

GOOD MORNING: 05/19/17 Farm Direction - VanTrump Report

1 message

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

Fri, May 19, 2017 at 7:13 AM



"I expect to pass through the world but once. Any good therefore that I can do, or any kindness I can show to any creature, let me do it now. Let me not defer it, for I shall not pass this way again." - **Stephen Grellet**

FRIDAY, MAY 19, 2017
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Morning Summary: Stock investors, at least temporarily have moved past the "noise" coming out of Washington and Brazil, and have been buying up stocks that were recently hit during the mid-week sell-off. The markets haven't seen a significant pullback in several months and many insiders believe U.S. stock valuations have become somewhat expensive, especially if president Trump runs into more political complications and can not get his pro-growth strategies implemented. The S&P 500's last correction of -5% or more was all the way back in July of 2016. What's more, Wednesday's fall of -1.82% is only the second time in 2017 that the index has lost -1% or more. Wall Street was happy yesterday to hear Treasury Secretary, Steve Mnuchin say that the Trump administration did not support the separation of investment and commercial banks. This brought an obvious sigh of relief and a bit more ease amongst the bigger banks. There was also some movement on NAFTA as U.S. Trade Representative Robert Lighthizer told lawmakers that he was triggering a 90-day consultation period with Congress and the American public that would allow talks to begin after August 16th. The U.S. dollar has recovered a bit from its recent tumble, but is nowhere close to the 13-year high it posted back in early-January following the Trump presidential victory. Looking ahead to next week, I suspect stock market volatility will increase as "headline activity" could be huge. Not only do we have the highly anticipated Trump budget scheduled to be released early next week, but we also have the most recent Fed meeting minutes coming out on Wednesday, potential testimony by former FBI director James Comey, and an OPEC meeting kicking off on Thursday. I suspect we will also be digesting new headlines about Russia meddling in the U.S. elections as a special counsel, Robert Mueller, has now been appointed to oversee the Russian investigation being conducted by the Justice Department. Mueller served as FBI director from September 2001 to September 2013. As special counsel, he will not be required to consult with the DOJ and will have greater autonomy than other federal attorneys. Keep in mind next week will also bring about headlines from Trump's first overseas meeting as the President travels to Israel, Saudi Arabia, Brussels, the Vatican and Sicily. Another event next week that will be highly scrutinized will be Montana's special House election on Thursday, which Democrats, Republicans, media and investors alike will be using as a gauge of Americans' current political leanings. Bottom-line, it feels like we need to buckle-up, as a ton of fresh new headlines will be in play next week. We also have to remind ourselves that traders will be repositioning ahead of an extended three day Memorial Day weekend and end-of-month market.

Fed Should Continue Raising Rates: *Cleveland Federal Reserve Bank President Loretta Mester on Thursday repeated her call for further U.S.-interest rate hikes now that the economy has reached full employment and inflation is nearing the Fed's 2-percent goal. "I think that it's important for the FOMC to remain very vigilant against falling behind, especially given the low level of interest rates and the large size of our balance sheet," Mester said. She added that while the Fed need not raise rates at every meeting, it should raise rates more than once this year. Mester also said she is comfortable with the Fed beginning to trim its \$4.5 trillion balance sheet this year, and that once the Fed has detailed its plan to reduce its holdings, it should stick to the plan and rely only on short-term rate policy to manage its response to changing economic conditions. (Source: Reuters)*

Facebook Celebrates 5-Year Stock Anniversary Up Nearly +300% - *People were asking me 5-years ago if I was going to buy Facebook stock off the IPO, I said absolutely! Not only did I buy it on that day 5-years ago, but I also bought it several more times on the break that soon followed and several more times on the run higher. I remember being asked for months after the IPO what my favorite trade or investment idea was... I always said Facebook to the sound of laughs and chuckles from the crowd. Most often I was speaking in front of banks, traders or large money-managers. many of whom are highly intelligent*



Today In History



1588, Invincible Armada - A massive Spanish fleet, known as the "Invincible Armada," sets sail from Lisbon on a mission to secure control of the

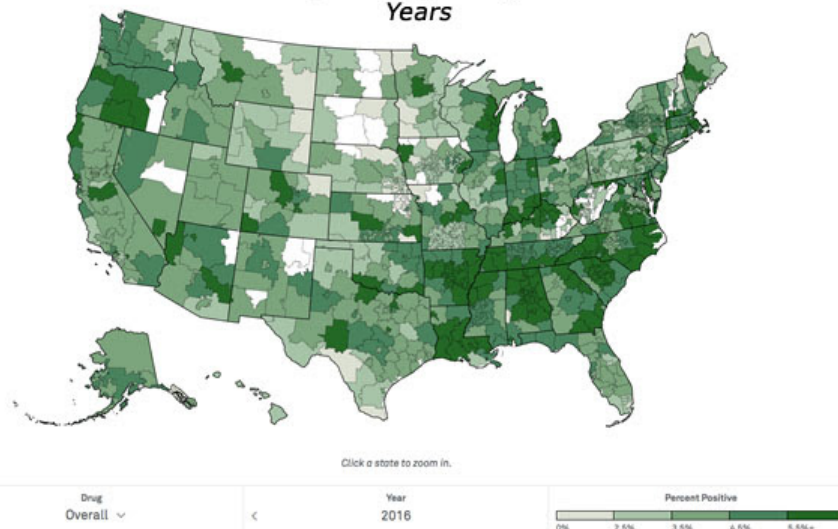
English Channel and transport a Spanish invasion army to Britain from the Netherlands. In the late 1580s, Queen Elizabeth's support of the Dutch rebels in the Spanish Netherlands led King Philip II of Spain to plan the conquest of England. A giant Spanish invasion fleet was completed by 1587, but Sir Francis Drake's daring raid on the port of Cadiz delayed the Armada's departure until May 1588. The Invincible Armada consisted of 130 ships and carried 2,500 guns and 30,000 men, two-thirds of them soldiers. Delayed by storms, the Armada did not reach the southern coast of England until late July. By that time the British were ready. On July 21, the outnumbered English navy began bombarding the seven-mile-long line of Spanish ships from a safe distance, taking full advantage of their superior long-range guns. The Spanish Armada continued to advance during the next few days, but its ranks were thinned considerably by the English assault. On July 28, the Spanish retreated to Calais, France, but the English sent ships loaded with explosives into the crowded harbor, which took a heavy toll on the Armada. The next day, an attempt to reach the Netherlands was thwarted by a small Dutch fleet, and the Spanish were forced to face the pursuing English fleet. The superior English guns again won the day, and the Armada retreated north to Scotland. Battered by storms and suffering from a lack of

