

## GOOD MORNING: 06/20/17 Farm Direction - VanTrump Report

1 message

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

Tue, Jun 20, 2017 at 6:48 AM



"If you live your life with the regrets of yesterday and the worries of tomorrow, you will have no today to be thankful for." —Unknown

### Today In History

**TUESDAY, JUNE 20, 2017**

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**Morning Summary:** Stocks continue to shrug off most all negative news as both S&P 500 and the Dow close yesterday at fresh new all-time highs. This was the Dow's 22nd record close of 2017. To say this market is resilient would be a huge understatement. Just a couple of weeks ago, the S&P 500 dropped the most we had seen in eight months, only to recover a huge portion of those loss in just two days. It will be interesting to see how we close out the week. There's some historical data circulating inside the trade that talks about the week following the June option expiration, which is this week, being among one of the worst in performance, having rallied only once in the past 12-years. As for crude oil, prices continue to trade near 2017 lows and are now down almost -60% from the peak three years ago. I personally believe the "lower for longer" battlecry will remain intact for crude oil, perhaps pushing oil prices sub-\$40 in the days ahead. Investors will be very interested in hearing more detailed Fed opinions regarding the U.S. economy today, with speeches scheduled from Fed Vice Chair Stanley Fischer, Boston Fed President Eric Rosengren and Dallas Fed President Robert Kaplan. New York Fed President William Dudley said yesterday that the increase in average U.S. earnings was likely to accelerate to the +3.0% area over the next year or two and that inflation was likely to follow higher. In this context, he stated that it could be dangerous to halt the Fed tightening cycle now. This is in contrast to comments made by Minneapolis Fed President Neel Kashkari, who in a recent statement explained that he was not convinced that the recent weakness in inflation was due to one-off factors. Kashkari voted against the Fed's rate hike last week. Additionally, Dallas Fed President Robert Kaplan has also expressed concerns about low inflation. Though he did vote in favor of last week's hike, he says that he wants evidence of higher inflation before implementing another rate increase. In Washington, Republican lawmakers are considering canceling the month-long August recess. Congressional members have found themselves at an impasse on healthcare reform and have made little progress on tax reform and appropriations bills. Congress needs to pass a budget and spending bill before the end of the fiscal year on September 30, or face a government shutdown. They have only about 45 legislative days in order to accomplish those tasks, which has some Republican lawmakers calling on the August recess to be cut short or canceled altogether. Also keep in mind that two important Special House elections are being held today - Georgia and South Carolina. Reportedly, the Georgia election is expected to be the most expensive U.S. House race in history. The race in the traditionally Republican stronghold in Georgia is also shaping up to be very tight. The trade will look use the election results as a barometer for voter support in the mid-terms.

**Russia Warns U.S. Over Downing Of Syrian Jet:** Warplanes from the U.S.-led coalition operating over Syrian government-controlled areas west of the Euphrates River will be tracked as potential targets, Russia's Defense Ministry said Monday, a day after the U.S. military shot down a Syrian air force jet. Moscow condemned the downing of the Syrian jet after it dropped bombs near the U.S.-backed Syrian Democratic Forces that are fighting the Islamic State group in Syria's increasingly complicated civil war. The downing of the warplane — the first time in the conflict that the U.S. has shot down a Syrian jet — came as Iran fired several ballistic missiles at IS positions in eastern Syria. The U.S. military confirmed that one of its F-18 Super Hornets shot down a Syrian Su-22 that had dropped bombs near the U.S. partner forces SDF. Those forces, which



**1782, U.S. Seal** - Congress adopts the Great Seal of the United States after six years of discussion. The front of the seal depicts a bald eagle clutching an olive branch in its right talon and arrows in its left. On its breast appears a shield marked with 13 vertical red and white stripes topped by a bar of blue. The eagle's beak clutches a banner inscribed, E pluribus unum, a Latin phrase meaning "Out of Many One." Above the eagle's head, golden rays burst forth, encircling 13 stars. Charles Thomas outlined the symbolic connotations of the seal's elements when he presented his design to Congress. The bottom of the shield (or pale) represents the 13 states united in support of the blue bar at the top of the shield (or chief), "which unites the whole and represents Congress." The motto E Pluribus Unum serves as a textual representation of the same relationship. The colors used in the shield are the same as those in the flag: alternating red and white for the important balance between innocence and valor, topped by the blue of "vigilance, perseverance and justice." The eagle's talons hold symbols of Congress power to make peace (the olive branch) and war (arrows). The constellation of stars indicates that "a new State [is] taking its place and rank among other sovereign powers." The reverse side of the seal bears the familiar Masonic motif of a pyramid, which Thomas proposed as a symbol of "Strength and Duration." The pyramid, like the new nation, is unfinished and frequently depicted as having 13 steps for the original states. The disembodied eye floating above the structure is that of providence, which Thomas believed had acted "in favour of the American cause." Beneath the pyramid, the number 1776 appears in Roman numerals as a reminder of the year of independence. The phrase Annuit Coeptis or "Providence has Favored Our Undertakings" appears above the

are aligned with the U.S. in the campaign against the Islamic State group, warned Syrian government troops to stop their attacks or face retaliation. Meanwhile, the U.S.-backed opposition fighters said Assad's forces have been attacking them in the northern province of Raqqa and warned that if such attacks continue, the fighters will take action. Clashes between Syrian troops and the SDF would escalate tensions and open a new front line in the many complex battlefields of the civil war, now in its seventh year. (Source: Politico)

**FTC Trying To Block DraftKings-FanDuel Merger:** The U.S. Federal Trade Commission said it would file an antitrust lawsuit that seeks to block the proposed merger of fantasy sports companies DraftKings Inc. and FanDuel Inc., alleging the deal would harm consumers who play daily fantasy contests. The rival companies each offer daily games in which consumers pay to assemble virtual sports teams made up of real athletes that do battle against other virtual teams. The "managers" of winning teams that amass the best statistics take home cash prizes. The companies make money through entry fees. The FTC, however, is extremely short-handed with only two sitting commissioners, both of which support blocking the deal. The state of California and the District of Columbia are joining with the FTC to challenge the merger. The commission argues the merger would deprive customers of substantial benefits that are produced by DraftKings and FanDuel competing against one another for business. A few years ago, daily fantasy sports was one of the country's hottest businesses. The industry was once forecast to hit \$18 billion in revenue by 2021. But that forecast has been slashed—as of late last year standing at around \$5.3 billion by 2021—reflecting in part greater-than-expected user burnout and the loss of entire markets because of state regulations. (Source: The Wall Street Journal)

**Jobless Rate Falls To Record Low In Seven U.S. States:** The unemployment rate fell to the lowest level on record in seven states last month, but that's not to say the labor market is equally as hot in the Deep South as on the West Coast. The May jobless rate in Arkansas (3.4%), California (4.7%), Colorado (2.3%), Mississippi (4.9%), North Dakota (2.5%), Oregon (3.6%) and Washington (4.5%) either matched or set new lows on records dating back to 1976, according to the Labor Department. Colorado's rate was also the lowest in the country. But the seven states don't tell the same story. They can roughly be broken into four high-growth Western states and three softer Middle America economies that could be suffering from an outflow of available workers. The West Coast states and Colorado are among the top 10 states showing the highest rate of job growth the past five years. Arkansas, Mississippi and North Dakota are in the bottom half for job growth. Low unemployment rates should benefit workers in the form of higher wages, but it can also constrain businesses' ability to expand if they can't find labor. For example, in parts of Colorado, plumbers, electricians and other contractors are in such short supply that homeowners might have to wait a year or more for service. The national unemployment rate, 4.3% in May, was the lowest in 16 years, but not a record. The jobless rate touched 3.8% in April 2000 and a record low of 2.5% in May and June 1953. (Source: The Wall Street Journal)

providential eye; Novus Ordo Seclorum or "A New Order of the Ages" appears beneath the pyramid.



