

GOOD MORNING 06/15/17 Farm Direction - VanTrump Report

1 message

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"The price of anything is the amount of your life you are willing to exchange for it." - Henry David Thoreau

Today In History

THURSDAY, JUNE 15, 2017
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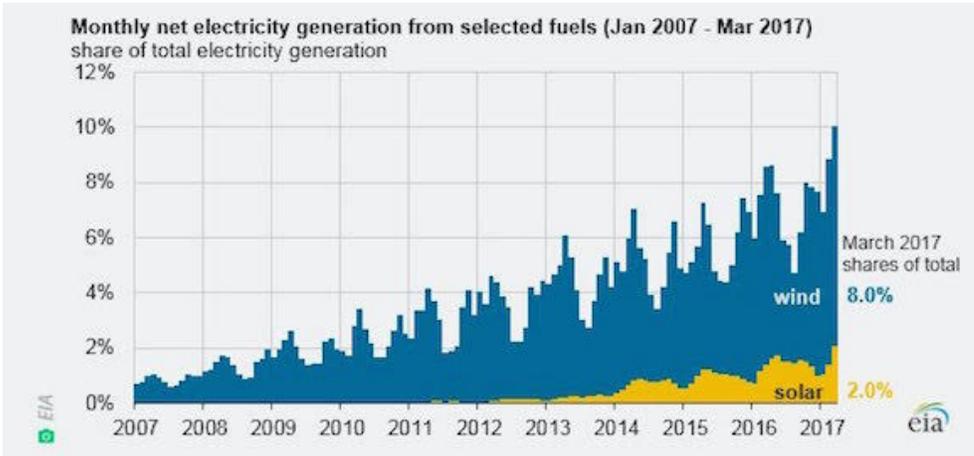
Morning Summary: Traders are digesting the second Fed interest rate hike in the past three-months, on talk of continued U.S. economic growth and a strong jobs market. In the statement following the decision, the Fed stated near-term risks to the economy appear balanced, but expects inflation to remain below their target. There was no change in the median view of the Fed with 8 of the 16 FOMC members seeing one further rate increase in 2017, while 4 members expect rates to be increased two more times during the second half of the year. Fed Chair Janet Yellen said she remained confident in the labor-market outlook with expectations of further improvement over the next year. She did not seem concerned about inflation, saying the recent decline appears to be driven by one-off factors such as declines in telecoms, energy and drugs prices. In case you missed yesterday's economic headlines, both the Consumer Price Index and Retail Sales data declined in May. Demand for products outside of auto and gas also fell short of expectations last month. Yellen remains confident that inflation will rise in the medium term and will eventually stabilize around the Fed's targeted 2.0% level. Bottom-line, the Fed maintained its view for additional rate hikes and continues to take a hawkish stance. Many trading insiders however are questioning if the Fed isn't simply trying to add a few arrows back into their quiver as some of the recent economic data is telling a different story. Some say just look at the U.S. dollar, which has traded aggressively lower since early March for a more clear picture. As for crude oil, prices have remained under fairly heavy pressure, down almost -10% in the past month, and trading near fresh seven month lows. As a spec I believe there's still more room to the downside as the markets digest a glut of oil in the current marketplace. There's just too much oil coming online from the U.S., Libya, and Nigeria right now, coupled with the fact many insiders are starting to more aggressively question if OPEC really followed through with recent rounds of production cuts. Many sources say there may have been some obvious cuts but more than likely not the -1.8 million barrels-per-day that was promised to be cut and further extended another nine months by OPEC. The U.S. Energy Information Administration (EIA) also reported a +2.1 million-barrel increase in gasoline inventories last week. At 242.4 million, U.S. gasoline inventories are +9% higher than the five-year average as demand was down -1.2% over the last four weeks when compared with a year ago. As I mentioned last week, it's hard to believe demand is down aggressively when employment is running near full-capacity. Lets also keep in mind that the increase in U.S. crude oil production his starting to alter global trade flows. Recent data shows we exported more than +1.0 million barrels-per-day to Canada in both February and April. Remember, exporting crude oil from the U.S. had been banned for four decades. The "shale revolution" has obviously changed everything and it looks like U.S. exports will continue to rise and be a disrupter. As for today's economic data, we have the Philadelphia Fed Business Outlook Survey, Empire State Manufacturing, Import/Export Prices, the Housing Market Index and weekly Jobless Claims.



1775, American Revolution

- George Washington, who would one day become the first American president, accepts an assignment to lead the Continental Army. Washington had been managing his family's plantation and serving in the Virginia House of Burgesses when the second Continental Congress unanimously voted to have him lead the revolutionary army. He had earlier distinguished himself, in the eyes of his contemporaries, as a commander for the British army in the French and Indian War of 1754. Born a British citizen and a former Redcoat, Washington had, by the 1770s, joined the growing ranks of colonists who were dismayed by what they considered to be Britain's exploitative policies in North America. In 1774, Washington joined the Continental Congress as a delegate from Virginia. The next year, the Congress offered Washington the role of commander in chief of the Continental Army. After accepting the position, Washington sat down and wrote a letter to his wife, Martha, in which he revealed his concerns about his new role. He admitted to his "dear Patcy" that he had not sought the post but felt "it was utterly out of my power to refuse this appointment without exposing my Character to such censures as would have reflected dishonour upon myself, and given pain to my friends." He expressed uneasiness at leaving her alone, told her he had updated his will and hoped that he would be home by the fall. He closed the letter with a postscript, saying he had found some of "the prettiest muslin" but did not indicate whether it was intended for her or for himself. On July 3, 1775, Washington officially took command of the poorly trained and under-supplied Continental Army. After six years of struggle and despite frequent setbacks, Washington managed to lead the army to key victories and Great Britain eventually surrendered in 1781. Due largely to his

Energy Is Clearly Changing: *The latest data shows that in March of 2017 "wind and solar" generated a record +10% of U.S. electricity*

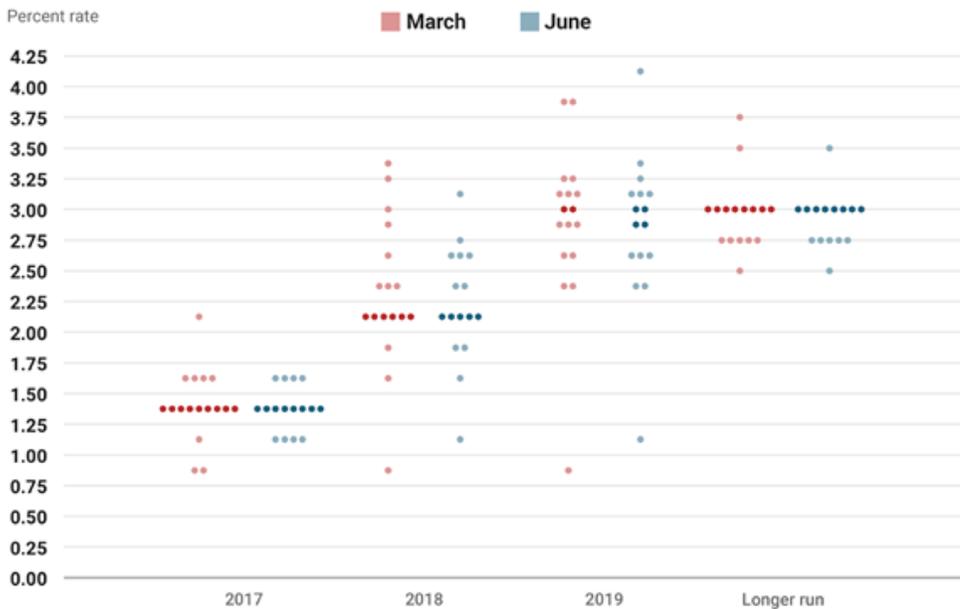


U.S. Beef Headed To China: For the first time in some 14 years, American beef is on its way to China. Nebraska's Greater Omaha Packing Company announced yesterday it was sending beef by air freight to a customer in Shanghai. Remember, China banned U.S. beef back in 2003 after a case of mad-cow was reported in Washington state.

