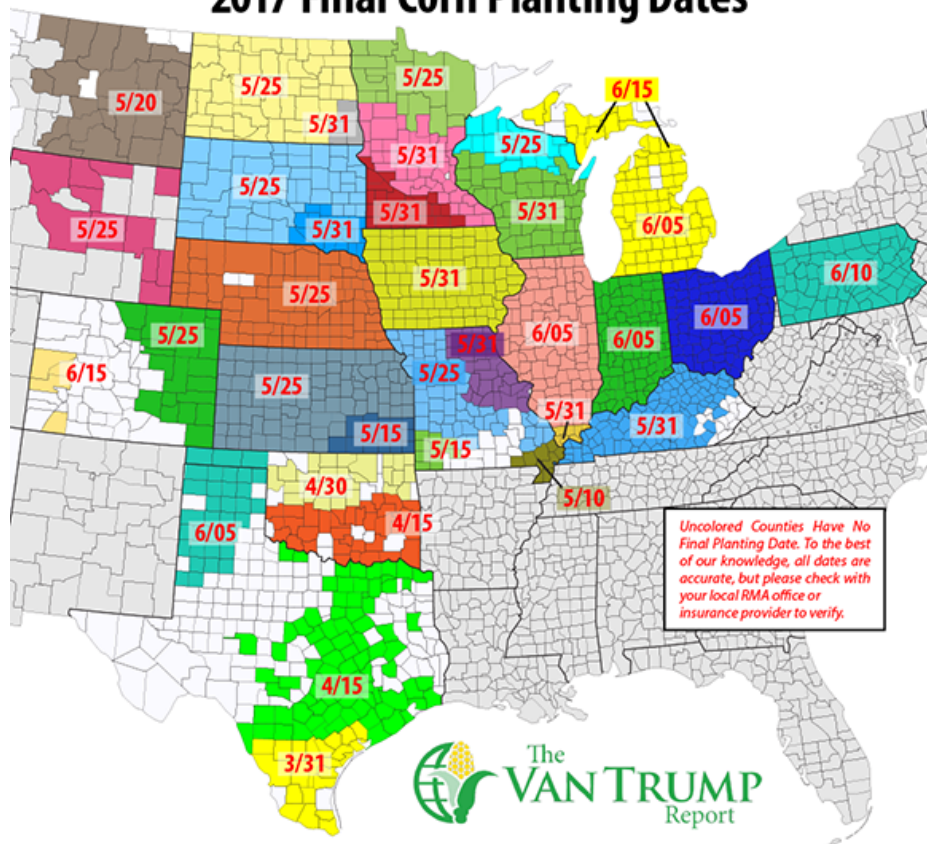
Tues. 8/22 - Cold Storage

Fri. 8/25 - Cattle on Feed

Chart Of The Week

Corn bulls are talking about a slightly better new-crop balance sheet here in the U.S., while bears continue to sight record crop production being harvested in South America and the fact it will eventually bring stiffer competition into the global marketplace. From what I continue to hear, second-crop weather in Brazil is being very cooperative with most areas seeing plenty of rainfall and normal to moderate temperatures. As for weather here in the U.S., at least nearby, there seems to be a window of opportunity being offered up for many producers in the major production states. The extended forecast however looks much more uncertain as several areas are looking at another round of heavy rains. From a traditional "supply and demand" perspective there is really very little to get excited about. U.S. weekly exports were just reported at their lowest level of the marketing year and South American supply will soon become more readily available in the pipeline. I should also note that Mexico is throwing out talk of buying 3 MMTs to 5 MMTs of corn from Brazil, last year they didn't buy any from Brazil. Ethanol demand here in the U.S. appears to remain strong but who know how ethanol exports are going to play out as Washington starts to negotiate and make more trade adjustments. I still however believe there are some U.S. "weather" uncertainties that will keep the market supported and traders near the edge of their seat. I suspect if the U.S. forecast continues to show complications in the weeks ahead some additional "weather premium" could certainly be justified. In regard to pricing more new-crop bushels, I'm staying patient. I would like to see the trade test the higher end of the range in DEC17 new-crop up between \$3.95 and \$4.05 per bushel. The most recent high at \$4.04 was posted at the end of February and we haven't trade back above \$3.95 since early-March. I'm hoping we can make a run at it in one of the next two-weeks. As a spec, I have to imagine a new-crop break to between the \$3.60 and \$3.70 level will be viewed by many as a nearby buying opportunity.

