

GOOD MORNING 05/25/17 Farm Direction - VanTrump Report

1 message

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Thu, May 25, 2017 at 7:07 AM



"There are lots of people who would love to have your bad days. Always remember perspective and be thankful." - Unknown

THURSDAY, MAY 25, 2017

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Morning Summary: Stock investors continue to cheer as the market moves to yet another new all-time record high. Minutes from the Federal Reserve's May meeting showed central bankers were mostly united on beginning the process of shrinking their balance sheet. The general consensus is to end the reinvestment of principal of maturing securities in slow but increasing stages. This is good news to investors who worry ending reinvestment all at once or outright asset sales would put downward pressure on the respective markets. Most Fed officials also agreed that it would "soon" be time to again hike interest rates, but might be taking a somewhat more dovish stance longer-term. Most insiders seem to be expecting the next rate hike to be made at the upcoming June 13-14 meeting. Investors mostly feel that rate hikes at this point are a nod of confidence in regard to the U.S. economy and a way for the Fed to get some arrows back into their quiver. Most economic data to this point continues to show U.S. growth as slightly better than expected. The bears however argue that a couple of areas of concern might be starting to arise in U.S. auto sales and portions of the U.S. housing market. Existing Home Sales yesterday showed a -2.3% decline from the previous month, but the bulls who look deeper into the numbers conclude the decrease is more than likely related to "low inventory", which was -9% lower than April of last year. The bulls also argue the strong demand for homes is more readily evident in the "time spent on market" figure, which is averaging just 29 days, the lowest since Realtors began tracking the number. As for today, economic data is fairly light with International Trade and Kansas City Fed Manufacturing. We will hear from Fed Governor Lael Brainard and St. Louis Fed President James Bullard. President Trump is currently in Brussels where he was scheduled to meet with E.U. officials and leaders of other NATO nations. In Washington, the headlines are likely to revolve around the Congressional Budget Office's assessment of the House's healthcare bill. They estimate fewer people will lose coverage under the new plan, but it would also amount to less savings in the budget. The legislation will next move to the Senate where it's expected to see substantial challenges and changes. There will also be an unusual amount of headline attention today given to the special House election in Montana. The state is traditionally a Republican stronghold - President Trump won it by +20 percentage points. However, political strategists say the race is a lot closer than people ever thought possible. Republican Greg Gianforte is ahead of his Democratic challenger in polls, but only by single digits. Leaders in both parties see the race as an important test of America's current political climate, specifically voter sentiment toward the Republican party. Lots of people on Wall Street seem to be paying close attention... We are also hearing early headlines from the OPEC meeting in Vienna that they have agreed to extend their production cuts for another nine-months, but perhaps not all members, such as Libya and Nigeria, are being required to comply. Crude oil price may backpedal a bit if these rumors are true. Keep in mind U.S. oil production continues to impress and seems to be coming back online at a quicker pace.

Buying A Home Is Cheaper Than Renting, But You Have To Find One First:

With the supply of homes on the market at historic lows, the hardest part of buying a home right now seems to be finding one that is for sale. Inventory levels have fallen for 23 consecutive months now and stands at just a 4.2 month supply. This shortage is helping to drive prices up. The median now stands at \$244,800, up +3.5% for the month and up +6% from last year. Even so, it is still cheaper to buy a home than it is to rent something. Unfortunately, a lot of consumers don't really have an option. The cheapest segment of the market is where supplies are lowest. Sales of homes priced below \$100,000 fell 17 percent in April compared with 2016, and in the under-\$250,000 segment they fell more than 6 percent. That is where the highest demand is from younger buyers. A new report from Trulia shows that it is cheaper to buy than rent in all of the nation's 100 biggest metro markets. This is starting to shift however, with home prices swiftly increasing. The percent cheaper to buy than rent overall has decreased from 41% a year ago to 33.1% today. The advantages of buying over renting



Today In History



1861, Civil War - John Merryman, a state legislator from Maryland, is arrested for attempting to hinder Union troops from moving from Baltimore to Washington during the Civil War and is held at Fort McHenry by Union military officials. His attorney immediately sought a writ of habeas corpus so that a civilian federal court could examine the charges. However, President Abraham Lincoln decided to suspend the right of habeas corpus, and the general in command of Fort McHenry refused to turn Merryman over to the authorities. Federal judge Roger Taney, the chief justice of the Supreme Court (and also the author of the infamous Dred Scott decision), issued a ruling that President Lincoln did not have the authority to suspend habeas corpus. Lincoln didn't respond, appeal, or order the release of Merryman. But during a July 4 speech, Lincoln was defiant, insisting that he needed to suspend the rules in order to put down the rebellion in the South. Five years later, a new Supreme Court essentially backed Justice Taney's ruling: In an unrelated case, the court held that only Congress could suspend habeas corpus and that civilians were not subject to military courts, even in times of war.

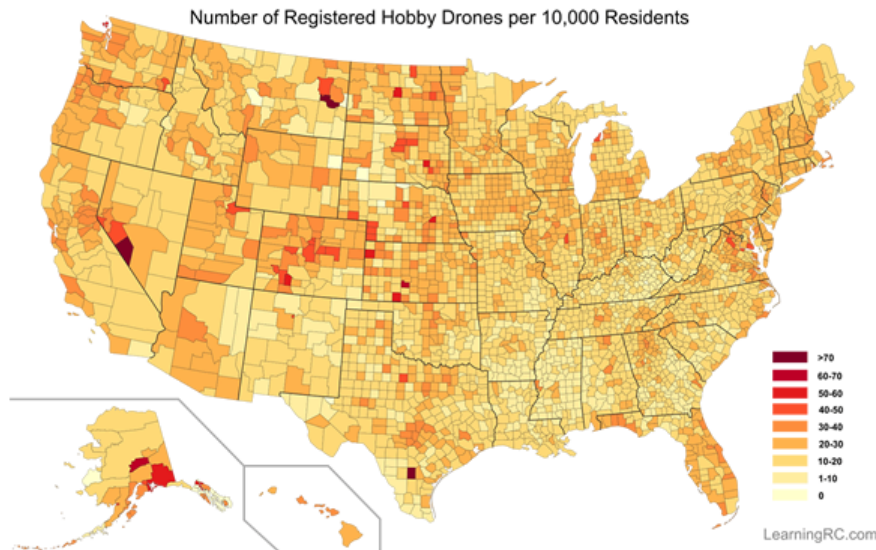


1935, Babe Ruth - At Forbes Field in Pittsburgh, Pennsylvania, Babe Ruth hits his 714th home run, a record for career home runs that would stand for almost 40 years. This was one of Ruth's last games, and the last home run of his career. Ruth went four

have also decreased from last year - mortgage rates have increased and rent price growth has only accelerated in seven metros. (Source: Trulia, MarketWatch)