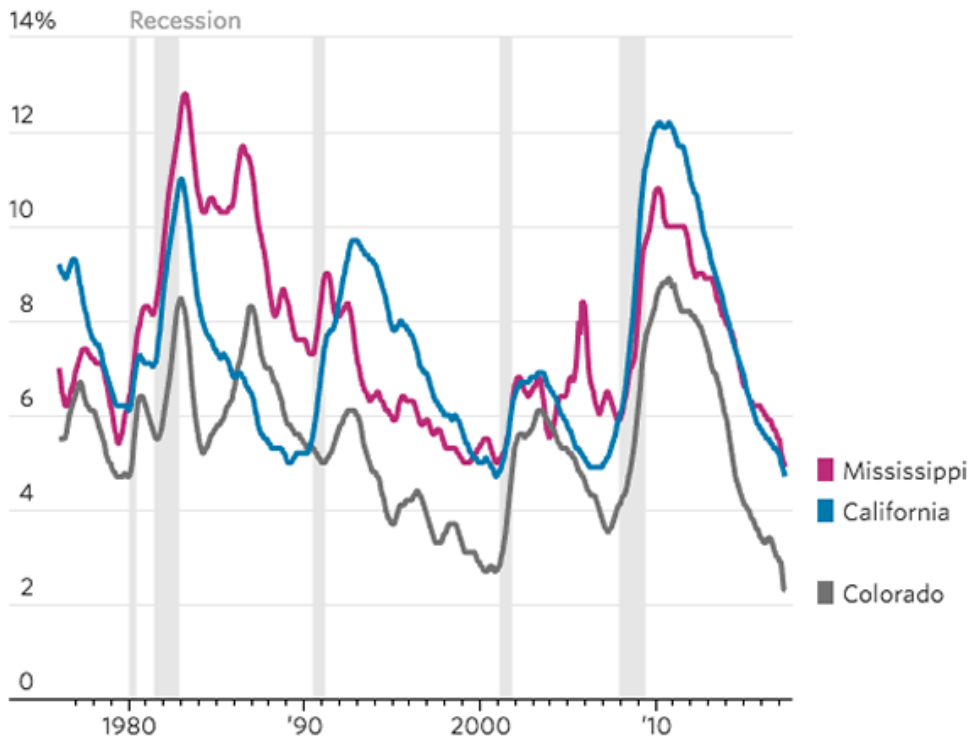
**1975, Jaws** - On this day in 1975, Jaws, a film directed by Steven Spielberg that made countless viewers afraid to go into the water, opens in theaters. The story of a great white shark that terrorizes a New England resort town became an instant blockbuster and the highest-grossing film in movie history until it was bested by 1977's Star Wars. Jaws was nominated for an Academy Award in the Best Picture category and took home three Oscars, for Best Film Editing, Best Original Score and Best Sound. The film, a breakthrough for director Spielberg, then 27 years old, spawned three sequels. The film starred Roy Scheider as principled police chief Martin Brody, Richard Dreyfuss as a marine biologist named Matt Hooper and Robert Shaw as a grizzled fisherman called Quint. It was set in the fictional beach town of Amity, and based on a best-selling novel, released in 1973, by Peter Benchley. Filming, which took place on Martha's Vineyard, Massachusetts, was plagued by delays and technical difficulties, including malfunctioning mechanical sharks. Jaws put now-famed director Steven Spielberg on the Hollywood map. Spielberg, largely self-taught in filmmaking, made his feature-length directorial debut with The Sugarland Express in 1974. The film was critically well-received but a box-office flop. Following the success of Jaws, Spielberg went on to become one of the most influential, iconic people in the film world.



**1977, Trans-Alaska Pipeline** - With a flip of a switch in Prudhoe Bay, crude oil from the nation's largest oil field begins flowing south down the trans-Alaska pipeline to the ice-free port of Valdez, Alaska. The steel pipeline, 48 inches in diameter, winds through 800 miles of Alaskan wilderness, crossing three Arctic mountain ranges and hundreds of rivers and streams. Environmentalists fought to prevent its construction, saying it would destroy a pristine ecosystem, but they were ultimately overruled by Congress, who saw it as a way of lessening America's dependence on foreign oil. The trans-Alaska pipeline was the world's largest privately funded construction project to that date, costing \$8 billion and taking three years to build. In 1968, a massive oil field was discovered on the north coast of Alaska near Prudhoe Bay. Located north of the Arctic Circle, the ice-packed waters of the Beaufort Sea are inaccessible to oil tankers. In 1972, the Department of the Interior authorized drilling there, and after the Arab oil embargo of 1973 plans moved quickly to begin construction of a pipeline. The

## New Lows

The unemployment rate in three of the seven states that hit new lows in May



Note: Data seasonally adjusted

Source: Labor Department

THE WALL STREET JOURNAL

**Weather** for much of the Midwest has seen temperatures return to near or below normal levels, following a recent spell of hot weather. In addition, recent widespread showers have improved Midwestern topsoil moisture, favoring corn and soybean development. The eastern Midwest will be dry or have only a few light showers favoring northern areas Tuesday and dry into Wednesday. Showers and thunderstorms are forecast for later in the week in Wisconsin and northern Illinois. On the Plains, favorably cooler weather prevails in the wake of a recent heat wave. On June 17, the temperature of 112 degrees F in Lubbock, Texas, was the highest reading in that location since June 26, 2011. Farther north, recent rains have improved crop prospects across portions of the northern Plains, although some areas remain dry. In the South, a cold front is draped from the central Appalachians to Texas. Localized areas along the Gulf Coast could see much higher totals as a potential tropical system approaches or reaches the coast during the mid to late week period. In contrast, the Western States look to remain relatively dry, with little to no rainfall expected in most places. Extreme heat will prevail through the weekend in California and the Desert Southwest, with record setting high temperatures likely, while cooler than normal weather will cover the Midwest and much of the South. high temperature of 112 degrees F in Lubbock, Texas, was the highest reading in that location since June 26, 2011. Farther north, recent rains have improved crop prospects across portions of the northern Plains, although some areas remain dry. In the South, a cold front is draped from the central Appalachians to Texas. Localized areas along the Gulf Coast could see much higher totals as a potential tropical system approaches or reaches the coast during the mid to late week period. In contrast, the Western States look to remain relatively dry, with little to no rainfall expected in most places. Extreme heat will prevail through the weekend in California and the Desert Southwest, with record setting high temperatures likely, while cooler than normal weather will cover the Midwest and much of the South.

**Wet Weather Is In the Forecast:** Looking at the two week forecast, we should be heading back to the wet weather we saw in May. Below is a precipitation forecast showing forecasted rainfall for the Midwest in inches from Saturday June 17 through July 2. expected rainfall for the Midwest in inches from Saturday June 17 through July 2.

begin construction of a pipeline. The Alyeska Pipeline Service Co. was formed by a consortium of major oil companies, and in 1974 construction began. Under pressure, Alyeska agreed to extensive environmental precautions, including building 50 percent of the pipeline above the ground to protect the permafrost from the naturally heated crude oil and to permit passage of caribou underneath. On June 20, 1977, oil began flowing down the pipeline. It got off to a rocky start, however, as power supply problems, a cracked section of pipe, faulty welds, and an unsuccessful dynamite attack on the pipeline outside of Fairbanks delayed the arrival of oil at Valdez for several weeks. In August, the first oil tanker left Valdez en route to the lower 48 states.

