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**GOOD MORNING: 05/18/17 Farm Direction - VanTrump Report**

1 message

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

Thu, May 18, 2017 at 6:56 AM



*"The best investment decisions you make are often the things you don't invest in. Avoiding the wrong stuff is often more important than finding the right stuff."* - Peter Lynch

**THURSDAY, MAY 18, 2017**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Washington rocks Wall Street as volatility surges surrounding president Trump's recent firing of FBI director James Comey and links to Russia. From what I understand and what's being reported by the media, Trump asked recently-fired FBI Director James Comey to shut down an investigation into Michael Flynn, the former national security advisor that Trump asked to resign in February. The White House maintains that Trump never asked Comey or anyone else to end any investigation. Comey has been invited to testify before the House Oversight Committee next week, though the former FBI Director has yet to officially accept any such invites. The CBOE's volatility index, commonly referred to as the VIX, spiked more than 20% yesterday, coming off levels that have been extraordinarily low the last few months. As I mentioned late last week, with very little or limited economic data scheduled for release the media and headline trading crowd would be forced to turn their attention back towards the drama being stirred in Washington. Specifically more talk of stalling tax-reform, stalling infrastructure spending and perhaps mid-term elections bringing even more uncertainty to U.S. leadership, especially if the market starts to believe the Republicans could lose either the House or Senate. In fact the "far left" has gone as far as throwing around the word "impeachment" in regard to the president. Keep in mind however this is nothing more extreme than those who to the "far right" were tossing around the same words during the Obama presidency. For what it's worth, the Nasdaq experienced its worst down day yesterday since "Brexit" headlines hit the market last summer. Personally I see it as a temporary speed bump for some of the larger stocks. In other words I don't think people are going to stop buying items from Amazon, stop watching Netflix, or stop searching the web on Google because of drama in Washington. Yes, we could see some large money-mangers and investors look to move money to the sideline while the media runs with the current headlines, but I don't see this as a major game changer. Energy prices are affordable, housing seems stable and the labor market is much more improved. I am a bit concerned about the slowdown in larger construction projects in parts of the country, and I'm keeping a close eye on the situation. As a longer-term investor, I only have about a 30% allocation in the equity market at this time. I've been banking some profits on the run higher and will stay patient for the moment, thinking I might see better buying opportunities in the days ahead. From a technical perspective the S&P 500 has currently pulled back by only about -2% from its all-time high. Many of the big money-managers seem to be thinking the market could easily pullback by -5%, simply based on the extent of the recent rally and run to the upside. In fact many believe a -5% to -10% pullback would be good for the longer-term health of the market. A -5% pullback would put the S&P 500 closer to 2280, while a -10% pullback puts it down to around 2160. As for commodities, the bulls are talking about the U.S. dollar being under fairly heavy pressure as of late and providing a nearby tailwind for the overall commodity asset class. I'm personally a bit hesitant in betting longer-term against the U.S. dollar. In fact the recent pullback has me intrigued and wondering if this isn't signaling a buying opportunity. Today is again a very slow day in regard to economic data being released. The only reports due out are Weekly Jobless Claims, the Philadelphia Fed Business Outlook Survey and Leading Indicators. The earnings highlights of the day will be Alibaba and WalMart. Stay tuned and pay extremely close attention to the headlines and noise coming out of Washington.



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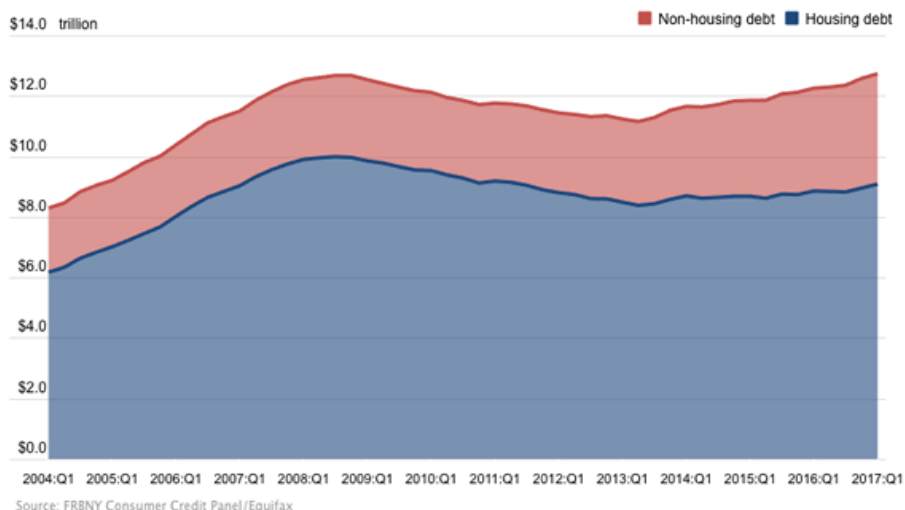
**Is your business or farm operation properly positioned to withstand this game-changing shift?**

**North Korean President Moon Jae-In** is warning that there is a "high possibility" of military clashes along the border with North Korea as tensions mount over Pyongyang's weapons ambitions. Moon, who was sworn in last week, warned that the North's nuclear and rocket programs were "advancing rapidly", days after Pyongyang launched what appeared to be its longest-range missile yet. "We are living in the reality where there is a high possibility of military clashes" along the disputed sea border off the Koreas' west coast or along the heavily-fortified land frontier that divides them, he said. Left-leaning Moon favors engagement with the North to bring it to the negotiating table, but after Sunday's missile launch said dialogue would be possible "only if Pyongyang changes its behavior". The two Koreas - technically still at war after the 1950-53 conflict ended only with a ceasefire - have occasionally clashed along the border. Moon won an election last week campaigning on a more moderate approach towards the North and said after taking office that he wants to pursue dialogue as well as pressure. Communications were severed by the North last year in the wake of new sanctions following North Korea's fifth nuclear test and Pyongyang's decision to shut down a joint industrial zone operated inside the North. (Sources: Business Insider, Financial Times)

**New Global Cyberattack Underway, More To Come:** A new global cyberattack, called Adylkuzz, has followed last week's WannaCry outbreak, which crippled computers in more than 100 countries over the weekend. Unlike its predecessor, Adylkuzz doesn't lock up computer screens, but slows down systems as it quietly steals processing power to generate a little-known digital currency called Monero. As of yesterday afternoon, Adylkuzz had infected several hundred thousand machines around the world. This latest attack comes one day after a hacking group called the Shadow Brokers separately posted an internet message saying it would release a new trove of cyberattack tools next month. The group claimed to have software that would affect web browsers, routers, mobile phones and Microsoft Corp.'s Windows 10 operating system. Its first trove, which it and Microsoft said was stolen from the National Security Agency, was dumped last month and used to create WannaCry. For companies and individuals looking to protect their systems, security experts agree on one piece of advice: install patches to Windows software now.