Debt Ceiling Deadline Could Come Sooner Than Expected: Office of Management and Budget Director Mick Mulvaney warned Wednesday that Congress may have to raise the debt ceiling sooner than previously expected. "My understanding that the [tax] receipts, currently, are coming in slower than expected and you may soon hear from [Treasury Secretary Steven] Mnuchin about a change in the date," Mulvaney told the House Budget Committee. The debt limit was reinstated in March, but the Treasury Department is using extraordinary measures to avoid a devastating government default. Previous budget estimates projected action would be needed around late September or early October. Mnuchin told the House Ways and Means Committee Wednesday that lawmakers should act before they leave for their annual August recess. And he said he wants a so-called clean debt ceiling boost, with no spending cuts or reforms connected to raising the limit. The Treasury secretary might find opposition to an easy debt limit boost from House conservatives, who he met with in a closed door meeting Tuesday. Conservatives have typically withheld votes to increase the government's borrowing capacity in return for spending cuts. (Source: Politico)

Concentration Of Hobby Drones By County: The map below shows the number of registered hobby drones per 10,000 residents in every county of the U.S. The Midwest has a high per capita number of drones, as do counties that border oceans. For example, Washington and Oregon tend to have higher per capita registration in the counties that are next to the ocean than the counties that are inland. The total number of hobby drones registered in the U.S. as of the end of February was 667,637. California had the most, with 78,890 registrants. The state with the highest per capita rate, however, was Hawaii, with 16.92 registrants per 10,000 residents. The county with the highest per capita rate was Prairie County, Montana with 82.95 registrants per 10,000 residents. (Source: Learning RC)



Weather forecast continues to call for unfavorable conditions in the Midwest for the rest of the week. Wet conditions are expected in the southern and eastern Midwest along with generally below normal temperatures. Delays to fieldwork and row-crop development remain likely especially in the Corn Belt. In the southern Plains, more rain is creating adequate to surplus soil moisture for reproductive to filling wheat, but may be unfavorable for maturing wheat and could promote more disease pressure. In the northern Plains, no significant delays to final planting efforts are indicated during the next few days and into next week. Cooler temperatures will slow germination and early development of earlier-planted crops. A storm system centered over the Tennessee Valley will reach the Northeast by Friday. The 6 to 10 day outlook for May 29 through June 2 is calling for the below normal temperatures from the Plains to the Appalachians, while warmer than normal weather should prevail along the Atlantic Seaboard and across much of the West.

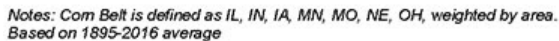
Rain Is Still the Main Story in the Midwest: I came across some interesting data from the folks over at [T-storm Weather](#) which showed that the Corn Belt should rank around the 5th wettest April - May in the last 123 years, only surpassed by 1927, 1995, 2010 and 2013. The Corn Belt is defined as IL, IN, IA, MN, MO, NE, and OH and is weighted by area. Despite the wet, cool weather as of late, corn planting is still at 84%, just 1% below average. Soybean planting, with a 53% completion rate, is one point ahead of average this week. However, the outlook for the Midwest during the next week continues to call for cool and wet conditions to dominate. This will slow planting of corn and soybeans.

for four on the day, hitting three home runs and driving in six runs. George Herman Ruth was born February 6, 1895, in Baltimore, Maryland. He was the first of eight children, but only he and a sister survived infancy. Ruth's father was a saloon keeper on Baltimore's waterfront, and the young George caused trouble from an early age. At seven, his truancy from school led his parents to declare him incorrigible, and he was sent to an orphanage, St. Mary's Industrial School for Boys. Ruth lived there until he was 19 in 1914, when he was signed as a pitcher by the Baltimore Orioles. That same summer, Ruth was sold to the Boston Red Sox. His teammates called him "Babe," short for baby, for his naiveté, but his talent was already mature, and he was almost immediately recognized as the best pitcher on one of the greatest teams of the 1910s. He set a record between 1916 and 1918 with 29 2/3 consecutive scoreless innings in World Series play, including a 14-inning game in 1916 in which he pitched every inning, giving up only a run in the first. To the great dismay of Boston fans, Ruth was sold by the Red Sox to the New York Yankees before the 1920 season by Red Sox owner Harry Frazee, so that Frazee could finance the musical "No, No, Nanette". Ruth switched to the outfield with the Yankees, and hit more home runs than the entire Red Sox team in 10 of the next 12 seasons. "The Sultan of Swat" or "The Bambino," as he was alternately known, was the greatest gate attraction in baseball through the 1920s until his retirement as a player in 1935. During his career with the New York Yankees, the team won four World Series and seven American League pennants. After getting rid of Ruth, the Red Sox did not win a World Series until 2004, an 85-year drought known to Red Sox fans as "the Curse of the Bambino." Ruth died of throat cancer on August 16, 1948. His record for career home runs was not broken until Hank Aaron hit his 715th home run on April 8, 1974, 39 years later.



1977, China - A new sign of political liberalization appears in China, when the communist government lifts its decade-old ban on the writings of William Shakespeare. The action by the Chinese government was additional evidence that the Cultural Revolution was over. In 1966, Mao Tse-Tung, the leader of the People's Republic of China, announced a "Cultural Revolution," which was designed to restore communist revolutionary fervor and vigor to Chinese society. His wife, Chiang Ching, was made the unofficial secretary of culture for China. What the revolution meant in practice, however, was the assassination of officials deemed to have lost their dedication to the communist cause and the arrest and detention of thousands of other officials and citizens for vaguely defined "crimes against the state." It also meant the banning of any cultural work—music, literature, film, or theater—that did not have the required ideological content. By the early 1970s, however, China was desperate to open new and improved relations with the West, particularly the United States, partially because of its desire for new sources of trade but also

20 Wettest Years Since 1895*



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desire for new sources of trade but also because of its increasing fear of confrontation with the Soviet Union. President Richard Nixon's 1973 trip to China was part of this campaign. In October 1976, the Cultural Revolution was officially declared ended, and the May 1977 announcement of the end of the ban on the works of William Shakespeare was clear evidence of this. It was a move that cost little, but was sure to reap public relations benefits with Western society that often looked askance at China's puritanical and repressive cultural life. Together with the announcement that the ban was lifted, the Chinese government also stated that a Chinese-language edition of the Bard's works would soon be available.

Fri. 8/25 - Cattle on Feed

The image displays a complex technical analysis chart for the EUR/USD currency pair, featuring multiple panels and indicators.