2017 Final Corn Planting Dates



Soybean prices continue to trade in a range-bound fashion with the new-crop NOV17 contract appearing stuck between \$9.40 and \$9.80 per bushel. The old-crop JUL17 contract has arguably been a bit more volatile with a range of between \$9.40 and \$9.90 per bushel. From my perspective there's nothing fresh or new in the headlines. The bears continue to point to the record crop in South America and talk of the Argentine harvest making bigger push and approaching 70% complete. There's also thinking the Argentine crop might also be a hair bigger than many have previously forecast, but it's certainly not any type of game changer. The market has been digesting talk of record South American production for several weeks, so nothing fresh or new to influence the trade. Here at home it's a similar story. The trade has been digesting talk of record U.S. planted soybean acres for several weeks if not months. There's a few questions about weather and heavy rains in a some key production areas, but the trade seems to believe it's still too early to get overly excited. The bulls also have a burdensome balance sheet to contend with as we move forward. Hence probably the reason we've been stuck in the recent trading range. The weather here in the U.S. is bringing about some uncertainty, but the record production out of South America and thoughts of a more burdensome U.S. new-crop balance sheet is currently enough to keep a lid on the rallies. Without something more significant to lift the weight being applied by the bears it will be tough breaking out to the upside. As a producer I continue to keep all of my current hedges in place and will use another significant move higher, perhaps on an early weather scare, to reduce more longer-term risk.



July Soybean Oil

The old trend line resistance is now holding as a line of support. A close back below 3200 would signal an end to the technical breakout and put the market back into a downtrend pattern.

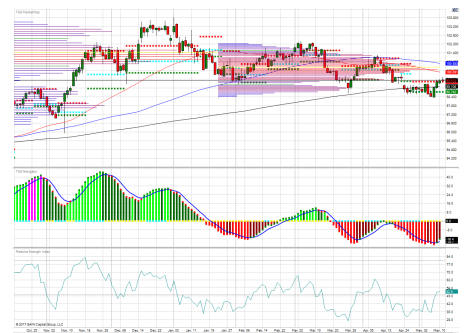
[Enlarge July Soybean Oil Chart »](#)



Need more help with the "Technical" side of the market? I personally like to use Tom Dosdall at Technical Ag Knowledge.

[Click here for a complimentary subscription courtesy of The Van Trump Report.](#)

Outside Markets

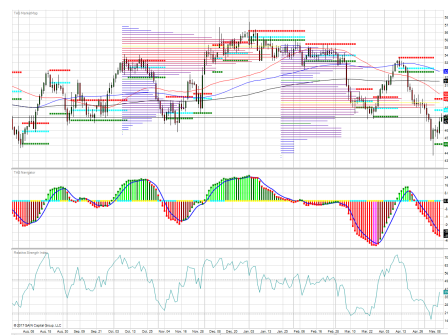
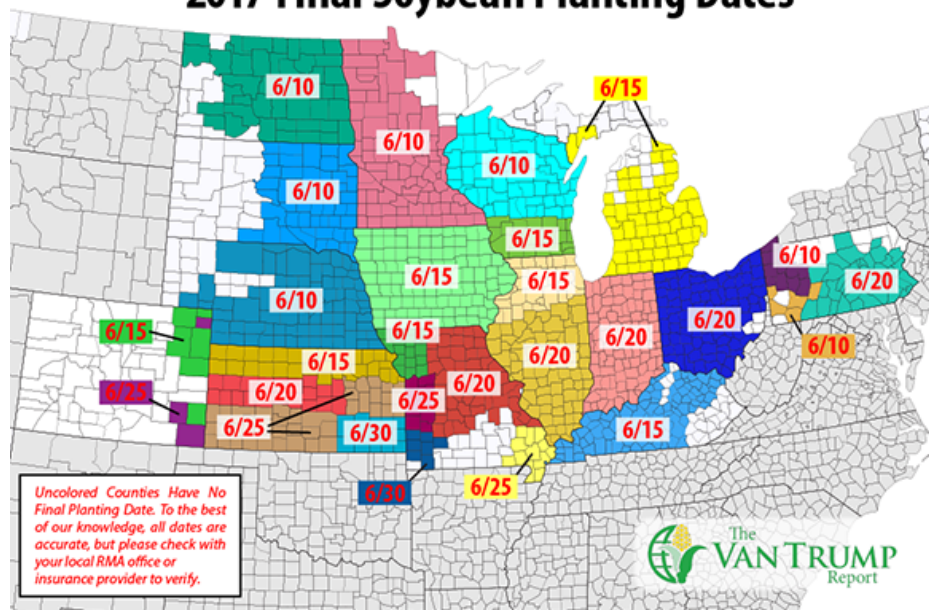


US Dollar Index

A close above 99.450 will indicate a strong buying presence and could help to tilt the scales more bullish in the short term.