**Household Debt Passes 2008 Peak:** U.S. household debt has topped the record level reached in 2008, a milestone for the recovery that shows consumers are borrowing again. While the debt doesn't pose the risks that toppled the financial system nine years ago, there are still some signs of potential trouble, notably high student loan debt and delinquencies. Debt balances for American households increased \$149 billion, or 1.2%, in the first quarter to \$12.73 trillion, the Federal Reserve Bank of New York said Wednesday. That's modestly above the \$12.68 trillion peak in 2008 and 14.1% higher than the bottom in 2013. The makeup of that debt is starkly different than it was at the brink of the 2008 financial crisis. While mortgages still comprise the majority of the obligations, they represent a far lower share and the rebound has been led by student and auto debt. Also, household debt represented nearly 100% of personal income in 2008, compared with 80% today, presenting a far lower risk to individual solvency and the broader economy.

## Total Debt Balance



## Today In History



### 1917, Selective Service Act

- Some six weeks after the United States formally entered the First World War, the U.S. Congress passes the Selective Service Act on May 18, 1917, giving the U.S. president the power to draft soldiers. When he went before Congress on April 2, 1917, to deliver his war message, President Woodrow Wilson had pledged all of his nation's considerable material resources to help the Allies—France, Britain, Russia and Italy—defeat the Central Powers. What the Allies desperately needed, however, were fresh troops to relieve their exhausted men on the battlefields of the Western Front, and these the U.S. was not immediately able to provide. Despite Wilson's effort to improve military preparedness over the course of 1916, at the time of Congress's war declaration the U.S. had only a small army of volunteers—some 100,000 men—that was in no way trained or equipped for the kind of fighting that was going on in Europe. To remedy this situation, Wilson pushed the government to adopt military conscription, which he argued was the most democratic form of enlistment. To that end, Congress passed the Selective Service Act, which Wilson signed into law on May 18, 1917. The act required all men in the U.S. between the ages of 21 and 30 to register for military service. Within a few months, some 10 million men across the country had registered in response to the military draft. By the end of World War I in November 1918, some 24 million men had registered under the Selective Service Act. Of the almost 4.8 million Americans who eventually served in the war, some 2.8 million had been drafted.



### 1926, Aimee McPherson

- Nationally known evangelist Aimee Semple McPherson disappears from Venice Beach in Los Angeles, California. Police dispatched planes and ships in an effort to find her, but she was nowhere to be found. Authorities later discovered that radio announcer Kenneth Ormiston, a friend of McPherson, had also vanished. McPherson was the Billy Graham of her

**Weather** continues for the next few days under a volatile and stormy trend, featuring heavy rain, severe thunderstorms, and local flooding across the nation's mid-section. In the Corn Belt, warm, dry weather in the lower Midwest favors planting (or replanting) activities, as conditions permit. In the western Corn Belt, however, showers and thunderstorms have brought an end to a period of open weather that featured a rapid corn and soybean planting pace. Local areas from Nebraska into Wisconsin are cleaning up from the severe weather a few nights ago, which included several tornadoes. In the eastern Corn Belt, most areas have drier conditions for planting for another couple of days or so before rain moves in during the weekend. In the southern Plains, storms with heavy rain over the next few days will maintain adequate to surplus soil moisture, but some threats to crops from hail and high winds is possible. Also, lower temperatures at the end of this week will need to be watched for a potential freeze threat to reproductive wheat. During the weekend, rainfall intensity will gradually diminish as showers shift into the South, East and lower Midwest. Five-day rainfall totals could reach 2 to 5 inches from the southern Plains into the upper Midwest, with 1 to 3 inches possible as far east as the Appalachians. A period of very cool weather will trail the storminess, but warmth will return to the Pacific Coast by Friday and expand eastward during the weekend.

**Cooler Weather Ahead in the 6 to 10 Day Outlook:** *The National Weather Service is calling for May 23 - 27 to have below normal temperatures in a broad area centered on the Plains, Midwest, and mid-South, while warmer than normal weather will be limited to the Far West and the middle and southern Atlantic coastal plain. Meanwhile, near to above normal precipitation across much of the country will contrast with drier than normal conditions in the Northwest and portions of the north-central U.S.*

McPherson was the Billy Graham of her time. In 1923, she opened Angelus Temple in Los Angeles, where she consistently amassed overflowing crowds. McPherson claimed to have faith-healing abilities and put on wonderfully entertaining shows for the public. Because of her religious nature, McPherson's relationship with Ormiston created something of a scandal in 1925, and their disappearance in 1926 made headlines across the country. A month later, McPherson turned up in Agua Prieta, New Mexico, with a wild tale of being kidnapped, but reporters quickly uncovered information to prove that she had been with Ormiston the entire time. Although obstruction of justice charges were filed against her, they were later dropped, allegedly because McPherson came up with \$30,000 to appease law enforcement officials. McPherson attempted a comeback evangelism tour after the scandal had died down, but it flopped and she slowly faded from the public's memory. Even still, she remains the answer to a good trivia question: Who baptized Marilyn Monroe?