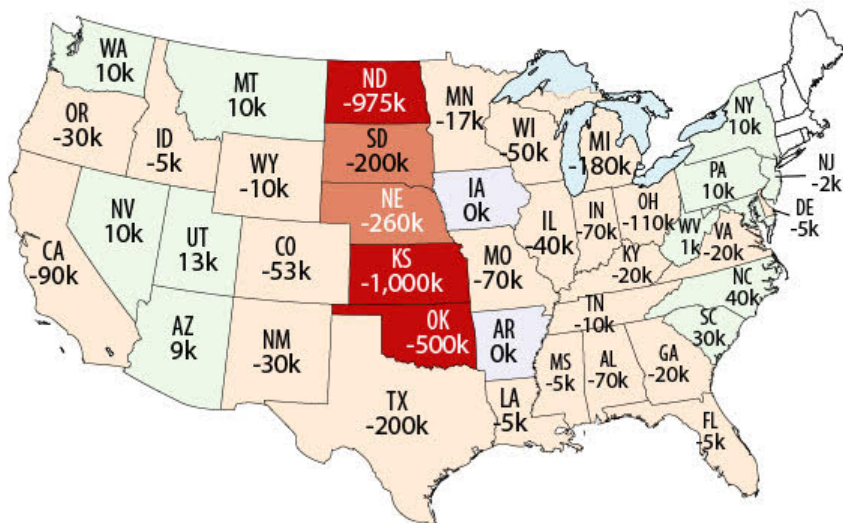
- Top Panel (Price Chart):** A candlestick chart showing price movement. It includes several horizontal and diagonal trend lines, shaded regions (purple and green), and various price levels marked with red and green text (e.g., 1.05, 1.06, 1.07, 1.08, 1.09, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 1.16, 1.17, 1.18, 1.19, 1.20, 1.21, 1.22, 1.23, 1.24, 1.25, 1.26, 1.27, 1.28, 1.29, 1.30, 1.31, 1.32, 1.33, 1.34, 1.35, 1.36, 1.37, 1.38, 1.39, 1.40, 1.41, 1.42, 1.43, 1.44, 1.45, 1.46, 1.47, 1.48, 1.49, 1.50, 1.51, 1.52, 1.53, 1.54, 1.55, 1.56, 1.57, 1.58, 1.59, 1.60, 1.61, 1.62, 1.63, 1.64, 1.65, 1.66, 1.67, 1.68, 1.69, 1.70, 1.71, 1.72, 1.73, 1.74, 1.75, 1.76, 1.77, 1.78, 1.79, 1.80, 1.81, 1.82, 1.83, 1.84, 1.85, 1.86, 1.87, 1.88, 1.89, 1.90, 1.91, 1.92, 1.93, 1.94, 1.95, 1.96, 1.97, 1.98, 1.99, 2.00, 2.01, 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17, 2.18, 2.19, 2.20, 2.21, 2.22, 2.23, 2.24, 2.25, 2.26, 2.27, 2.28, 2.29, 2.30, 2.31, 2.32, 2.33, 2.34, 2.35, 2.36, 2.37, 2.38, 2.39, 2.40, 2.41, 2.42, 2.43, 2.44, 2.45, 2.46, 2.47, 2.48, 2.49, 2.50, 2.51, 2.52, 2.53, 2.54, 2.55, 2.56, 2.57, 2.58, 2.59, 2.60, 2.61, 2.62, 2.63, 2.64, 2.65, 2.66, 2.67, 2.68, 2.69, 2.70, 2.71, 2.72, 2.73, 2.74, 2.75, 2.76, 2.77, 2.78, 2.79, 2.80, 2.81, 2.82, 2.83, 2.84, 2.85, 2.86, 2.87, 2.88, 2.89, 2.90, 2.91, 2.92, 2.93, 2.94, 2.95, 2.96, 2.97, 2.98, 2.99, 3.00, 3.01, 3.02, 3.03, 3.04, 3.05, 3.06, 3.07, 3.08, 3.09, 3.10, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, 3.19, 3.20, 3.21, 3.22, 3.23, 3.24, 3.25, 3.26, 3.27, 3.28, 3.29, 3.30, 3.31, 3.32, 3.33, 3.34, 3.35, 3.36, 3.37, 3.38, 3.39, 3.40, 3.41, 3.42, 3.43, 3.44, 3.45, 3.46, 3.47, 3.48, 3.49, 3.50, 3.51, 3.52, 3.53, 3.54, 3.55, 3.56, 3.57, 3.58, 3.59, 3.60, 3.61, 3.62, 3.63, 3.64, 3.65, 3.66, 3.67, 3.68, 3.69, 3.70, 3.71, 3.72, 3.73, 3.74, 3.75, 3.76, 3.77, 3.78, 3.79, 3.80, 3.81, 3.82, 3.83, 3.84, 3.85, 3.86, 3.87, 3.88, 3.89, 3.90, 3.91, 3.92, 3.93, 3.94, 3.95, 3.96, 3.97, 3.98, 3.99, 4.00, 4.01, 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18, 4.19, 4.20, 4.21, 4.22, 4.23, 4.24, 4.25, 4.26, 4.27, 4.28, 4.29, 4.30, 4.31, 4.32, 4.33, 4.34, 4.35, 4.36, 4.37, 4.38, 4.39, 4.40, 4.41, 4.42, 4.43, 4.44, 4.45, 4.46, 4.47, 4.48, 4.49, 4.50, 4.51, 4.52, 4.53, 4.54, 4.55, 4.56, 4.57, 4.58, 4.59, 4.60, 4.61, 4.62, 4.63, 4.64, 4.65, 4.66, 4.67, 4.68, 4.69, 4.70, 4.71, 4.72, 4.73, 4.74, 4.75, 4.76, 4.77, 4.78, 4.79, 4.80, 4.81, 4.82, 4.83, 4.84, 4.85, 4.86, 4.87, 4.88, 4.89, 4.90, 4.91, 4.92, 4.93, 4.94, 4.95, 4.96, 4.97, 4.98, 4.99, 5.00, 5.01, 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15, 5.16, 5.17, 5.18, 5.19, 5.20, 5.21, 5.22, 5.23, 5.24, 5.25, 5.26, 5.27, 5.28, 5.29, 5.30, 5.31, 5.32, 5.33, 5.34, 5.35, 5.36, 5.37, 5.38, 5.39, 5.40, 5.41, 5.42, 5.43, 5.44, 5.45, 5.46, 5.47, 5.48, 5.49, 5.50, 5.51, 5.52, 5.53, 5.54, 5.55, 5.56, 5.57, 5.58, 5.59, 5.60, 5.61, 5.62, 5.63, 5.64, 5.65, 5.66, 5.67, 5.68, 5.69, 5.70, 5.71, 5.72, 5.73, 5.74, 5.75, 5.76, 5.77, 5.78, 5.79, 5.80, 5.81, 5.82, 5.83, 5.84, 5.85, 5.86, 5.87, 5.88, 5.89, 5.90, 5.91, 5.92, 5.93, 5.94, 5.95, 5.96, 5.97, 5.98, 5.99, 6.00, 6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.08, 6.09, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.21, 6.22, 6.23, 6.24, 6.25, 6.26, 6.27, 6.28, 6.29, 6.30, 6.31, 6.32, 6.33, 6.34, 6.35, 6.36, 6.37, 6.38, 6.39, 6.40, 6.41, 6.42, 6.43, 6.44, 6.45, 6.46, 6.47, 6.48, 6.49, 6.50, 6.51, 6.52, 6.53, 6.54, 6.55, 6.56, 6.57, 6.58, 6.59, 6.60, 6.61, 6.62, 6.63, 6.64, 6.65, 6.66, 6.67, 6.68, 6.69, 6.70, 6.71, 6.72, 6.73, 6.74, 6.75, 6.76, 6.77, 6.78, 6.79, 6.80, 6.81, 6.82, 6.83, 6.84, 6.85, 6.86, 6.87, 6.88, 6.89, 6.90, 6.91, 6.92, 6.93, 6.94, 6.95, 6.96, 6.97, 6.98, 6.99, 7.00, 7.01, 7.02, 7.03, 7.04, 7.05, 7.06, 7.07, 7.08, 7.09, 7.10, 7.11, 7.12, 7.13, 7.14, 7.15, 7.16, 7.17, 7.18, 7.19, 7.20, 7.21, 7.22, 7.23, 7.24, 7.25, 7.26, 7.27, 7.28, 7.29, 7.30, 7.31, 7.32, 7.33, 7.34, 7.35, 7.36, 7.37, 7.38, 7.39, 7.40, 7.41, 7.42, 7.43, 7.44, 7.45, 7.46, 7.47, 7.48, 7.49, 7.50, 7.51, 7.52, 7.53, 7.54, 7.55, 7.56, 7.57, 7.58, 7