[Enlarge US Dollar Index Chart »](#)

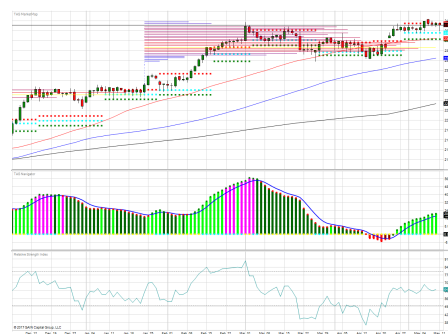
2017 Final Soybean Planting Dates



Crude Oil

The short term bounce from oversold conditions could find resistance at the top end of the current TAS Box range (red dots) near the 50 day moving average at 48.70. Momentum is still down.

[Enlarge Crude Oil Chart »](#)



E-Mini S&P Index

Bearish momentum has subsided and TAS Navigator has hooked back into positive territory, signalling buying interest is regaining strength. A close above 2395.00 could help to attract fresh buying while 2358.00 supports.

[Enlarge E-Mini S&P Index Chart »](#)



> U.S. And China Building Trade Relations: Reshaping their trade relationship, the U.S. and China have revealed a new 10-point package that will see the latter open its market to American companies and agencies. Commerce Secretary Wilbur Ross said the import/export deals on beef, poultry, natural gas, agriculture, financial services and biotechnology will help reduce the massive trade deficit with Beijing. (Source: SeekingAlpha)

> Brazilian Soybean Crop Estimate Raised By Conab: Brazil's national supply company, Conab, has lifted its forecast for this year crop by +2.6% to 113 million metric tons. That compares to last month's estimate of 110.2 million metric tons and last year's production of 95.4 million. Total grain, oilseed and fiber production is pegged at 232 million metric tons, up from 227.9 million last month and +24.3% higher than last season's 186.6 million.

> Argentine Corn Crop Forecast Lifted: The Rosario Grains Exchange raised their 2016/17 Argentine corn production estimate by 1 million metric tons to 57.0 million metric tons, the same as the latest USDA estimate.

> French Wheat Stocks Lowered: FranceAgriMer cut its forecast of French 2016/17 soft wheat ending stocks for the second month in a row as the farm agency increased its outlook for exports from the European Union's biggest wheat producer. France was projected to have 2.4 million metric tons of soft wheat stocks at the close of the 2016/17 season on June 30, compared with 2.6 million estimated last month. French wheat exports to outside the European Union rebounded in March but non-EU shipments in the first nine months of 2016/17 remain well below last season after the worst harvest in three decades. Customs' data shows France exported some 315,509

Kevin's Song of the Week



About the Report

metric tons of soft wheat outside the EU in March, up from 245,430 metric tons in February. (Source: Reuters)

> Turkey Has Resumed Russian Wheat Imports: Turkey resumed wheat imports from Russia on Monday, Turkish Economy Minister Nihat Zeybekci told Reuters on Thursday, just a few days after the trade dispute between the two countries was settled. Turkey, traditionally the second-largest buyer of Russian wheat after Egypt and the top buyer of its sunflower oil, imposed what Moscow regarded as prohibitively high import tariffs from mid-March. The dispute, which had brought Russia's grain supplies to Turkey to a virtual standstill, was resolved at the meeting of the presidents of the two countries. Mikhail Maltsev, the head of Russia's Oil and Fats Union, also said that Russian sunflower oil suppliers received the confirmation from the Turkish buyers on Thursday that all restrictions were removed and had started to enter into new contracts. It was not clear whether the trade with Russian corn has also been restored. (Source: Reuters)

> European Crops Face Heat, Drought This Summer: A long, hot summer is expected across southern Europe as prolonged periods of above-normal to extreme heat take hold from Italy into the Balkan Peninsula. "Record-setting heat will be possible during the most intense heat waves," said AccuWeather Senior Meteorologist Alan Reppert. Locations from Macedonia and Bulgaria into Hungary and Romania will face the highest risk for multiple heat waves. The weather pattern that will promote the extreme heat in southern and eastern Europe will also limit rainfall. This will heighten the risk for drought conditions despite near- to above-normal precipitation from January through April. Rainfall will be directed across central and northern Europe leading to drier-than-normal weather across Ukraine, Moldova and Romania. "This drought, combined with any damage to crops from the cold snaps of late spring could yield a smaller crop and in turn lead to crop shortages and price increases across the rest of Europe." (Source: Accuweather)

> JBS Said to Delay New York Initial Offering After Meat Scandal: JBS SA won't complete an initial public offering of its international unit in New York in the first half of the year as originally planned, according to a person familiar with the situation, following a bumpy two months in which the company was engulfed in a food-safety scandal. The world's largest meat company is still considering when to go ahead with the IPO, said the person, who asked not to be identified because the deliberations are private. (Source: Reuters)

> Lighthizer Confirmed As New Trade Negotiator: The Senate voted 82-14 to confirm Robert Lighthizer to be U.S. trade representative. The bulk of the Trump administration's trade agenda has been in a holding pattern, leaving issues such as the renegotiation of the North American Free Trade Agreement (NAFTA) and the direction of future global deals up in the air while Lighthizer waited for Senate approval.

