

## GOOD MORNING 06/23/17 Farm Direction - VanTrump Report

1 message

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

Fri, Jun 23, 2017 at 7:06 AM



"And I'd choose you; In a hundred lifetimes, In a hundred worlds, in any version of reality, I'd find you and I'd choose you." - Kirsten White

### Today In History

**FRIDAY, JUNE 23, 2017**  
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stocks could get a bit wild today as some of the biggest Index Funds in the world are forced to adjust to the rebalancing of the Russell Indexes. Reports circulating suggest there is about \$8.5 trillion in assets benchmarked or directly invested in products based on the Russell 1000, Russell 2000 and Russell 3000. The main interest is to look at stocks that are going into or out of the large-cap Russell 1000, and into or out of the small-cap Russell 2000. Both are market-cap weighted indexes. This action has historically led to one of the heaviest trading volume days of the year as traders are forced to adjust to what companies are added and what companies are kicked out. From what I understand several big longstanding retail names like Jc Penney and Dillards are going to get the boot. I also hear that some former high flying tech stocks like Groupon, FitBit and Yelp are also on the way out. In Washington, the Senate revealed their healthcare bill yesterday, which some insiders thought might renew hopes of "tax reform" being right around the next corner and perhaps reignite the "reflation" trade. However, the Senate plan looks like it's facing major challenges and reportedly doesn't have the support needed to pass. Senate Majority Leader Mitch McConnell expressed his desire to push the legislation through before the July 4th recess, but at the moment that seems like an overly optimistic goal. When/if they do pass their version, House and Senate leaders will still need to negotiate a "final bill" that merges both healthcare reform proposals. Bottom line, this is probably not going to be a quick process and could be dragged out further if they don't reach a compromise before Congress takes its month-long August recess. In the meantime, that seems to place many of President Trump's pro-growth plans on the back burner. Today's economic data includes Flash PMI and New Home Sales. The latter will be of particular interest with investors hoping to see levels stabilize. Home sales swung from a 621,000 annualized rate in March down to a 569,000 rate in April, so the trade is highly interested in the May number. Fed speakers today include Fed Governor Jerome Powell, St. Louis Fed President James Bullard and Cleveland Fed President Loretta Mester. Turning to next week, the economic data flow picks up with Durable Goods Orders, Chicago Fed National Activity and Dallas Fed Manufacturing on Monday; the S&P CoreLogic Case-Shiller Home Price Index, Consumer Confidence and Richmond Fed Manufacturing on Tuesday; International Trade In Goods and Pending Home Sales on Wednesday; the final estimate of first quarter GDP and Corporate Profits on Thursday; and Personal Income and Outlays, Chicago PMI and Consumer Sentiment on Friday. Remember, next week is the last week of both the month and the second quarter. It also leads into the July 4th holiday weekend. Independence Day falls on Tuesday, which could see traders using the opportunity to take an extended summer vacation. That in turn could make for some added volatility as traders reposition next week and may take some profits off the table.

**Fed Declares Big U.S. Banks "Healthy":** *The largest U.S. banks survived a hypothetical "stress test" and could continue lending even during a deep recession, the Federal Reserve said Thursday, a strong report card that could bolster the industry's case for cutting back regulation. In the first part of its annual tests, the Fed said 34 of the largest U.S. banks have significantly bolstered their defenses since the 2008 crisis. The results signal that many banks may win the Fed's approval to boost payouts to investors next week, in the second round of the tests. It could also boost the Trump administration's push to*