July Corn

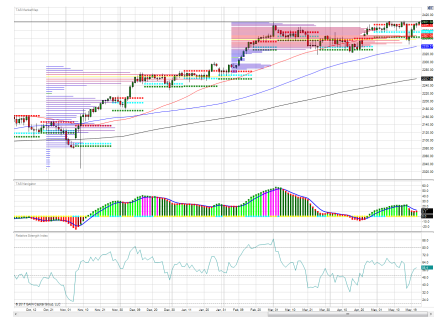


Soybean prices continue to trade in a fairly narrow daily range but are nearing the bottom of their most recent nine-month travels. In fact the last time the NOV17 contract was sub-\$9.40 was back in mid-September, while the last time the JUL17 contract was sub-\$9.40 was even further back. Keep in mind the old-crop JUL17 contract and the new-crop NOV17 contract are now both trading at nearly even-money (the same price), right around \$9.50 per bushel. From a technical perspective, that's why I continue to keep an extremely close eye on the \$9.40 level. I wish there was something new or more definitive in the headlines, but I'm afraid its the same old song and dance. Will U.S. weather ultimately delay soybean acres and will some additional acres being switched from corn to soybeans? Is the USDA currently underestimating or being too conservative with both their U.S. planted acres and yield estimate, we've been hearing talk of possibly both? Will Chinese demand story continue to grow at the current pace and continue to surprise to the upside? Will the geopolitical issues in Brazil continue to escalate and drive their currency lower, ultimately giving Brazilian producers and exporters even more of an edge? Could the situation in Brazil turn dire enough that the algo's and headline traders start to worry about labor strikes and supplies not being able to get out of the country in a timely fashion? Will Washington issue tariffs that reduce the supply of Argentine and Indonesian oil products coming into the U.S.? These are all big moving parts and unanswered questions in what can be an extremely volatile market. I suspect until more specifics are revealed this market continues to consolidate and coil itself tighter. As a producer, I like my current marketing efforts and early sales, but still want to keep my current hedges in place. I'm worried longer-term about the potential downside, but still respect the funds power and push they can have to the upside if they decided they want to be long this market. I will more than likely be making a few more sales if we can catch another leg higher.

Changes in area planted from 2016 to 2017 for soybeans & wheat



Wheat bulls continue to talk about "quality" concerns, while the bears sight improved moisture levels and improved weekly crop-conditions being posted this past week by the USDA. Leading them to believe the worst is now behind us and that crop-conditions have stabilized on a broader scale. I'm personally still of the belief the USDAs current yield and total production estimate is too optimistic, and eventually shrinks a bit in size. Unfortunately that does very little for what's deemed as already burdensome global and domestic supply. The SRW wheat market still seems trapped somewhere between \$4.10 and \$4.60 per bushel. Very little new or fresh in the headlines this morning...



The market posts another bullish breakout on the close above 2395.00. Strength through this level could help to attract additional buying.

Kevln's Song of the Week



About the Report



> **Ethanol Production Week Ending May 19:** Weekly ethanol production for the week averaged 1.01 million barrels per day, down -1.66% from last week but up +6.77% compared to last year. Stocks fell to 22.684 million barrels, down -3.12% from last week but up +8.99% from last year. Total corn usage is estimated at 106.05 million bushels.

> **Replant Acres Increasing In Eastern Corn Belt:** Weather challenges have forced a lot of farmers in the Eastern Corn Belt to replant. Daniel Call with Ohio-based Seed Consultant says, "Across the entire area of Ohio and Indiana would be at an all-time record." He says growers planted at a record planting pace the last week of April – and then a wet weather pattern moved in and much of the corn crop sat under water. He tells Brownfield while investments in genetics have helped, farmers are still faced with a lot of acres that will need to be replanted. (Source: Brownfield Ag)

> **Argentine Farmers Are Stepping Up Soybean Sales:** After a strong devaluation of the Argentinian Peso against the U.S. Dollar (from AR\$ 15.96 to AR\$ 16.08), the sales of soybeans in Argentina became more attractive early this week. The price of the oilseed jumped AR\$100 from last Friday in Rosario. On Monday and Tuesday, reported soybean sales totaled more than 120,000 metric tons. (Source: Agrosouth)

> **Chilly Weather Risks Delaying Black Sea Wheat, Barley Harvest:** Unusually cold weather in Russia is delaying wheat and barley ripening, meaning buyers may have to wait longer for the cheaper new crop to arrive. Temperatures from May 11 to 20 were 3 degrees to 5 degrees Celsius (5.4 degrees to 9 degrees Fahrenheit) below the 30-year average in parts of central and southern Russia, U.S. Department of Agriculture data show. Those regions grow mostly winter wheat and barley.