## 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

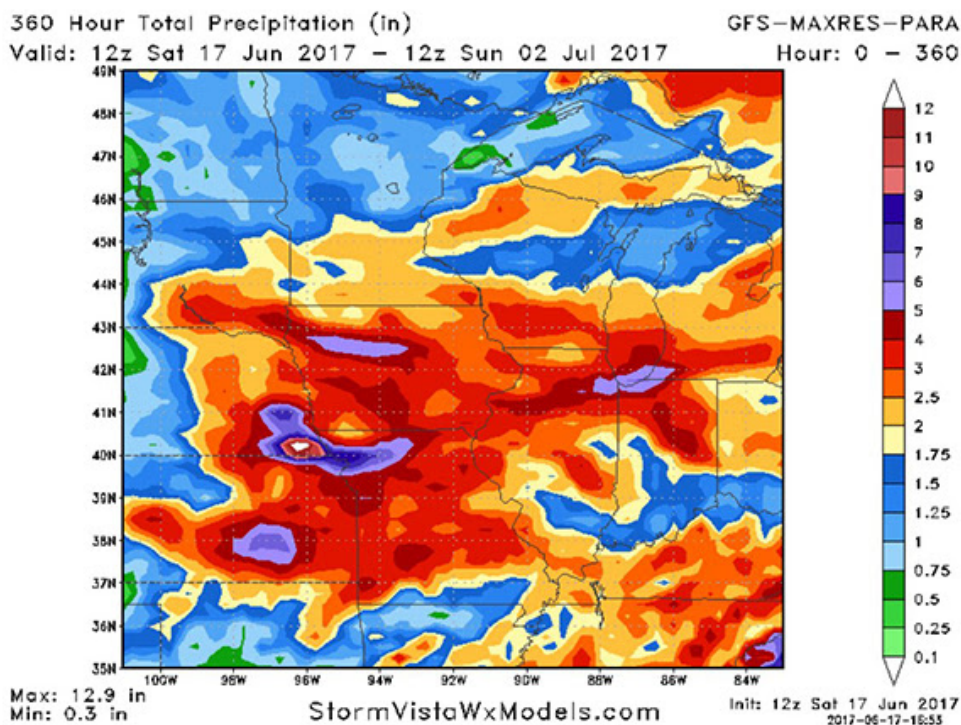
**Fri. 8/25** - Cattle on Feed

## Chart Of The Week



## Sept Corn





The trend line support is at 3.80 near the moving average convergence. Momentum studies are trending weaker toward negative territory.

[Enlarge Sept Corn Chart »](#)



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

## Outside Markets

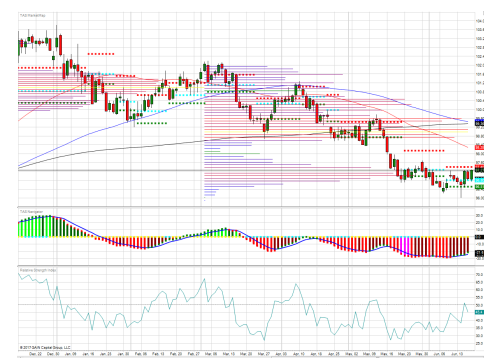
**Corn** bears are talking about cooler temps and more widespread rains for a larger section of the top U.S. growing regions. The USDA left corn crop conditions "unchanged" at 67% rated "Good-to-Excellent" vs. 75% last year. Eleven states showed improvements in conditions compared to the previous week, three states were left unchanged, and four states showed conditions deteriorating. Overall there was some improvements among the states that have been struggling the most. Below are some of the specifics: As both a producer and a spec I am staying patient and waiting for the market to make its next move. This is an important area, as we've seen in years past the corn market can run out of steam much earlier than many of us can imagine, often times by mid to late-June. We have to make certain we are managing risk!

### State Conditions "Better Than" Last Year

- Kentucky +12% better than last year... +0% this week to 85% GD/EX
- Tennessee +10% better than last year... +3% this week to 86% GD/EX
- Pennsylvania +6% better than last year... -2% this week to 82% GD/EX
- Colorado +3% better than last year... -10% this week to 83% GD/EX
- Michigan +3% better than last year... +0% this week to 69% GD/EX
- North Carolina +3% better than last year... +1% this week to 76% GD/EX
- Minnesota +2% better than last year... +3% this week to 81% GD/EX
- Texas same as last year... -2% this week to 74% GD/EX

### State Conditions "Worse Than" Last Year

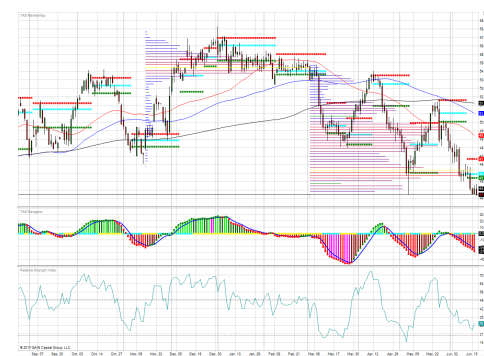
- Indiana -27% worse than last year... +1% this week to 45% GD/EX
- North Dakota -25% worse than last year... +3% this week to 61% GD/EX
- South Dakota -25% worse than last year... +4% this week to 49% GD/EX
- Illinois -16% worse than last year... +1% this week to 59% GD/EX
- Wisconsin -15% worse than last year... +1% this week to 71% GD/EX
- Ohio -12% worse than last year... +2% this week to 52% GD/EX
- Kansas -8% worse than last year... -4% this week to 61% GD/EX
- Missouri -3% worse than last year... +4% this week to 63% GD/EX
- Iowa -1% worse than last year... +1% this week to 78% GD/EX
- Nebraska -1% worse than last year... +0% this week to 78% GD/EX



### 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 »](#)



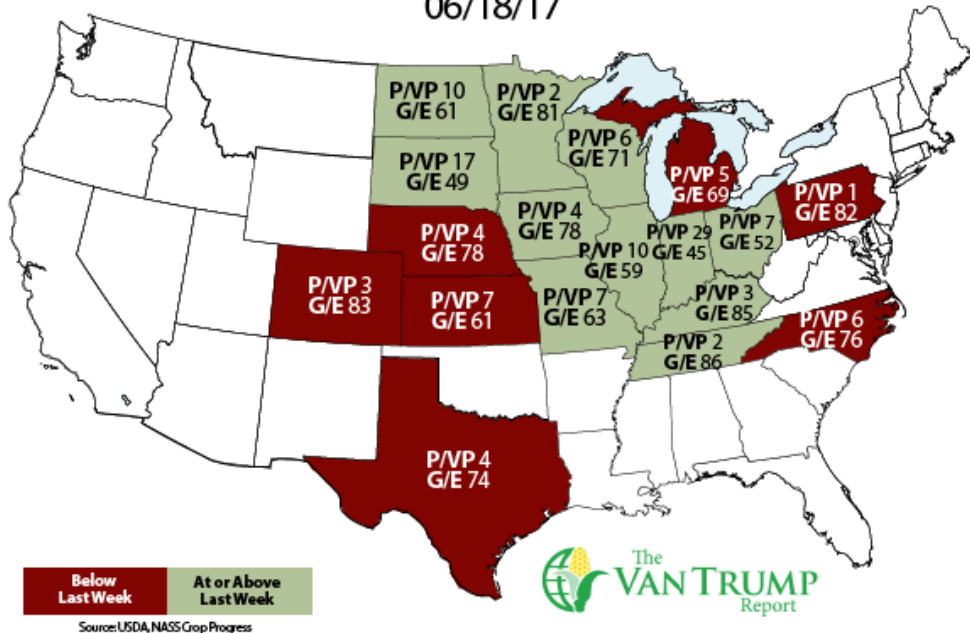
### Crude Oil

A trade below the May 5 low of 44.45 could attract a fresh layer of technical selling.