Fed's New Dot Plot: The "dot plot," part of the FOMC's Summary of Economic Projections released along with the policy decision statement, shows where each participant in the meeting thinks the Fed funds rate should be at the end of the year for the next few years and in the longer run. The Fed releases those predictions in a chart that includes a dot for each of the members at their target interest rate level for each time period. The median FOMC member forecasts rates between 1.25% and 1.5% at the end of 2017. With rates increasing to 1-1.25% at the June meeting, that suggests one further rate hike this year, before gradually moving to around 3% in the longer term. Here's the June dot plot, with the March plot for comparison. Notably, only 16 of the 17 FOMC members included their projections in the June plot, with two members abstaining from including a longer-run projection. (Source: Business Insider)

MARKETS | CHART OF THE DAY

FED DOT PLOT



SOURCE: Federal Open Market Committee

BUSINESS INSIDER

Weather forecasts are calling for a gradual return to more moderate temperatures and increasing shower activity to offer improved conditions for developing Midwest crops after recent heat and dryness. Coverage of rain, however, is uncertain. During the first 13 days of June, no measurable rain fell in many Midwestern locations, including Des Moines, Iowa; Quincy, Illinois; and Kirksville, Missouri. During the week ending June 11, topsoil moisture rated very short to short increased by 20 to 40 percentage points in Illinois, Indiana, Iowa, Michigan, Missouri and Nebraska, with values in those states

military fame and humble personality, Americans overwhelmingly elected Washington their first president in 1789.



1846, Oregon Treaty -

Representatives of Great Britain and the United States sign the Oregon Treaty, which settles a long-standing dispute with Britain over who controlled the Oregon territory. The treaty established the 49th parallel from the Rocky Mountains to the Strait of Georgia as the boundary between the United States and British Canada. The United States gained formal control over the future states of Oregon, Washington, Idaho, and Montana, and the British retained Vancouver Island and navigation rights to part of the Columbia River. In 1818, a U.S.-British agreement had established the border along the 49th parallel from Lake of the Woods in the east to the Rocky Mountains in the west. The two nations also agreed to a joint occupation of Oregon territory for 10 years, an arrangement that was extended for an additional 10 years in 1827. After 1838, the issue of who possessed Oregon became increasingly controversial, especially when mass American migration along the Oregon Trail began in the early 1840s. American expansionists urged seizure of Oregon, and in 1844 Democrat James K. Polk successfully ran for president under the platform "Fifty-four forty or fight," which referred to his hope of bringing a sizable portion of present-day Vancouver and Alberta into the United States. However, neither President Polk nor the British government wanted a third Anglo-American war, and on June 15, 1846, the Oregon Treaty, a compromise, was signed. By the terms of the agreement, the U.S. and Canadian border was extended west along the 49th parallel to the Strait of Georgia, just short of the Pacific Ocean.

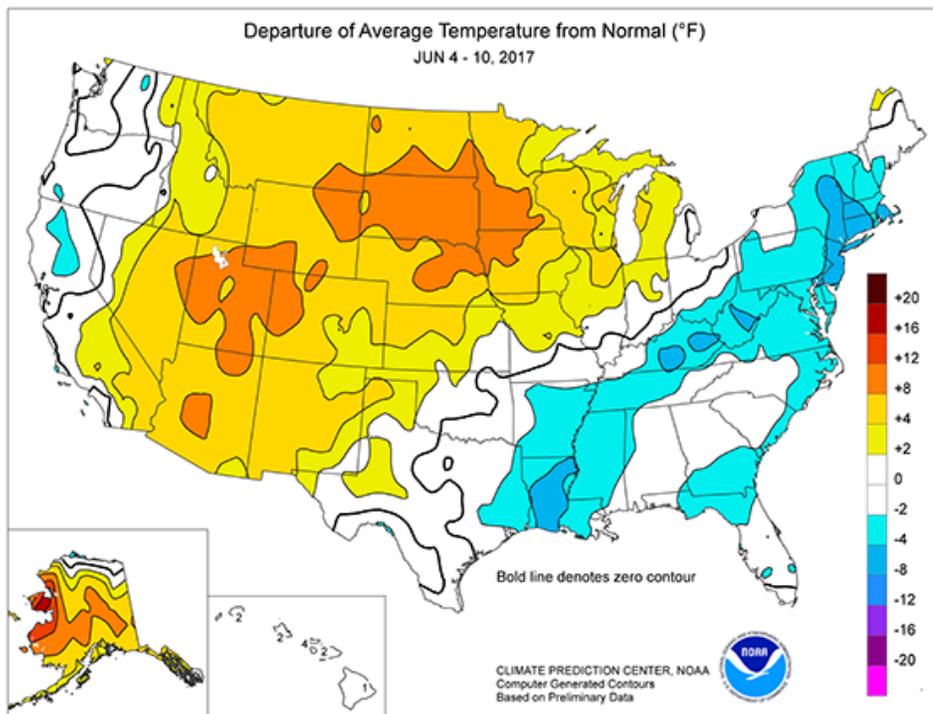


1863, Civil War -

President Abraham Lincoln calls for help in protecting Washington, D.C., America's capital city. Throughout June, Confederate General Robert E. Lee's Army of Northern Virginia was on the move. He had pulled his army from its position along the Rappahannock River around Fredericksburg, Virginia, and set it on the road to Pennsylvania. Lee and the Confederate leadership decided to try a second invasion of the North to take pressure off Virginia and to seize the initiative against the Army of the Potomac. The first invasion, in September 1862, failed when the Federals fought Lee's army to a standstill at the Battle of Antietam in Maryland. Lee later divided his army and sent the regiments toward the Shenandoah Valley, using the Blue Ridge Mountains as a screen. After the Confederates took Winchester, Virginia, on June 14, they were situated on the Potomac River, seemingly in a position to

ranging from 30% short to very short in Missouri to 49% in Michigan. In the southern Plains, dry and hot conditions favor wheat harvest. This pattern also means more extensive use of irrigation for row crops. In the northern Plains, recent rains are helping ease concerns in key spring wheat and corn areas; however, drought easing is expected to be minimal. Again, spring wheat has its lowest crop ratings in almost 30 years. Over the next 5 days, additional rain is expected to fall from the northern Plains, through the Corn Belt, and into the Southeast. One to 3 inches of rainfall are likely to fall in these regions, with up to 5 inches in some localized areas. This rain will be especially beneficial in the Corn Belt, where little rain has fallen over the last 2 weeks. Meanwhile, warmer than average weather will continue throughout much of the country over the next few days, with the lone cool region being the Pacific Northwest.