> Texas Farm Bureau Withdraws Support From Eminent Domain Bills: The Texas Farm Bureau says it is no longer backing state legislation that would have addressed eminent domain issues. The Lone Star state has been a classic eminent domain battle ground, involving fights between ranchers, oil companies, rail lines and even football stadiums. In particular, the farmers group says it dropped its support for S.B. 740 and H.B. 2684, companion bills it had supported since they were introduced in February, because they were both changed to remove a provision that would have required the property taker to pay attorney's fees if a court ruled that the offer was more than 20% less than the court award. "This was the key for us and it was dropped from the bill," said Gene Hall, the Texas Farm Bureau's spokesman. (Source: Politico)

> Mexicans Are No Longer The Majority Of Immigrants Illegally In U.S.: For the first time in more than a decade, Mexicans no longer make up the majority of immigrants staying in the U.S. illegally, according to new estimates by the Pew Research Center. Their analysis of U.S. Census Bureau data shows that last year, there were 5.6 million Mexican nationals living in the U.S. without authorization – half of the unauthorized immigrant population in 2016. Mexicans have been the majority of that population since 2005, according to the Pew report. Although Mexicans still make up the largest group of unauthorized immigrants, numbers from Mexico have been on the decline since the Great Recession began in late 2007. The number of unauthorized immigrants from other countries has been on the rise since the end of the recession, hitting an estimated 5.7 million in 2016. Immigrants from Central America and Asia – largely from India and China – are two of the main drivers of that growth. (Source: NPR)

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

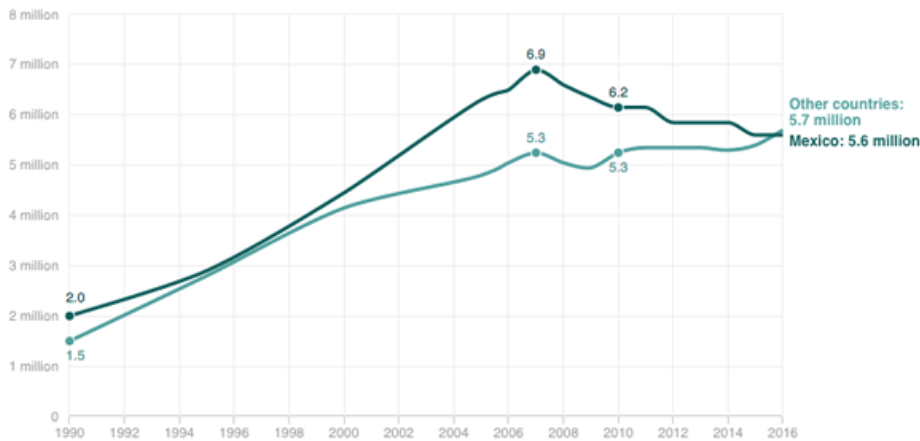
What Others Are Saying

"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

Unauthorized Immigrant Population, By Country Of Origin



Source: Pew Research Center estimates

Credit: Alyson Hurt/NPR



Central Kansas - We were lucky a week ago when the snow didn't make it this far east. We grow wheat primarily, with corn, beans and some silage acres. Even though the snow didn't make it this far the cold temperatures unfortunately did. We had a hard freeze that will definitely show up in the wheat at some point. It is hard to tell what the overall impact will be. The wheat looks just ok at this point and I would estimate an average yield. I don't think we will really know the effect on yields until we cut the wheat this summer. The night that we had the hard freeze was very still and the crop was highly variable in growth stages and hardiness. We are finishing up the corn planting and will start on beans as soon as we are done. We have some small chances of rain over the next 36 hours but I don't think it will amount to much. We will need about a week to get the beans wrapped up.

Central Illinois - In this part of Illinois I think that most of the corn has gone into the ground. Things have changed here a lot with snow in the ditches last week and 80 degrees over the last few days. As you go further north there is less planted and if you get north of I-80 I have heard that there is only a third of the corn planted. We should start seeing some beans go in the ground later today. There have not been a lot of bean acres planted but that looks to change this week. I think that we will get a good three to four-day window before rains show up in the forecast again. The difference from the last rains is that the temperatures should be much warmer now. We have battled the cold temps as you travel north. Most guys decided to wait before the last rains because the temps were to be so low. I think that we are out of the woods on any real low night temperatures going forward.