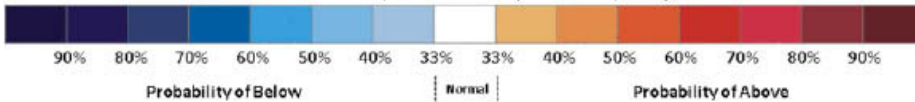
**1980, Mount St. Helens** - Mount St. Helens in Washington erupts, causing a massive avalanche and killing 57 people. Ash from the volcanic eruption fell as far away as Minnesota. Seismic activity at Mount St. Helens, which is 96 miles south of Seattle, began on March 16. A 4.2-magnitude tremor was recorded four days later and then, on March 23-24, there were 174 different recorded tremors. The first eruption occurred on March 27, when a 250-foot wide vent opened up on top of the mountain. Ash was blasted 10,000 feet in the air, some of which came down nearly 300 miles away in Spokane. The ash caused static electricity and lightning bolts. Authorities issued a hazard watch for a 50-mile radius around the mountain. The National Guard set up road blocks to prevent access to the area, but these were easily avoided by using the region's unguarded logging roads. Many residents of the area evacuated, but a substantial number refused. Throughout April, scientists watched a bulge on the north side of Mount St. Helens grow larger and larger. Finally, on May 18 at 8:32 a.m., a sudden 5.1-magnitude earthquake and eruption rocked the mountain. The north side of the peak rippled and blasted out ash at 650 miles per hour. A cloud of ash, rocks, gas and glacial ice roared down the side of the mountain at 100 mph. Fourteen miles of the Toutle River were buried up to 150 feet deep in the debris. Magma, at 1,300 degrees Fahrenheit, flowed for miles. The 24-megaton blast demolished a 230-square-mile area around the mountain. Millions of trees were scorched and burned by the hot air alone. When the glacier atop the mountain melted, a massive mudslide wiped out homes and dammed up rivers throughout the area. The plume of ash belched out for nine hours; easterly winds

## Temperature Probability

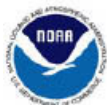


6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 17 MAY 2017  
VALID MAY 23 - 27, 2017

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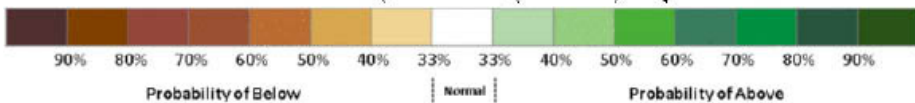


## Precipitation Probability



6-10 DAY OUTLOOK  
PRECIPITATION PROBABILITY  
MADE 17 MAY 2017  
VALID MAY 23 - 27, 2017

DASHED BLACK LINES ARE CLIMATOLOGY (TENTH OF INCHES) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL UNSHADED AREAS ARE NEAR-NORMAL



**Corn** bears are taking back the recent gains and pressuring downside support as more macro "uncertainty" starts to unfold. The bulls are happy to see strong weekly ethanol demand numbers, in fact the strongest we've seen in seven weeks. Also providing a bit of support is nearby strength in crude oil, where inventories have taken a sharp plunge and prices have rebound back closer to \$50 per barrel. Bulls are also talking about a bit wetter forecast for parts of the Plains, as well as the eastern and southeastern corn areas. I suspect the trade is now going to start focusing on overall U.S. crop-conditions. As you can see from the graphic I included below, many parts of Illinois are already too wet and struggling a bit another round of heavy rains could add even more pressure to the crop. We are also keeping a close eye on crop-conditions in parts of Arkansas, Indiana, Kansas, Missouri and Ohio as more rains move in.

delivered out for nine hours, easterly winds carried it across the state and as far away as Minneapolis, Minnesota. The falling ash clogged carburetors and thousands of motorists were stranded. Fifty-seven people died overall from suffocation, burns and other assorted injuries. Twenty-seven bodies were never found. Mount St. Helens went from 9,600 feet high to only 8,300 feet high in a matter of seconds.

### 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

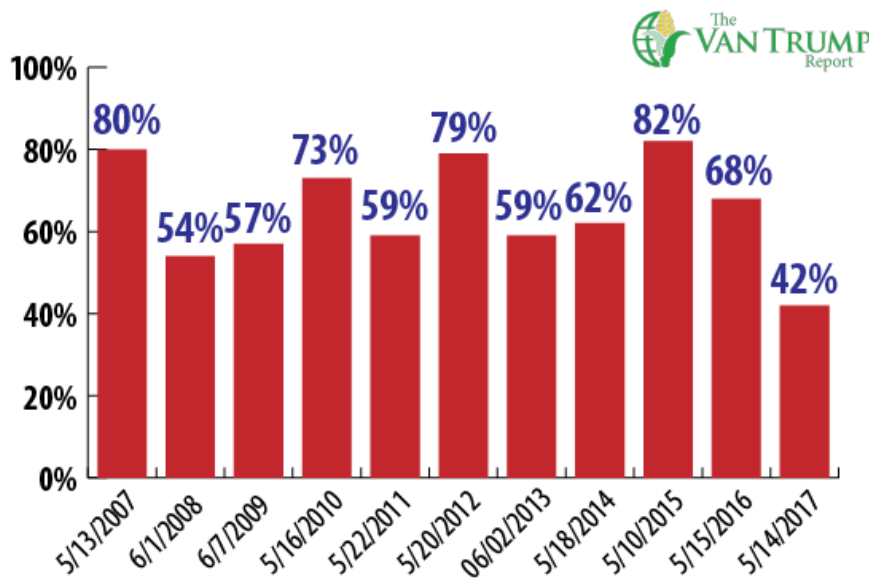
**Tues. 8/22** - Cold Storage

**Fri. 8/25** - Cattle on Feed

### Chart Of The Week

## INITIAL ILLINOIS CORN CROP CONDITION (% Good-to-Excellent)

Source: USDA, NASS



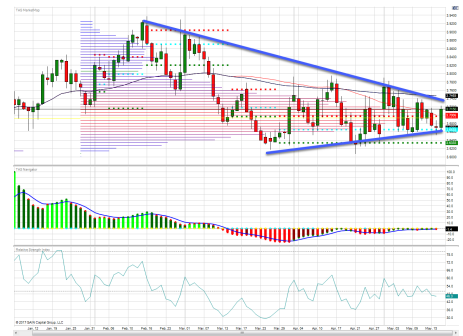
**Soybean** bears are buzzing about the overnight break in the Brazilian currency. Supposedly the current President Michel Temer was involved in an alleged cover-up with the jailed former speaker of the lower house of Congress. The weaker currency has soybean prices down double digits this morning as it probably sparks larger producer selling in Brazil. The market is also wondering if the waves being created in the outside macro markets will have any long-term implications on the U.S. trade. Keep in mind the U.S. dollar is trading to lows not seen since the U.S. presidential election. Unfortunately the bears continue to point to the obvious and the fact South America is harvesting a record crop at the same time the U.S. producer is planting record acres. Global demand has been strong, but the supply side push is extremely hard for the bulls to battle. A U.S. weather hiccup would provide an obvious bounce to the upside, but I'm of the opinion that's still a ways off on the radar. More nearby could be a bullish tailwind associated with import tariffs being placed on oils coming in from Argentina and Indonesia. I still think we are trapped in a nearby trading range. As a producer I'm keeping my current hedges in place and looking to reduce some 2018 production risk on the next leg higher. I definitely believe in the bullish global demand story for soybeans, but have to respect the acres being planted here in the U.S., record production out of South America and the overnight break in the Brazilian currency.

