

GOOD MORNING: 06/12/17 Farm Direction - VanTrump Report

1 message

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Mon, Jun 12, 2017 at 7:06 AM



"There is nothing noble in being superior to your fellow man. True nobility is being superior to your former self."—Ernest Hemingway

MONDAY, JUNE 12, 2017
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Morning Summary: Stock traders are wondering if we are seeing a shift in leadership and rotation of money out of the so called "FAANG" stocks: Facebook, Apple, Amazon, Netflix and Google, some analyst also throw Microsoft in the mix. All of the above mentioned stocks were down hard on Friday and down again this morning. On Friday, Amazon actually suffered an intra-day "flash crash" dropping more than -8% during the session. Some insiders say the catalyst was the release of bearish Goldman Sachs report surrounding the entire group of mega-cap tech stocks, saying they had become over-valued. The trade was then hit by a report from Bank of America Merrill Lynch warning that active large-cap funds had increased their exposure to "tech" by the largest margin ever, exceeding even the extremes of the dotcom bubble. There was also a note circulating that +70% of active fund managers are now thought to be "overweight" Amazon, Alphabet, Facebook, and Netflix. Many argue the reason portfolio managers have such tunnel vision on tech is because it's the only sector where the five-to-seven-year business and earnings picture is somewhat clear at about +20% a year. For the rest of the industries, disruptive technologies and massive changes coming down the pipe have created nothing but what appears to be an endless road of heavy fog. That's probably why we've seen the Information Technology sector, surge by +21% year-to-date and contribute +46% of this years S&P 500's return. Bottom-line, the trade seems nervous about leadership in the stock market and a possible rotation of money. This is something we have to monitor closely in the days ahead. I suspect there could be some fire sales worth taking advantage of. Keep in mind the Federal Reserve has a two-day policy meeting this week on Tuesday and Wednesday, June 13-14, with updated economic projections and a press conference by Fed Chair Janet Yellen on Wednesday. Most insiders expect the central bankers will raise interest rates another quarter-percentage point, then possibly again before the end of 2017. In Washington, investors are hoping to hear more details from President Trump about his plans for infrastructure spending. He began rolling out a few bits of information last week, but there are still quite a few unanswered questions. On the international front, investors will continue trying to sort out what the implications of Britain's election might be. Prime Minister Theresa May's gambit to improve her Brexit bargaining position by calling a snap election did exactly the opposite, increasing the uncertainty around the entire Brexit process. Many political guru's say May is now on borrowed time and could be replaced with a new party leader in the near future. The positive side to the U.K. election result is that it is seen as a vote against a "hard Brexit", meaning the U.K. may end up maintaining some sort of relationship with the European Union. Let's also keep in mind there's still a lot of geopolitical and military uncertainty surrounding U.S. involvement with North Korea, Qatar and potentially Russia in the months ahead.

\$448.7 Million Lottery Winner Over The Weekend! *One ticket sold in California matched all the winning numbers drawn on Saturday for the Powerball jackpot that soared to an estimated \$448.7 million on a surge of last-minute buying. The lump sum payout for the winning ticket would be \$279.1 million, the seventh largest in Powerball history.*

President Trump Announces New Government Offices To Speed Up Infrastructure Projects: *President Donald Trump recently announced the creation of two new government offices, as he seeks to streamline the federal approval process for infrastructure projects and help project managers navigate bureaucratic obstacles. The first council is aimed at helping project managers "navigate the bureaucratic maze" by, in part, penalizing federal agencies for delays. The White House did not provide any details about the penalties. This group also would create an online dashboard so the public can "easily track major*

Today In History



1876, Marcus Kellogg - Marcus Kellogg, a journalist traveling with Custer's 7th Cavalry, files one of his last dispatches before being killed

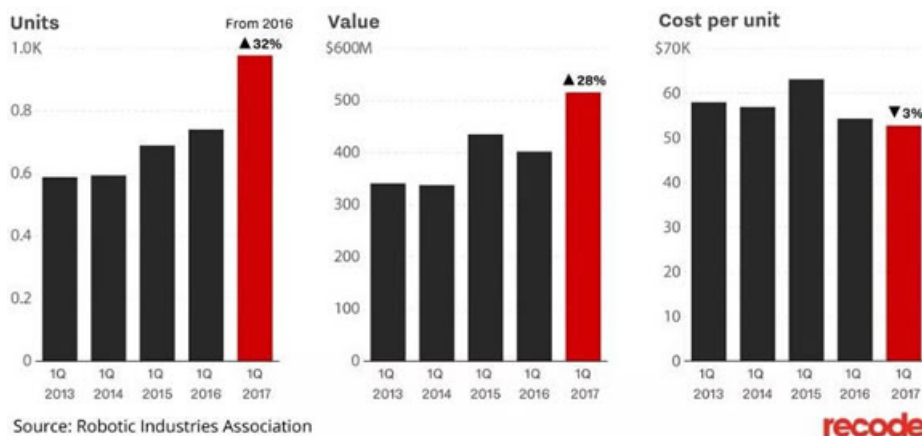
at the Battle of the Little Big Horn. A native of Ontario, Canada, Kellogg migrated with his family to New York in 1835. As a young man he mastered the art of the telegraph and went to work for the Pacific Telegraphy Company in Wisconsin. Sometime during the Civil War, Kellogg abandoned his career in telegraphy in favor of becoming a newspaperman and eventually gained a job as the assistant editor of the Bismarck Tribune. While returning from a trip to the East in 1876, Kellogg was on the same train as George Custer and his wife, Elizabeth. Custer was on his way to Fort Abraham Lincoln, near Bismarck, where he was going to lead the 7th Cavalry in a planned assault on several bands of Indians who had refused to be confined to reservations. Ever since his days as a Civil War hero, Custer had enjoyed being lionized in the nation's newspapers. Now, as he prepared for what he hoped would be his greatest victory ever, Custer wanted to make sure his glorious deeds would be adequately covered in the press. When Custer led his soldiers out of Fort Abraham Lincoln and headed west for Montana on May 31, Kellogg rode with him. During the next few weeks, Kellogg filed three dispatches from the field to the Bismarck Tribune, which in turn passed the stories on to the New York Herald. His final report, dated June 21, came from the army's camp along the Rosebud River in southern Montana, not far from the Little Big Horn River. "We leave the Rosebud tomorrow," Kellogg wrote, "and by the time this reaches you we will have met and fought the red devils, with what result remains to be seen." The results, of course, were disastrous. Four days later, Sioux and Cheyenne warriors wiped out Custer and his men along the Little Big Horn River. Kellogg was the only journalist to witness the final moments of Custer's 7th Cavalry. Had he been able to file a story he surely would have become a national celebrity. Unfortunately,

group also would create an online dashboard so the public can easily track major projects." A second office would be located inside the White House's Council of Environmental Quality and set up to "root out inefficiency, clarify lines of authority, and streamline federal, state and local procedures" to more quickly update the nation's roads, bridges and other infrastructure, the President said. Trump has proposed spending \$200 billion over 10 years on programs to encourage greater use of financing from private investors. The administration said that funding will leverage a total expenditure of \$1 trillion to fix and build roads, bridges, dams and broadband lines. (Source: The Wall Street Journal)