Northwest North Dakota - We are halfway complete with our canola seeding as the weather has been beautiful. I wouldn't mind a little moisture as the seeds went in a touch dry last week. We seem to just miss the showers that have been coming around the area lately. We had plenty of snow in December and only a few spring rains leaving the field conditions in very good shape. There are a few puddles in out of the way spots where the last of the snow melted. With the forecast as it is we should be complete with planting in seven to eight days. It won't be but a couple of weeks and we will be spraying for weeds.

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**

[More Testimonials](#)

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.

CROSSING WIRES

A place to share intelligent thoughts...

China's Wheat Hoard Masks Tightening Global Market: *World wheat supply is expected to hit record levels in 2017-18 for the fourth year in a row, but remove China from the equation and next year's global wheat carryout would be the lowest in four years. China has been notorious over the past decade for producing and storing large quantities of grain in its effort to be self-sufficient. Wheat stockpiles have now grown to staggering levels, but government support prices for the grain ensure that farmers continue to produce at the same rate, thus worsening the problem. The East Asian country is the world's largest wheat producer, but it barely participates in the global marketplace. USDA expects China to import 3 million metric tons of the grain in 2017-18 and export 0.8 million – quantities that pale in comparison with the 131 million metric tons it will harvest. Read more from [Reuters](#).*

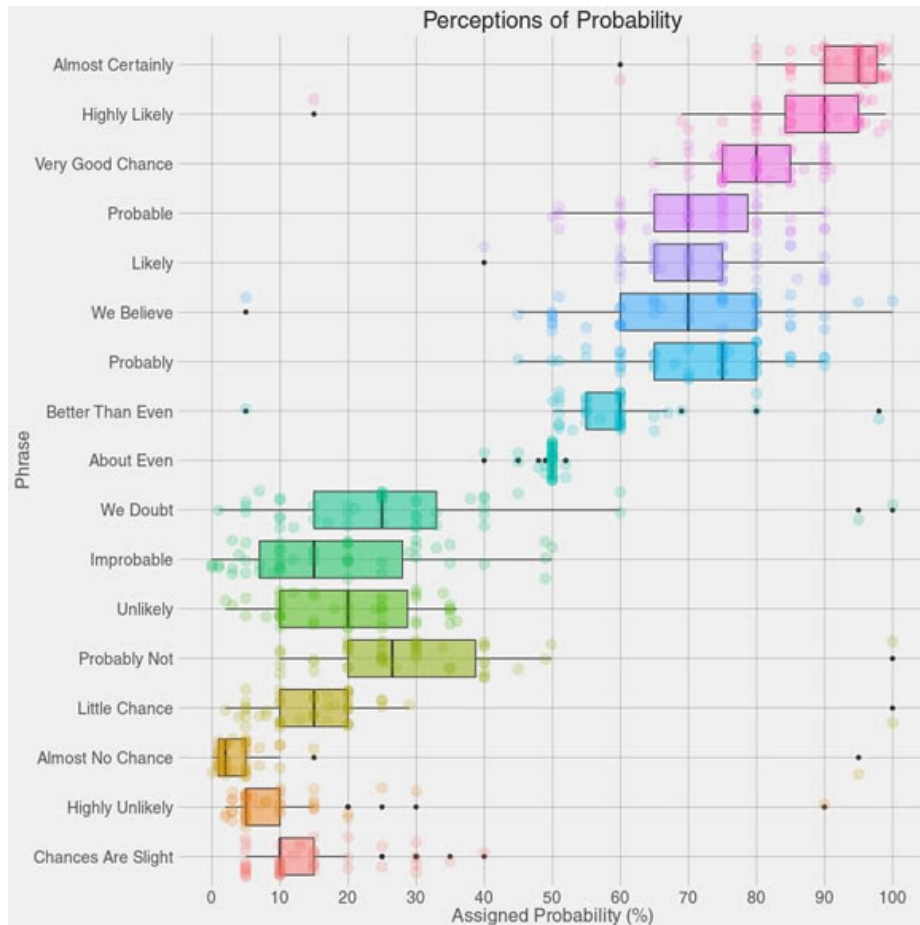
How A Bad Grade Changed The U.S. Constitution: *Twenty-five years ago, the 27th Amendment to the U.S. Constitution was ratified — nearly two centuries after it was written. The improbable story of how that happened starts with the Founding Fathers themselves and winds up at the University of Texas. And it's a heartening reminder of the power of individuals to make real change. Let's back up to 1982. A 19-year-old college sophomore named Gregory Watson was taking a government class at UT Austin. For the class, he had to write a paper about a governmental process. So he went to the library and started poring over books about the U.S. Constitution — one of his favorite topics. Read more [HERE](#).*