**Wheat** prices are lower this morning despite bulls being excited to see Egypt in the market yesterday buying U.S. exports, headlines the trade hasn't had to digest in a fairly long period of time. From what I understand U.S. HRW wheat out of the Gulf was actually offered cheaper than Romania, Russia and Ukraine wheat. There's also more talk circulating that Russian wheat supplies may be somewhat limited during the next several weeks. Meaning U.S. wheat exports might catch a bit of a tailwind. I remain a long-term bull.



**> Brazil To Hold New Corn Auctions:** Brazil's food supply agency Conab will hold this year's third auction of corn contracts in a bid to assist growers in Mato Grosso to receive at least the minimum value guaranteed by the government, according to a statement. The auctions, scheduled for May 25, involve three financial instruments including put options and the so-called PePro and PEP contracts for growers in Mato Grosso, which accounts for about 27 percent of Brazil's output. (Source: Reuters)

**> South Africa Grain Group Anticipates 3.5 MMT Corn Surplus:** South Africa producer group Grain SA expects a surplus of 3.5 million metric tons of corn when this



### July Corn

The pennant is tightening. A breakout and close above 374'0 or below 366'0 could help to set near term trend direction. Momentum is ascending upward.

[Enlarge July Corn 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

The close below 98.750 on Tuesday marked a bearish breakout to the downside. There is a wide gap on the charts down to next support at 96.940.

[Enlarge US Dollar Index Chart »](#)

producer group Grain SA expects a surplus of 3.5 million metric tons of corn when this season's harvest is complete and aims to export all of it with orders in from Japan, South Korea and Taiwan. South Africa will likely harvest 14.54 million metric tons of corn in 2017, up +87% from last year's drought-hit crop after rains returned, the government's Crop Estimates Committee forecast last month. South Africa's domestic consumption is usually around 10.5 million metric tons.

**> China Warns Of Dry, Hot Weather In Key Wheat Areas:** Dry, hot and windy weather is likely to hit key winter wheat growing areas in the north this week, according to China's National Meteorological Center. Medium-to-strong levels of wind are forecast for southern northern Henan and Hebei May 18-19, the No. 1 and No. 3 winter wheat growing provinces respectively. Weather will be adverse for grain filling and output.

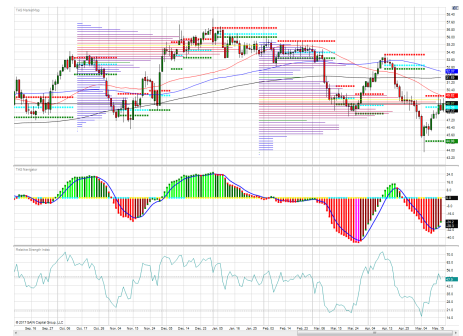
**> USDA Cautions Against Overpessimism In Cattle Markets:** USDA officials are cautioning against overpessimism on cattle prices amid a recent slump. The agency says expectations are that prices will remain relatively strong, despite declining from recent peaks. They flagged a drop in average cattle slaughter weights – estimated at 1,325 pounds, down 11 pounds year on year – as the higher cattle prices have encouraged feedlots to make timely sales of animals, rather than fattening them on. The USDA highlighted the potential for some support for cattle prices from a slowdown in marketing by feedlots, after a period when their margins have been boosted by the high animal values and "relatively cheap feeders purchased two quarters earlier".

**> USDA In The Budget:** The White House is putting finishing touches on a budget proposal, expected to be unveiled May 23. USDA programs have been targeted for a 21 percent cut, and farm state lawmakers are sure to push back on that proposal. With farmers and ranchers struggling amid a four-year drop in commodity prices and profits, any budget proposal that makes developing the 2018 farm bill more difficult could threaten a top priority of House Agriculture Committee Chairman Mike Conaway and other negotiators of the law: enacting it on time. The GOP's cost-cutting agenda is likely to leave negotiators strapped for cash for the 2018 farm bill, despite the fact that agriculture and nutrition programs from the 2014 installment are saving taxpayers billions more than expected. Instead of reaping the nearly \$90 billion in savings and packing it into the barn for next year, any changes to the farm bill that increase support for one sector will need to be offset somewhere else within the law - all in the name of being deficit-neutral. It's a scenario all too familiar for veterans of farm bill negotiations, when producers form alliances based on crops and region, and fight over a shrinking pot of money. (Source: Politico)

**> Hearing Set For Import Tax:** House Ways and Means Chairman Kevin Brady is forging ahead and planning to hold a hearing next week on the proposed border-adjusted tax, even as the top Senate Republican said the measure probably won't pass his chamber. The controversial provision is a centerpiece of House Republican leaders' blueprint for overhauling taxes because it would raise more than \$1 trillion over 10 years to help offset the cost of individual and corporate rate cuts. Brady and House Speaker Paul Ryan have continued to defend it, even as it's faced attacks from industries that import goods as well as criticism from the White House and Senate Republicans.