individuals. To them it sounded silly, perhaps way to simple and way to popular. I suspect they wanted to hear me say something more profound or complex so they could deem it to be more intelligent. They didn't take into account the hours of research and diligence I had performed leading to my simplified approach and reason for buying the stock. I look back at the 5-years that have passed and sadly it's been the most complex investment ideas and strategies that have cost me the most money. The strategies certainly sounded good in theory when they were proposed, but when actually put into play I suspect they simply had too many moving parts and pieces to push profits to the bottom-line and generate a return on my investor capital. Moral of the story, I wish I had more dumb and simple ideas:) For disclosure purposes I still remain long Facebook stock, but I have scaled back and banked some profits in the past few weeks. It does however after 5-years still remain my third largest stock holding behind only Amazon and Google. Sorry nothing fancy to report, just trying to keep it extremely simple and hit my free-throws and layoffs!

Diabetic Breakthrough? Tim Cook has been spotted at the Apple campus test-driving a device that tracks blood sugar and was connected to his Apple Watch. It follows a report from CNBC last month, which said the company has a team in Palo Alto working on the "holy grail" for diabetes: Non-invasive and continuous glucose monitoring. Current trackers rely on tiny sensors that penetrate the skin. (Source: SeekingAlpha)

Companies Struggle To Find Drug-Free Workers: Drug use in the American workforce, fueled by illicit drugs, reached the highest positivity rate in 12 years, according to an analysis of more than ten million workforce drug test results released by Quest Diagnostics. Overall positivity in urine drug testing among the combined U.S. workforce in 2016 was 4.2 percent and the highest annual positivity rate since 2004 (4.5%). The most significant increase was in positive tests for marijuana, said Barry Sample, the scientist who wrote the report. Positive tests for the drug reached 2 percent last year, compared with 1.6 percent in 2012. Although state laws have relaxed over the past four years, employers haven't eased up on testing for pot, even where it's legal. Under federal law, however, weed remains illegal — and employers in the United States can refuse to hire anyone who uses it, even if they have a prescription, according to the Society for Human Resource Management. Colorado and Washington, which became the first two states to legalize weed in 2012, showed the largest growth in positive tests. Urine screens that detected pot rose 11 percent in Colorado and 9 percent in Washington, the first time either state outpaced the national average since residents could lawfully light up. Quest noted that employers are also increasingly encountering job applicants who take other illicit substances. Tests that turned up cocaine increased 12 percent in 2016, hitting a seven-year high of 0.28 percent, up from 0.25 percent in 2015. Positive test results for amphetamine jumped 8 percent. The map below shows urine drug test positivity by 3-digit zip code in the United States. Click for a larger view. (Source: Washington Post, Quest)

Workforce Drug Positivity At Highest Rate in 12 Years



Weather forecasts are calling for heavy rains in the western Midwest to disrupt fieldwork over the next five to seven days. Meanwhile, favorable conditions for planting are in effect in the eastern Midwest, especially during the next two days. On the Plains, temperatures continue to dip down near 32 degrees F in the mornings in parts of western and central North Dakota. Meanwhile, a chilly rain is developing across the central High Plains as an approaching storm system begins to intensify. Warmth prevails just south of this cold front stretching from eastern Kansas to northern Texas. Southern Plains wheat continues to recover from the effects of cold and snow back in April. However, heavy rainfall during this week will threaten additional stress. There is also a threat of damage from severe storms that moved in over night. Looking ahead, a slow moving storm emerging from the western U.S. will cross the central and southern

supplies, the Armada sailed on a difficult journey back to Spain through the North Sea and around Ireland. By the time the last of the surviving fleet reached Spain in October, half of the original armada was destroyed. Queen Elizabeth's decisive defeat of the Invincible Armada made England a world-class naval power and introduced effective long-range weapons into naval warfare for the first time, ending the era of boarding and close-quarter fighting.



1795, Founding Father -

Josiah Bartlett, a New Hampshire Patriot and signatory of the Declaration of Independence who also served as the state's governor and Supreme Court chief justice, dies. Bartlett began life in Amesbury, Massachusetts, in 1729 and his career as a physician in Kingston, New Hampshire, in 1750. Four years later, Bartlett married his cousin, Mary, who already shared his surname; together they had 11 children. All of the couple's surviving sons and grandsons became physicians like Josiah. By 1765, Bartlett had become active in colonial politics, serving in the New Hampshire legislature from 1765 to 1775, when he became a member of the soon-to-be revolutionary Continental Congress. In 1776, Bartlett signed the Declaration of Independence immediately after John Hancock placed his famously large letters on the document. Bartlett took part in all the critical stages of creating the new government of the United States, signing the Articles of Confederation and serving in the Philadelphia Convention to draft the federal Constitution. In 1789, Bartlett both declined election as a member of the United States Senate and stepped down from his post as the chief justice of New Hampshire's Supreme Court. The following year he was elected president of the state of New Hampshire. A subsequent convention, of which he was a member, changed his title to governor; he continued to serve in that role until 1794.