> **Russia-Turkey Trade Dispute Is Not Done:** Russia is again negotiating with Turkey in an effort to resolve a stop-start agriculture trade dispute between the countries, the Kremlin said on Wednesday as it emerged that Ankara has imposed restrictions on imports of Russian wheat. Turkey has introduced new curbs on Russian wheat, limiting purchases to 20-25 percent of all import licenses issued for the commodity, an analyst and traders said. As the second-largest buyer of Russian wheat behind Egypt, Turkey's move could put a significant dent in Russia's exports in the 2017/18 marketing year starting on July 1. Russia is one of the world's largest wheat exporters. In what traders said was a reaction to Russia's earlier ban on imports of Turkish tomatoes, Ankara imposed prohibitively high import tariffs on Russian wheat from mid-March but resumed purchases after a meeting of the countries' presidents on May 3. A German trader said the new restrictions were imposed on Russian wheat and also corn. (Source: Reuters)

> **BlackRock Says Ag Markets Are Close To Bottom Of Cycle:** Ag markets are "at or close to" their nadir, heralding gains which will spur recovery in valuations of farm sector shares from levels that are "close to historic lows", said Skye Macpherson, commodities expert at BlackRock. Ms Macpherson, director, natural resources at the fund management giant, flagged the potential for an end to the period of growth in world grain stocks which had fostered falls of some 40% in prices of corn, soybeans and wheat from 2012 highs. The price falls, a result of "the fact that we have had relatively benign weather for four successive years", meant that there was certainly "more upside than downside" for grain prices. And a recovery in crop values stands to support shares in agriculture groups, which have been attributed particularly low valuations by investors because of the difficulties in making money in an environment characterised by low crop values, and weak volatility too. (Source: Agrimoney)

> **Bunge Says Not In Talks With Glencore:** U.S. grains trader Bunge said it was not in talks with Swiss mining and commodities group Glencore, after the latter said it had made an informal approach to discuss "a possible consensual business combination." Both statements were triggered by a Wall Street Journal story that stated that Glencore had made a takeover approach to Bunge. However, Bunge subsequently said it was not engaged in business combination discussions with either Glencore or Glencore Agriculture Ltd, a joint venture owned by Glencore and two Canadian pension funds. Glencore had said in its statement earlier that "discussions may or may not materialize and there is no certainty that any transaction will occur." In a sign of its limited appetite to negotiate a sale to Glencore, Bunge said it was "committed to continuing to execute its global agri-foods strategy and pursuing opportunities for driving growth and value creation." (Source: Reuters)

> **Canada's Farm Income Rose For A Third Year In A Row:** Canada's 2016 farm income climbed to C\$8.8 billion (\$6.52 billion), up +7.6% from 2015 and marking the sixth increase in seven years, Statistics Canada says. The agency says "slightly lower" operating expenses and "small increase" in cash receipts spurred the gain. Crop receipts rose +5.8% to C\$33.8 billion while revenue from livestock production fell -7.2% to C\$23.8 billion. Farm-operating expenses fell -0.9% to C\$44.2b, the first drop in six years. (Source: Bloomberg)

> **Big-Six Tech Companies Saw Massive Growth Last Quarter:** First-quarter results are in for the big-six tech companies: Alphabet, Amazon, Apple, Facebook, Microsoft and Netflix all saw increases in their top and bottom lines compared to the same quarter the year before, according to data from FactSet. Combined, the companies grew by \$18 billion in total year-over-year revenue and \$4.5 billion in profit last quarter to generate \$146 billion in total revenue and \$25 billion in total profit. Of note: Netflix — where investors usually focus on subscriber growth — saw profit jump to \$178 million this quarter, up more than 500 percent from a year earlier. Facebook's growth isn't slowing as fast as Wall Street expected, as the company continues to add

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

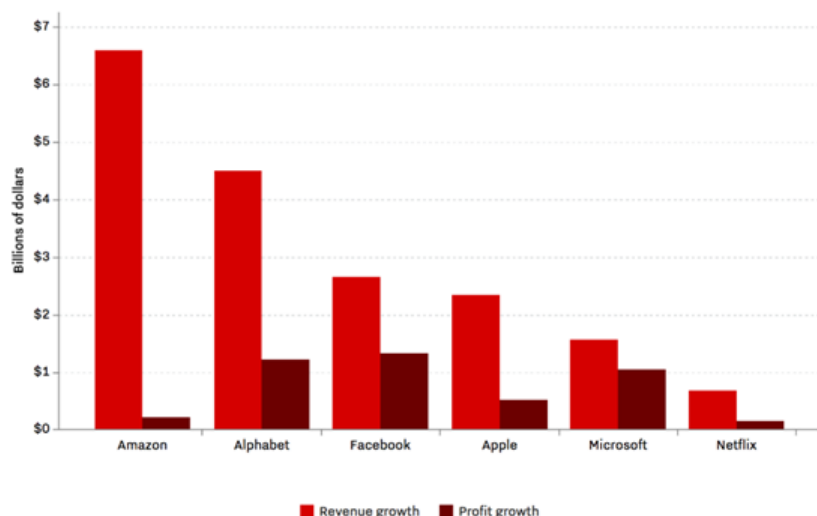
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis 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

new users and expand its mobile advertising business. Of the six, it added the most Q1 profit year over year, \$1.3 billion, while Amazon added the most revenue, about \$6.6 billion more than during Q1 2016. Apple saw revenue and profit growth of nearly 5 percent — small, percentage-wise, compared to the other tech giants, but a continued reversal from its prior slump. (Source: Recode)

Year-over-year revenue and profit growth during Q1 2017



Source: FactSet

recode



Southeast Minnesota - We are trying to dry out up here as we received another 8" of rain recently. We are 90% done with planting and trying to start haying for the dairy cows. With our hilly terrain we drain quickly and replanting should be kept to a minimum. We have 250 head of dairy and though we have not been affected lately with the Canada incident our neighbors were. Things are getting tight around here as we have to take more of Europe's milk. I'm guessing some guys are not going to make it much longer. Acquiring water permits is becoming a battle up here as well making it hard to expand our business.

Eastcentral Illinois - We were able to get all our corn planted by April 21st. We now have replanted 2000 acres as the Spring rains have been heavy in our area. We just received another 2" of rain after replanting so we will have to wait and see the outcome. I don't like the conditions the corn in the ground is in as it is cool and wet. We have 25% of our beans planted and are on hold with them as well after the last recent rains. We don't think the beans will need any replantings. I have been using satellite imagery for my crops but I don't feel like I am getting any early warning from them that my boys don't provide but I must admit I'm older and probably a bit resistant to new things.

Eastcentral Iowa - We have had a few short windows to plant but it has been a hurry up and wait ordeal. I do think that most all the corn is in the ground for most guys. We finished up a few days ago and I think most guys have been done at least as long as us. We rolled straight over to planting beans and probably have half of our bean acres in. I would think that most guys have had a good couple of days of planting beans. The rains have been a little heavier this week raining on Wednesday, Thursday, Friday and in the forecast for this weekend. Last week we had an inch of rain in a day and a half. The rains have been one thing but the cold temperatures have definitely made things worse. I would say that we are not above 60 degrees today and it feels much colder. I know that our corn has emerged and would say that most fields have. The earliest corn planted back before the cold temps showed up is looking very good. I was concerned going into this year because last year we had a few corn varieties that did not perform very well. This year moisture wise is a lot like last year but the big difference is the colder temps this year. The warmer temps last year provided more drying days, so we were not held out of the field as long.

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.

Farm Direction

RECIPES

★ FAMILY FAVORITES ★

- SENT IN BY OUR READERS -

Asparagus Pasta Salad

[CLICK TO SEE RECIPE](#)

CROSSING WIRES

A place to share intelligent thoughts...