**> Facebook To Be Fined In EU Probe Over WhatsApp Takeover:** The European Commission is set to fine Facebook for misleading authorities during the 2014 takeover of WhatsApp. The commission will not reverse its decision on the 2014 acquisition but is expected to issue a significant bill to deter other companies from providing misleading information when seeking approval. The commission can issue a maximum fine of 1 per cent of Facebook's 2016 turnover, or \$276m (€248m), although it has not disclosed how much the levy will be. The commission alleged that Facebook had falsely claimed it was technically impossible to combine user information from Facebook and WhatsApp automatically. Yet WhatsApp announced last summer that it would begin sharing user information with its parent company, admitting that personal details such as phone numbers and device information would now be used to target advertisements and improve products on Facebook. (Source: Financial Times)

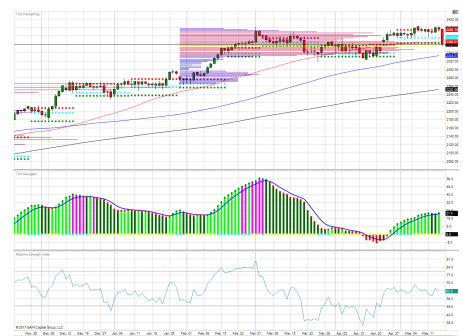
**> "Superstocks" Account For Almost All The Market's Gains:** Finding the next Amazon.com, which first sold shares to the public 20 years ago this week, is hard. In fact, finding the last Amazon was hard, too. From 1926 through 2015, only 30 stocks accounted for one-third of the cumulative wealth generated by the entire U.S. stock market; Amazon was one. That's 30 out of a grand total of 25,782 companies that were publicly traded over that period. Even though the stock market generates positive average returns over time, more than half of all stocks lose money over their lives as public companies, and the number of stocks that make big money is astonishingly small. As finance professor Hendrik Bessembinder of Arizona State University has shown, only 0.33% of all companies that were part of the U.S. stock market at any point over those nine decades accounted for half of all the wealth generated for investors. And fewer than 1.1% of all the stocks that existed created three-quarters of the stock market's cumulative dollar gains — as measured relative to the returns on cash. Without such "superstocks," as financial adviser William Bernstein has called them, the stock market wouldn't have been worth owning at all. The 1,000 top



### Crude Oil

The bounce from oversold conditions did find resistance at the top end of the current TAS Box range (red dots) near the 50 day moving average at 49.82. Momentum is still down but weakening.

[Enlarge Crude Oil Chart »](#)



### E-Mini S&P Index

The close below 2363.00 tilts the market bias out of balance/bearish. Next bear objective could be the March/April lows intersecting with the 100 day moving average at 2333.00.

[Enlarge E-Mini S&P Index Chart »](#)

### Kevin's Song of the Week

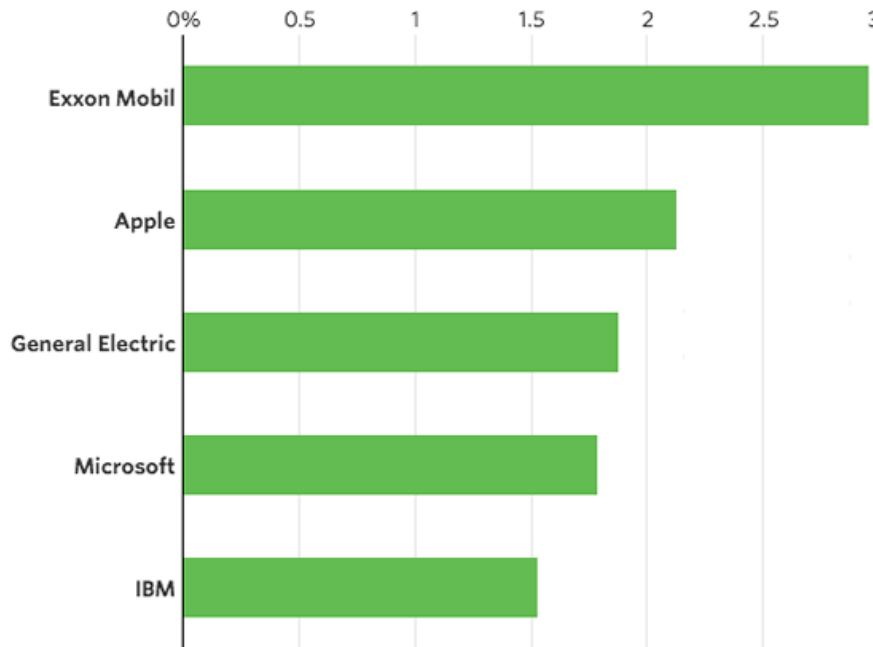


### About the Report

them, the stock market wouldn't have been worth owning at all. The 1,000 top performers since 1926 — under 4% of all stocks — account for all the stock market's gains, Prof. Bessembinder's research shows. You could have matched the returns of all the other 96% of stocks combined by putting your money in one-month U.S. Treasury bills. (Source: The Wall Street Journal)

### Heavy Hitters

Five stocks accounted for 10% of the total dollar wealth creation\* in the stock market from 1926 through 2015.



\*Wealth creation is measured based on capital investment and rates of return in excess of the yield on one-month U.S. Treasury bills.

Source: Prof. Hendrik Bessembinder, Arizona State University

THE WALL STREET JOURNAL



**Northern Illinois** - Things have been very wet up here all spring and last night we got another 1.3" of rain that we really didn't need right now. I would say that I have about 40% of my corn planted and it's all on farms with lighter soils. It will take another day or two to dry but we have another chance of rain on Monday, so I may wait to see if that happens or not. We are all corn on corn and have been for the past 4 or 5 years. I still think that corn is the way to go and you can make more money at. I feel comfortable growing because I have storage for all of our production. There have been a few acres switch to beans up here but I don't think it has been many and may see a few more added only if we get out into late May. The temps have been unseasonably cold. We planted some of the early corn 18 days ago and it is just now coming up. We will wait until this weekend to see if things crust up. I have a strip hoe that I will go right over the top to break things up if they crust over. The timing of when you go over things with the hoe is always the challenge. It seems that we all wait too long and then it will be too hard to break things up.

**Southeast Kansas** - We don't need the rain but are getting more today. We have all of our corn planted but unfortunately will have to replant some. I don't think that it will be a lot of acres but that could change. We had an opportunity to plant in late March but now are seeing damage from insects or worms? We then had another short window to plant corn that looks really good in mid-April. The last planted corn was the 1st of May. During that time we had rains that brought 2.5" in less than hour. We got another .5" yesterday that ran me out of the field that I was spraying in the afternoon. We were extremely wet two weeks ago after getting 5" to 7" over a few days which caused some flash flooding. The extra moisture is really taking its toll on our wheat. Our low ground

## 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

has a lot of areas that are turning white. We will second crop beans after our wheat harvest and they will make yields comparable to the full season beans. The wheat crop will have quality issues in a lot of areas that have water standing. We have had disease issues over the past two years. The vomitoxin has been the biggest problem that we have seen.