Brazil Court Set To Acquit Scandal Plagued President: Brazil's top electoral court on Friday was poised to toss out a case alleging that President Michel Temer used illegal campaign funding in 2014, giving the beleaguered leader some breathing room even as he faces a separate corruption investigation. One justice on Brazil's seven-member Supreme Electoral Court (TSE) voted to annul the election victory of former president Dilma Rousseff and her then vice-president Temer. But four justices signaled they will vote to acquit, which would keep Temer in office. Even if acquitted, Temer is likely to soon face separate charges for corruption and obstruction of justice in a case involving allegations of hush money paid to a potential witness in a massive graft scandal. The Supreme Court also opened an investigation into the president late last month. Temer, a third of his Cabinet and dozens of powerful congressmen are under investigation for corruption, which in general is jeopardizing the prospects of the congressional passage of the government's economic austerity package. The measures, aimed at chopping the gaping budget deficit, are seen as critical to shore up investor confidence in Brazil. Temer took office as president a year ago following the impeachment of Rousseff for breaking budget laws, which she and her supporters say was a soft coup orchestrated by Temer and his allies in an effort to thwart the corruption investigations. (Source: New York Times)

Sales Of Industrial Robots Are Soaring: Industrial robots are becoming smaller and cheaper, and manufacturers are buying them at a record pace, according to new sales figures. Sales of robots in North America have surged by almost a third (32%) in the last year, and that's after a record year in 2016. It's the robotics industry's strongest ever first-quarter results, according to the Robotics Industries Association (RIA), which compiled the figures. Almost 10,000 robots, worth over \$500 million, were ordered from North American robotics companies during the first quarter of 2017. In 2016, 7406 were ordered, worth around \$402 million. The RIA estimates that 250,000 are now in use in the United States, the third largest buyer of robots behind Japan and China. Market Research firm ABI Research predicts that global shipments of industrial robots could reach \$45 billion in 2025, with an average year-on-year growth rate of 16%. The biggest buyers of robots are car makers, but they are also being used in other industries including metals, electronics, food and consumer goods. Companies are buying robots in order to increase productivity and boost competitiveness. Meanwhile, robots have been getting smaller and cheaper, which is helping to drive sales. (Source: World Economic Forum)

North American industrial robot orders jumped this quarter as they got cheaper



Weather saw a pattern change take shape over the weekend, resulting in summer-like heat and record temperatures for the Midwest and Northeast. This rise in temperatures and the heat wave in the Midwest and Northeast is due to a change in the upper-level pattern and will continue right on through this week. this heat dome will dominate wether in the Midwest and into next week. High temperatures ranged from 10 to 20 degrees above average through the central and northern Plains eastward into the Northeast and mid-Atlantic. By mid to late this week, temperatures are expected to begin to cool in the Midwest, as a cold front is forecast to push through the region. Below is the forecast for more widespread rain that has most inside the trade backpedaling a bit.

Kellogg did not live to tell the tale and died alongside Custer's soldiers.



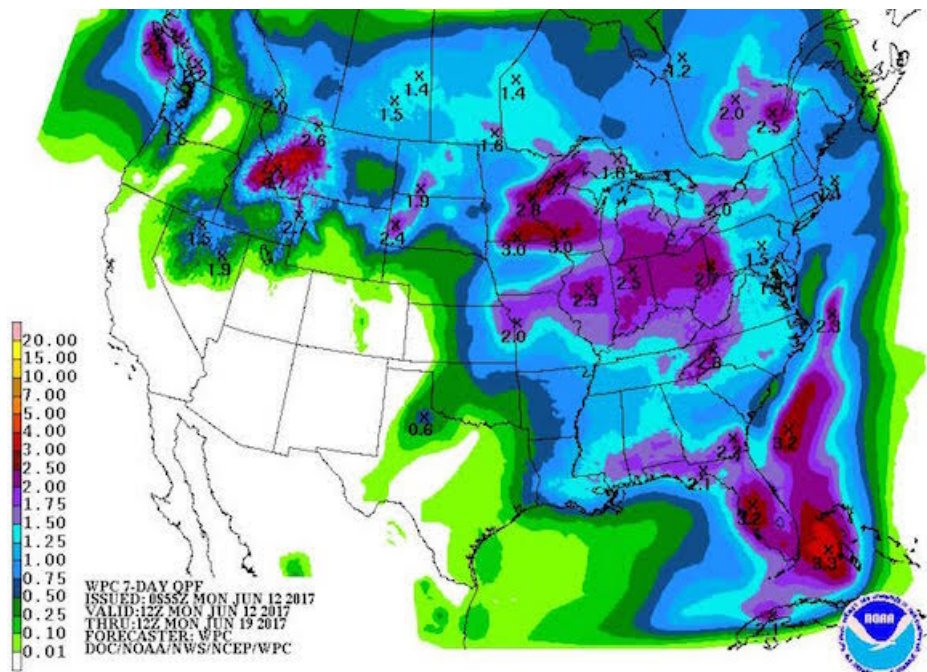
1920, Man O' War - Man O' War wins the 52nd Belmont Stakes, and sets the record for the fastest mile ever run by a horse to that time. Man O' War

was the biggest star yet in a country obsessed with horse racing, and the most successful thoroughbred of his generation. Man O' War was sired by the champion Fair Play, one of the most successful sires in racing history, and purchased by Samuel D. Riddle in 1918 from August Belmont Jr., son of the racing guru for whom the Belmont Stakes was named. As a two-year-old in 1919, Man O' War won nine out of ten races under jockey Johnny Loftus. His only loss that year came at the Sanford Memorial Stakes, in which his back was to the starting line at the beginning of the race. At that time, before the advent of starting gates, a rope was all that held horses back from starting their run. The Sanford turned out to be the only loss of Man O' War's racing career. As a three-year old, Man O' War dominated the field. The horse skipped the Kentucky Derby, as his trainers deemed the mile-and-a-quarter race to be too grueling so early in the season, so the Preakness Stakes was Man O' War's coming out party. He won easily. Man O' War entered the Belmont Stakes as an overwhelming 1-to-20 favorite, largely because only one horse, Donnaconna, was entered against him. With victory over Donnaconna seemingly assured, Big Red's real race that year was against the world record for a mile and three furlongs (2:16.8), which had been set in 1908 by the horse Dean Swift in Liverpool, England. The American record of 2:17.4 had been set by Sir Barton at the 1919 Belmont. Man O' War took more than two seconds off both times, running the race in 2:14.2 on his way to a 20-length victory. Donnaconna finished the race a full 1/16 of a mile behind the winner.