[Enlarge Crude Oil Chart »](#)

# Corn Conditions

06/18/17



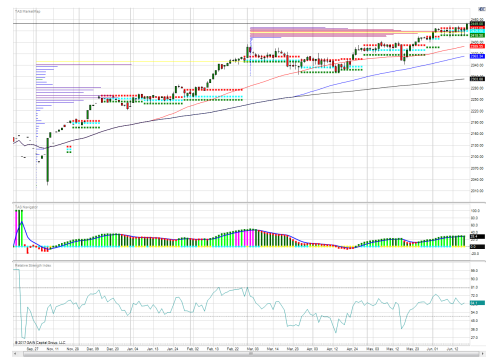
**Soybean** traders are more heavily debating the U.S. crop. On the demand side of the equation, Chinese crush margins have been finding some recent strength, so the bears may back off that story bit in the days ahead. The latest USDA data shows just over +4.0 million acres are left to plant and about 5.4 million acres currently rated in "Poor-to-Very Poor" condition. The USDA now estimates 67% of the crop is in "Good-to-Excellent" condition compared to 66% last week and 73% last year. Fourteen states showed improved conditions compared to last week, while four states showed conditions deteriorating. Below are some specifics: As a producer I still like the thought of reducing some longer-term price risk with the NOV18 contract trading north of \$9.50.

## State Conditions "Better Than" Last Year

- Arkansas +14% better than last year... +2% this week at 71% GD/EX
- North Carolina +12% better than last year... -2% this week at 80% GD/EX
- Tennessee +10% better than last year... +11% this week at 86% GD/EX
- Missouri +6% better than last year... +2% this week at 63% GD/EX
- Louisiana +4% better than last year... +4% this week at 80% GD/EX
- Michigan +3% better than last year... +1% this week at 71% GD/EX
- Kansas +2% better than last year... +7% this week at 67% GD/EX
- Kentucky +1% better than last year... +1% this week at 78% GD/EX
- Minnesota +1% better than last year... -1% this week at 77% GD/EX

## State Conditions "Worse Than" Last Year

- South Dakota -30% worse than last year... +5% better at 48% GD/EX
- North Dakota -20% worse than last year... +2% this week at 58% GD/EX
- Indiana -20% worse than last year... +1% this week at 52% GD/EX
- Illinois -8% worse than last year... +1% this week at 67% GD/EX
- Wisconsin -7% worse than last year... +2% this week at 78% GD/EX
- Iowa -6% worse than last year... +1% this week at 74% GD/EX
- Ohio -6% worse than last year... +1% better at 58% GD/EX
- Nebraska -5% worse than last year... -2% this week at 72% GD/EX
- Mississippi -4% worse than last year... -2% this week at 63% GD/EX



## 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 »](#)

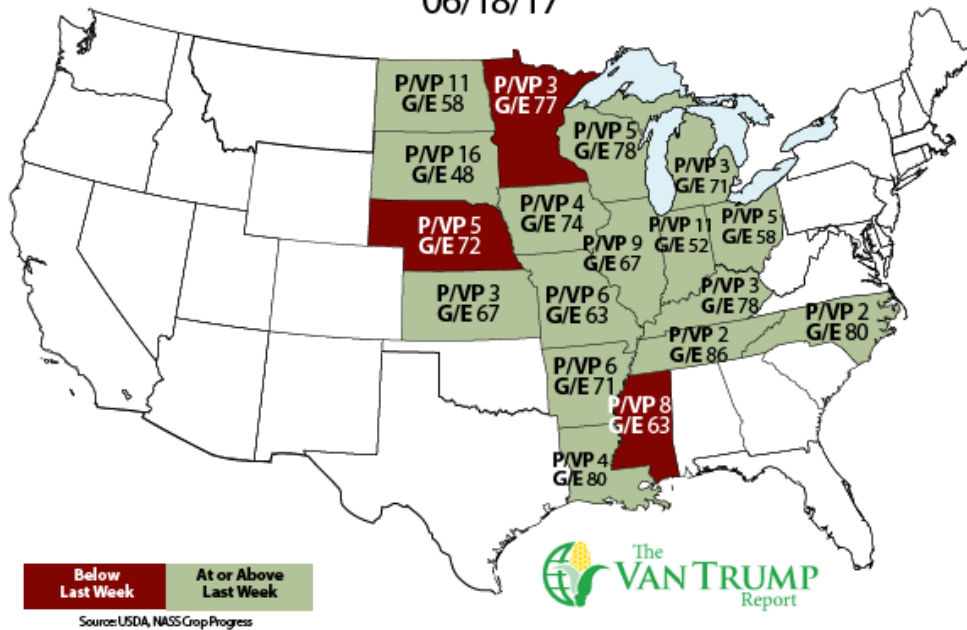
## Kevin's Song of the Week



## About the Report

## Soybean Conditions

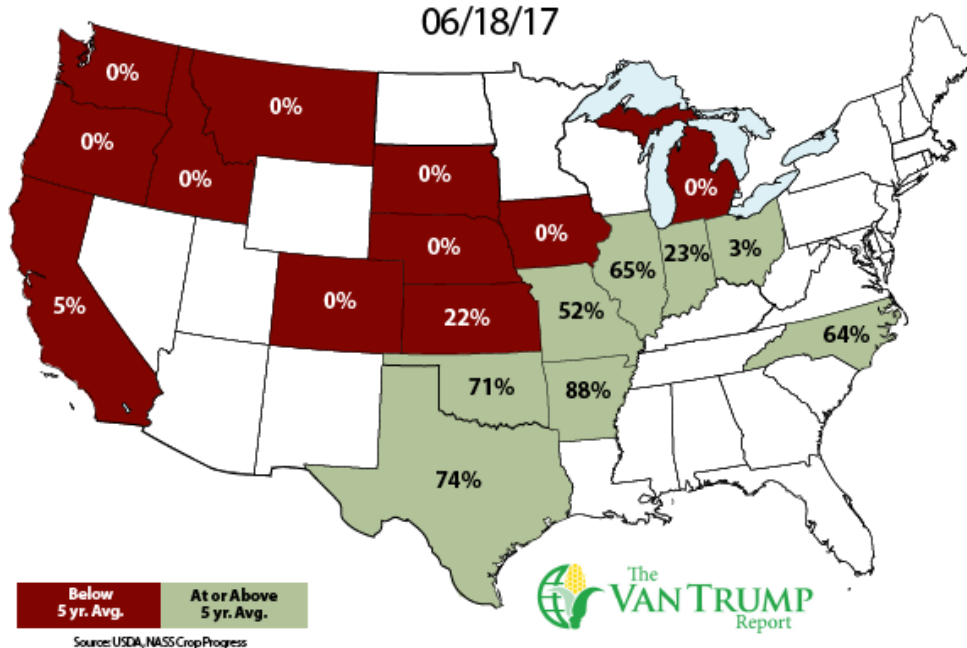
06/18/17



**Wheat** bulls are happy to see U.S. weekly crop conditions again deteriorating. Winter wheat conditions feel by another -1% and is now rated at 49% "Good-to-Excellent". The trade was actually looking for a slight improvement. The spring wheat crop may have also surprised some of the bears as conditions were lowered by another -4%, now standing at just 41% rated "Good-To-Excellent" vs. 76% last year. Interestingly, corn and soybean conditions improved up in the Dakotas, while deteriorating a bit for spring wheat. South Dakota now shows 64% of their crop in "Poor-to-Very Poor" condition. North Dakota has 24% of its crop and Montana 37% rated "Poor-to-Very Poor". I should note that most weather forecasters are calling for limited rains in the Western Dakotas and most of Montana for the next several days, meaning most of these areas could continue facing extremely difficult growing conditions. Keep in mind we are also closely monitoring weather issues in parts of Western Europe, Southern Russia, Ukraine, the Canadian Prairies and portions of Australia. Technically the market is performing very well, but could arguably run into more heavy resistance in the SRW wheat contract up between \$4.75 and \$4.90 per bushel. The HRW wheat contract is facing stiffer technical resistance in the \$4.90 to \$5.00 range. Not only has the U.S. wheat market recently traded to fresh new highs, but the European wheat market is also trading to new multi-month highs. I remain conservatively bullish...