**Central North Dakota** - For the most part we have had a dry spring except for the northeast corner of the state. The planting pace has been pretty good except for that area that has been very wet. Most guys have had the opportunity to add more tile in the last few years which helps keep fields draining. Even with the top soil on the dry side, we have decent subsurface moisture due to the wet fall last year and early winter rains. I would say all of the corn should be in the ground by next week. Guys will be glad to get the corn planting behind them. The bean planting should be fast and furious if the weather stays favorable. We need to get out of this dry pattern. Last year after planting it was early June until the rain started and most guys still had near record crop production.



**USDA RD Needs More Opportunities For Partnerships, Not A Reduction In Representation:** Recently, the U.S. Department of Agriculture Secretary Sonny Perdue announced a plan which would eliminate the position of Under Secretary for Rural Development. The proposed plan would place the responsibilities of Rural Development along with the responsibilities of the Natural Resources Conservation Service, Farm Services Agency, and Risk Management Agency under a singular new Under Secretary of Farm Production and Conservation. Fahe, an Appalachian housing organization, disagrees with the decisions of eliminating the position of Under Secretary of Rural Development and the merger of so many responsibilities under purview of one official. Read more [HERE](#).

**A Conversation With New Ag Secretary Sonny Perdue:** Harvest Public Media recently sat down with new U.S. Secretary of Agriculture Sonny Perdue, asking him about the Trump Administration's priorities for our food system, government nutrition programs, immigration policy and the future of the Agriculture Department. Read the full interview [HERE](#).

**Colonel Sanders' Nephew Reveals The Secret KFC Recipe:** Colonel Sanders' nephew casually revealed to a reporter a recipe that had been passed down in a family scrapbook. Could this be KFC's closely guarded secret recipe of 11 herbs and spices? The nephew, Joe Ledington, said it is. He claims his job as a kid was to mix this same recipe in large batches. Check it out [HERE](#).

**Rich Retirees Are Hoarding Cash Out of Fear:** There's a time in everyone's life to save. There's also a time when you're supposed to spend. That time is commonly known as retirement. Millions of Americans aren't doing that, however, which has put the U.S. in a perverse situation. Younger generations aren't saving enough as their income slips further behind previous generations. Older Americans meanwhile sit atop unprecedented piles of assets built through stock market and real estate booms. Yet these retirees, or at least the affluent ones, aren't spending it. It turns out they're afraid of the unknown. A new study finds many U.S. retirees keep saving even after they've retired. The average American over the age of 60 cuts spending 2.5 percent per year, or about 20 percent over a 10-year period, according to an analysis of University of Michigan survey data by financial planning software company United Income. As a result, millions of Americans are living too frugally. On average and adjusting for inflation, retirees are entering their 80s richer than they were in their 60s and 70s. Read more [HERE](#).

**Ebola Might Be Back:** Bad news. Ebola may be back. According to the World Health Organization, three people have died because of a recent outbreak of Ebola in the Democratic Republic of Congo. Ebola's the deadly virus that starts out like the flu but can lead to internal and external bleeding and hemorrhaging. There's no approved vaccine or cure. In 2014, the worst-ever Ebola outbreak hit West Africa and more than 11,000 people died. Others from around the world were infected or potentially exposed. And your politically incorrect high school classmate wore this costume for Halloween. Now, the Democratic Republic of Congo is dealing with an outbreak of its own. So far, there are almost 20 suspected cases, and health officials are identifying anyone who might have been in contact with the virus. Read more [HERE](#).

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..."

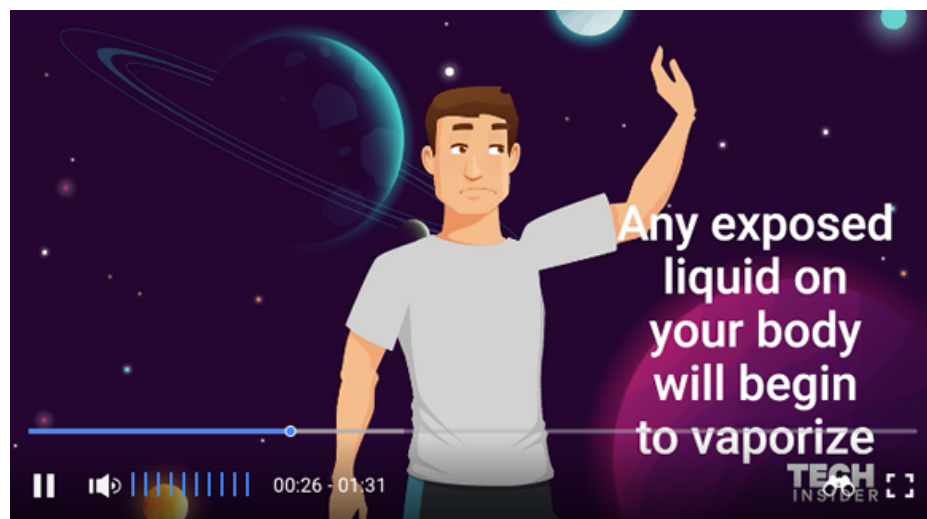
I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

- 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.

**How to Raise an American Adult:** *The Wall street Journal* ran a very interesting article written by U.S. Senator Ben Sasse. The article explains how many young Americans today are locked in perpetual adolescence. Nebraska Sen. Ben Sasse talks about how he and his wife are encouraging their own children to become fully formed, independent grown-ups. A great many factors have contributed to this shift toward perpetual adolescence. The economy has something to do with it, of course—but social and cultural developments do too. The list of culprits includes our incredible wealth and the creature comforts to which our children are accustomed; our reluctance to expose young people to the demands of real work; and the hostage-taking hold that computers and mobile devices have on adolescent attention. Our nation is in the midst of a collective coming-of-age crisis. Too many of our children simply don't know what an adult is anymore—or how to become one. Perhaps more problematic, older generations have forgotten that we need to teach them. It's our fault more than it's theirs. I encourage you to read this article in full detail by [Clicking HERE](#). It provides a lot of interesting thoughts about parenting and ways to better raise our children.