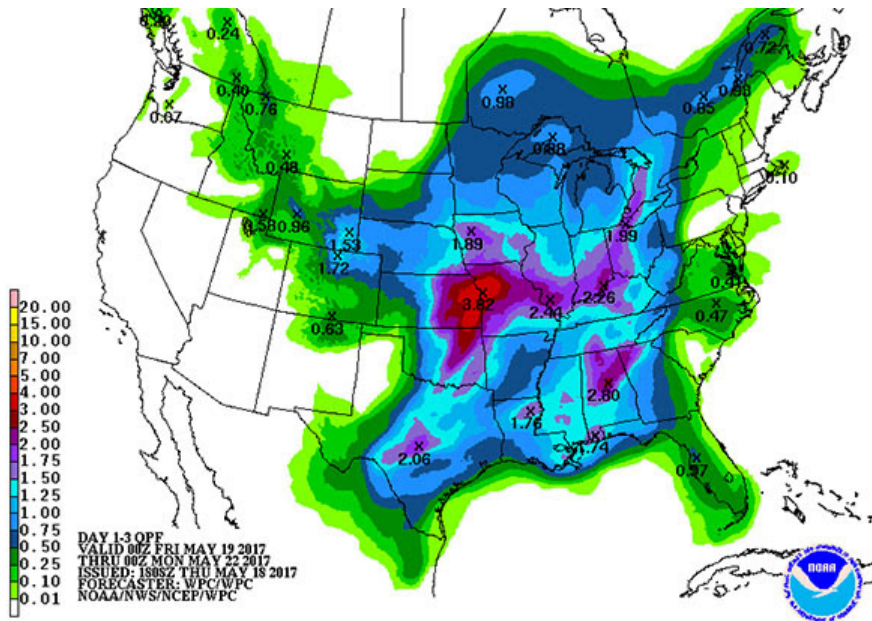


1967, Cold War -

One of the first major treaties designed to limit the spread of nuclear weapons goes into effect as the Soviet Union ratifies an agreement banning nuclear weapons from outer space. The United States, Great Britain, and several dozen other nations had already signed and/or ratified the treaty. With the advent of the so-called "space race" between the United States and the Soviet Union, which had begun in 1957 when the Russians successfully launched the Sputnik satellite, some began to fear that outer space might be the next frontier for the expansion of nuclear weapons. To forestall that eventuality, an effort directed by the United Nations came to fruition in January 1967 when the United States, Great Britain, the Soviet Union, and dozens of other nations signed off on a treaty banning nuclear weapons from outer space. The agreement also banned nations from using the moon, other planets, or any other "celestial bodies" as military outposts or bases. The agreement was yet another step toward limiting nuclear weapons. In 1959, dozens of nations, including the United

Plains on Friday and reach the upper Great Lakes region by Sunday. Yesterday, the central and southern Plains saw high winds, large hail and isolated tornadoes. The Plains' severe weather threat will persist through today before shifting eastward. Storm-total rainfall of 2 to 5 inches can be expected from the southern Plains into the western Corn Belt, while totals could reach 1 to 3 inches in previously flooded areas of the mid-South and lower Midwest. East of the Appalachians, however, rainfall should total around an inch or less. Cool air will gradually engulf the central and eastern U.S. as we head into the weekend, while warmth will return to areas along the Pacific Coast and expand eastward early next week.

Heavy Rains Forecasted Over the Weekend: Look out! Previously flooded areas of the mid-South and lower Corn Belt are in line for 1 to 3 inches of heavy rain and possible localized flooding come this weekend. Map below shows weekend rainfall forecast valid Friday May 19 through Monday May 22.



Corn bulls are talking about more possible weather complications in the nearby forecast for many important U.S. growing regions. Not only are many producers looking at more rain but also much cooler than normal temps in the forecast. Unfortunately most of those headlines are being overshadowed by negative news pouring out of Brazil. We are catching a little bit of a tailwind this morning, but if the geopolitical headlines pick back up I suspect prices could again be pulled lower. The bears are extremely quick to remind the trade that production in South America has massively rebounded and Argentine supply will soon be spilling over into the world marketplace, followed by record production coming out of Brazil. We are also digesting U.S. ending stocks that are still at a burdensome level north of +2.1 billion bushels. As a producer I continue to keep hedges in place and feel old-crop bushels are going to be tough to market, suspecting if prices on the board rally the basis will only be widened. It seems like ethanol and feed users have purchased a lot of corn the past few weeks and will be in little or no hurry to bid up old-crop supply. As a spec I continue to keep a close eye on U.S. weather forecasts and political headlines out of Brazil.

States and the Soviet Union, had agreed to ban nuclear weapons from Antarctica. In July 1963, the Limited Test Ban Treaty was signed, banning open-air and underwater nuclear tests. With the action taken in May 1967, outer space was also officially declared off-limits for nuclear weapons.

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

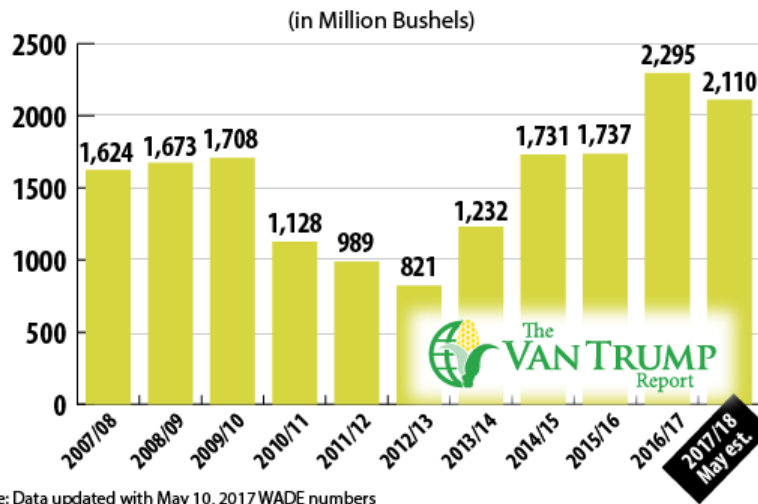
Chart Of The Week



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.