Data Data Everywhere: *It's easy to get lost amid the robots. Self-driving golf carts roll around the Dallas Convention Center. Winged drones hang overhead, missiles at the ready. Torpedo-shaped bots bob in water tanks. Blimps display ads in Blade Runner fashion. At first, Intel CEO Brian Krzanich's keynote speech at the AUVSI Xponential autonomous vehicle conference seems to fit this hardware obsession. He not only takes the stage riding a robot—modified Segway built with the company Ninebot—but also invokes a swarm of glowing drones to put on a light show. But Krzanich isn't here just to talk about the machines. There's an invisible data tsunami approaching as these machines get smarter and more ubiquitous. Read more [HERE](#).*

Stanford Researcher's Effective 15-Minute Study Hack: *Policy makers, tech executives, teachers, and parents are forever trying to find new ways to improve kids' performance at school. Schools design and redesign curricula, teachers embrace and reject new learning technologies, and parents plot ways to get their kids to study more. One novel solution researchers find helps kids to perform better is to get them to think about how they think—metacognition—and have them strategize how they study. If this sounds easy, it is not. "All too often, students just jump mindlessly into studying before they have even strategized what to use, without understanding why they are using each resource, and without planning out how they would use the resource to learn effectively," says Patricia Chen, a postdoctoral researcher at Stanford with a PhD. But students can be taught to think strategically about thinking and studying, says Chen, the lead author of a new study about the practice, and parents can prompt this type of learning by posing some strategic questions of their own. Read more [HERE](#).*

Measuring Perceptions of Uncertainty: *What is the difference between an event that is probable and one that is highly likely? The two terms seem mostly interchangeable, but each individual's interpretation is actually highly subjective. That means that when stakes are high, such as for the intelligence community or for high-ranking government officials, a slight misinterpretation in the meaning of these phrases could be a matter of life and death. Sherman Kent, often described as the "father of intelligence analysis", was a CIA analyst that recognized the problem of using imprecise statements of uncertainty. Particularly, Kent was jolted by how policymakers interpreted the phrase "serious possibility" in a national estimate about the odds of a Soviet attack on Yugoslavia in 1951. After asking around, he found that some thought this meant a 20% chance of attack, while others ascribed an 80% chance to the phrase. Most people were somewhere in the middle. Inspired by Kent's work, a later study asked 23 NATO officers to assign actual numbers to terms like "probably", "almost certain", "little chance", "unlikely", and other words of estimated probability. Read more [HERE](#).*