Closer Look At Dry, Hot Midwest: *Mostly dry weather persisted through a second consecutive week in the heart of the Midwest, favoring winter wheat maturation but sharply reducing topsoil moisture availability for corn and soybean development. In addition, late-week heat spread across the western Corn Belt. Meanwhile, late-week showers and thunderstorms provided only local relief to heat and drought stressed rangeland, pastures, winter wheat, and spring sown crops on the northern Plains. Below is a map showing total precipitation in inches and departure of average temperatures from normal for last week - June 4 through 10.*



potomac river, seemingly in a position to move on Washington, D.C. Lincoln did not know it, but Lee had no intention of attacking Washington. All Lincoln knew was that the Rebel army was moving en masse and that Union troops could not be certain as to the Confederates' location. On June 15, Lincoln put out an emergency call for 100,000 troops from the state militias of Pennsylvania, Maryland, Ohio, and West Virginia. Although the troops were not needed, and the call could not be fulfilled in such a short time, it was an indication of how little the Union authorities knew of Lee's movements and how vulnerable they thought the Federal capital was.

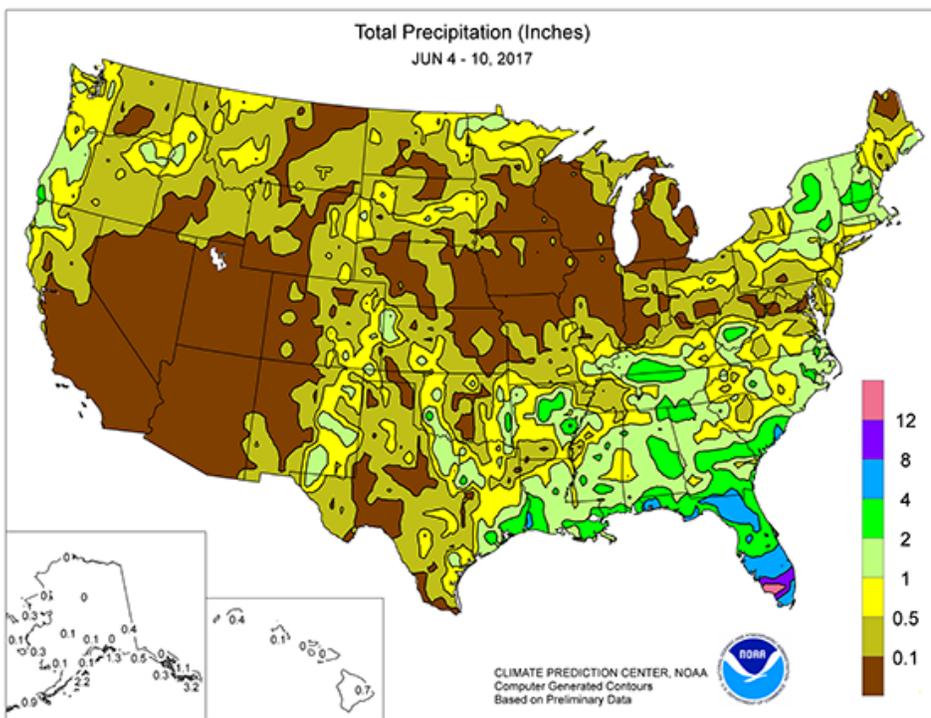
Upcoming Events

- Thurs. 6/22** - Cold Storage
- Fri. 6/23** - Cattle on Feed
- Fri. 6/29** - Quarterly Hogs and Pigs
- Fri. 6/30** - Quarterly Stocks and Acreage
- Tues. 7/4** - Independence Day - Markets Closed
- Wed. 7/5** - Minutes From 6/14 FOMC Meeting Released
- Wed. 7/12** - USDA Supply and Demand
- Fri. 7/21** - Cattle on Feed
- Mon. 7/24** - Cold Storage
- Tues.-Wed. 7/25-26** - FOMC Meeting
- Fri. 8/10** - USDA Supply and Demand
- Wed. 8/16** - Minutes From 7/26 FOMC Meeting
- Tues. 8/22** - Cold Storage
- Fri. 8/25** - Cattle on Feed

Chart Of The Week



July Spring Wheat



The break into new highs and reversal to close lower is a "shooting star" formation. A close below Tuesday's low of 611'0 could signal a technical end to the bull trend.

[Enlarge July Spring Wheat Chart »](#)



Need more help with the "Technical" side of the market? I personally like to use Tom Dossdall at Technical Ag Knowledge. [Click here](#) for a complimentary subscription courtesy of The Van Trump Report.

Outside Markets

Corn bulls continue to point to weather concerns and a plant that is being stressed by the "extremes"...too wet, too hot, too dry, etc. Thoughts are the weakened plants will survive but will obviously have a tough time producing record or even trend-line type yield in many important production areas. Time will tell as to what extent the plant will be stressed and how that will ultimately limit upside yield potential. I've fielded many calls and e-mails from producer who say the "top-end" is clearly off, but to what degree no one seems certain??? There's also the question as to what factor we must add to the crop to account for gains in "technology". Yes the "weather" is going to tip us back, but each year advancements in seed, agronomy and practices push the yield higher. I'm still curious as to what that "technology value" needs to be? Some years are going to be bigger than others as the adaption rate in agriculture can vary by such wide margins. Example: What year did we see the largest push into precision planting? How many producers are now using multi-hybrid planters? How many are using techniques and tools to greatly reduce compaction? How many more fields have been tilled during the past five years? All of these items are moving targets that are extremely difficult to put a value on. I hate when I hear a producer tell me it's ALL about the weather. Yes, timely rains are mission critical, but in my opinion there are now many other smaller factors to consider as well. If you look back through time we've always had "weather extremes," so you have to conclude the weather variable is an absolute constant. What's made the longer-term difference has been improved farming practices, technology and the adaptation rate by the agricultural communities. As you can see from the graphic I included below there's been a massive transformation... As a producer I continue to keep my current hedges in place and am taking a "wait-and-see" approach.



US Dollar Index

The Dollar is within 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 »](#)



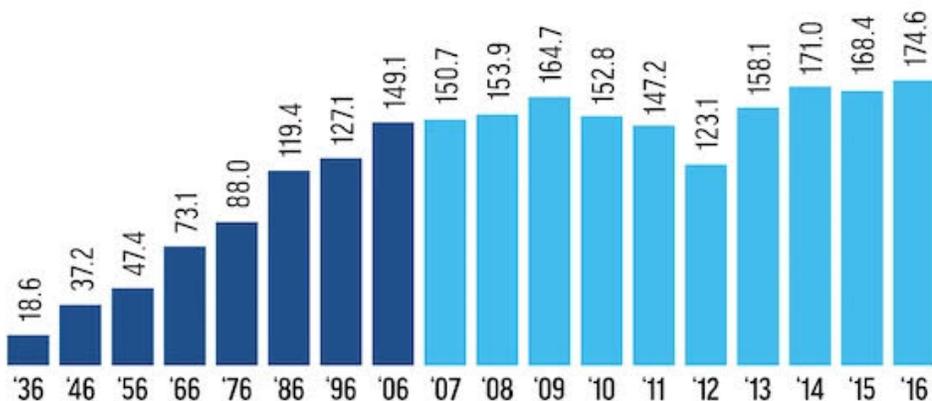
Crude Oil

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.