U.S. Corn Ending Stocks



Soybean traders continue to heavily debate the latest political scandal and turmoil circulating inside Brazil. From what I understand, many Brazilians are now calling for current president Michael Temer to step down as bribery allegations and more widespread talk of corruption escalates. Many insiders are worried that this latest Brazilian scandal could be more destabilizing than what many are anticipating and cause much greater turmoil across Brazil in the days and weeks ahead. In fact I've heard some traders suggest that Brazilian currency could ultimately fall another -20% before finding more stable footing. And that a total collapse in the Brazilian political system is a possible "wild-card". Keep in mind if Temer were to resign, the next in line of succession is Rodrigo Maia, the speaker of the lower house, who is also facing his own federal investigation. From there Brazil's Congress would elect a new president to serve the remainder of Mr. Temer's term, which lasts through 2018. To say it's a political "powder-keg" would be an understatement. Since Brazil is a commodity driven economy, money that has been invested has been rotating and making the necessary adjustments to protect and insulate the downside in the event of a complete meltdown. I have to believe as long as major "political uncertainty" in Brazil continues to dominate the headlines and the Brazilian currency remains under pressure soybean prices will find it tough to rally. I would currently be stretching it if I argued that the trade could eventually flip on their positioning in regards to Brazil, but if the situation becomes so chaotic and dire that it brings about concerns and headlines that the world's #1 exporter of soybeans is unable to fully deliver, then we have a bird of an entirely different color. You also have to wonder how long it will be before, what's left of the Brazilian government, steps in to support their currency? As a producer I continue to keep all of my current hedges in place. As a spec I will be closely monitoring the market the next few weeks and looking for a possible spot to dip a bullish toe in the waters... staying fully engaged!

Wheat bulls are pointing towards better than expected U.S. weekly export sales and potentially more damaging weather in several important HRW wheat producing areas. Quality is also becoming a more talked about subject as U.S. weather continues to cause concern. We are also digesting a slight reduction in the current European new-crop wheat estimate. Even though European production is estimated to be nowhere near the size of the record setting 2015-16 crop, it's still thought to be some +5% larger than their crop last year. In other words, yes it was nice to see a slight reduction, but the European wheat crop is still forecast to be larger than last year. Here in the U.S. that's obviously not the case as planted acres are the lowest in over 100-years and current crop-conditions are being highly scrutinized and clearly in worse shape than last year. Despite the problems in Brazil and the recent tumble in soybeans weighing on all the ag crop markets I still remain conservatively optimistic longer-term.



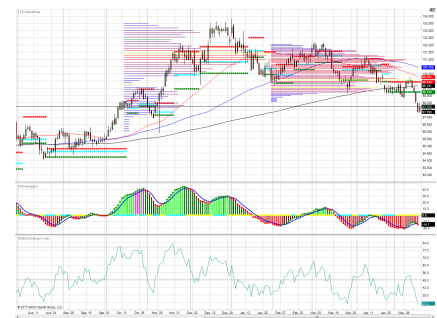
> EU Grain Prospects Cut: *Strategie Grains* cut its forecasts for the European Union harvests of all major grains, after marked frosts in major growing countries such as France, Germany and Poland in April. Dryness too had curtailed yield prospects in France, the UK and Belgium, while proving a significant setback in Spain. The analysis group cut its estimate for the overall EU grains harvest by -3.6 million metric tons to 301.6 million metric tons, which would still represent a rise of +4.5 million metric tons

[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.](#)

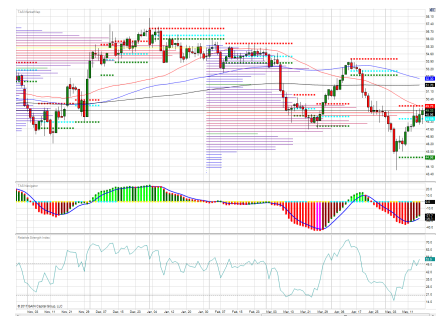
Outside Markets



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 »](#)



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 »](#)

year on year. The downgrade reflected in part a -1.1 million metric ton cut to 142.7 million metric tons in the estimate for the EU soft wheat harvest, the world's biggest, although Strategie Grains underlined that this forecast was open yet to revision. The biggest harvest downgrade came to the estimate for barley output, which was reduced by -1.7 million metric tons to a multi-year low of 59.6 million metric tons. (Source: Agrimoney)

> EU Lawmakers Object to Genetically Modified Imports: The European Parliament has adopted nonbinding resolutions opposing authorizations for genetically modified crop imports. Meeting in Strasbourg, France, lawmakers voted in favor of measures opposing import authorizations for AS-40278-9, a genetically modified corn produced by Dow AgroSciences, and GHB119, a genetically modified cotton produced by Bayer CropScience. According to the resolutions, EU authorizations allowing imports of products containing the genetically modified crops could lead to greater use of hazardous herbicides that have endocrine disrupting and reproductive toxicity effects. (Source: Bloomberg)

> Brazil Poised To Cut Taxes, Debt For Farmers: Brazil's government has agreed to reduce farmers' unpaid tax bills and lower an agricultural tax, according to an official close to the negotiations. The help comes a day after President Michel Temer slashed debts that states and municipalities owe in pension contributions, in an effort to win more support for his unpopular pension reform proposal. The government is preparing a decree to reduce the farm tax known as Funrural to 1.5 percent from 2.3 percent and give a 100 percent discount on fines and 25 percent discount on interest from unpaid taxes. Payment of those tax bills in arrears would also be extended for 15 years, said the official, who asked for anonymity to speak freely. The reform proposal needs to be approved by a two-thirds majority in two votes in both chambers of Congress. An initial vote in the lower house is expected in late May or early June.

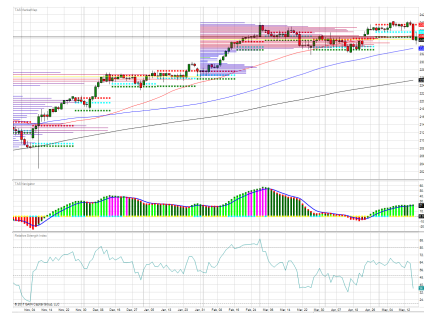
> Sugar Conflict Looks Far From Being Resolved: House Agriculture ranking member Collin Peterson said he expects a deal soon to resolve the U.S.-Mexico sugar trade dispute, based on his talks with Commerce Secretary Wilbur Ross and Agriculture Secretary Sonny Perdue. But an industry source told POLITICO a different story. "The impression I got is the parties are pretty far apart," the source said. "I don't think a breakthrough is imminent." The U.S. is standing firm on its proposal to set a new standard for raw sugar as it tries to reach an agreement with Mexico that would stave off steep duties on imports from south of the border, said industry sources who are closely following the talks.