## Winter Wheat Harvested

06/18/17



## 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





**> Groups Worry New Cuba Policy Could Impact Wheat, Corn Exports:** A new Cuba trade policy announced June 16 by U.S. President Donald Trump will make it more difficult for U.S. growers to sell corn, wheat and other grains to the island country, but executives of the U.S. Grains Council, the U.S. Wheat Associates and the National Association of Wheat Growers are hopeful the market eventually will become more open. The new policy includes measures designed to restrict the flow of money to elements of the Cuban regime — the military, intelligence and security services. The policy is designed to prohibit direct financial transactions with businesses owned by those elements. Alan Tracy, president of USW, says, "Our organizations support measures that move toward ending the embargo. Cuba is a significant wheat-importing nation, and our farmers can supply high-quality wheat at a lower cost than Cuba pays now to import European and Canadian wheat. Wheat is an important food grain that should be above politics, but the embargo will likely have to end before wheat farmers can help meet the increasing demand for agricultural products to help feed the Cuban people." (Source: World Grain)

**> India Boosts Soybean Minimum Purchase Price +10%:** India has raised the minimum purchase price for soybeans to 3,050 rupees (\$47.31) per 100 kg from 2,775 rupees, trade sources told Reuters, as the government seeks to protect farmers from falling market prices. The South Asian nation is carrying a huge inventory from last year's record harvest, compounding the woes of millions of debt-ridden farmers who are struggling with low prices amid a glut of produce such as lentils, oilseeds and cereals.

**> Australia Cuts Sugar Harvest Outlook Following Cyclone Debbie Damage:** Australia trimmed its forecast for sugar production during the 2017/18 season by 7 percent after a destructive cyclone destroyed crops in a major producing region. Sugar production by the world's third-biggest raw sweetener exporter will total 4.8 million tonnes in the 2017/18 season, the Australian Bureau of Agriculture, Resource Economics and Rural Sciences (ABARES) said, down from its previous estimate of 5.16 million tonnes in March. ABARES said Cyclone Debbie - a powerful cyclone that brought destructive winds and heavy rainfall across Australia's north east coast in March - was responsible for the production decline. Although Cyclone Debbie was unfavorable for Australian sugar production, the heavy rains across Australia's east coast will aid the country's dairy sector, ABARES said. Milk production during the 2017/18 season may reach 9.25 billion liters, up nearly 3 percent from the 8.9 billion liters forecast in March. (Source: Reuters)

**> China To Promote Wealth management Investment In Commodities:** China's securities regulator said it will encourage wealth management firms to invest in commodity futures in a bid to promote its domestic derivatives industry and raise the amount of commodities in the nation's assets under management. The regulator will loosen restrictions that limit how commercial banks, insurance companies and pension funds invest in commodity futures, Fang Xinghai, vice chairman of the China Securities Regulatory Commission (CSRC), said. His comments underscore growing government backing for derivatives markets for commodities ranging from copper to oil to fruits in a bid to support the real economy, as Beijing ramps up regulation of equities markets and tries to tame its red-hot property market. However, any major push by wealth managers into the futures sector could also increase volatility in prices of raw materials, like iron ore, which have been whipsawed by speculative and institutional investors in recent years. (Source: Reuters)

**> Funds Nearly Wipe Away Bearish CBOT Corn Bets:** Within the past two weeks, speculative investors have bought back close to 1 billion bushels worth of corn in the form of Chicago Board of Trade futures and options contracts - which was very probable given the record bearish bets extending into the U.S. growing season. The potential of the 2017 U.S. corn crop has come into question with less-than-ideal condition ratings and marginal weather forecasts, and no one wants to be last out the door in case corn yields go bust. Money managers slashed their net corn short in the week ended June 13 to just 17,929 futures and options contracts, representing a dump of 120,829 on the week. Last week also marked the second-ever biggest round of short-covering in the corn market. Funds bought back 109,295 short positions, slightly missing the June 30, 2015 record of 119,265 contracts. Funds had also considerably cut their net short position in the week ended June 6 - though not to the extent of last

the past 20 years. To learn more 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.

their net short position in the week ended June 6 — though not to the extent of last week — but that move was just as much the result of new longs in the market as it was short-covering. Through June 13, funds only extended their outright longs by 5 percent while slashing their shorts by 29 percent. Although the data from the Commodity Futures Trading Commission shows that money managers are still net short the yellow grain through June 13, they are presumably long heading into the week of June 19. (Reuters)

> **House Slated To Review University Research Funding:** The full House Agriculture Committee will hold a hearing on Thursday to review university research as part of its ongoing look at farm bill programs. Universities, especially land-grant schools, are responsible for a large chunk of the foundational studies in agriculture, which the industry then builds on for its own products. But universities are in need of funding for both research and facilities needs. Detail's for Thursday's hearing are available [HERE](#). (Source: Politico)

> **Millions Of U.S. Voter Records Left Exposed:** A data analytics contractor employed by the Republican National Committee (RNC) left databases containing information on nearly 200 million potential voters exposed to the internet without security, allowing anyone who knew where to look to download it without a password. The databases were part of 25 terabytes of files contained in an Amazon cloud account that could be browsed without logging in. The account was discovered by researcher Chris Vickery of the security firm UpGuard. The files have since been secured. Vickery is a prominent researcher in uncovering improperly secured files online. But, he said, this exposure is of a magnitude he has never seen before. Anyone who knew the files' web address could have accessed them. But without that knowledge, they are much harder to find. Even armed with a search for unsecured databases, finding exposures of any magnitude is tough work. Vickery sifts through a large number of unsecured databases. (Source: The Hill)

> **Supreme Court Rules Government Can't Reject "Offensive" Trademarks:** The Supreme Court has declared unconstitutional the federal government's practice of refusing to register trademarks that officials deem to be offensive. The justices ruled in favor of Simon Tam, the front man for an all-Asian-American rock band known as "The Slants." The U.S. Patent and Trademark Office had refused to register the name, citing a law that denied trademarks that disparage individuals, institutions, beliefs or national symbols. The result in the closely-watched case could doom legal challenges to other trademarks many consider offensive, such as that for the Washington Redskins football team. (Source: Politico)

> **Food delivery start-up Blue Apron kicked off its IPO roadshow.** Blue Apron plans to raise up to \$586.5 million in its initial public offering, according to a regulatory filing on Monday. The company said it plans to sell 30 million shares to investors at an estimated IPO price of between \$15 and \$17 per share. (Source: BusinessInsider)

> **How Many Times Does The Average American Move?** A person in the United States is expected to move 11.4 times in his lifetime. The average 18-year-old in the U.S. Website FiveThirtyEight says that between 2012 and 2013, 28 million Americans 15 and older moved — that's 11 percent of the population in that age group. But when you take a closer look at who they were, you see there's a lot more to it than age. The wealthiest individuals are the most likely to stay put: 7 percent of Americans with an annual income of \$100,000 or more moved, compared to 13 percent of those earning \$5,000 or less. When surveyed by the Census Bureau about why they moved in the past year, people gave reasons including searching for a better home (cited by 15 percent of movers), cheaper housing (8 percent), and foreclosure or eviction (2 percent). Sometimes staying put is a sign of stability. (Source: FiveThirtyEight)