U.S. Average Corn Yield

1936 - 2016

(bushels/acre)

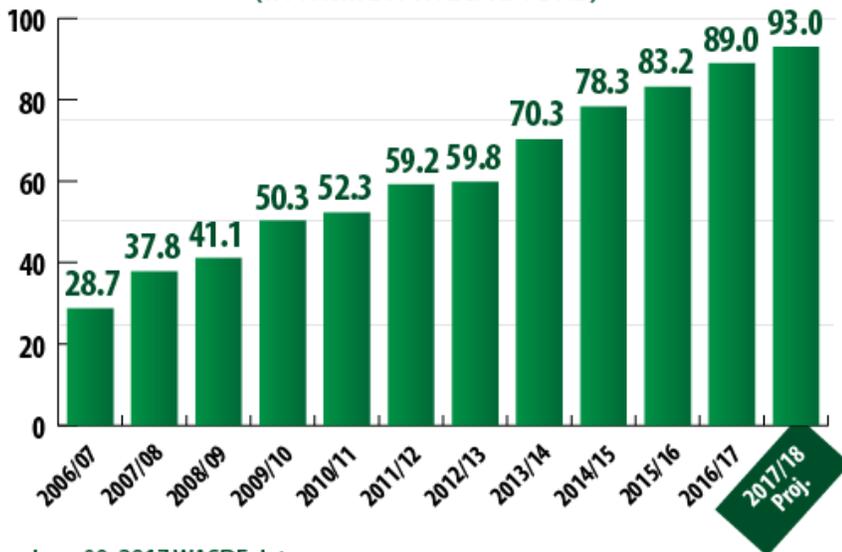


Source: USDA, NASS, Crop Production 2016 Summary, Jan. 12, 2017

Soybean traders will be digesting the latest NOPA crush data today. Most inside the trade are looking for a number between 140 and 145 million bushels vs. 153 million last year. U.S. weather will also be closely monitored, but from a longer-term perspective than corn and wheat, hence the reason I suspect beans remain somewhat a follower during the next 30-days and may stay trapped in its most recent trading range. As a spec, at some point I would like to start building a bullish position, but want to originate from a lower valuation, perhaps sub-\$9.00. The problem is with the funds already aggressively short and a U.S. weather market in full-swing it might be tough to break prices through heavy technical support. Technically I continue to keep my eye on the most recent lows established at \$9.15 in the NOV17 contract and slightly lower vs. old-crop. I am also eager to see the NOAA's longer-term weather forecast scheduled for release today. As a producer I continue to keep all hedges in place.

Chinese Soybean Imports

(in Million Metric Tons)



Source: June 09, 2017 WASDE data

Wheat producers have been reducing some risk in the Spring wheat market with prices trading at over 2-year highs north of \$6.25 per bushel. Speculative bulls are thinking Minneapolis prices could eventually work themselves north of \$7.00 per bushel before the dust settles and smoke clears. However I'm a bit worried nearby that we could see the USDA make a slight improvement to their conditions rating the next couple of weeks on better weather and rainfall in some key areas. The western part of the Dakotas and Montana still remain a concert, but I still like the thought of reducing some production price risk on the recent rally then sitting patient and waiting for fresh new

[Enlarge Crude Oil Chart »](#)



E-Mini S&P Index

The long term bull trend remains intact with support for the uptrend at 2418.50.

[Enlarge E-Mini S&P Index Chart »](#)

Kevin's Song of the Week



[About the Report](#)

headlines a few weeks out. I also believe there's going to be more to the "quality" and lack of "protein" story, but it could take more time to play itself out. I also believe there are some global weather headlines that could eventually turn into something a bit larger, perhaps in the Black Sea region, parts of Europe, Australia, Canada, etc... Hence the reason I remain conservatively bullish from a longer-term perspective, but understand the wheat market could fall under nearby pressure as the weather headlines subside a bit and the market has to again hear the bears beating the drum to record global supply.



> China Approves New GMO Crops For Import: *China approves imports of a new GMO soybean and a new GMO corn, and extended approval for other 14 strains, according to statement on Ministry of Agriculture website. Four GMO corn varieties developed by Syngenta, Dow Chemical and Bayer were approved, while five GMO soybean varieties developed by Monsanto, Bayer and Du Pont's Pioneer Seed were approved. The country also extended approval on imports of three GMO cotton varieties, three GMO canola varieties and one sugar beet variety. Approved for import are Dow AgroSciences' Enlist corn and Monsanto's Vistive Gold soybeans. (Source: Bloomberg)*

> Dow Launches New GMO Corn After Landing China Approval: *Dow Chemical announced its next-generation Enlist corn variety would be commercially available in the United States and Canada next year after securing import approval from China. However, the company is still awaiting approval of Enlist soybeans from the country. The Enlist platform is Dow AgroScience's largest-ever product launch and key to reaching its forecast for boosting seed sales by \$600 million by 2020. Dow's Enlist soybeans are still being reviewed by officials in China and the European Union. (Source: Reuters)*

> Australia Raises Wheat Forecast On East Coast Rains: *Australia slightly raised its forecast for 2017-18 wheat production on Wednesday as favorable weather along the country's east coast looks set to boost output. Australian wheat production is expected to total 24.19 million metric tons, the Australian Bureau of Agriculture, Resource Economics and Rural Sciences (ABARES) said, up nearly +1% from its March forecast of 23.98 million metric tons. ABARES said rainfall was average or better across cropping regions in New South Wales, Victoria and Queensland during autumn (March-May), which improved soil moisture and boosted prospects for the crop. Last season, eastern Australia's producing states including New South Wales, Victoria and Queensland accounted for more than 50% of the country's wheat production, amid higher-than-average yield.*

> Deere, Monsanto Among Companies Supporting Higher Ethanol Blend: *Deere and Monsanto are among a group of agricultural companies that sent a letter Tuesday to U.S. Senator Joni Ernst, an Iowa Republican, expressing support for legislation that would allow the year-round sale of higher blends of ethanol in gasoline. Legislation would allow the sale of ethanol in concentrations of up to 15% in gasoline. The bill comes "during a time when net-farm income has dropped 50 percent over four years." The oil lobby has said it has "significant concerns" about the ethanol bill.*

> Nutrition Facts Update Put On Hold: *The update to the Nutrition Facts panel that will list added sugars and display calories more prominently - changes championed by former first lady Michelle Obama - is on a much longer timeline now that the Trump administration has pulled the plug on FDA's July 2018 compliance deadline. The agency didn't say how long the delay would be, but the smart money's on the idea that FDA is likely to align the Nutrition Facts deadline with USDA's compliance deadline for GMO ingredient disclosure, a rule that's supposed to be finalized by July 2018. It remains to be seen how USDA will structure that rule and how long it will give food companies to comply. (Source: Politico)*

> Border Adjustment Tax Phase-In Plan Under Fire: *Conservative and industry opponents of the border adjustment tax - a linchpin of the House GOP tax reform plan - are not persuaded by House Ways and Means Chairman Kevin Brady's proposal to phase it in over five years. Their reaction to the idea, which Brady floated earlier this week, indicates that opposition is firmly entrenched and disagreement over the BAT remains one of the major obstacles to Republicans accomplishing their goal of rewriting*

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

the tax code this year. Both Philip Ellender, president of government and public affairs for Koch Industries, and Heritage Action, the political wing of the Heritage Foundation, put out statements opposing BAT, a system that taxes imports while exempting exports: "Rather than creating additional economic uncertainty, congressional leaders need to declare the border adjustment tax dead. Only then can a serious conversation on advancing real, pro-growth tax reform move forward," Heritage Action CEO Michael Needham said. (Source: Politico)

> iPhone Manufacturer Foxconn Considering Factory In Wisconsin: A Taiwanese company that assembles Apple's iPhones and other electronics is considering building a plant in Wisconsin that could employ thousands of people. A person with direct knowledge of the negotiations who was not authorized to speak publicly confirmed to The Associated Press on Wednesday that the state is in talks with Foxconn. At least one other state, Michigan, is also pursuing the plant. President Donald Trump alluded to negotiations with an unspecified company during a visit to Milwaukee on Tuesday, saying Gov. Scott Walker might get "a very happy surprise very soon."