> Mexican Delegation Went To Brazil Looking To Purchase Grain: The Brazilian Minister of Agriculture and the Mexican Secretary of Agriculture organized a series of meetings last week in Sao Paulo between Brazilian and Mexican businesses involved in the international grain trade. The Mexican delegation is interested in diversifying its sources of rice, corn, and soybeans and Brazil of course, is a large producer of all three crops. The Mexican businesses in the delegation are responsible for importing more than 70% of these grains into Mexico. The Brazilian business had the opportunity to offer their products and the conditions needed to conduct business. The Mexican delegation also visited the Port of Santos and they stayed in Brazil until this past weekend. There are reports that some business was completed during the meeting and that several vessels of corn should arrive in Mexico by the end of the summer. During 2017, Mexico might import up to 3 million tons of Brazilian corn and that could increase to 5 million tons in 2018. (Source: Soybean & Corn Advisor)

> White House Pulls NAFTA Renegotiation Trigger: The Trump administration officially informed the U.S. Congress of its intent to renegotiate the North American Free Trade Agreement Thursday, opening a 90-day window to consult with lawmakers about the best strategy for retooling the controversial trade accord. U.S. Trade Representative Robert Lighthizer told reporters that NAFTA has been successful for U.S. agriculture, investment services and the energy sector, but not for manufacturing. He added that he hopes to complete negotiations by the end of 2017. In his letter to congressional leaders, Lighthizer said that NAFTA needs modernization for digital trade, intellectual property rights, labor and environmental standards, rules for state-owned enterprises and food safety standards. (Source: Reuters)

> Ford Is Cutting 1,400 Jobs in North America and Asia: Ford Motor Co. has confirmed it plans to cut 10 percent of its salaried jobs in North America and Asia Pacific this year in an effort to boost profits. The company says it will offer voluntary early retirement and separation packages to its workers. It expects 1,400 positions to be affected by the end of September. Ford says its European and South American operations have already cut workers and won't be affected.

> U.S. Attacked A Syrian Militia Amid Threat To American Forces: U.S. officials confirmed yesterday that the military carried out an airstrike on a militia supported by the Syrian government. According to the officials, the fighters posed a threat to U.S. and U.S.-backed troops. Apparently the militia group ignored warning shots from U.S. aircraft. Reportedly, the militia group was also warned to stop their advance by the Russians. The convoy is said to have been comprised of Syrian and Iranian-backed militias. The U.S. group notified their coalition that they were being attacked by the Syrians and Iranians and the air strike was ordered. The incident is an unusual one as the U.S. is not currently fighting Syria, but rather the Islamic State. U.S. defense officials insist that the goal in Syria has not changed and that the U.S. is in no way increasing its role in Syria's civil war. The American action does appear to be the third time in recent months that the U.S. military has attacked forces loyal to Syrian President Bashar al-Assad though. The area where the latest incident occurred is in a

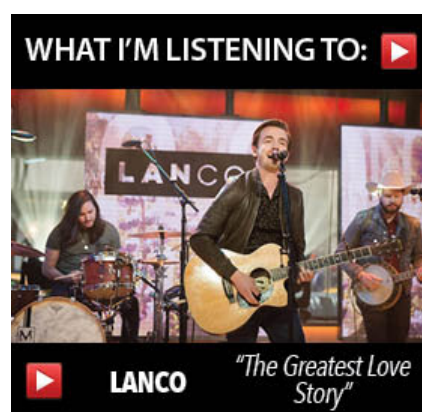


E-Mini S&P Index

A 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

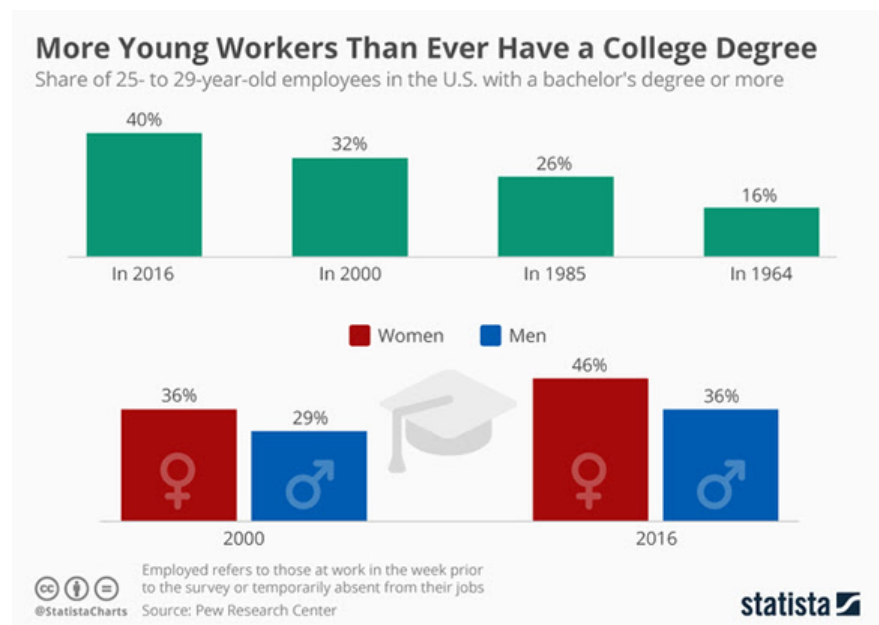


About the Report

President Bashar al-Assad thought the area where the latest incident occurred is in a deconfliction area that was created as part of an agreement between the United States and Russia to avoid military accidents. The U.S. has been operating in Syria since 2014, trying to defeat the Islamic State.