1940, WWII - Edsel Ford telephones William Knudsen of the U.S. Office of Production Management (OPM) to confirm Ford Motor Company's

acceptance of Knudsen's proposal to manufacture 9,000 Rolls-Royce-designed engines to be used in British and U.S. airplanes. By the spring of 1940, Nazi Germany had conquered Poland, Norway and Denmark and pushed France to the brink of defeat. An increasingly nervous General George C. Marshall, chief of staff of the U.S. Army, warned President Franklin D. Roosevelt that the United States needed to rearm in order to prepare for the possibility of a German attack on American shores. That May, Roosevelt called on Knudsen, a former Ford executive who became president of General Motors in 1937, to serve as director general of the OPM, the agency responsible for coordinating government purchases and wartime production. Knudsen had barely settled in Washington when he received an urgent appeal from



Corn bulls are talking about hot and dry conditions, while the bears are pointing to slightly cooler and and more widespread rains in the extended U.S. forecast. Corn prices pricked up another +15 cents this past week and are now up close to +30 cents since posting their late-April low's. As a producer I used the recent rally to reduced a small portion of my estimated 2018 price risk and have been patiently waiting to reduce more of my 2017 price risk. From a technical perspective there's talk that the DEC17 contract could try and re-test the high set back on June 13th of last year just north of \$4.20 per bushel. I'm also hearing more talk for the technical crowd that between \$4.20 and \$4.40 there's very stiff resistance. Several insiders are saying we will need an additional story or wave of fresh new headlines to keep new-crop price momentum moving much beyond that area. In other words a nearby move to \$4.20 or perhaps even \$4.30 is feasible considering the short fund position and current rough start to the growing season, but much beyond that we are going to need a new catalyst or see an ongoing continuation of difficult and widespread weather complications. Remember, the USDA has still not made any acreage or yield adjustments to their current forecast. Total U.S. new-crop corn production is still forecast at 14.065 billion bushels on a yield estimate of 170.7 bushels per acre. Keep in mind we've only harvested an average yield above 170 twice in the history of this nation. The USDA also still has new-crop ending stocks forecast north of 2.1 billion bushels, a number the bulls adamantly argue is now overstated. As for today, the trade is eager to see the USDA's latest adjustments to weekly crop-conditions. Last week the trade was a bit surprised to see the "Good-To-Excellent" rating jump +3% from 65% to 68%. I suspect this week all of those gains are given back plus some, as the hot, dry, windy conditions in western and northern Plains take a toll. There's also some complications out in the eastern corn belt region that may start to move more into the spotlight. It's obviously all about U.S. weather. Below are some interesting thoughts on a few areas that are being heavily monitored:

North and South Dakota combine for just under 10% of the entire U.S. corn crop. Throw Minnesota into the mix and you are talking closer to a combined 19% of total U.S. corn production.

Illinois by itself accounts for about 13% of the entire U.S. corn crop and current conditions show just 59% of the crop in "Good-To-Excellent" condition.

Indiana and Ohio combine for about 10% of our total U.S. corn production. These two states have seen conditions this poor for some time. Last week the USDA showed Ohio with 49% rated "Good-To-Excellent" and Indian just 46%.

Only twice has the U.S. yield been above 170, in 2014 and 2016: In 2014 current conditions in Illinois were +15 better; in Indian +26 better; in Michigan +11%; in Minnesota +3%; in Missouri +6%; in North Dakota +22%; in Ohio +28%; in South Dakota +23%; in Wisconsin +13%. In 2016 current conditions in Illinois were +17 better; in Indian +26 better; in Iowa +3%; in Michigan and Minnesota the same; in Missouri +12%; in North Dakota +19%; in Ohio +18%; in South Dakota +12%; in Wisconsin +18%.

South American Corn Production: As you can see in the graphic below, the USDA raised their corn production estimate for Brazil (2016-17) from 96 to 97 MMTs. Keep in mind some have pushed their estimate as high as +100 MMTs, saying the second-crop corn is looking terrific in many important locations. Also take a momentum

when he received an urgent appeal from the British government: The Royal Air Force (RAF) was in desperate need of new airplanes to defend Britain against an expected German offensive. In two meetings in late May and early June 1940, Knudsen and Edsel Ford agreed that Ford would manufacture a new fleet of aircraft for the RAF. One significant obstacle remained, however: Edsel's father Henry, who still retained complete control over the company he founded, was known for his opposition to U.S. entry into World War II. Edsel and Charles Sorensen, Ford's production chief, had apparently gotten the go-ahead from Henry Ford by June 12, when Edsel telephoned Knudsen to confirm that Ford would produce 9,000 Rolls-Royce Merlin airplane engines. However, as soon as the British press announced the deal, Henry Ford personally and publicly canceled it, telling a reporter: "We are not doing business with the British government or any other government." Ford had actually already accepted a contract from the German government - the Ford subsidiary Ford-Werke in Cologne was doing business with the Third Reich at the time, which Ford's critics took as proof that he was concealing a pro-German bias. Ford later reversed his decision again and by May 1941 had opened a large government-sponsored facility to manufacture the B-24E bombers for the Allied war effort.