Farm Bureau Economist Sees Some Positive Signs: *An economist with Nebraska Farm Bureau says the struggling ag economy seems to be leveling off. But Jay Rempe says it's still too soon to say if a turnaround is imminent. "I think there's some signs out there that maybe things are getting close to that bottom, if we haven't hit it already," Rempe says. "I'm not ready to say that things are going to pick back up again—but maybe level off a little bit." Rempe says he sees a couple of positive factors at play. "The export markets and prices have hung in there better than some of us thought they would at this time of the year," he says. "Secondly, I think it demonstrates the wherewithal of farmers and ranchers and others in agriculture in terms of tightening their belts and the cost-cutting measures that they're putting in place. Hopefully, that's becoming effective right now, too." Listen to the full interview [HERE](#).*

Trading Fortunes Depend on a Mysterious Antenna in an Empty Field: *It was an odd transaction from the outset: \$14 million, double the going rate, for a 31-acre plot of flat, undeveloped land just west of Chicago. In the nine months since, the curious use of the space has only added to the intrigue. A single, nondescript pole with two antennas was erected by a row of shrubs. Some supporting equipment was rolled in. That's it. But those aren't ordinary antennas. And the buyer of the property isn't your typical land investor. It's an affiliate of a company called Jump Trading LLC, a legendary and secretive trading firm that's a major player in some of the most important financial markets. Just across the street, it turns out, lies the data center for CME Group Inc., the world's biggest futures exchange. By placing its antennas so close to CME's servers, Jump may be trying to shave maybe a microsecond -- one-millionth of a second -- off its reaction time, potentially enough to separate a winning from a losing bid in trading that takes place at almost the speed of light. Read more from [Bloomberg](#).*

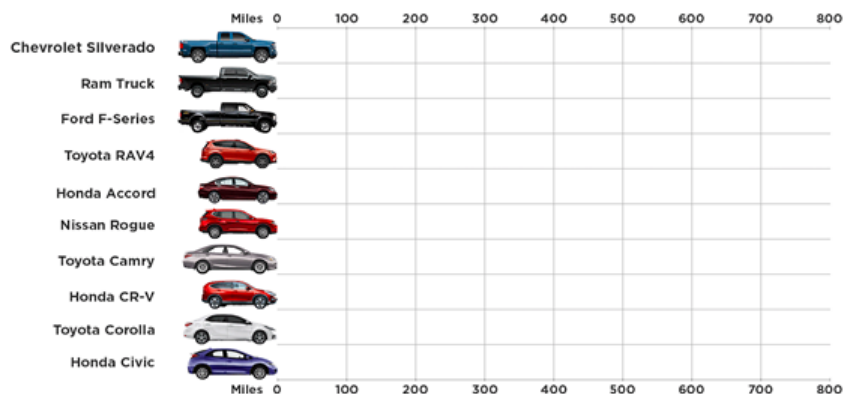
Landslide In California Adds To \$1 Billion In Highway Damage: *A massive landslide that went into the Pacific Ocean is the latest natural disaster to hit a California community that relies heavily on an iconic coastal highway and tourism to survive, and it adds to a record \$1 billion in highway damage from one of the state's wettest winters in decades. The weekend slide in Big Sur buried a portion of Highway 1 under a 40-foot layer of rock and dirt and changed the coastline below to include what now looks like a rounded skirt hem. More than 1 million tons of rock and dirt tumbled down a saturated slope in an area called Mud Creek. The slide is covering up about a one-quarter-of-a-mile (0.40-kilometer) stretch of Highway 1, and authorities have no estimate on when it might re-open. The area remains unstable. Read more [HERE](#).*

What Does The Fall of Mosul and Raqqa Mean For ISIS? *As Islamic State's control over its strongholds in Iraq and Syria crumble, the extremist group acknowledges that soon not much may be left of its self-declared caliphate. So what does the loss of its territory mean for ISIS and will it bring its fight closer to the West? The Wall Street Journal's Niki Blasina reports [HERE](#).*

Sell Your House Online In Just One Day: *We're talking about a website that will make an offer on your house, sight unseen. Everything about it is crazy. But that's the tech business these days, and who knows — I guess it could work. Read more at "[The Rise of the Fat Start-Up](#)".*

How Far Do America's Most Popular Cars Go On \$50 Worth Of Gas? *Gas prices have always been a huge concern for the American driver. Although gas prices may seem low now, Americans are still very budget conscious when it comes to filling their tanks. The miles per gallon (MPG) rating on a car is an important measure for American consumers, as this tells smart shoppers how many miles they'll get out of every full tank, and how far their dollar will stretch on the road. To illustrate this, we've made a graphic of the distance America's top 10 vehicles can travel on only \$50 of fuel. Check out the full animated graphic and more details [HERE](#).*

How Far do America's Top 10 Cars Get on \$50 of Fuel?



Sources:
<https://howmuch.net/articles/top-10-cars-with-50-fuel>
<https://www.kbb.com/car-reviews-and-news/top-10/best-selling-cars-2016>

howmuch.net



Before You Switch Intended Corn Acres To Soybeans...

I have been hearing some producers as of late thinking they might be forced to switch a few intended corn acres back to soybeans as weather delays continue. This could obviously alter some producers longer-term rotation plans and needs some consideration. According to an article published by Michigan State University Extension there are some important things to consider when planting soybeans-after-soybeans. Yes, soybeans can obviously be planted into fields that were planted to soybeans last year, but producers who consider this practice can expect some type of yield loss due to the rotation effect. Furthermore, plant stress caused by environmental conditions, diseases or insects can also easily increase yield losses. Diseases including soybean cyst nematodes (SCN) present the largest risk to second-year soybeans and needs to be carefully monitored. The best strategy is to avoid planting soybeans into any fields that were infested with white mold, sudden death syndrome (SDS) or SCN during the previous year. These are soil-borne pathogens that have the potential to cause large yield losses for your 2017 crop. However, if you have no choice and are somewhat forced to plant soybeans into fields that were infested last year, consider a few recommendations. Remember, changing your crop rotation, especially shortening it, is an important decision and could have longer-term effects on pest populations and soil quality. Make sure the benefits far exceed the risks and manage the increased risk with proven strategies. If you would like more data on soybeans-after-soybeans, check out MSU's SMaRT (Soybean Management and Research Technology) project.