> **Iranians are heading to the polls** in a high-stakes presidential election that pits a moderate incumbent who has sought closer ties with the West against a hard-liner suspicious of that agenda. Hassan Rouhani is seeking a second four-year term against challenger Ebrahim Raisi, a cleric who emerged only recently as a serious contender and is close to Supreme Leader Ayatollah Ali Khamenei. (Source: SeekingAlpha)

> **Workers With Degrees At Highest Levels Ever:** There has been a steady increase in young people entering the work force who have at least a college degree. While only 16 percent of the 25 to 29-year-olds among the Baby Boomer generation had a Bachelor's degree in 1964, 40 percent of working Millennials had such a degree in 2016. Also, more women than men get degrees. Women were ahead of men in 2000 (36 percent) and have leaped further along by 10 points to 46 percent in 2016. Men have caught up to where women stood in 2000 and now stand at 36 percent. This chart shows the share of 25 to 29-year-old employees in the U.S. with a bachelor's degree or more. (Source: Statista)



Southeast Minnesota - We have had a very wet spring that has kept us out of the fields quite a bit. We are about done with our commercial corn planting. We should have let things dry out another day or two but wanted to get the corn planting done so we can get on to beans. We will also plant a few acres of sweet corn that need to go in. We will start them this weekend. There is some widespread chances of rain next week and we would like to have the beans planted by then. If we can have a good window with no breakdowns we could wrap this up in 5 or 6 days. I think the next chance of rain is late Monday so we could have a big chunk knocked out if we push it. We are getting some spraying done today too. We will be planting the same rotation that we have in the past. We are true believers that corn is king. We do have numerous dairies in our area that help keep the prices firmer than most areas. We will cut some silage for them too. Along with the corn and beans we will have a fair amount of hay acres.

Northwest Illinois - We received another .6" last night and keeping us out of the fields today. We are all done planting our corn. We began strip-tilling for our soybeans after no-tilling for over twenty years as we believe we need to make a move to enhance yields going forward. We are researching cover crops as well for the near future. It is our belief these items will enhance yields for a variety of reasons as well as contribute to overall soil health for years to come and finally if all works out there should be cost savings realized over time. We have been diversifying with various specialty crops with popcorn being one of them. When I look at new tech to introduce to our operation I will qualify its benefit by how much it reduces the friction of my daily business practices.

Northeast South Dakota - We have been extremely wet but have been able to get the majority of our corn in which we are finishing today. It has been a challenge to get things to dry out all the way and I probably pushed things on a few fields more than I

NEXT

level

THINKING

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

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

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

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

Kevin Van Trump

What Others Are Saying

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

A.M., FDIC

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

things to dry out on the way and I probably pushed things on a few acres more than I should have. We have warmed up pretty good here and over the weekend saw the thermometer up in the 90's. The reason I pushed corn planting so much is this week has chances of rain that are pretty wide spread and between 50% to 100% starting this afternoon. We got our early planted corn fields done on April 25th and that stand has emerged, looking very good. We don't have many acres of beans this year but will wait until after this next rain that is in the forecast before we get started. We do have some spots holding water that I hope are alright and it is not looking like we will have any replant acres this year.

CROSSING WIRES

A place to share intelligent thoughts...

Pests And Pathogens Could Cost Ag Billions: The spread of pests and pathogens that damage plant life could cost global agriculture \$540 billion a year, according to a report published on Thursday. The report, released by the Royal Botanic Gardens (RBG) at Kew in London, said that an increase in international trade and travel had left flora facing rising threats from invasive pests and pathogens, and called for greater biosecurity measures. Researchers also examined the traits that would determine which plant species would cope in a world feeling the effects of climate change. Plants with deeper roots and higher wood density are better able to withstand drought, while thicker leaves and taller grasses can cope with higher temperatures, the report found. Surprisingly, researchers also found that the traits that are likely to help species thrive appear to be transferable across different environments. Read more [HERE](#).

America's Cars Are Suddenly Getting Faster and More Efficient: Sometime in the next couple of months, the Dodge Challenger SRT Demon and its 808 horsepower will show up in dealership windows like some kind of tiny, red, tire-melting factory. Yes, 808 horsepower. There's no typo. Half of today's vehicles blow away the baddest rides of the 1970s. Bloomberg crunched four decades of data from the Environmental Protection Agency's emission tests and arrived at a simple conclusion: All of the cars these days are fast and furious—even the trucks. Over that time, horsepower in the U.S. has almost doubled, with the median model climbing from 145 to 283 stallions. Not surprisingly, the entire U.S. fleet grew more game for a drag-race: The median time it took for a vehicle to go from 0 to 60 miles per hour was halved, from almost 14 seconds to seven. Read more [HERE](#).

This Crazy Vending Machine Can Serve You A Ferrari: A 15-story tower of Ferraris and Lamborghinis in glass boxes has become a quirky landmark in Singapore. Struggling with a lack of space at his sports car showroom, Gary Hong was inspired by a vertical display of Matchbox cars while shopping at the toy store with his son. Hong, 45, has turned his vision into a 148-foot tower housing some of the world's most expensive cars. Believed to be the world's tallest "car vending machine," Autobahn's tower displays roughly 60 different vehicles, ranging from newer models such as the Lamborghini Aventador to more collectible cars such as the Ferrari 512M. Read more [HERE](#).

New Exoskeletons Give Lowes Employees Greater Strength At Work: The home improvement retailer is testing exoskeletons on four employees at a Christiansburg, Virginia, store to make it easier to lift objects and stock shelves. Wearing the exoskeleton is somewhat similar to putting on a rock climbing harness and a backpack. The suit also includes attached carbon-fiber shafts that run down a person's back and thighs. The shafts flex and store energy as a person bends over to pick something up. When the employee stands, the rods straighten and the energy releases, making the task easier. The process is similar to how a bow releases energy when an arrow is launched. Get more details and see it in action [HERE](#).