**How Long A Human Can Survive In Space Without A Spacesuit:** Why are astronauts always wearing those bulky suits? You don't NEED them, do you? Turns, if you don't want to die within 90 seconds, they actually are necessary. Here's what would really happen to an exposed human in the void of space. Watch the video [HERE](#).



### Newest Study Finds Barges Are Superior in Freight Transportation

I've been asked several times during my career which mode of transportation I believe is better... barge, truck or train? Up to this point I never felt I had enough factual data to make a strong argument either way. Now the picture seems very clear. I want to share with you a recently released [national study](#) from the National Waterways Foundation which attempts to compare societal, environmental and safety impacts of utilizing river barge transportation to highway and rail transportation. The study was originally conducted and peer reviewed in 2009, updated in 2014 and again updated in 2017. The most recent 2017 update addresses cargo capacity, congestion, emissions, energy efficiency, safety impacts and infrastructure impacts. The study was conducted by the Texas Transportation Institute's Center for Port & Waterways at Texas A&M University. Needless to say, the study is quite comprehensive and -- hands down -- declares the best performer when it comes to freight transportation is inland waterways via river barges. While we live in a truly intermodal society, this study's comparison of rail, truck and inland waterways underscores the many benefits of moving cargo by water. Below are some of the more interesting highlights from the study:

#### Cargo Capacity

- Common 15-barge river tow has the same capacity as 1,050 trucks and 216 railcars pulled by six locomotives.
- A loaded, covered hopper barge transporting wheat carries enough product to make almost 2.5 million loaves of bread, or the equivalent of one loaf of bread for almost every person in the state of Kansas.



*almost every person in the state of Kansas.*

- *A loaded tank barge transporting gasoline carries enough product to satisfy the current annual gasoline demand of approximately 2,500 people.*
- *The amount of cargo currently transported on major rivers is equivalent to more than 49 million truck trips annually that would have to travel on the nation's roadways in lieu of water transportation.*

### Fuel Efficiency

- *Barges are superior in terms of fuel efficiency. Barges are able to move a ton of cargo 647 miles with a single gallon of fuel, up from 616 miles in the last study. Trains move a ton of cargo 477 miles per gallon, while trucks move a ton of cargo 145 miles per gallon.*

### Safety

- *The study determined that, after adjusting for differences in cargo quantity moved by each mode, for every one member of the public injured in a barge accident, 80.4 are injured in rail accidents and 824 are injured in truck accidents. For fatalities, there are 79 trucking-related deaths and 21.9 rail-related deaths for every one barge-related deaths.*

### Environment

- *In regard to environmental impacts, the study noted that spills of more than 1,000 gal. are at a very low rate for barges, at 2.12 gal. per million ton-miles, while rail came in at a rate of 5.95 and trucks at 6.04.*
- *Inland towing mode is significantly improving and inland waterway transport generates far fewer emissions of hydrocarbons, carbon monoxide and nitrous oxide than rail or truck per million ton miles. Trucks alone generate 154.2 tons, or 10 times more emissions than barges per ton-mile of cargo moved.*

### Infrastructure

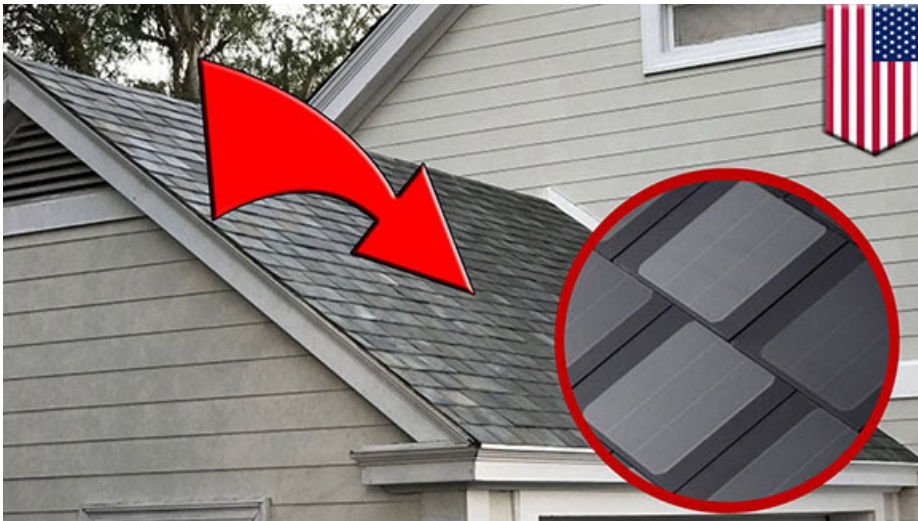
- *Significant infrastructure impacts could occur if waterborne freight had to be diverted to highways. Approximately 2 inches of asphalt would have to be added to the pavement of 118,688 lane miles of rural interstate given the higher levels of expected 20 year truck loadings, assuming an even truck traffic distribution over the national highway system.*



### Is Now The Time To Consider the NEW Tesla Roof?

Tesla has started taking \$1,000 deposits for its remarkable solar roof tiles to be delivered this summer at a price point that could rapidly expand the U.S. solar market. In the midst of Tesla's acquisition of solar installer SolarCity last year, the company unveiled solar roof tiles as well as an updated version of its' batteries that store then use energy captured during the day. I'm told that most experts are pleasantly surprised by the relatively affordable pricing for the tiles, considering the innovative aspects of the units. From what I understand roofing a 2,000 square-foot home in New York state—with 40 percent coverage of active solar tiles and battery backup for night-time use would cost about \$50,000 after federal tax credits and generate \$64,000 in energy savings over 30-years according to company's website [calculator](#). The roof tiles are made of textured glass and from most viewing angles, they look just like ordinary shingles, but they allow light to pass through from above onto a standard flat solar cell. The tiles are designed to replace the arguably less appealing and bulky traditional solar panel