> IEA Warns Arab Dispute Is Causing "Logistical Headaches": The ongoing dispute between several Middle East countries and Qatar is causing "logistical headaches", the IEA warned in its latest oil market report. Seven countries, including Saudi Arabia and the United Arab Emirates have cut diplomatic ties with Qatar accusing it of backing terrorist groups, which the later denies. The IEA noted that the political dispute hasn't yet disrupted supplies but it has become an operational problem for lifters of Qatari crude, condensate and LNG (liquefied natural gas). The IEA notes that Abu Dhabi swiftly enforced a ban on oil tankers linked to Qatar calling at ports in the UAE, which could lead to a backlog of cargoes and increased shipping costs. They explain that Qatari crude is often co-loaded with cargoes from elsewhere in the Gulf, typically sold as 500,000 barrel lots, onto larger tankers to reduce shipping costs. Due to the political row, crude from Saudi Arabia, the UAE and Bahrain cannot be co-loaded with Qatari crude. That means Qatari crude can only be co-loaded with grades from Iran, Iraq, Kuwait and Oman, which are not part of the dispute. The IEA report also showed that OPEC crude output increased in May by +290,000 barrels per day to 32.08 million barrels a day, the highest level seen so far this year. This is due to the restoration of oil production from Libya and Nigeria, which are exempt from supply cuts, IEA noted. Global oil supply also increased by +585,000 barrels per day in May to 96.69 million barrels a day. As a result, output grew from a year ago by +1.25 million barrels a day, highest annual increase since Feb. 2016. (Sources: CNBC, Financial Times)

> China Urged To Tackle Ballooning Debt Load: The International Monetary Fund (IMF) has urged China to tackle its skyrocketing debt, describing it as unusually high for a developing economy. Beijing has begun to take action but it needs to move faster, said David Lipton, the IMF's chief deputy managing director. Estimates of China's total nongovernment debt have grown from 170 percent of gross domestic product in 2007 to 260 percent of GDP last year, unusually high for a developing country. China turned to fast lending to counter the 2008 financial crisis. You may recall, at the end of May, Moody's ratings agency cut China's credit rating, citing the risks from rising debt loads. This was the first downgrade since 1989. The organization updated growth projections for China, forecasting +6.7% growth this year and a slow down to an average of 6.4% in 2018-20. (Source: RT)

> How Much Of The U.S. Could See Zero Obamacare Insurers Next Year? Federal health officials on Tuesday released a new map showing in full color how many counties in the United States could have zero or just one insurer selling Obamacare health plans in 2018. "Red" represents 0 carriers while "yellow" is just one carrier. As many as 1,200 counties, almost 40 percent of all counties nationwide, containing 2.4 million customers of Obamacare exchanges, are colored yellow. The color covers a number of Southern and Midwestern states, as well as all of Alaska. Another 47 counties strewn across Ohio, western Missouri and Washington are colored red. At least 35,000 current customers of the government-run insurance exchanges live in "red" counties. The map was released by the Centers for Medicare and Medicaid Services, the federal agency responsible for overseeing Obamacare. The map is based on intentions for next year revealed by insurers as of late last week. The map's release comes a week after big insurer Anthem said it was effectively abandoning Ohio's Obamacare market in 2018, leaving 18 counties there with potentially no insurer, and after Washington's insurance commissioner revealed that two counties could be "bare" of Obamacare insurers next year in that state. Click the map for a larger view. (Source: CNBC)

the past 20 years & 10 years 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 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..."

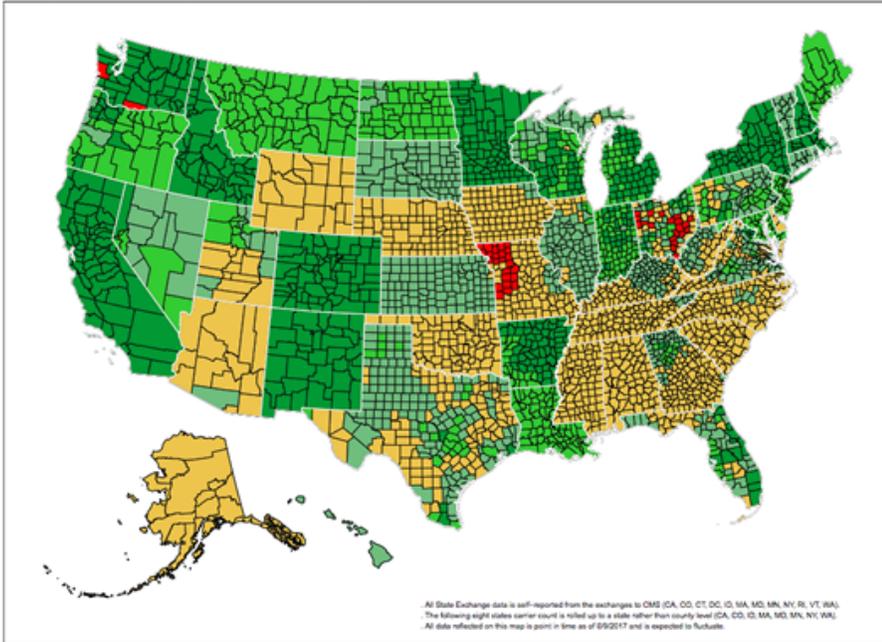
"Bulls make money, Bears make money, but pigs get slaughtered..."

"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.



Exchange Carrier Number ■ 0 Carriers (47 Counties) ■ 1 Carrier ■ 2 Carriers ■ 3 Carriers ■ > 3 Carriers

All State Exchange data is self-reported from the exchanges to CMS (CA, CO, CT, DC, ID, IA, MD, MN, NY, RI, VT, WA).
The following eight states carrier count is rolled up to a state rather than county level (CA, CO, ID, IA, MD, MN, NY, WA).
All data reflected on this map is point in time as of 9/2017 and is expected to fluctuate.



Eastern Iowa - Our corn and beans are in pretty good shape. We did not have to battle near the amount of moisture the majority of the state did a while back. Currently, I wouldn't mind a bit of rain. The soil has moisture in it at lower depths, I just don't think the roots are there yet. The only issues we have with emerging corn is on our side hills and clay soil. In those areas, things are a bit thin and I'm sure will produce lower yields. We are running some old crop inventory for folks and we have only around 10% of ours left. I am taking the time now to make sure I have my breakevens correct as well as trying to sort out my thoughts on ending crop numbers.

Central Ohio - This winter and early spring have been very wet. The weather pushed planting back two or three weeks for most guys and we are only now starting to dry out. The temps have heated up over the past few days which will hopefully get things to start growing. We do have a chance of a few thunderstorms this week. We are wrapping up the third replant. I would say that overall probably 10% to 15% of the corn needed to be replanted. If you were able to plant things early, around April 15th, those crops look pretty good. If you planted after that, and especially the week of the 24th, the replant was a given because we had heavy rains, then hot weather that sealed everything up. The same thing happened after the second replant with rains and high temps that turned much of the ground to concrete. The corn fields are all over the board and imagine that we will see a lot of variability as the crop progresses. The soybeans have been a mixed bag too. We typically put down cover crops of cereal rye, into corn stalks that are on bean acres. This year we have had very little growth for the beans in a lot of fields, then other fields that have canopied already. The beans have been hit hard with bean leaf beetles. I am hearing the mild winter could be the main cause for the increase with the beetles. On a positive note, it appears most ground piles of corn have been cleaned up.