*Farm Direction*  
RECIPES

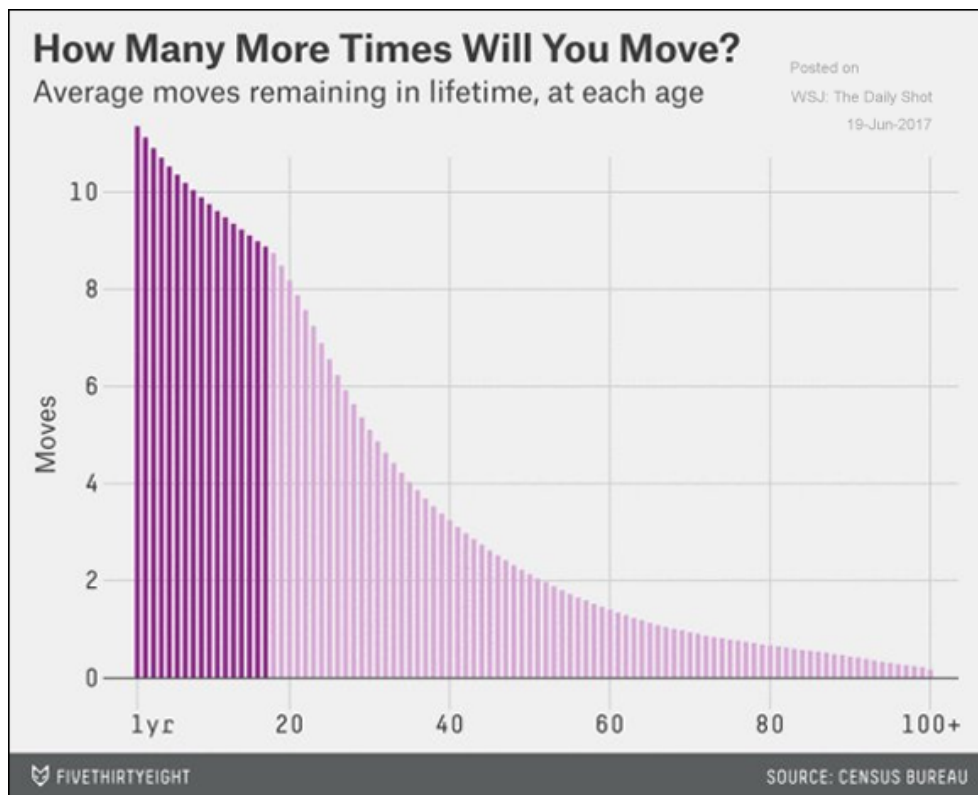
★ **FAMILY** ★  
**FAVORITES**  
-SENT IN BY OUR READERS-



**Beef Tenderloin  
Stuffed w/Herb Pesto**

CLICK TO SEE RECIPE





**Eastern Indiana** - It has not really been that fun of a year here so far. We have fought the weather all planting season but I think we are better off than most around here. I finished up our bean planting late last week. After all the rain we had during the winter and early spring we were starting to get dry and had seed get planted into pretty dry conditions. Since we finished we have had two rains with one being anywhere from 3" to 5" depending on your location. It would nice to see these types rains happen about every two or three days through pollination. A good majority of the corn looks very rough. There are many fields that were too cold and wet early with marginal stands. We did have a little replant and there are going to be some fields that will have some holes on them. By far the earliest planted corn looks the best. The soybeans overall look much better than the corn. They didn't have to totally deal with the cold temps while the seed sat in the ground.

**Northeast Brazil** - The yields this year have been higher than what we had estimated for our production. Higher yields are very welcome because the last four years have been below our normal average. With the higher yields most guys didn't sell enough last year. I have sold 95% of my beans and sold most of them back in October. I am very thankful that we made sales then because many didn't get much sold early. Most guys are holding all the crops that they can and only sell what they have to. Some guys are delivering beans from last year (non-delivered contracts) and holding the rest. I have heard there have been more exports but we haven't seen them up here. At Sao Luiz Port there are very few ships that have been in port this month. We are beginning to plan next years crop. We have purchased most of our seed for next year but nothing else in the way of fertilizer or chemicals as we are gathering prices now. Prices have been firming up for some of the poultry plants and central locations better than the spot market.

**Western Tennessee** - We have been cutting wheat all week until getting rained out last night. We will probably have about 25% left to harvest after things dry out. We have seen very good yields between mid 80bpa to low 90bpa numbers. The problem we have seen is low test weights that have been down in the 50's. I am not for sure why we are seeing the low test weights. We did have a late freeze that could have had an impact or we had some moisture while the crop was drying down. I have seen that when the wheat is filling out with moisture variations quality is lost. This year I

when the wheat is coming out, with moisture variations, quality is lost. This year I believe that we have been that way from the beginning. The rains of late have been beneficial for the corn and soybean crop that may be one of our best ever. The early planted corn is tasselling now with good moisture and I think that we are far enough along to make the crop, no matter where we go from here. The beans are ankle to knee high, not canopied yet but looking good. They will need to have the late August rains to make and finish this crop.

# CROSSING WIRES

A place to share intelligent thoughts...

**Taste For Insects Growing Thanks To Booming Population:** *There is a buzz around insects among pioneering food entrepreneurs as the health and environmental benefits of crickets, flies and worms have come under the spotlight. With the world's population expected to grow to almost 10bn by 2050, boosting the demand for food protein, a small but growing number of companies are turning to the potential of insects as a source of food and feed. Insects are highly efficient in conversion of feed into edible material, and have a much reduced "environmental footprint" than other animals used for food, according to experts. They also have a high content of protein as well as vitamins and minerals. The edible insect market, which includes cricket powder-based protein shakes and cookies, to mealworm and fruit fly larvae-based foods, is valued at about \$100m and is forecast to grow to more than \$1.5bn in 2021, according to Arcluster, a Singapore based emerging trends research firm. The insect feed sector is expected to reach \$1bn in 2022 from more than \$30m this year, said the company. Read more [HERE](#).*

**Colorado Father Seeks To Ban Smartphone Sales To Preteens:** *Colorado dad and Denver-area anesthesiologist Tim Farnum has always understood the intrigue of modern technology. Smartphones, tablets and unfettered Internet access connect us to faraway corners of the world and make life — and movie watching — all the more convenient. But the father of five is not convinced these devices are beneficial for children, a conclusion he came to after his two youngest sons, ages 11 and 13, got smartphones last year. As he tells it, his once energetic and outgoing boys became moody, quiet and reclusive. They never left their bedrooms, and when he tried to take away the phones, one of Farnum's sons launched into a temper tantrum that the dad described as equivalent to the withdrawals of a crack addict. In February, he formed the nonprofit PAUS (Parents Against Underage Smartphones) with a few other medical professionals and began drafting a ballot initiative that, if passed, would make Colorado the first state in the nation to establish legal limits on smartphones sales to children. Read more [HERE](#).*

**How a Company You've Never Heard of Sends You Letters about Your Medical Condition:** *In the summer of 2015, Alexandra Franco got a letter in the mail from a company she had never heard of called AcurianHealth. The letter, addressed to Franco personally, invited her to participate in a study of people with psoriasis, a condition that causes dry, itchy patches on the skin. Franco did not have psoriasis. But the year before, she remembered, she had searched for information about it online, when a friend was dealing with the condition. And a few months prior to getting the letter, she had also turned to the internet with a question about a skin fungus. It was the sort of browsing anyone might do, on the assumption it was private and anonymous. If you're suddenly thinking back on all of the things you've browsed for online in your life and feeling horrified, you're not alone. Read More [HERE](#)*