Upcoming Events

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

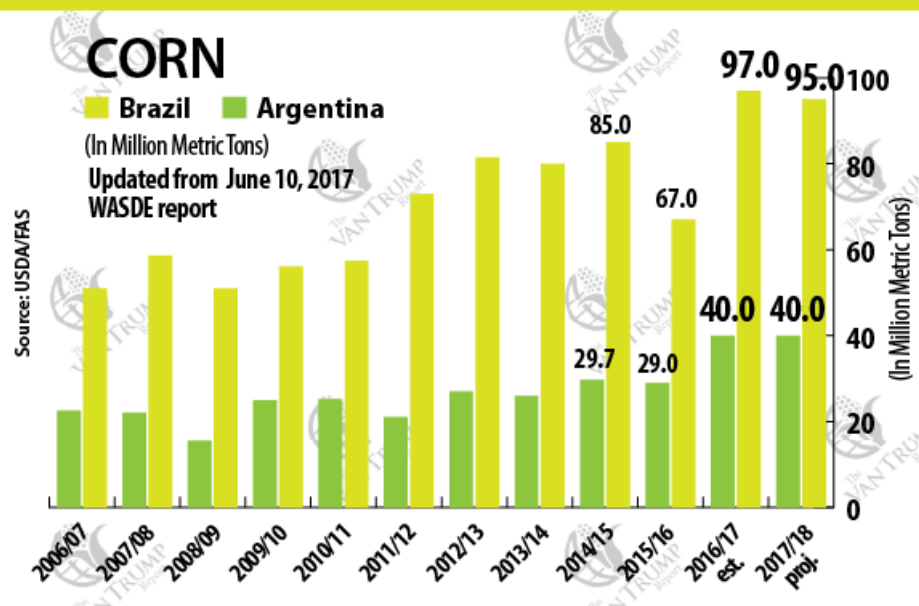
Tues. 8/22 - Cold Storage

Fri. 8/25 - Cattle on Feed

Chart Of The Week

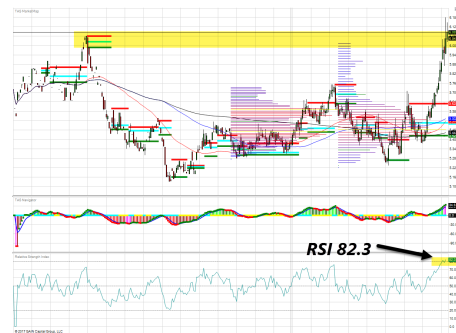
and look how much larger production estimates are this year compared to last year. Combined Argentina and Brazil are forecast to produce +41 MMTs more than last year. Essentially that's an extra +1.615 billion bushels of corn. Another way to look at it is like the difference here in the U.S. between a 150 and 170 bushel average yield. A 170 average yield on 82.5 million harvest acres produces a 14.025 billion bushel crop. A 150 yield on 82.5 million harvested acres produces a crop of 12.375 billion bushels, which is the difference of about 1.65 billion bushels of corn.

South American CORN Production



Soybean prices gained +20 cents last week. As a producer the NOV18 contract hit our cash sales target of \$9.50 per bushel and we sold a small portion (5%) of our estimated 2018 production. This was our first sale for 2018 production. We were fairly aggressive in pricing our estimated 2017 production early and to this point it has paid off. I'm just concerned about some of the longer-term price risk that could be into play with South America harvesting a record crop and the U.S. following it up by planting a new all-time record number of acres. Lets also keep in mind the USDA just recently bumped both U.S. and global ending stocks higher for both old and new crops. U.S. 2017-18 stocks were raised by +15 million bushels to 495 million, while global ending stocks for new crop saw an increase of +3.41 million metric tons to 92.22 million. Yes, the bulls are arguing that the USDA might have the U.S. yield a bit too high considering the early weather complications, but the bears are offsetting that argument by saying planted acres might actually need to be bumped higher, closer to +90 million, and that it's too early to be making an aggressive reduction in the soybean yield. Net-net meaning it's just too early to have a great fear of U.S. production risk, with most sources still penciling in total U.S. production north of 4.2 billion bushels. We may learn a bit more today when we see the USDA's crop-condition estimate scheduled for release after the close. The first crop-condition report for soybeans last year showed 72% rated "Good-To-Excellent". The year before that 69%. In 2012 we opened up the year with 65% of the crop rated "Good-to-Excellent". I personally don't put a lot of weight on these early projections, believing it's much more about late-July to mid-August weather. there will be lots of uncertainty and debate between now and then so continue to pay close attention and looking for additional opportunities on the rallies to reduce longer-term risk. As a spec I continue to like the thought of playing this market from a longer-term bullish position but need a much lower and better valuation to get started. In other words I would like to be a longer-term bull, but not until prices fall sub-\$8.90, something that might not happen anytime soon, so staying extremely patient. This market just feels too dangerous for me to get aggressive on the short side.

South American Soybean Production: The USDA bumped their Brazilian soybean estimate aggressively higher from 111.60 to 114.00 MMTs. The Argentine estimate was bumped from 57.0 to 57.8 MMTs. Combined the two nations are estimated to produce 171.8 MMTs, which is +18.5 MMTs more than last year. If you convert that over, you are talking about an additional +679.6 million bushels, about the same difference as a 42.5 and 50 bushel yield here in the U.S.



July Spring Wheat

Spring wheat is interacting with 1-year highs near 6.05. RSI reading of 82.3 is overbought and TAS Navigator is warning of bull trend exhaustion.

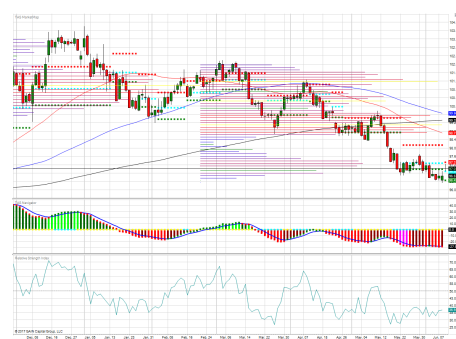
[Enlarge July Spring Wheat Chart »](#)



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 Dollar has moved into a neutral/sideways trading range between 96.457 and 97.318. A close below or above one of these levels may set the new technical trend in motion.

[Enlarge US Dollar Index Chart »](#)

South American SOYBEAN Production

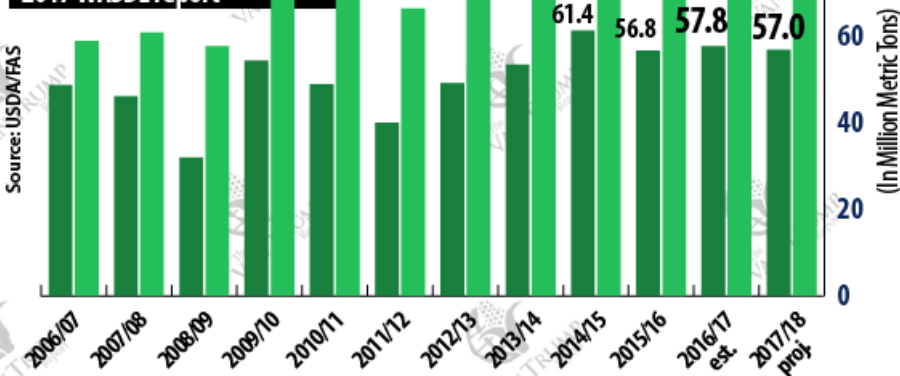
SOYBEANS

■ Brazil ■ Argentina

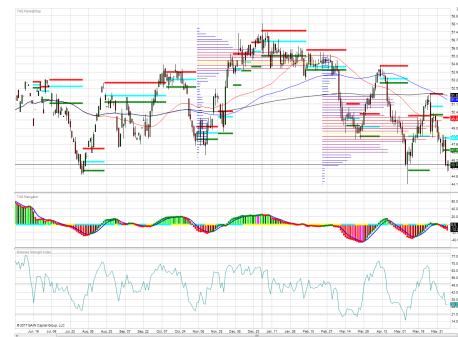
(In Million Metric Tons)