that mounts on top of an existing rooftop. Instead, Tesla's solar roof tile will serve a dual purpose, acting as a protecting layer from the elements, but also as an energy capture device. Musk says the tempered glass is "tough as steel," and can weather a lifetime of abuse from the elements. It can also be fitted with heating elements to melt snow in colder climates. I understand the tiles may last a lifetime as they are made of Quartz. The company is also offering a 30-year warranty on the power production of the solar cells which means it should outlast your stay in the house. Musk believes a Tesla roof will save money versus purchasing a comparable traditional roof plus electricity from the grid. A key element to savings through the use of solar power will be the ability to store the energy you gather during the day. Already in some solar-heavy regions, more electricity is being produced during the middle of the day than people can consume, and utility prices spike in the evening hours when the sun goes down. In the U.S., some states are abandoning payments for daytime rooftop solar, undermining huge investments that families have made in their solar systems. The only recourse is for customers to use that electricity themselves, at night. As you would imagine, Tesla has an answer for this as well - the Powerwall 2. This second edition wall hung battery pack has been updated to store 14-kilowatt hours versus 6.4 from the original model. It includes a built-in Tesla-brand inverter and comes with a ten-year, infinite-cycle warranty. Musk is quickly moving forward with his grand plan of unifying clean-energy ambitions, combining solar power, batteries, and electric cars. "These are really the three legs of the stool for a sustainable energy future," Musk said. "Solar power going to a stationary battery pack so you have power at night, and then charging an electric vehicle ... you can scale that to all the world's demand." I am personally excited about the opportunities coming from the advancements in technology, but I was hoping to see the price be a bit more affordable. It look like the Van Trump family will be sticking with good old fashioned shingles for a few more years... (Source:Fortune, Bloomberg)



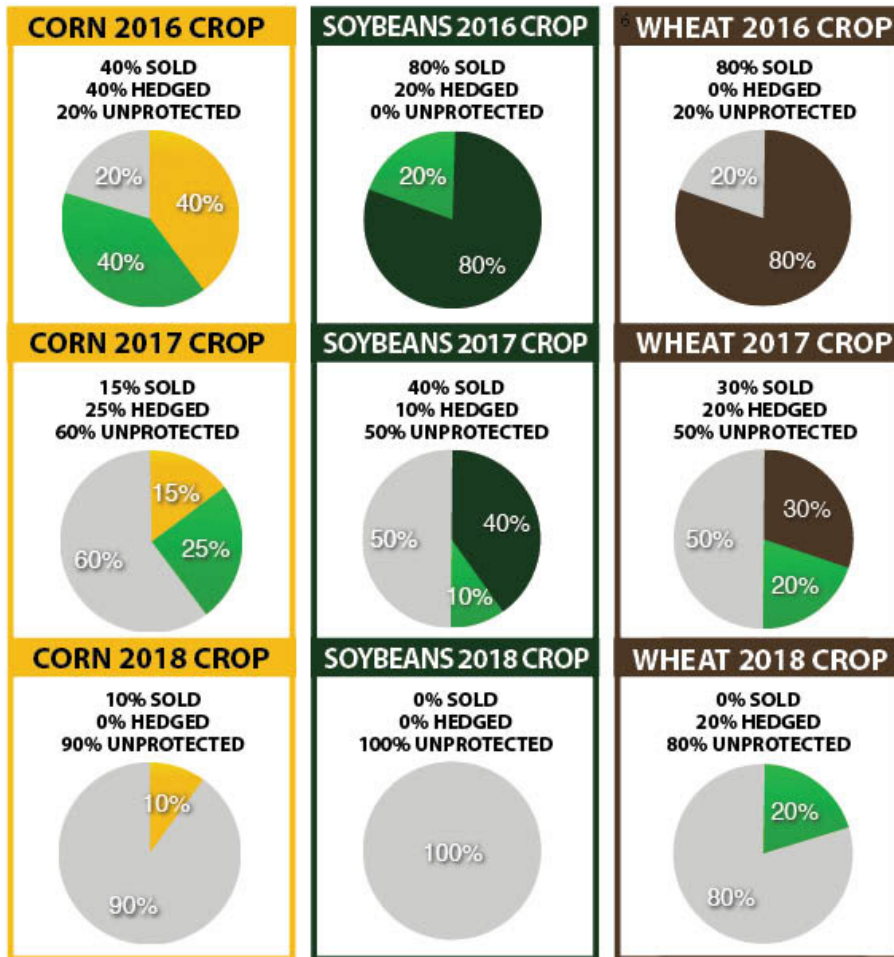
### Marilyn Monroe's Home Hits The Market

Marilyn Monroe's home in Los Angeles is on the market and expected to sell for around \$6.9 million. The starlet tragically passed away in the house from a drug overdose in August 1962. She was just 36 years old. At the time Marilyn shared the home with her long-time housekeeper and confidant Eunice Murray. The Spanish-style property has since been renovated and updated over the years but still has many of its original architectural details such as terracotta tile floors, Gothic arch doorways, and exposed wood ceilings. The 2,624 square-foot, white stucco property was built in 1929 and boasts four bedrooms and three bathrooms. It comes with a swimming pool, in which Monroe reportedly never actually swam, and a small guesthouse. The villa is set in the Helenas, which is a series of 25 cul-de-sacs that boast an A-list clientele, like Ewan McGregor and Naomi Watts. The current owner of the home bought it in 2012, but has reportedly never lived in it. Monroe is said to have originally purchased the property for less than \$90,000 and told a reporter from Life Magazine that she was attracted to how private it was. He interviewed her in the house just a few weeks before she died. She'd spent the previous seven years in back-to-back high profile marriages, to Joe DiMaggio then Arthur Miller. This was actually the first home that Monroe owned on her own. Monroe only lived in the home a short while, buying it in early 1962. In the early 1970s it was acquired by then married actors Michael Irving and Veronica Hamel ("Hill Street Blues") who, during a remodel, discovered and removed a sophisticated, government grade eavesdropping and telephone tapping system that extended into every room of the house. That bizarre system played into long-standing rumors that Monroe had an illicit affair with John F. Kennedy. Some believe Monroe was under surveillance by the Kennedy family, while others think the house was bugged by the mafia. The house last sold on the open market in 2010 for \$3.85 million. The current owners purchased it in a private off-market deal in November 2012 for \$5.1 million





## CASH SALES & HEDGING TOTALS



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