**The Secret Origin Of The iPhone:** *This month marks 10 years since Apple launched the first iPhone, a device that would fundamentally transform how we interact with technology, culture, and each other. Ahead of that anniversary, Motherboard editor Brian Merchant embarked on an investigation to uncover the iPhone's untold origin. His book, *The One Device: The secret history of the iPhone*, on sale today, traces that journey from Kenyan mines to Chinese factories all the way to One Infinite Loop. Check out an excerpt from the book [HERE](#).*

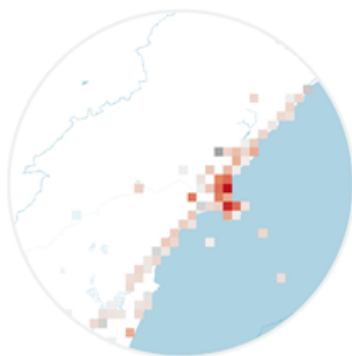
**Facebook's "Disaster Maps" Could Save Lives:** *Facebook wants to help make the entire process more efficient by offering that bird's eye view from the start. The company announced Wednesday that it's launching a new product called "disaster maps," using aggregated, anonymized Facebook data in disaster areas to deliver crucial information to aid organizations during and after crises. The goal, according to Facebook's public policy manager Molly Jackman, is to "paint a more complete picture" of where affected communities are located, what resources are needed, and where*

people are moving to get out of harm's way. See how this technology can save lives [HERE](#).



## 7.8 Magnitude Earthquake in Kaikoura, New Zealand

1 SQUARE = 360 SQ. METERS



POPULATION DECREASES  
(where people are leaving)

1 Day After



POPULATION INCREASE  
(where people are returning to)

3 Days After



### Two Companies Leading The Way In Commercial Vertical Farming

Vertical farming has moved beyond the experimental stage and is now becoming an established niche as urban communities continue to grow. Because these farms will never supply a city's entire food demand, they focus mostly on providing leafy greens, since the crops can be turned over quickly, generating cash flow easily in a business that requires extensive capital investment. As with all early stage markets, many lessons are being learned by these start-ups. For instance, urban farming isn't easy, it requires significant amount of cash, and there are also bureaucratic hurdles to overcome. Many companies have yet to turn a profit and many have already been weeded out. Companies such as AeroFarms, owned by "Dream Holdings Inc.", and "Urban Produce LLC" stand out as success stories in the emerging market. They both have designed and operate commercial vertical farms that aim to deliver supplies of greens on a more mass scale to cities year round. At its headquarters in Irvine, Calif., Urban Produce grows baby kale, wheatgrass and other organic greens in uniformed rows on shelves stacked 25 high that rotate constantly, as if on a conveyor belt, around the floor of a windowless warehouse. The companies computer programs determine how much water and LED light the plants receive. An impressive sixteen acres of food is grown on a floor measuring an eighth of an acre. In our era of sustainability, Urban's patented "high-density vertical growing system," will lower fuel and shipping costs for produce, use -80% less fertilizer than conventional growing methods and generate its own filtered water for its produce from humidity in the air according to the companies president Edwin Horton Jr.. Urban Produce finally became profitable earlier this year partly by focusing on specialty crops such as microgreens, the first shoots of greens that come up from the seeds. The produce is marketed to local grocers, juice makers and food-service companies. I understand their plan for growth will be pursued through licensing agreements to groups in cities around the world, fulfilling the companies mission to grow and employ local residents. Another company, AeroFarms has emerged as a player in the vertical farming industry. With over \$50 million in backing from established financiers such as Goldman Sachs and Prudential, Aerofarms has built a 70,000-square-foot vertical farm in a former steel plant in Newark, N.J., where it is growing leafy greens like arugula and kale. They utilize aeroponics, a technique in which plant roots are suspended in the air and nourished by a nutrient mist and oxygen, in trays stacked 36 feet high. Moving forward, successful entrants into the vertical farming industry may want to keep in mind lessons learned from now defunct



vertical farming industry may want to keep in mind lessons learned from how Detroit U.S., FarmedHere LLC, which closed a 90,000 square-foot farm in a Chicago suburb and merged with another company late last year. Citing costs of real estate and urban regulations, founder Paul Hardej stated the hurdles could have been avoided by moving 10-20 miles away and still remaining a local producer. Remember, what I always say, the first guy through the door is often the bloodiest. Hardej is now co-founder and chief executive officer of Civic Farms LLC, a company that developed a "2.0" version of the vertical farm that is a more efficient operation that takes into account the lessons learned. Civic Farms is collaborating with the University of Arizona on a research and development center at Biosphere 2, the Earth science research facility in Oracle, Ariz., where it runs a vertical farm and develops new technologies. I imagine as the industry grows local governments will reduce the barriers to entry allowing new employment opportunities for their growing communities. Atlanta is ahead of the curve as Mayor Kasim Reed created the post of urban agriculture director in December 2015, with a goal of putting local healthy food within a half-mile of 75% of the city's residents by 2020. As city populations continue to grow, look for vertical farming's place in the supply chain to remain and continue to grow through emerging technologies.(Source: [Marketwatch](#))









### Summer Safety Reminder For Parents And Caretakers

Summer is fully upon us, unfortunately, it's a time of year accompanied by headlines about the tragic deaths of children left in hot cars. More than 800 children have suffered fatal heatstroke in hot cars since 1990, including 12 so far this year. The children that have died have ranged in age from 5 days to 14 years. More than half of the deaths are children under 2 years of age. In 2016, the number of children that suffered vehicular heatstroke deaths hit a two year high of 39, breaking what advocates hoped was a downward trend. The deaths of most of these children can be blamed on sheer forgetfulness - since 2002, 54% of recorded deaths occurred when a parent or caretaker unintentionally forgot a child in the car. 28% occur when a child accidentally locks himself inside of a car (which often included child lock features in the back seat), and 17% occur when someone intentionally locks a child in the car. The circumstances in the remaining one percent of cases are unknown. One of the things these caretakers may not fully understand is how quickly a car heats up — and how hot it can get. According to "[noheatstroke.org](http://noheatstroke.org)" founder Jan Null, on days when the external air temperature exceeds 86 degrees, the air in a car can reach 154 degrees. The air temperature inside a car rises, on average, 40 degrees with 80 percent of that occurring in the first thirty minutes. Most notable, perhaps, is that the air temperature outside the car does not affect how quickly the temperature inside the car rises. And the trick of cracking a window to keep the car cooler? That doesn't seem to make an effective difference. In a recent study of a car with all windows cracked, the temps inside raised on average +3.1 degrees per five-minute interval, rather than 3.4 degrees with the windows closed. An organization called Kids and Cars is working with lawmakers to put a stop to these preventable deaths. Last week Representatives Tim Ryan (D-Ohio), Peter King (R-N.Y.), Jan Schakowsky (D-Ill.) reintroduced the Hot Cars Act to ensure that an alert system is standard in every car to prevent these tragedies. In the mean time, there are already several devices on the market designed to prevent hot car deaths.

**1. Sensorsafe** is a technology found in some car seats from the brand Evenflo. There is a receiver that goes into your car's diagnostics port, a socket located inside a vehicle that accesses various vehicle subsystems where small receivers can be installed to tap into a car's computer system. That receiver communicates with the car seat's smart chest clip – letting the driver know through a series of chimes whether a child is still in the seat after the car is turned off.