Updated from June 9, 2017 WASDE report

Source: USDA/FAS



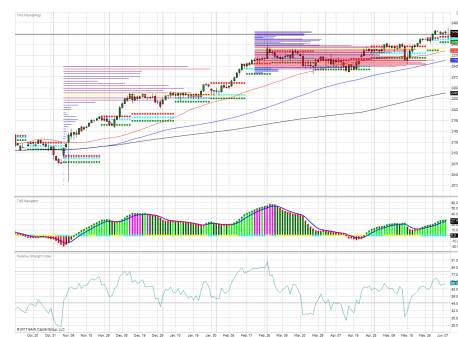
Wheat bulls continue to talk about weather problems and tough growing conditions across many parts of the U.S. Interestingly however the USDA bumped their total U.S. wheat production estimate slightly higher to 1.824 billion bushels from a previous 1.820 billion bushels on a bump in yield from 47.2 bushels per acre to 47.3 bushels per acre. The bulls are also talking about pockets of weather concern and complications in parts of Canada, Europe, Russia and Ukraine. The bears simply point to the fact the USDA recently raised its 2017-18 global wheat stock estimate by +2.9 million metric tons to a fresh new record of 261.2 million metric tons. Once again, wheat faces an extremely burdensome global supply outlook, and needs more weather uncertainties and headlines to keep prices moving higher. As both a spec and a producer I remain optimistic and believe prices will eventually push higher as lack of quality and protein become a more pressing concern. As for today we will be digesting the latest crop conditions and harvest numbers from the USDA. As of last week the USDA showed 49% of the winter wheat crop rated "Good-to-Excellent" vs. a rating of 62% last year. The Spring wheat crop is of great interest and seems to be increasingly deteriorating, falling in last weeks condition report by -7% to now 55% rated "Good-to-Excellent" vs. a rating of 79% last year at this time. Keep your eye on conditions in South Dakota, where the crop is rated at only 25% GD/EX; Montana at 48% GD/EX; and North Dakota 50% GD/EX.



Crude Oil

The contract lows are in play as support near 45.30. A close below this level could reinforce bearish technical sentiment. Otherwise, look for a bounce.

[Enlarge Crude Oil Chart »](#)



E-Mini S&P Index

The long term bull trend remains intact with support for the uptrend at 2417.75.

[Enlarge E-Mini S&P Index Chart »](#)

Kevin's Song of the Week



About the Report

Connecting the Dots

> China Cuts Corn Output Forecast: China's agriculture ministry on Friday cut its 2017/18 corn output forecast to 211.65 million tonnes, down 0.7 percent from last month's forecast, after drought and hail hit planting in the country's northeast. The figure in the June's Chinese Agricultural Supply and Demand Estimates (CASDE) would see the crop fall 3.6 percent from last year and make it the smallest since 2013, according to the China National Grain and Oils Information Center think tank. (Source: Reuters)

> French Wheat Rated 75% "Good to Very Good": Some 75% of French wheat is in a good to very good condition, in line with last week, data from FranceAgriMer's weekly report showed Friday. The report showed a year-on-year fall of four percentage points with extended dry periods and low precipitation said to be leading causes, according to market participants. Recent rains have abated the immediate danger of a deterioration of wheat condition, with a harvest of 38 million metric tons expected, traders said. However, hot and dry weather concerns remain for June and July, especially if temperatures reach 30 degrees Celsius or above for an extended period. (Source: Platts)

> New Loans To Small And Beginning Farmers Slowed Last Year: The pace of new lending to young, beginning and small farmers by banks in the Farm Credit System

remained mostly flat last year when compared with 2015, with an average decrease of 0.3 percent across the three groups. Meanwhile, the overall number of new farm loans grew by 0.5 percent, according to data released by the Farm Credit Administration, which regulates Farm Credit. Those figures somewhat reflect the difficult conditions in the farm economy, said the Farm Credit Council. The group noted the longer-term trend that, over the past decade, the number of new loans made to beginning farmers has increased by more than 23 percent. The Farm Credit Council highlighted data showing that outstanding loans to young farmers (age 35 or younger) increased 2.6 percent, to \$27.8 billion, while those to beginners (10 years or fewer in the business) rose 3.2 percent, to \$42.8 billion. Outstanding loans to small farmers (gross sales under \$250,000) also increased by 2.1 percent, to \$47.7 billion. (Source: Politico)

> China Probing CHS As Part Of GMO Soy Investigation: Chinese quarantine inspectors are probing several companies, including CHS Inc.'s China unit, for possible violations of policies on sales of genetically-modified soybeans, according to people with knowledge of the matter. Authorities are investigating whether companies sold GMO soybeans that ended up in the food market, the people said, asking not to be identified because the matter is confidential. China forbids the use of GMO soybeans in food for human consumption. (Source: Bloomberg)

> JBS Raided By Brazilian Police On Accusations Of Insider Trading: Reuters reported that Brazilian federal police on Friday conducted raids at JBS SA and FB Participações, a company of the same group, as part of a probe into the alleged use of privileged information in financial market dealings between April and May. The federal police said in an emailed statement that they served three search warrants at offices of JBS and FB. The police also detained four unnamed people for questioning.

> SoftBank Acquiring Google Robot Company: SoftBank Group Corp. is taking over Google parent Alphabet Inc.'s robot dreams, buying Boston Dynamics to pursue a future when more machines intermingle with humans. As part of the transaction with Alphabet, SoftBank also agreed to buy Japanese bipedal robotics company Schaft. Terms of the deal weren't disclosed. Boston Dynamics, bought by Google in 2013 as part of a robotics acquisitions spree, made its name with a series of two- and four-legged machines that are able to stay upright even when pushed or traversing rocky terrain. It wasn't clear whether Boston Dynamics would remain within SoftBank, a Tokyo-based telecommunications and tech investment company, or become part of the Vision Fund, the \$93 billion technology investment fund started by SoftBank founder, Masayoshi Son. Alphabet decided to put the company up for sale earlier this year because it didn't anticipate a marketable product in the next few years, people familiar with the company's plans have said. (Source: Bloomberg)

> NAFTA Countries Plan Meeting In July: Governors and premiers from Mexico, Canada and the U.S. will hold a July 14 summit in Rhode Island to discuss their priorities for renegotiation of NAFTA. The meeting will be critical in discussing the role that states and local governments will play in the renegotiation of the free trade deal, according to a statement from CONAGO, Mexico's National Conference of Governors. "To paraphrase Mr. Trump, what we are looking for is to make the free trade agreement great again - for all three nations and their people," CONAGO president Miguel Angel Mancera said in a statement. The announcement comes after a group of Canadian premiers from Ontario, Manitoba, Prince Edward Island, Newfoundland and Labrador and the Northwest Territories met with Mancera and Claudia Pavlovich, governor of Mexico's Sonora state. (Source: Politico)

> Drug Deaths In America Are Rising Faster Than Ever: Drug overdose deaths in 2016 most likely exceeded 59,000, the largest annual jump ever recorded in the United States, according to preliminary data compiled by The New York Times. The death count is the latest consequence of an escalating public health crisis: opioid addiction, now made more deadly by an influx of illicitly manufactured fentanyl and similar drugs. Drug overdoses are now the leading cause of death among Americans under 50. Although the data is preliminary, the Times's best estimate is that deaths rose 19 percent over the 52,404 recorded in 2015. And all evidence suggests the problem has continued to worsen in 2017. The initial data points to large increases in drug overdose deaths in states along the East Coast, particularly Maryland, Florida, Pennsylvania and Maine. In Ohio, which filed a lawsuit last week accusing five drug companies of abetting the opioid epidemic, The New York Times estimates overdose deaths increased by more than 25 percent in 2016.