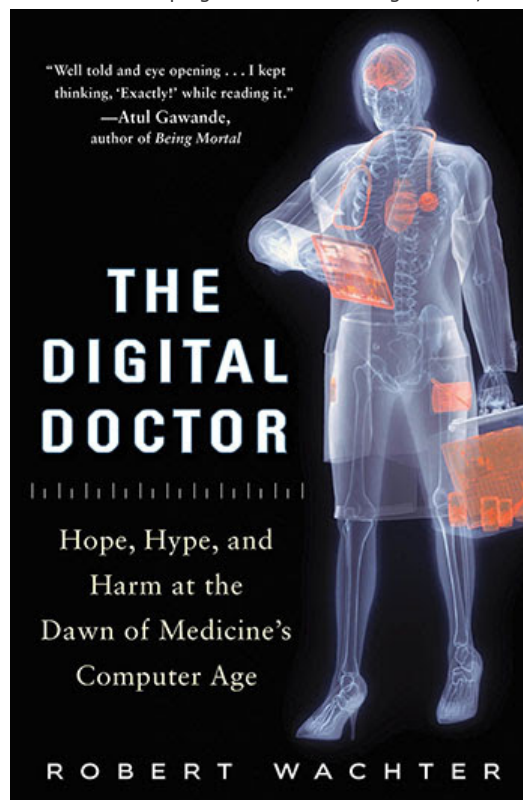
- *Variety selection is your first line of defense when planting into fields infested with white mold, SDS or SCN. Try selecting varieties that have the highest level of resistance you can obtain for the identified challenge.*
- *If you plant soybeans into a field infested with white mold in 2016, be prepared for the possibility of large yield losses if extended periods of cool and wet weather occur from late June to early August.*
- *If you plan to plant soybeans into a field infested with SCN in 2016, yield losses, SCN populations and the risk of developing a resistant SCN population type are likely to increase.*
- *The potential for seedling diseases such as Pythium and Phytophthora may increase in second-year soybeans. Planting after soil temperatures reach 60 degrees Fahrenheit reduces the risk from Pythium and the use of resistant or tolerant varieties is the preferred management strategy for Phytophthora.*
- *Pay attention to soil fertility and base fertilizer applications on recent soil tests. Many soybean producers apply phosphorus and potassium fertilizers prior to planting corn and let the following soybean crop scavenge for these nutrients.*
- *Insect problems are not typically increased in second-year soybeans. Producers should scout all soybean fields for bean leaf beetles and soybean aphids.*
- *There is potential for soil quality to be degraded by not staying with a corn-soybean rotation in 2017 as corn and wheat are the only two field crops that can build soil organic matter levels. The reduction in residue cover in second-year soybeans also increases the risk of soil loss due to erosion. Second-year soybeans should not be planted on sloping fields with low organic matter levels.*



Why Healthcare & Medical Professionals Could Face Uncertain Future

As we move towards the reality of IBM's Watson as well as other algorithm-based decision-making platforms providing more of our medical diagnosis and treatments, we may need to prepare ourselves psychologically. When Vinod Khosla - an entrepreneur, investor and technologist once proclaimed that machines will one day replace 80% of doctors, it prompted waves of backlash from the medical community. Khosla went one step further during a recent interview with CNBC and said that the role of radiologists may absolutely be obsolete in five years. The thinking here is that the sophisticated algorithms will greatly enhance the diagnosis as well as offering potential treatments. The fact that the computers can not only sift through thousands of scans in minutes, digest the latest medical research and do it without any emotion or doubt offers patients a greater level of assurance in their treatments. As we move towards the reality of machines displacing human workers - it appears 4 out of 10 jobs in the U. S. are extremely susceptible to being overtaken by technology. Interestingly, doctors don't typically make the list of occupations under threat, perhaps given the importance of bedside manner and a personal human touch in time of great need. In a recent competition held for scientists who were developing these medical algorithms, found the "agreement" rate was 10% higher between the "algorithm and a human" than between two human experts. In the end, doctors working with and alongside the computer seems to be producing extremely strong results. Technology companies across the board, including Alphabet, have efforts underway to train machines to spot potential problems in early medical scans. In fact Alphabet's health and life sciences arm recently teamed up with Nikon to develop machine learning tools to perform early screening for diabetic retinopathy and macular edema, both causes of blindness in people with diabetes. Whether the medical community likes it or not, Khosla's comments come at a time when leading technology companies are building new tools for the medical sector. These developments are providing more serious hope for the future and identifying and treating illnesses in a more timely and effective manner. It is important to note that while many of these efforts aim to

augment doctors not replace them, the medical industry is massively changing. Before your kids invest thousands in hopes of a long-term career make certain they are considering all of the moving pieces in each of the respective medical fields. I suspect some areas in the healthcare and medical space are going to be more susceptible to being replaced by technology than others. Do your homework... The book below was written by Robert Wachter, who is a very influential physician here in the U.S. The



book was The New York Times Science Bestseller and states "While modern medicine produces miracles, it also delivers care that is too often unsafe, unreliable, unsatisfying, and impossibly expensive. For the past few decades, technology has been touted as the cure for all of healthcare's ills. But medicine stubbornly resisted computerization – until now. Over the past five years, thanks largely to billions of dollars in federal incentives, healthcare has finally gone digital. The Digital Doctor examines healthcare at the dawn of its computer age. (Source: CNBC)

"In A Galaxy Far, Far Away..."

40 years ago, on Memorial Day weekend, in "a galaxy far, far away"... Star Wars landed in American movie theaters. George Lucas' blockbuster hit forever changed the movie watching experience with groundbreaking special effects and a new order of sci-fi geeks. For many of us we can remember the "buzz" that was in the air as nightly news showed enthusiastic young people camping out in sleeping bags and waiting in long lines all across the country to see what would become a pop-culture phenomenon. Not only was the movie itself a mega hit, but it's three main actors, Mark Hamill who played a young Luke Skywalker; Carrie Fisher who played a young Princess Leia; and Harrison Ford who played a young Hans Solo, became instant overnight stars. The original Star Wars trilogy was completed by the successful sequels "The Empire Strikes Back" in 1980 and "Return of the Jedi" in 1983. I have to admit I loved the first three movies that are mentioned above, but I've never seen any of those that were more recently released. Below are few interesting facts I wanted to pass along. (Source: History, BuzzFeed, Wiki and Wookie)

In The Beginning: *In 1971, Universal Studios agreed to make American Graffiti and Star Wars in a two-picture contract with George Lucas, although Star Wars was later rejected in its early concept stages. American Graffiti was completed in 1973 and, a few months later, Lucas wrote a short summary called "The Journal of the Whills", which told the tale of the training of apprentice CJ Thorpe as a "Jedi-Bendu" space commando by the legendary Mace Windy. Frustrated that his story was too difficult to understand, Lucas then began writing a 13-page treatment called The Star Wars on April 17, 1973, which had thematic parallels with Akira Kurosawa's The Hidden Fortress. By 1974, he had expanded the treatment into a rough draft screenplay, adding elements such as the Sith, the Death Star, and a protagonist named Annikin Starkiller. In fact up until a few months before the movie was shot, it was titled "Adventures of Luke Starkiller, as taken from the Journal of the Whills, Saga I: The Star Wars".*