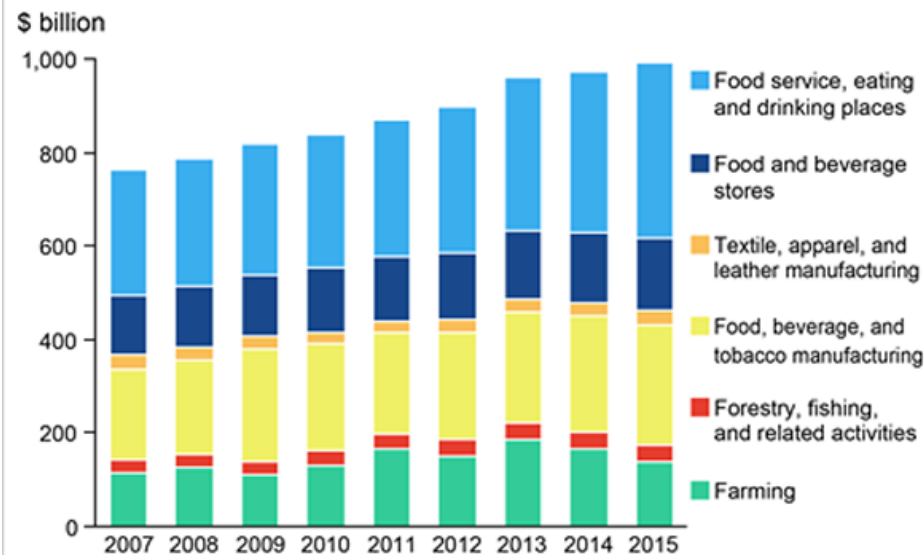




The Importance of the Farmer and Agriculture to the U.S. Economy

When economist want to "take the temperature" of the economy, two of the most important factors tend to be Gross Domestic Product (GDP) and employment. How much is the country producing and are the people working? When considering agriculture you can apply a similar line of thinking: For example how much is agriculture and related industries contributing to U.S. gross domestic product? and how many jobs does agriculture and related industries provide to the U.S. economy? The latest data from the USDA, Economic Research Service gives us an insight into these questions and the overall importance of agriculture to the nation's economic well-being. In 2015, agriculture and agriculture-related industries contributed \$992 billion to the U.S. GDP. This comes out to about 5.5% share of the total GDP. When looking at the production of just American farms, they contributed \$136.7 billion of this sum -- or about 1% of GDP. The overall contribution of the agriculture sector to GDP is larger than this because related sectors rely on agricultural inputs like food and materials used in textile production in order to contribute added value to the economy. Interestingly, but not surprising, farming's contribution to GDP in 2015 fell for the second consecutive year after reaching a high point of \$189.9 billion in 2013. A major reason for this downward trend has been falling commodity prices like corn and soy, which peaked around 2013 and have since fallen by around -30%. As for the contribution agriculture makes to national employment, in 2015 there were 21 million full and part-time jobs related to the agricultural and food sectors -- or just over 11% of total U.S. employment. Direct on-farm employment accounted for about 2.6 million of these jobs, or about 1.5% of total U.S. employment. The agricultural sector makes an important contribution to the U.S. economy, I actually thought the numbers would have been higher. Regardless, it's still obvious that success in agriculture equals success for the overall U.S. economy. Interesting numbers...(Source: USDA, ERS - [Ag Food and Statistics](#))

Value added to GDP by agriculture, food, and related industries, 2007-15



Note: GDP refers to gross domestic product.

Source: USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of Economic Analysis, *Value Added by Industry* series.

Bob Dylan Gets A Boost From Walking Out On Sullivan

Back in the 1960s, an appearance on The Ed Sullivan Show all but guaranteed an act would be propelled to a whole new level of fame. Performing on the massively popular variety show helped launch the careers of Elvis Presley, The Beatles and The Jackson 5, just to name a few of the most legendary. The show was at the height of its influence as Rock 'n' Roll was edging its way into the mainstream. Back in 1963, future Rock icon Bob Dylan was hoping to capitalize on Sullivan's star-making power when he was booked to play the show on May 12. Dylan at the time had only one album out and an underground cult following. Mainstream radio had yet to discover the nasally folkster. In promoting his upcoming second album, *The Freewheelin' Bob Dylan*, on Ed Sullivan Dylan planned to perform "Talkin' John Birch Paranoid Blues", a satirical blues number written from the perspective of a John Birch Society member who is so terrified of communists that he looks for "Reds" everywhere, including in his chimney, toilet and glove box. As the story goes, Dylan auditioned it a few days before the show. However, during dress rehearsal the day of the show a CBS executive overheard the controversial lyrics and told the show that Dylan would either have to change the lyrics or perform a different song. When the show's producer, Bob Precht, informed Dylan of the decision, Dylan responded, "No; this is what I want to do. If I can't play my song, I'd rather not appear on the show." Keep in mind, it was not an unprecedented request. The Rolling Stones were told to change "Let's Spend the Night Together" to "Let's Spend Some Time Together" — and obliged. The Doors were told to change a line from "Light My Fire" from "Girl, we couldn't get much higher" to "Girl, we couldn't get much better." Jim Morrison agreed to make the switch, but sang the original live, and the band was banned from the show. But rather than follow in the footsteps of others who had agreed to alter their performances, Dylan walked out without ever performing on the most popular television show of the day. The incident led to more trouble for Dylan with his record label, Columbia, which was owned by CBS. Executives there decided the song might be grounds for libel and decided to scrap it from Dylan's new album. The whole debacle garnered Dylan a lot of free press, though, helping to spotlight him the newcomer as an uncompromising artist. In fact, most music historians contend that walking out on the show probably did more for his career than an actual performance would have. (Sources: Wikipedia, Ed Sullivan.com)



Happy Mothers Day!

Don't forget...Mothers Day is this Sunday. As most of you know, my Mom passed away back in 2000. I included below one of the last pics with her and my two little ones, and yes she spoiled them like crazy! Even though she is no longer with us, not a day goes by that her memories and life lessons don't pop into my head. I can still hear her voice loud and clear, see her smile when Michelle and I would come back home and the hugs and kisses when we would leave. I can hear her words of encouragement when she know I was struggling or needed that little pick-me up. I can hear her voice of reason when I started getting a little ornery or pushing the limits. There is no debating, Mom's will always hold a special place in all our hearts. Those of you lucky enough to still have your Mom, give her an extra long hug this weekend. I'm not saying I have any regrets, because I had an awesome relationship with my Mom...but what I wouldn't give for just one more Mother's Day celebration together. I remember hearing Bryant Gumble once say he would exchanged the last five years of his life to just play one more round of golf with his Dad. I hate to point out the obvious, but just remember there is an "expiration date" on life and all the small little details we often take for granted need to be relished in. I know my Mom would be proud of all the grandchildren's accomplishments and the families both my sister and my wife and I have built. The only advice I can give is never take "time" for granted. Unfortunately in this life many of us never know what we have until we lose it. I wish all the Mom's out there a happy Mothers Day!