Central Illinois - My 71-year-old father said that he hadn't replanted as many acres in his career as we did this year. That ought to about explain the situation here. We have fields of corn that needed replanting twice and some beans that needed it once. The market today sure isn't helping us out either. One of our fields of 160 acres had to be totally torn out and redone. After driving from here to St. Louis and listening to others who have traveled elsewhere, it sounds like the general story in this area is lots of holes in various fields. Some still have water in them and some don't. Corn and beans are starting to poke through and we really are not sure what to expect from the yields.

Farm Direction
RECIPES

★ **FAMILY FAVORITES** ★
- SENT IN BY OUR READERS -

Bacon Avocado Fries

[CLICK TO SEE RECIPE](#)

CROSSING WIRES

A place to share intelligent thoughts...

2017 AgTech Landscape: What's On The Horizon by Seana Day - Great read... "So what are the conditions we need to see for a healthier AgTech M&A environment? At a fundamental level, the business models should be proven and customer adoption growing on a stable trajectory. This implicitly means that people are willing to pay for a product or service and it has demonstrated value in their organization making it a "need to have", not a "nice to have". The route to market and distribution should be scalable, which has proven somewhat elusive for many companies in the Precision Ag market to-date. Finally, one of the necessary conditions is having a middle market with the currency (e.g. stock or well-funded balance sheet) to make acquisitions that fill product / tech gaps, open new markets, or consolidate customers." Read more [HERE](#).

Forget GMOs - The Next Big Battle Is Over Genetically "Edited" Foods: Green stalks have only just begun to sprout in the test fields where biotech giant DuPont Pioneer is planting rows of a new genetically edited corn. But across the street, in the company's sprawling research campus, executives are already fretting about how to sell it to the world. Green stalks have only just begun to sprout in the test fields where biotech giant DuPont Pioneer is planting rows of a new genetically edited corn. But across the street, in the company's sprawling research campus, executives are already fretting about how to sell it to the world. On the other, the industry's last big breakthrough of this kind — genetically modified organisms, or GMOs — has been a public-relations nightmare. Wary of that, DuPont Pioneer, which is developing a strain of drought-resistant waxy corn, is proactively neutralizing skeptical consumers — years before these crops will even be available. The company recently began hosting CRISPR focus groups and launched a website on the technique, complete with animated videos. Read more about the campaign [HERE](#).

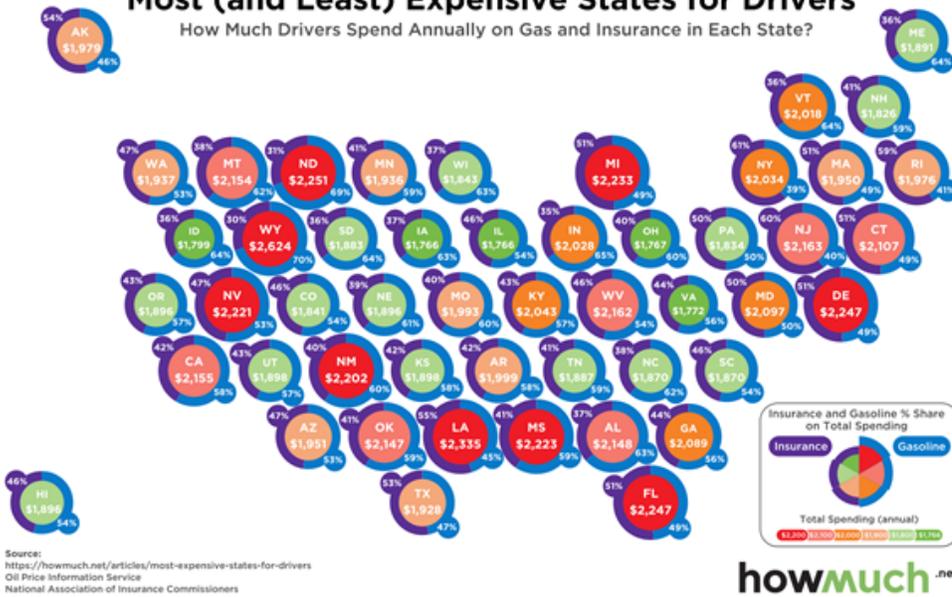
Would You Build The Golden Gate Bridge Different Today? Ever since the Golden Gate Bridge opened to traffic on May 27, 1937, it's been an iconic symbol on the American landscape. By 1870, people had realized the necessity of building a bridge spanning the Golden Gate Strait to connect the city of San Francisco with Marin County. However, it was another half-century before structural engineer Joseph Strauss submitted his bridge proposal. The plans evolved, and the final project was approved as a suspension bridge that ended up taking over four years to build. When the Golden Gate Bridge went up, it was the longest suspended bridge span in the world — cables hold up the roadway between two towers, with no intermediate supports. And the setting had a number of inherent challenges. It cost about US\$37 million at the time; building the same structure today would cost about a billion dollars. So how has the design held up over the past 80 years — and would we do things differently if we were starting from scratch today? Read more [HERE](#).

U.S. Intelligence Is Starting To Build AI Spies: A US intelligence director says a lot of espionage is more boring than you might think, and much of it could be handed over to artificial intelligence. "A significant chunk of the time, I will send [my employees] to a dark room to look at TV monitors to do national security essential work," Robert Cardillo, head of the National Geospatial-Intelligence Agency told reporters including Foreign Policy. "But boy is it inefficient." Cardillo calls out recent advances in artificial intelligence, giving algorithms the ability to analyze vast amounts of images and video to find patterns, give data about the landscape, and identify unusual objects. This kind of work is critical for assessing national security concerns like foreign missile-silo activity, or even just to check in on North Korean volleyball games. Read more [HERE](#).

The True Cost Of Being A Car Owner In America: Owning and driving a car is part of the American way of life. Whether commuting to work or taking a cross-country road trip, Americans spend a lot of time in the driver's seat. But the cost of hitting the open road comes with some bumps and twists. The map below shows the cost of being a driver in each state. The total cost of being a driver in each state was calculated by adding the average amount of money spent on gasoline per year with the average annual insurance cost. Based on an average of all 50 states, the national average insurance cost is around \$887 per year and the national average gasoline spending is around \$1,127 per year, for an average total driver spending cost of \$2,014. Total spending is categorized into a range, from red (the highest cost) down to green (the lowest cost). Each state representation also shows the ratio between the cost of gasoline and the cost of insurance as a percentage of the total cost. More details are available [HERE](#).

Most (and Least) Expensive States for Drivers

How Much Drivers Spend Annually on Gas and Insurance in Each State?