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

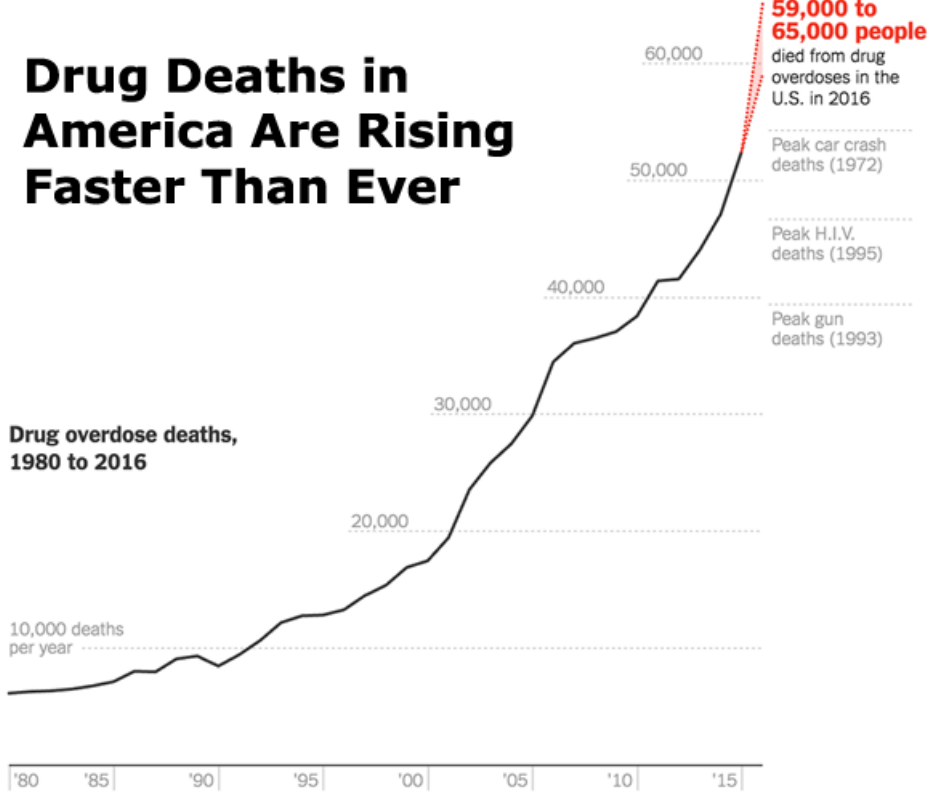
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis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

Drug Deaths in America Are Rising Faster Than Ever

Drug overdose deaths,
1980 to 2016



in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

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

[More Testimonials](#)

My Own Personal Truisms

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

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

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

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

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

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

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

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



FROM THE FIELD

Southwest Kansas - I finished planting all my corn last Friday night. There is still a lot of planting going on here. It is a little different for us this year because usually we are very dry this time of year but right now we are much wetter and having to deal with mud in the field. I would say that only about 5% of my corn has emerged. The stand is trying to get uniform on the growth side but is only about 4 leaf stage and about 6" to 8" tall. Usually this time of year we are almost knee high with the corn. We were delayed but worse than that has been the cooler temperatures. The early acres that went in around the 3rd week of April look terrible. It was warm when that seed went in the ground, then rained substantial amounts, then had 20" of snow on top of it. As of right now it is not growing much and does not look happy. The seed just sat in saturated dirt that got real cold not letting things germinate very fast. We have finished up a majority of our spraying.

Southcentral Georgia - Things were dry as heck down here when we received 4" of rain this week. We finished up a second planting of some cotton and peanuts. We would normally be finished with this by the end of May at the latest but conditions didn't allow it this year. Some fellas are now stuck without all their crops in the ground as it is too wet to finish. We are hoping for a good cotton market this season but with more acres in the ground we will need some demand help. We also farm 100 acres of blueberries which when they make it to harvest in good shape can produce aq nice profit. The problem is this year that there is too much moisture now and since a blueberry is already 95% water, they will bust if they get more. We are looking at 40%-50% yield drag at this point.

Northcentral North Dakota - Since the last snowfall in April we have only received .37" of rain. Things are extremely bad here and we really need the forecasted rain scheduled for early next week. We are looking at 6" wheat right now and even though it is currently still green, if we don't get that next forecasted water here we will probably be looking at an insurance claim. I am hoping that if we can get a couple of inches on it soon we can manage 35-45bpa for this season. The beans are starting to emerge so we are hoping these strong winds will not continue as the temperature rises over the next few days.

CROSSING WIRES

A place to share intelligent thoughts...

Study Predicts Where Climate Change Is Most Likely To Spark Food Violence:

Climate change is likely to trigger a higher frequency of extreme weather -- longer, hotter droughts and more intense flooding. Regions of Africa and the Middle East are expected to become too hot and dry to sustain large human populations. It's also likely these global changes will increase competition for scarce resources and in some instances -- in places where political stability is lacking -- spark violence over food and water. Researchers at Ohio State University have built a model to predict where climate change is most likely to trigger violence over food resources. "A capable government is even more important to keeping the peace than good weather," Bear Braumoeller, a political scientist at Ohio State, said in a news release. "We've already started to see climate change as an issue that won't just put the coasts under water, but as something that could cause food riots in some parts of the world." Braumoeller and his colleagues developed a model to predict places that are likely to experience food scarcity and political instability, a double whammy that could prove deadly for vulnerable populations. Read more from [UPI](#).

Pollsters Survey What's Wrong With the Polls: After most polls failed to predict the winner in Thursday's British Parliamentary election, the latest in a series of polling misfires, one consensus emerged: The polls stink. Pre-election surveys also failed to predict the outcomes of the 2015 Parliamentary general election, the 2016 Brexit vote and the 2016 U.S. presidential election. After the earlier misses, and eager to avert repeats, polling associations in both countries organized inquiries to investigate, and correct, the causes of the failures. But the Thursday's British results weren't reassuring. Read more [HERE](#).

What We Know About A 40 Year Old Signal From Outer Space: On August 15th 1977, a radio telescope located at Ohio State University detected something strange. The telescope was scanning the stars searching for possible signals from alien civilizations as part of the SETI project, and on that date it found something. The telescope recorded an incredibly strong signal appearing to come from somewhere in the direction of Sagittarius; the signal only lasted about a minute and was never detected again. The signal was so strong that astronomer Jerry Ehman, who first spotted it, circled it in red pen and wrote "Wow!" in the margin. The "Wow! signal," as it would come to be known, became the best evidence ever obtained for extraterrestrial life. Read more [HERE](#).