A man stopped at a flower shop to order some flowers to be wired to his mother who lived two hundred miles away. As he got out of his car he noticed a young girl sitting on the curb sobbing.

He asked her what was wrong and she replied, "I wanted to buy a red rose for my mother. But I only have seventy-five cents, and a rose costs two dollars."

The man smiled and said, "Come on in with me. I'll buy you a rose."

He bought the little girl her rose and ordered his own mother's flowers.

As they were leaving he offered the girl a ride home.

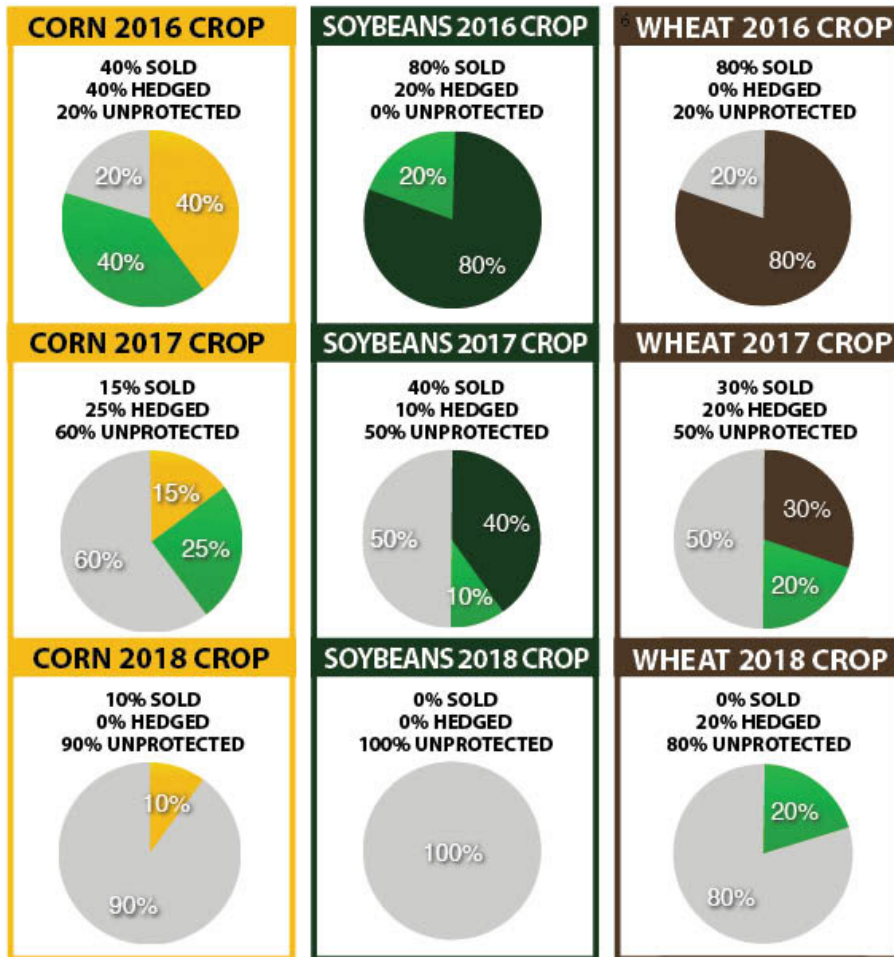
She said, "Yes, please! You can take me to my mother."

She directed him to a cemetery, where she placed the rose on a freshly dug grave.

The man returned to the flower shop, canceled the wire order, picked up a bouquet and drove the two hundred miles to his mother's house.



CASH SALES & HEDGING TOTALS



PLEASE READ The Van Trump Report is a publication intended to give analytical research to the Agricultural community. The Van Trump Report is not rendering investment or hedging advice based on individual portfolios or individual business operations. Kevin Van Trump is NOT registered as a stock or commodity advisor in any jurisdiction. You need to consult with your own registered advisor for specific strategies and ideas that are appropriate to your specific portfolio or business entity. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete. This report is not intended, and shall not constitute, or be construed as an offer or recommendation to "buy", "sell" or "invest" in any securities or commodities referred to in this report. Rather, this research is intended to identify issues and macro situations that those invested in the agricultural industry should be aware of to help better assess and improve their own risk management skills. Please read the entire [DISCLAIMER PAGE](#) for full risk-disclosure and copyright laws.



© FARM DIRECTION 2011

[About Us](#) | [Testimonials](#) | [Subscribe](#) | [Contact Us](#) | [Disclaimer](#)