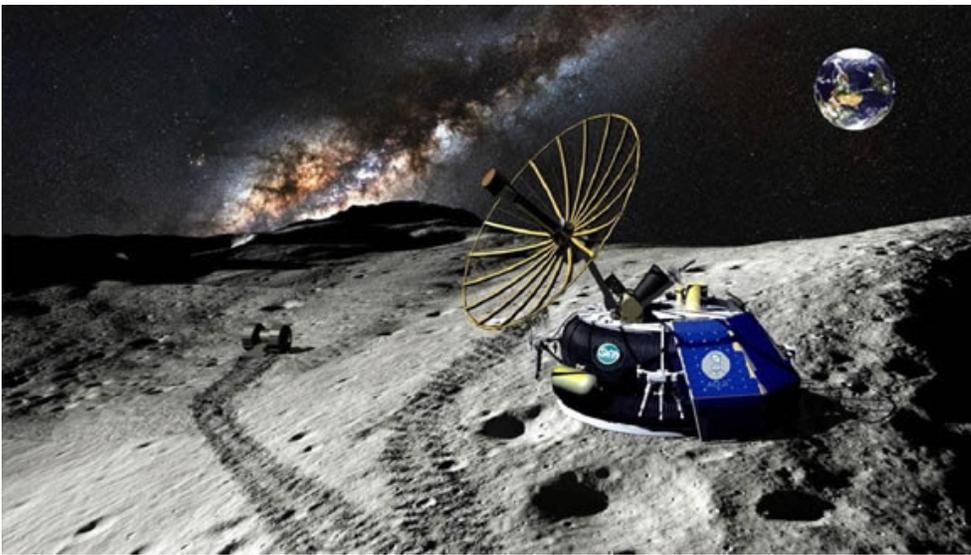
Details On The U.S., China Beef Trade Deal

U.S. Secretary of Commerce Wilbur Ross and Secretary of the Treasury Steve Mnuchin announced that the U.S. and China have finalized details on a plan that will allow U.S. beef exports to China for the first time in 14 years. The USDA has outlined details that will allow cattle producers to begin shipping certain U.S. beef products to China after those exports were cut off in 2003 after mad cow disease affected some American herds. Negotiations to resume U.S. beef shipments have been in the works since at least May, led by Trump-appointed leadership at the Commerce Department. The U.S.-China deal allows for qualified beef products produced after May 24 to be exported once a plant is approved by USDA that is eligible to send meat to China. Beef and beef products must be derived from cattle that were born, raised, and slaughtered in the U.S., cattle that were imported from Canada or Mexico and subsequently raised and slaughtered in the U.S., or cattle that were imported from Canada or Mexico for direct slaughter. Cattle also must be less than 30 months of age and must be traceable to the U.S. birth farm. If imported, they must be traceable to the first place of residence or port of entry. Chilled or frozen bone-in and deboned beef products are eligible for shipment. A complete listing is available in the FSIS Export Library [HERE](#). More details on export requirements, including the procedures for gaining approval in the USDA Quality System Assessment (QSA) or Process Verified Program (PVP), are available [HERE](#). China has emerged as a major beef buyer in recent years, with imports increasing from \$275 million in 2012 to \$2.5 billion in 2016. The U.S. was China's largest supplier of imported beef before the ban took effect, providing 70% of their total shipments. Beef producers believe the deal will provide an economic boost to their industry, which has been working for years to reestablish sales of U.S. beef to China's consumers. The U.S. has been lobbying for China to open up its market to American beef for years, but Beijing repeatedly failed to fulfill promises to reestablish sales during the Obama administration. Nonetheless, the U.S. Meat Export Federation has kept open an office in China, educating potential buyers for the last decade and showing them the U.S. beef industry. Vice President of USMEF John Hinners says there's nearly 600 million people in China considered to be middle class, so exports for red meat products are expected to grow even more. Additionally, Chinese customers are likely to be interested in cuts of meat that do not sell well in the U.S.. (Sources: USDA, The Hill)



Private Company Moves One Step Closer To Its “Moon Mining” Goal

Moon Express just recently completed another \$20 million fundraising round, which the commercial space company says puts it on track to send a probe to the moon later this year. The company has raised a total of \$45 million, which includes backing from investors like Peter Thiel’s Founders Fund, Collaborative Fund and Autodesk. Moon Express drew a lot of attention last year when they became the first private entity to win government approval to conduct a lunar exploration mission. The only spacecraft to have ever landed on the moon’s surface have come from government agencies in the U.S., China and Russia, and no private companies have ever been given authorization to leave the Earth’s orbit. The company now aims to launch their MX-1 lunar lander in November or December of 2017. If all goes as planned, they could end up winning the \$20 million Google Lunar XPrize. To successfully win the contest, the Moon Express probe will need to make a soft landing on the lunar surface, travel at least 500 meters and send high-definition video and images back to Earth. Some suggest one of the main goals for Moon Express is to mine the moon. Our biggest natural satellite is said to be chocked full of valuable minerals and other resources. Moon Express co-founder Naveen Jain believes that within fifteen years, the moon will be an important part of Earth’s economy. One of the resources that could have a tremendous impact is called “Helium-3,” which scientists believe could be used as a clean and efficient new energy source. In theory, even just a small amount of the isotope could produce enough clean energy to fuel entire industries, and even the entire planet. Helium-3 itself is not radioactive, but could be used to power nuclear fusion reactors while producing no dangerous waste products. And since the moon has no protective magnetic field, unlike the earth, its surface has been bombarded with large quantities of Helium-3 stemming from extreme solar winds. Billions of years of this activity lead researchers to believe that the moon’s surface has large stores of the isotope. It’s found in much greater abundance in the solar system’s gas giants, like Saturn and Jupiter, but of course it takes years to conduct a round-trip to those outer planets. Unmanned flights to the moon have already been made in under 12-hours. Another important resource on the moon is water, which is locked up within the moon’s polar craters. Scientists envision separating the hydrogen and oxygen from the water resources and using it to create rocket fuel, essentially making the moon a fueling station for deep-space missions. Moon Express is one of 5 teams that have secured launch contracts for the Google XPrize competition. Others include SpaceIL from Israel, Hakuta from Japan, TeamIndus of India and an international group called Synergy Moon. (Sources: CNBC, Space)



2017 U.S. Open At Erin Hills In Wisconsin... Great Story!

The 117th United States Open Golf Championship will be played at Erin Hills in Wisconsin, 35 miles northwest of Milwaukee, beginning today at 11 a.m. CST. This will be the first time since 2003 that a U.S. Open will be played in the Midwest and the first time ever it has been played in Wisconsin. As always there are great storylines heading into the big event, but for me the story is how Erin Hills came to be and how it has landed itself a major event so quickly. Up until 2000, the U.S. Open was played almost exclusively on private courses. Since then however, it has been played eight times on publicly accessible courses. It was the dream of Bob Lang, a Delafield developer, to build a course in the Kettle Moraine of Wisconsin that would one day host our national championship. From what I understand Mr. Lang purchased an option to buy the 600 plus acres of cattle land in the late 90's and had two years to act on it. In 2000 as he attended the U.S. Open at Pebble Beach, one of the most famous golf courses in the world, it occurred to Lang that his land was better and more dramatic. Outside of a few holes bordering the ocean, Pebble Beach had nothing on the hundreds of acres he would soon own in the shadow of Holy Hill. To golf insiders, the notion of building a course for the United States Golf Association's signature championship on speculation was laughable. No one had ever done such a thing. No matter how spectacular the land, the idea of staging the U.S. Open on a newly built public course in rural Wisconsin was almost beyond comprehension...except for Bob Lang. Construction began in 2004 and the course officially opened in 2006. Lang began his journey by hiring Michael Hurdzan, Dana Fry and Golf Digest architecture critic Ron Whitten. Their design theme was minimalism, moving little dirt at little cost to create a course with a \$50 green fee. Determined to bring the U.S. Open to Erin Hills, Lang made many self funded changes during the next couple of years to the layout of the course, in fact dramatically changing several holes. Lang's ultimate goal and obsession with bringing the U.S. Open to Wisconsin eventually forced him to sell the course, due to financial difficulties. In 2009, Andrew Ziegler purchased the course, removed hundreds of trees, built a magnificent clubhouse and modern maintenance facility, and also placed a ban on motorized carts to improve conditioning. Meaning unlike most modern courses, Erin Hills is not outfitted with paved cart paths, something I think is kind of cool to see. The course also includes a manor home specifically built as a hotel that includes a pub, and a refurbished barn available for private events. The grounds have been upgraded to include cottages for overnight stay. Erin Hills is also home to an Irish themed clover that was inspired by the old bell on the course imported from Europe. Keep in mind this is the first USGA regular men's event ever awarded to a course owned by one person. Wow...what a track! (Source: PGATour; Wiki) Below are some additional highlights:

- **Par 72** - *For the first time in 25 years – and just the ninth time since World War II -- the U.S. Open scorecard is at par 72. The last time came at Pebble Beach in 1992, when the 502-yard second hole was still played as a par 5. Since then, the U.S. Open has generally been played at par 70, with Pebble Beach adjusted to par 71 the last two times it hosted the event. Erin Hills actually played to a par-73 in 2009 after some alterations to the course but switched back to par 72 the next year.*
- **Bunkers Unlike Any Other** - *There are 138 of them. Unlike bunkers at most courses, there are almost NO flat bottoms. Tour pros who normally don't mind finding bunkers if they miss a green will now have to suffer the consequences of an endless variety of uphill, downhill and sidehill lies. You're going to see shots this year out of the bunker that you've never seen before, and comments from pros that you've never heard before. Players may face a restricted backswing or be*

unable to go at the pin from the bunker, instead having to choose a long iron to play sideways. The par-3 ninth has the toughest set of bunkers, including one with a narrow curlicue. If a ball winds up there, players may not even have a shot at the green, much less the pin.

- **Longest U.S. Open Course** - The USGA noted the official yardage for Erin Hills at 7,741 yards. That would make it the longest in the tournament's 117 years - if it's played at that length, obviously it will vary each round depending on the setup. I've been hearing however that it feels like it's playing shorter as it has four par-5's.

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Shootout To The Finish - The last six holes on Sunday could provide a frantic finish. There are two par 5s (holes 14 and 18), two par 4s (15 and 17) and two par 3s (13 and 16). And as mentioned earlier, the USGA has the option of making the 15th drivable. ?? In other words the last five or six holes could produce a wild finish!

Kevin Na's Tweet On Erin Hills Rough: Kevin Na isn't so much concerned about hitting good shots out of the U.S. Open rough at Erin Hills this week, he is more concerned about finding his ball. During a practice round this week Na took to twitter to vent. See [HERE](#). I have to believe a guy who is allowing distractions he has no control over isn't mentally prepared to win the most grueling test in golf. Keep it in the fairway Kevin!

Davis Love III Will Caddy For Son "Dru": Davis Love III is making his 24th appearance in the U.S. Open, only this time he will be cleaning clubs instead of hitting shots. He is caddying for his son. Davis Love IV, who just finished at Alabama and turned pro, qualified for his first U.S. Open as an alternate from the Georgia sectional qualifier. Dru couldn't have more experience as Davis is a Major Champion and a Ryder Cup Captain. I can only imagine the memories the two will share in a rare opportunity for a father and son over Fathers Day Weekend.

Steve Stricker Plays His Way In: With the first ever U.S. Open being played in the state of Wisconsin, some thought Steve Stricker would get an exemption. When the USGA turned him down he still a chance to play his way in. When he tapped in for birdie on his 36th hole in Tennessee, he finished as medalist and earned his way into the 117th U.S. Open. I wouldn't imagine even the hometown crowd can push Stricker to victory but it sure would be nice to see him play on the weekend and get his due ovation on Sunday as he walks off 18 green.

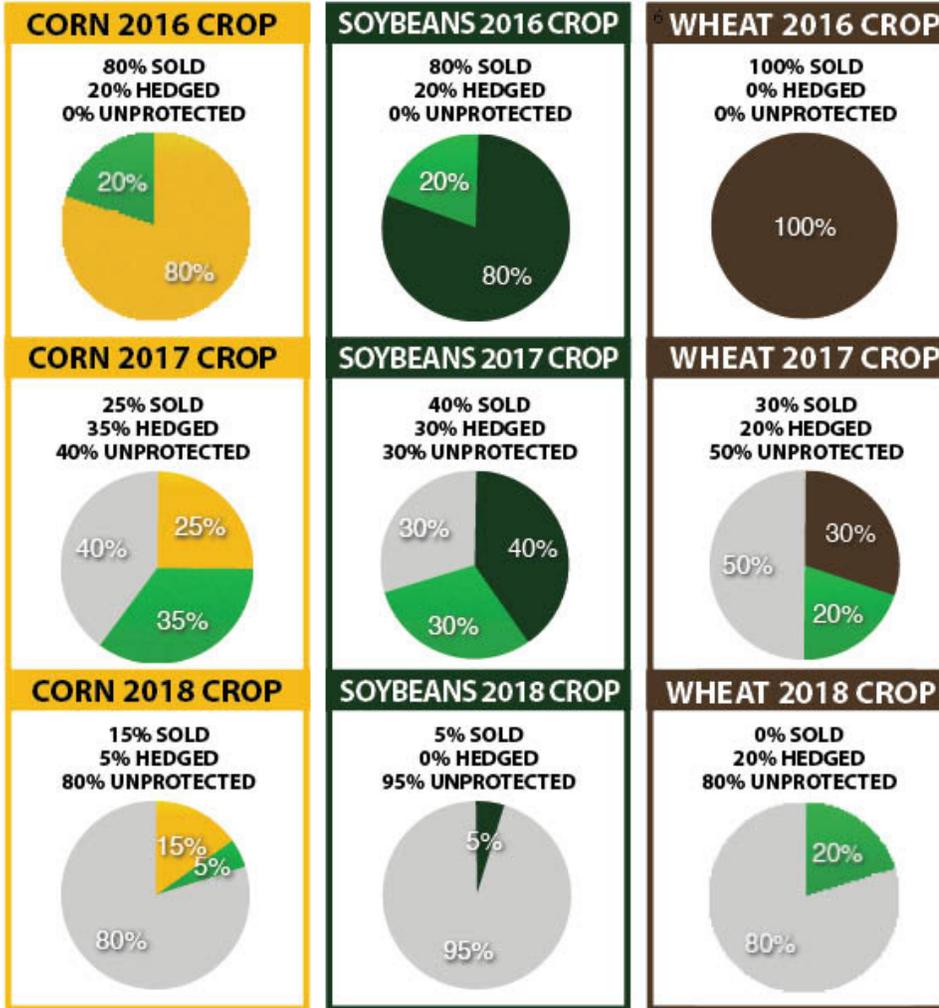
Phil Mickelson To Miss Tournament For Daughters Graduation: Mickelson's decision to attend commencement over a shot at closing out the career Grand Slam has been questioned by some and lauded by others. I have to applaud Phil's decision to attend his daughters graduation, she will definitely remember it.

The Favorites: Dustin Johnson 6/1, followed by Rory McIlroy 9/1 and Jordan Spieth 10/1. I'm also hearing a lot of buzz about Justin Rose, Rickie Fowler and last years low amateur Jon Rahm.





CASH SALES & HEDGING TOTALS



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