Zero Star Swiss Hotel, No Walls, But Has Butler And Outhouse: An overnight stay in a double bed "suite" in a field costs \$306, but you do get a drink on arrival, breakfast and the services of a "modern butler" — typically a local farmer in rubber boots. Created by twin brothers Frank and Patrik Riklin and partner Daniel Charbonnier, the project aims to explode traditional approaches to hospitality in the wealthy country known for its luxurious top-star mountain and lakeside resorts. See the unobstructed views of Switzerland's majestic landscape [HERE](#).

Bill Gates HAS Seven Predictions For The Future: Bill Gates has been almost prophetic in his past predictions: his 1999 list was hauntingly accurate, foreseeing the advent of price comparison websites, smartphones, social media, and bots. Over the last few years, in interviews and annual letters, he has continued predicting: here are a selection of seven of his insights. Read more at [Futurism](#)

How Much Do You Need To Live Comfortably In Major U.S. Cities: Aspiring U.S. city slickers, especially those without high incomes, should consider picturing themselves living in Texas, Kansas or Michigan. Why? If you make less than \$80,000 a year, you won't be very comfortable in some of the most expensive U.S. cities. That's according to new research Wednesday about the 50 most populated cities in the U.S., from the personal finance website GoBankingRates.com. GoBankingRates also looked at how much people actually make in major cities to see where high costs are really challenging for the people who live there. The cities where people struggle the most are Miami, New York, San Francisco, Los Angeles and Oakland, Calif. The cities where people can afford to live comfortably easily: Virginia Beach, Va., Arlington, Texas, Colorado Springs, Colo., Albuquerque, N.M. and Austin, Texas. Read more [HERE](#).



How much money Americans need to live comfortably

Top 5 large cities you need the most, and the least, to live well

• Need the most • Need the least



Source: GoBankingRates



How Food Packaging May Soon Change

Consumer shifts and the desire for being environmentally conscious continue to drive innovations in the food supply chain. One area gaining huge traction is the packaging of food products. A growing number of entrepreneurs and researchers are working to turn foods like mushrooms, kelp, milk and tomato peels into replacements for plastics, coatings and other packaging materials. Major players in the food and beverage industry like Nestle, Pepsico and Dannon are being pushed by consumers who are increasingly made more aware that the food they eat and its packaging could be damaging the environment. In fact the USDA has research teams working on ways to utilize a material from milk protein to be used to line pizza boxes, encase cheese or create, say, soluble soup packets that can simply be dropped in hot water. I'm told the product could even serve as a substitute for the sugar used to coat cereal flakes to prevent them from going soggy too fast. Bottom-line, consumers are starting to look harder for products that are sustainable from start to finish. Believe it or not, there's actually a mushroom-based packaging company called Ecovative now in the mix. From what I understand Ecovative grows the fungus in a variety of substances, which lead to materials of different strengths, flexibility and durability. They are actually creating cradles and containers made from mushrooms that can simply be thrown away and they will decompose naturally. There's a group of researchers in Italy who are now using the peels left after tomatoes are processed and using them to replace BPA, or Bisphenol A, which is used in coatings for cans and bottles that contain foods and drinks. Small amounts of BPA can migrate into foods, raising concerns among some consumers and health advocates, despite assurances from American and European regulators that it is safe. Another project currently underway is lead by the Wyss Institute for Biologically Inspired Engineering, at Harvard. They have actually extracted chitosan, a polysaccharide, from shrimp and lobster shells and combined it with silk fibers to create an alternative to plastic packaging, called Shrilk. I'm told that Shrilk could be used to make egg cartons or a wrap for lettuce. I'm told number of large packaging companies had expressed interest in the product, but it's just not yet cost-competitive. As waste and food security continue to be a prevalent conversation among consumers and companies, I imagine we will continue to see the development of food products for use as packaging. I will say like many others in the industry, until one of larger companies is willing to take a big step and start using these products on a large scale, the tech advancements are simply good stories about science looking for a home. (Source: The Alpha Food Labs Future Market)



The World's Largest 'Artificial Sun' Was Recently Turned On

As the Earth tries to sustain 9 to 10 billion humans by 2050, a critical question scientists and engineers are trying to tackle is the problem of energy. In fact scientists are now hard-focused on finding a new source that is climate-friendly and could somehow offer an endless supply of energy to the world. A project dubbed "Synlight" is being performed by scientists in Germany at the German Aerospace Center. It was created by researchers in an attempt to study how powerful light sources can be used to create carbon-free fuel. The man-made star they've created might not be as powerful as the one we orbit, but it still manages to pack quite a punch in terms of light generation and heat. By focusing the entire array on a single 8 x 8 inch spot it will produce 10,000 times more light than the surface radiation detected on Earth and heats up to 5,432°F—all with the help of 149 gigantic spotlights. Some reporters are hailing it as "the world's largest artificial sun." From what I understand they are using xenon short-arc lamps normally found in cinemas to simulate natural sunlight that's often in short supply in parts of Germany during certain times of the year. This is also a key to testing novel ways of making hydrogen. Many consider hydrogen to be the fuel of the future because it produces no carbon emissions when burned, meaning it doesn't add to global warming. But since hydrogen doesn't occur naturally, it first has to be made by splitting water into its two components -- the other being oxygen -- in a process that currently requires large amounts of electricity. Understand, Synlight is designed with thoughts of helping to take experiments done in smaller labs to the next level. Once researchers have mastered hydrogen-making techniques with Synlight, the process could be scaled up on the way to reaching a level fit for industry during the next decade. Ultimately, the goal is to use actual sunlight rather than the artificial light produced by the experiment, which cost \$3.8 million to build and requires as much electricity in four hours as a four person household would use in a year. As far as hydrogen-powered vehicles, the idea has been around for a while and there are a few

hydrogen-powered vehicles, the idea has been around for a while and there are a few such cars already on the road. But almost all hydrogen fuel is currently made from natural gas, not solar, which doesn't reduce dependency on fossil fuels or do much to lower total carbon emissions. If they can harness the power of the sun to create a hydrogen fuel that can be bottled and stored for later use, that would disrupt the global energy sector in a major way. As countries come under increasing pressure to reduce carbon dioxide emissions they will be looking to these scientists to hopefully provide a roadmap for success. (Source: Smithsonian; Phys.org; Business Insider)



Happy Birthday MLB Hall Of Fame!