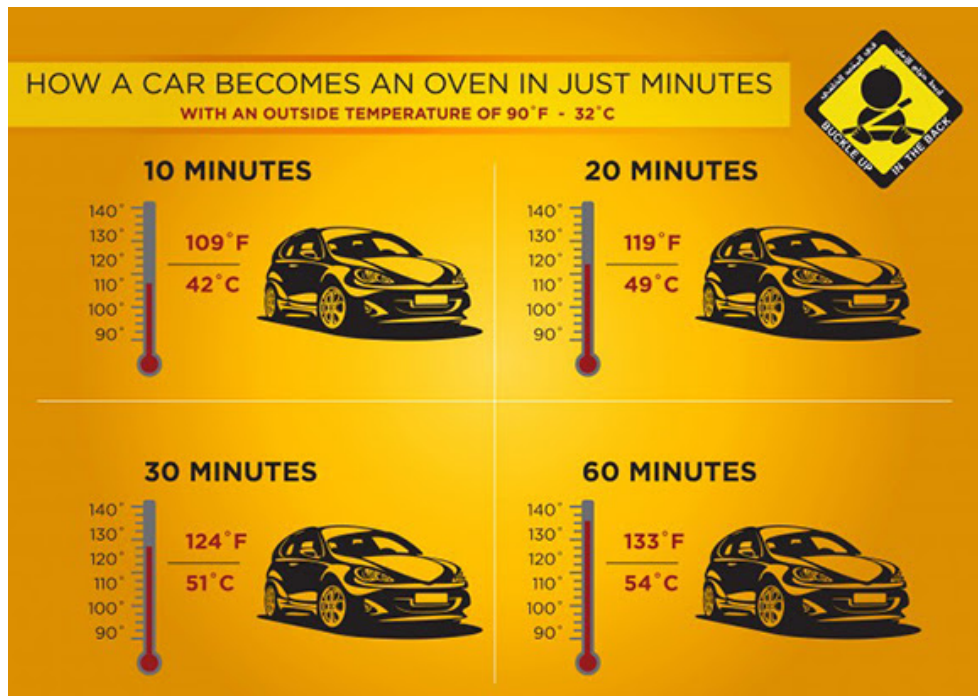
**2. General Motor's Rear Seat Reminder System:** This feature in some GM cars uses back door sensors that become activated when either the rear door is opened or closed within 10 minutes of the vehicle being started, or while the vehicle is running. Under these circumstances, when you reach your destination a reminder appears on the dashboard as well as an audible chime notification. When Faris opened the rear door before starting the car and then turned off the car, this reminder popped up on the dashboard: "Rear Seat Reminder. Look In Rear Seat."



**3. Driver's Little Helper Sensor System** is a sensor system sold at several major retailers that can be put in a car seat. The sensor goes under the car seat padding where the child sits. The sensor is then attached to a battery pack and synced with an app. You can set when you want the app to send you notifications after you stop the car. You can set the interval for when you receive the notification -- the fastest being a minute.

**4. Waze, a popular traffic app,** has a setting that will remind a driver to check his or her back seat when a destination entered into the app is reached. But it won't alert a driver during an impromptu stop. As Faris pulled into the driveway for her Waze destination, she received an alert before she turned off the car: "Check your car before you leave."

**Other Tips** - Experts recommend the following layers of protection, even if you are using some sort of electronic sensor. Janette Fennell, president and founder of KidsAndCars.org, recommends leaving your purse or briefcase in the back seat, telling your daycare to call if you haven't arrived as scheduled or making a habit of always looking in the back seat before you walk away from the car. "The biggest mistake that parents make is they really feel this can't ever happen to them," Fennell said. (Sources: ABC, Parents, noheatstroke, KidsAndCars)



### The Biggest Fight In Years... "McGregor vs Mayweather"

Contracts have been signed and dates have been set. After many months of trash talking, teasing, and questions the unbeaten boxing legend, Floyd Mayweather who has come out of retirement, and UFC champion, Conor McGregor have come to terms on a Super Fight. Mayweather and McGregor are both the biggest names in their respective sport. Mayweather, 40 years old, is arguably one of the best boxers of all time, holding his legendary 49-0 record. McGregor, 28 years old, is the Irish mixed martial arts expert who is currently the UFC lightweight champion and former UFC Featherweight Champion. The two fighters are scheduled to meet August 26th in Las Vegas live from T-Mobile Arena. There has been some controversy in the last few days between these fighters and rapper, Ice Cube, because Ice Cube has already booked the Arena for the BIG3 basketball league championship game. This fight is so big I am sure the conflicts will be resolved. There is also a lot of confusion about this fight overall since each fighter comes from a different background, so this is what we know so far:

- **Rules** - The fighters will use 10-ounce gloves and traditional boxing rules will apply.
- **Weight** - Both of the fighters must weigh in at 154 pounds or less.
- **Length of Fight** - The full fight will consist of 12 rounds lasting 3 minutes each.
- **Money** - Many experts think McGregor will make around \$100 million for this one single fight. Mayweather will make something closer to \$200 million. Many believe the event could pull in profits upward of +\$70 million, which would challenge the current \$72 million record.

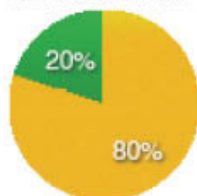
- **Tickets** - Although, tickets prices haven't gone on sale yet, most sources doubt there will be any with a face-value of less than \$2,000. There are already pre-ticket sales selling on private sites, with the most expensive single ticket already going for for \$128,000. The fight is also set to break the U.S. pay-per-view record, which is \$4.5 million. The pay-per-view cost is not set yet, but it is looking like it will be around \$100 to view the fight.
- **The Odds** - Mayweather is clearly the early favorite. Westgate released odds last Saturday and they showed Mayweather winning by a "knockout" at 5-9, and Mayweather winning by a "decision" at 2-1. McGregor winning by a "knockout" at 6-1 and McGregor winning by a "decision" at a whopping 30-1. No matter the outcome, this it will be one for the books and definitely one we want to watch!



**CASH SALES & HEDGING TOTALS**

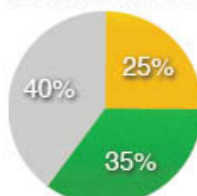
### CORN 2016 CROP

80% SOLD  
20% HEDGED  
0% UNPROTECTED



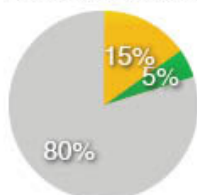
### CORN 2017 CROP

25% SOLD  
35% HEDGED  
40% UNPROTECTED



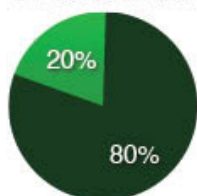
### CORN 2018 CROP

15% SOLD  
5% HEDGED  
80% UNPROTECTED



### SOYBEANS 2016 CROP

80% SOLD  
20% HEDGED  
0% UNPROTECTED



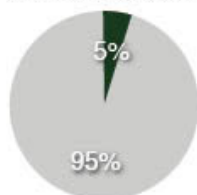
### SOYBEANS 2017 CROP

40% SOLD  
30% HEDGED  
30% UNPROTECTED



### SOYBEANS 2018 CROP

5% SOLD  
0% HEDGED  
95% UNPROTECTED



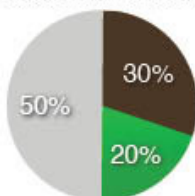
### WHEAT 2016 CROP

100% SOLD  
0% HEDGED  
0% UNPROTECTED



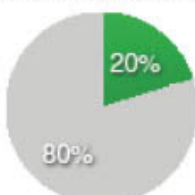
### WHEAT 2017 CROP

30% SOLD  
20% HEDGED  
50% UNPROTECTED



### WHEAT 2018 CROP

0% SOLD  
20% HEDGED  
80% UNPROTECTED



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