The Bet That Has Paid Millions: *Word is George Lucas was shooting "Star Wars" and was running into some big problems, so he decided to go visit his old friend Steven Spielberg who was shooting a movie at the time called "Close Encounters of the Third Kind". made a bet with George Lucas for a percentage of the Star Wars films, which has earned him millions of dollars since. Needing to recharge, Lucas spent a couple of days on set. Lucas at the time supposedly didn't feel 'Star Wars' lived up to the vision he initially had. He felt he had just made a little kids' movie. After visiting the set Lucas realized something else: Spielberg's "Close Encounters" was going to be so much more successful than "Star Wars." So much more that he felt like making a bet with Spielberg. Spielberg would later say: "He said, 'Oh my God, your movie is going to be so much more successful than 'Star Wars'! This is gonna be the biggest hit of all time. I can't believe this set. I can't believe what you're getting, and oh my goodness.' He said, 'All right, I'll tell you what. I'll trade some points with you. You want to trade some points? I'll give you 2.5% of 'Star Wars' if you give me 2.5% of 'Close Encounters.' So I said, 'Sure, I'll gamble with that. Great.'" Close Encounters" would indeed be a hit, making \$303 million at the box office. However, "Star Wars" would go on to become one of the biggest box-office hits of all time. Net-net Spielberg's 2.5% has brought him in an extra +\$40 million.*

No Harrison Ford: *Burt Reynolds was among the top contenders to play Han Solo, along with Al Pacino, Jack Nicholson and Christopher Walken. It was reported that in the early version of "Return of the Jedi", Han Solo dies and the Rebel forces are left in tatters, with Luke disappearing into the wilderness. But George Lucas thought killing off main characters would hurt toy sales longer-term. That proved to be an extremely smart move.*

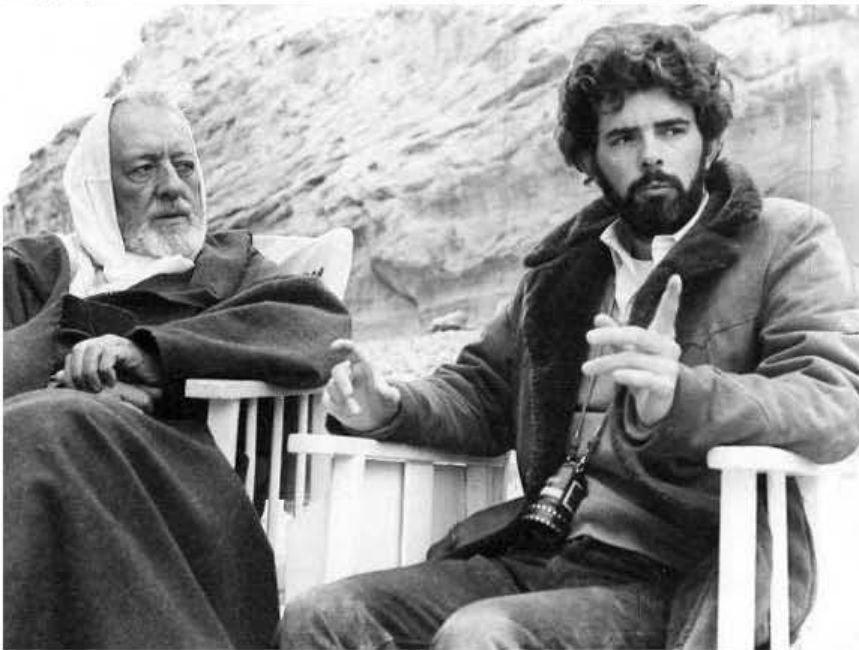
Obi-Wan Was A Shrewd Negotiator: *The actor who played Obi-Wan Kenobi, Alec Guinness, thought of the Star Wars films as "fairy-tale rubbish". Despite this, he negotiated a deal to earn 2% of the gross box office receipts for the movies he appeared in, earning him over \$95 million.*

Yoda Was Almost A Monkey: *According to the book The Making of Star Wars by J.W. Rinzler, George Lucas originally planned for Yoda to be played by an adorable monkey wearing a mask and carrying a cane. It's also interesting that in The Phantom Menace, Yoda has three toes. But in The Empire Strikes Back, Return of the Jedi and Revenge of the Sith, he has four.*

The Language Of The Ewoks: *The Ewok language is a combination of Tibetan and Nepalese. In case you are wondering, Chewbacca's voice is a mix of bears, walruses, lions, badgers and other dying animals.*

A Hans Solo Film: From what I understand there is an untitled film being made that features Han Solo before the events of the 1977 original Star Wars. Actor Alden Ehrenreich is portraying Han Solo in the film. The film is being produced by Lucasfilm and distributed by Walt Disney Studios Motion Pictures. The film also stars Donald Glover, Emilia Clarke, and Woody Harrelson. I understand there is also another anthology film being worked on now and is scheduled for release in 2020.

Sold For Billions: The Walt Disney Company bought Lucasfilm for \$4.06 billion and earned the distribution rights to all subsequent Star Wars films, beginning with the release of The Force Awakens in 2015. From the latest estimates the "Star Wars" franchise is now reportedly worth \$30 billion and growing. Back in 2102 Box office sales had brought in \$4.27 billion; +\$20 billion in Licensing sales (toys, books, apparel, consumer products, etc.); +\$3 billion in video games; +\$3 billion in DVD sales; +\$1 billion in rentals...

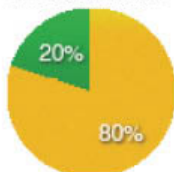




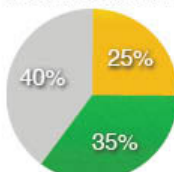
CASH SALES & HEDGING TOTALS

CORN 2016 CROP

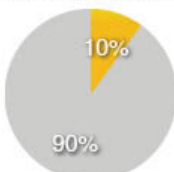
80% SOLD
20% HEDGED
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**CORN 2017 CROP**

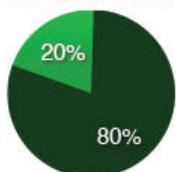
25% SOLD
35% HEDGED
40% UNPROTECTED

**CORN 2018 CROP**

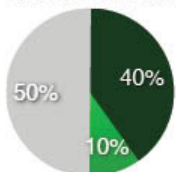
10% SOLD
0% HEDGED
90% UNPROTECTED

**SOYBEANS 2016 CROP**

80% SOLD
20% HEDGED
0% UNPROTECTED

**SOYBEANS 2017 CROP**

40% SOLD
10% HEDGED
50% UNPROTECTED

**SOYBEANS 2018 CROP**

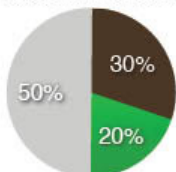
0% SOLD
0% HEDGED
100% UNPROTECTED

**WHEAT 2016 CROP**

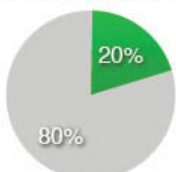
100% SOLD
0% HEDGED
0% UNPROTECTED

**WHEAT 2017 CROP**

30% SOLD
20% HEDGED
50% UNPROTECTED

**WHEAT 2018 CROP**

0% SOLD
20% HEDGED
80% UNPROTECTED



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