Abandoning The Home Office: IBM is giving thousands of its remote workers in the U.S. a choice this week: Abandon home workspaces and relocate to a regional office—or leave the company. The 105-year-old technology giant is quietly dismantling its popular decades-old remote work program, saying the change will improve collaboration and accelerate the pace of work. This comes as IBM copes with 20 consecutive quarters of falling revenue and rising shareholder ire over Chief Executive Ginni Rometty's pay package. The shift is particularly surprising because IBM has been among the business world's staunchest boosters of remote work, both for itself and its customers. The company, which has 380,000 employees, has previously boasted that more than 40% of its staff worked outside traditional offices. Read more at [The Wall Street Journal](#)

Sheryl Sandberg Delivers Emotional Virginia Tech Commencement Speech: Ten years after the Virginia Tech massacre, Sheryl Sandberg delivered a commencement address to the university's graduating class that touched on loss and resilience. Sandberg, the chief operating officer of Facebook and founder of LeanIn.org, took the stage in drizzling rain to speak to the class of 2017. "Some of you faced real trauma. All of you faced challenges," Sandberg told the graduating class. Sandberg called the Virginia Tech community "a testament to courage, faith, and love" and said that people look to the university as "an example of how to stay strong." Watch her full speech [HERE](#).

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.

The image is a promotional graphic for a recipe. At the top, it says "Farm Direction" in a green, cursive font, followed by "RECIPES" in a green, sans-serif font. Below that, it says "★ FAMILY ★" in a large, green, sans-serif font, followed by "FAVORITES" in a smaller, green, sans-serif font. Underneath, it says "- SENT IN BY OUR READERS -" in a green, sans-serif font. In the center, there is a photograph of a bowl of grilled potato salad with bacon vinaigrette. Below the photograph, it says "Grilled Potato Salad w/ Bacon Vinaigrette" in a white, sans-serif font. At the bottom, it says "CLICK TO SEE RECIPE" in a green, sans-serif font.



Bionic Leaf Can Produce Its Own Fertilizer

The first "green revolution" in the 1960s saw the increased use of fertilizer on new varieties of rice and wheat which helped double agricultural production and is credited with averting a global food crisis. To help spur the next agricultural revolution, researchers believe they have invented a "bionic" leaf that uses bacteria, sunlight, water and air to make fertilizer in the very soil where crops are grown. To contribute to the next green revolution, Harvard University Ph.D. Daniel Nocera is building on the work he's most famous for -- the artificial leaf -- to make fertilizer. The artificial leaf is a device that when exposed to sunlight, mimics a natural leaf by splitting water into hydrogen and oxygen. This led to the development of a bionic leaf that pairs the water-splitting catalyst with the bacteria *Ralstonia eutropha*, which consumes hydrogen and takes carbon dioxide out of the air to make liquid fuel. Their new system provides biomass and liquid fuel yields that greatly exceed that from natural photosynthesis. Furthermore, the bionic leaf can now convert solar energy to biomass with 10% efficiency, far above the 1% seen in the fastest growing plants. Without getting too technical, Nocera and his team have come up with an application where the bionic leaf can make its own ammonia for fertilizing and growth. Nocera's lab has analyzed the amount of ammonia the system produces. But the real proof is in radishes. The researchers have used their approach to grow five crop cycles. The radishes receiving the bionic-leaf-derived fertilizer weigh 150% more than the control crops. The next step, Nocera says, is to boost output so that one day, farms in India or sub-Saharan Africa can produce their own fertilizer. As the world's population continues to grow and is expected to swell by more than 2 billion people by 2050, with much of this growth occurring in some of the poorest countries, providing food for everyone will require a multi-pronged approach. Experts generally agree that one of the tactics will have to involve boosting crop yields to avoid clearing even more land for farming. (Source: phys.org)

(PICTURED: The radishes on the right were grown with the help of a bionic leaf that produces fertilizer with bacteria, sunlight, water and air.)



What You Need To Know About Brazil's Latest Political Scandal

Brazil has recently found itself in the midst of another political scandal that has given rise to violent protests and calls for the President's impeachment. The latest dust up revolves around recordings of President Michel Temer discussing hush money pay-offs to a jailed associate. The secretly recorded conversations were given to prosecutors by Joesley and Wesley Batista, brothers who run meat-packing giant JBS. Apparently, handing over the tapes was part of a plea bargain that arose from the graft investigation into Petrobras, the state-run oil company. Apparently, Temer was recorded discussing with Joesley cash payments to Eduardo Cunha, the former speaker of the House who has been jailed for his role in the Petrobras corruption scandal. Cunha was a member of the same political party as Temer and played the leading role in calling for former president Dilma Rousseff's impeachment. That action led directly to Temer taking over the presidency. On the recordings handed over, Joesley is heard saying he's paying Cunha hush money. Allegedly, Temer replies "You have to keep it going, OK?" Temer has admitted he met with Joesley, but is denying he discussed paying Cunha for his silence. According to Brazilian news outlet Globo, police also have audio and video evidence that Temer's aide Rocha Loures negotiated bribes worth 500,000 reais (US\$160,000) a week for 20 years in return for helping JBS overcome a problem with the fair trade office. Keep in mind, Temer has only held the presidency since last August. This new bombshell and the calls for his impeachment obviously just compound the level of uncertainty for Brazil, both politically and fiscally. Temer's political opponents in congress are calling for his impeachment and the whole issue has basically brought the government to a standstill and much needed reforms have been shoved to the backburner. All of this comes as the country's Election Court (TSE) is looking into the 2014 campaign. Temer and Dilma are being investigated by the TSE for allegedly taking undocumented money from the major Petrobras contractors, primarily a company called Odebrecht. Executives at Odebrecht have been cutting plea deals with prosecutors in an effort to lighten their own legal punishments. If the TSE finds that the 2014 campaign took illegal funds, the results of that election could be nullified. Meaning Temer's presidency would become invalid and the House Speaker would become yet another unelected president. (Sources: The Guardian, Forbes)



It Don't Cost Nuthin' To Be Nice

I came across this e-mail again the other day and wanted to pass it along... Hope you enjoy, Have a Great Weekend!

At a Touchdown Club meeting many years ago, Coach Paul "Bear" Bryant told the following story:

I had just been named the new head coach at Alabama and was off in my old car down in South Alabama recruiting a prospect who was supposed to have been a pretty good player, and I was having trouble finding the place.

Getting hungry, I spied an old cinderblock building with a small sign out front that simply said "Restaurant."

I pull up, go in, and every head in the place turns to stare at me. Seems I'm the only white fella in the place. But the food smelled good, so I skip a table and go up to a cement bar and sit.

A big ole man in a tee shirt and cap comes over and says, "What do you need?"