The National Baseball Hall of Fame and Museum located in Cooperstown, New York, turns 78 years old today. The Hall's motto is "Preserving History, Honoring Excellence, Connecting Generations." My family and I visited the Baseball Hall of Fame and I would concur. It's definitely worth the visit! History tells us that the Hall of Fame was established in 1939 by Stephen Carlton Clark, the owner of a local hotel. Clark had sought to bring tourists to a city hurt by the Great Depression, which reduced the local tourist trade, and Prohibition, which devastated the local hops industry. A new building was constructed, and the Hall of Fame was dedicated on June 12, 1939. The first five men elected were Ty Cobb, Babe Ruth, Honus Wagner, Christy Mathewson and Walter Johnson. Roughly 20 more were selected before the entire group was inducted at the Hall's 1939 opening. As of January 2017, 317 people had been elected to the Hall of Fame, including 220 former Major League Baseball players, 35 Negro league baseball players and executives, 22 managers, 10 umpires, and 30 pioneers, executives, and organizers. Below are some of the best records in baseball that might never be broken and a few additional highlights: (Source: Bleacher Report; Wiki)

How Many Visitors: *According to the Hall of Fame, approximately 300,000 visitors enter the museum each year. and the running total has*

200,000 visitors enter the museum each year, and the running total has surpassed 14 million. These visitors see only a fraction of its 40,000 artifacts, 3 million library items (such as newspaper clippings and photos) and 140,000 baseball cards.

Banned Players: Pete Rose and Shoeless Joe Jackson are by far the biggest names on the permanent suspension list. Jackson and Rose were both banned from MLB for life for actions related to gambling on their own teams—Jackson was determined to have cooperated with those who conspired to lose the 1919 World Series intentionally, and Rose voluntarily accepted a permanent spot on the ineligible list in return for MLB's promise to make no official finding in relation to alleged betting on the Cincinnati Reds when he was their manager in the 1980s. Baseball's Rule 21, prominently posted in every clubhouse locker room, mandates permanent banishment from the MLB for having a gambling interest of any sort on a game in which a player or manager is directly involved. Rose later admitted that he bet on the Reds in his 2004 autobiography. It's tough to ban arguably two of the greatest players of all-time.

Most Career Hits: Ironically, banned player Pete Rose still holds the all-time career hits record with 4,256, the next closest is Derek Jeter with 3,465. A record that may never be broken.

Career Stolen Bases: Ricky Henderson didn't just surpass Lou Brock's stolen base record, he shattered it. Brock's mark of 938 was viewed at the time he retired as one that would stand the test of time. Henderson, however, put a healthy amount of breathing room in between himself and Lou with 1,270. The closest active player is Juan Pierre with 582.

Most Career Wins: Cy Young had 511 career wins as a pitcher. Twenty-four players have won 300 times or more in their career, with names we might recognize like Randy Johnson, Tom Glavine, Nolan Ryan and Greg Maddux. Only two players have 400 wins or more, Walter Johnson and Cy Young. Johnson with an amazing 417, but Young with an unbelievable 511, nearly 100 more.

Consecutive Game Hitting Streak: Joe DiMaggio's 56-game hit streak is one for the ages, although at some point it's likely to be broken, it's always fun to watch when someone starts stringing 20 or 30 together.

Two Grand Slams In One Inning: I know this sounds nuts, but in April of 1999 St. Louis Cardinal Fernando Tatis became the first player ever to hit two grand slams in the same inning. The blasts also broke a record for most RBI in an inning. It is possible that someone could tie his record, but the odds of someone hitting three are microscopic.

Most All-star Game Appearances: Hank Aaron was a part of a whopping 25 All-Star rosters; 24 for the National League, one for the American. Nobody else is even close. I believe A-Rod was next at 15.

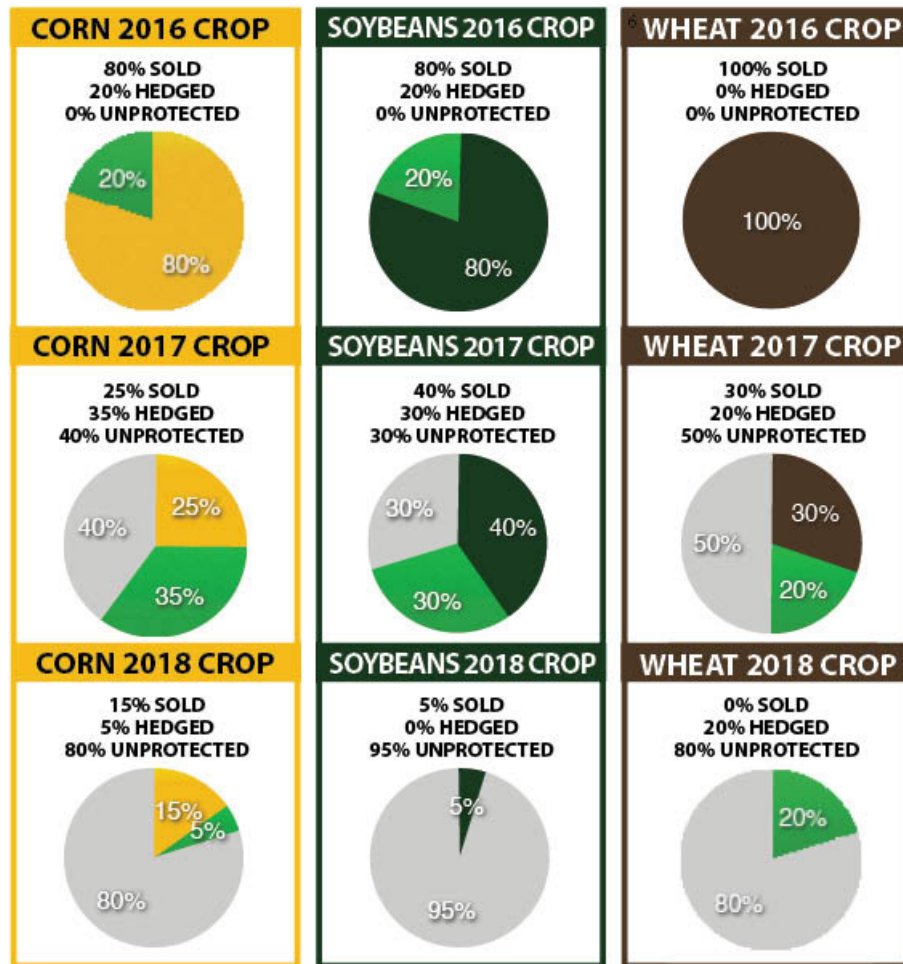
Most No-Hitters: No one threw more no-hitters than Nolan Ryan, seven of them all together. That's almost double the man in second place; Sandy Koufax threw four in his career. Keep in mind Ryan had 24 games where he had a no-hitter going into the ninth inning but it was "broken-up".

Most Consecutive Games Played: I remember watching Cal Ripken break Lou Gehrigs record back in the late-summer of 1995. I was holding my son who was born just a couple of months earlier and it really made a profound impact on my life. Many might think it's because historians said nobody would ever beat Lou Gehrigs iron man record of playing 2,130 consecutive games, but really it's because it made me think about how many Americans have broken this record in their own rights in their own careers. I think back to my own Grandfather, Father and Father-in-law, men who all broke the iron man record by never missing a day of work. This record is something we can all strive for. It's about consistency, it's about avoiding the extremes, it's about being tough both psychologically and perhaps more important mentally...

Click [HERE](#) to see a short video featuring some of the greatest to ever play the game!



CASH SALES & HEDGING TOTALS



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