I told him I needed lunch and what did they have today? He says, "You probably won't like it here. Today we're having chitlins, collard greens and black-eyed peas with cornbread.

I'll bet you don't even know what chitlins are, do you?"

I looked him square in the eye and said, "I'm from Arkansas, and I've probably eaten a mile of them. Sounds like I'm in the right place."

They all smiled as he left to serve me up a big plate. When he comes back he says, "You ain't from around here then?" I explain I'm the new football coach up in Tuscaloosa at the University and I'm here to find whatever that boy's name was, and he says, "Yeah I've heard of him, he's supposed to be pretty good." And he gives me directions to the school so I can meet him and his coach.

As I'm paying up to leave, I remember my manners and leave a tip, not too big to be flashy, but a good one, and he told me lunch was on him, but I told him for a lunch that good, I felt I should pay. The big man asked me if I had a photograph or something he could hang up to show I'd been there.

I was so new that I didn't have any yet. It really wasn't that big a thing back then to be asked for, but I took a napkin and wrote his name and address on it and told him I'd get him one.

I met the kid I was looking for later that afternoon and I don't remember his name, but do remember I didn't think much of him when I met him.

I had wasted a day, or so I thought. When I got back to Tuscaloosa late that night, I took that napkin from my shirt pocket and put it under my keys so I wouldn't forget it. Back then I was excited that anybody would want a picture of me. The next day we found a picture and I wrote on it,

"Thanks for the best lunch I've ever had."

Now let's go a whole buncha years down the road. Now we have black players at Alabama and I'm back down in that part of the country scouting an offensive lineman we sure needed. Y'all remember, (and I forget the name, but it's not important to the story), well anyway, he's got two friends going to Auburn and he tells me he's got his heart set on Auburn too, so I leave empty handed and go on to see some others while I'm down there.

Two days later, I'm in my office in Tuscaloosa and the phone rings and it's this kid who just turned me down, and he says, "Coach, do you still want me at Alabama?"

And I said, "Yes I sure do." And he says OK, he'll come.

And I say, "Well son, what changed your mind?"

And he said, "When my grandpa found out that I had a chance to play for you and said no, he pitched a fit and told me I wasn't going nowhere but Alabama, and wasn't playing for nobody but you. He thinks a lot of you and has ever since y'all met."

Well, I didn't know his granddad from Adam's housecat so I asked him who his granddaddy was and he said, "You probably don't remember him, but you ate in his restaurant your first year at Alabama and you sent him a picture that he's had hung in that place ever since. That picture's his pride and joy and he still tells everybody about the day that Bear Bryant came in and had chitlins with him..."

"My grandpa said that when you left there, he never expected you to remember him or to send him that picture, but you kept your word to him and to Grandpa, that's everything. He said you could teach me more than football and I had to play for a man like you, so I guess I'm going to." I was floored. But I learned that the lessons my mama taught me were always right.

It don't cost nuthin' to be nice.

It don't cost nuthin' to do the right thing most of the time, and it costs a lot to lose your good name by breaking your word to someone. When I went back to sign that boy, I looked up his Grandpa and he's still running that place, but it looks a lot better now. And he didn't have chitlins that day, but he had some ribs that would make Dreamland proud.

I made sure I posed for a lot of pictures; and don't think I didn't leave some new ones for him, too, along with a signed football. I made it clear to all my assistants to keep this story and these lessons in mind when they're out on the road.

If you remember anything else from me, remember this. It really doesn't cost anything to be nice, and the rewards can be unimaginable.

Special Note: Coach Bryant was in the presence of those few gentlemen for only minutes, and he defined himself for life. Regardless of our profession, we do define ourselves by how we treat others, and how we behave in the presence of others, and most of the time, we have only minutes or seconds to leave a lasting impression. We can be rude, crude, arrogant, cantankerous, or we can be nice. I believe choosing the later is always a better choice.



“The old lessons (work, self-discipline, sacrifice, teamwork, fighting to achieve) aren’t being taught by many people other than football coaches these days. The football coach has a captive audience and can teach these lessons because the communication lines between himself and his players are more wide open than between kids and parents. We better teach these lessons or else the country’s future population will be made up of a majority of crooks, drug addicts, or people on relief.”

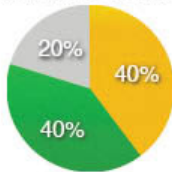
~ BEAR BRYANT

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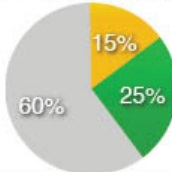
CASH SALES & HEDGING TOTALS

CORN 2016 CROP

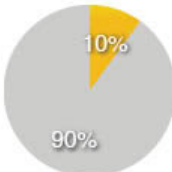
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40% HEDGED
20% UNPROTECTED

**CORN 2017 CROP**

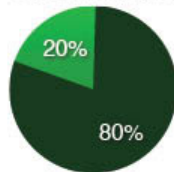
15% SOLD
25% HEDGED
60% UNPROTECTED

**CORN 2018 CROP**

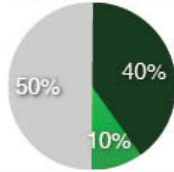
10% SOLD
0% HEDGED
90% UNPROTECTED

**SOYBEANS 2016 CROP**

80% SOLD
20% HEDGED
0% UNPROTECTED

**SOYBEANS 2017 CROP**

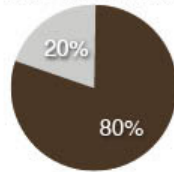
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**SOYBEANS 2018 CROP**

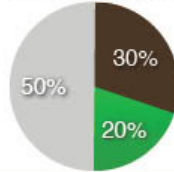
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0% HEDGED
100% UNPROTECTED

**WHEAT 2016 CROP**

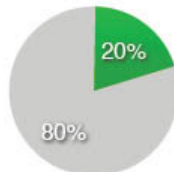
80% SOLD
0% HEDGED
20% UNPROTECTED

**WHEAT 2017 CROP**

30% SOLD
20% HEDGED
50% UNPROTECTED

**WHEAT 2018 CROP**

0% SOLD
20% HEDGED
80% UNPROTECTED



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