**1902, Mercedes** - German automaker Daimler-Motoren-Gesellschaft (DMG) first registers "Mercedes" as a brand name; the name will gain full legal protection the next September. Mechanical engineer Gottlieb Daimler sold his first luxury gasoline-powered automobile to the sultan of Morocco in 1899; a year later, he formed DMG in his hometown [or whatever] of Cannstatt, Germany. Emil Jellinek, a prominent Austrian diplomat and businessman who was extremely enthusiastic about the development of the automobile, ordered a car from Daimler in 1897. The carmaker delivered a six-horsepower vehicle with a two-cylinder engine, but it was too slow for Jellinek; to replace it, he ordered two of a faster model--the four-cylinder Daimler Phoenix. Soon, Jellinek began to sell Daimler cars to high society customers and to drive them in racing events, including Nice Week on the French Riviera, in 1899. He entered these races using the pseudonym "Mercedes," the name of his elder daughter. In April 1900, Jellinek signed an agreement with DMG to distribute and sell a new line of four-cylinder vehicles. He suggested they call the car Mercedes, feeling that the non-German name might sell better in France. On December 22, 1900, DMG delivered the first Mercedes to Jellinek. Designed by Wilhelm Maybach, chief engineer for DMG, the 35-horsepower vehicle featured a pressed-steel chassis, honeycomb radiator, mechanical intake valves and an improved gearbox; it could achieve a speed of 53 mph. For this combination of attributes, the 1901 Mercedes is considered to have been the first truly modern automobile. At Nice Week in March 1901, Mercedes race cars nearly swept the field, and orders began pouring into DMG's Cannstatt factory. "Mercedes" was registered as a brand name on June 23, 1902, and legally protected the following September 26. In June 1903,

ease some rules put in place after the financial crisis, which they argue are keeping a lid on growth. Supporters of the new rules say that healthy banks show the rules are working, not that they need to be rolled back. The more closely watched part of the annual tests occurs next Wednesday, when the Fed will release its decision whether to approve—or block—banks' plans to return capital to shareholders through dividends or share buybacks. The positive results may also allow banks to make larger payouts than in past years. (Source: The Wall Street Journal)

**Demand To Ship Gasoline On Top U.S. Pipeline Is At A 6-Year Low:** Colonial Pipeline Co, the operator of the biggest U.S. fuel pipeline system, says demand to transport gasoline to the northeast is the weakest its been in six years. The summer is typically when gasoline demand peaks in the U.S. as drivers hit the road for vacation. However, the company said for the first time since 2011, demand for the pipeline was below capacity for a five-day period. Even when inventories are high, shippers typically keep pumping full volumes just to ensure they keep their rights to the line space for when they really need it. "The only reason [the pipeline] wouldn't be full is clearly that inventory levels are high enough that there is no incentive to move product to New York," said Sandy Fielden, director of oil and products research, Morningstar in Austin, Texas. The firms using the line have been making a loss on pumping barrels through it for months, because of high inventories and low prices for gasoline in the northeast. With no sign of those inventories easing much, refiners and shippers have decided to cut volumes. The high inventory levels have persisted even with the pace of consumption hitting all-time highs in two of the past five weeks. Gasoline inventories in the northeast are just shy of the five-year high for this time of year. (Sources: Bloomberg, Hellenic Shipping News)

**America's Most Dangerous Cities:** Given that 2016 was the worst year for homicides in nearly two decades in Chicago, it comes as little surprise that the city has a reputation as one of the most violent places in the United States. Last year, there were 762 murders, 3,550 shooting incidents and 4,331 shooting victims with an average of 12 people shot every single day. In fact, the Windy City experienced more murders than New York and Los Angeles combined last year with the number of homicides there since 2001 eclipsing U.S. war dead in Iraq and Afghanistan by late November. Even though it had more murders than any other U.S. city last year, is Chicago's violent reputation entirely justified? According to nonprofit news outlet The Trace, Chicago is actually far behind other major U.S. cities in homicides per 100,000 residents. It found that between 2010 and 2015, New Orleans had a homicide rate of 46.9 per 100,000 inhabitants compared to just 16.4 in Chicago. As bad a problem as Chicago has on its hands, this metric does show that many other cities actually have higher levels of violence. (Source: Statista)

Emil Jellinek obtained permission to take the name Jellinek-Mercedes, observing that it was "probably the first time that a father has borne the name of his daughter.



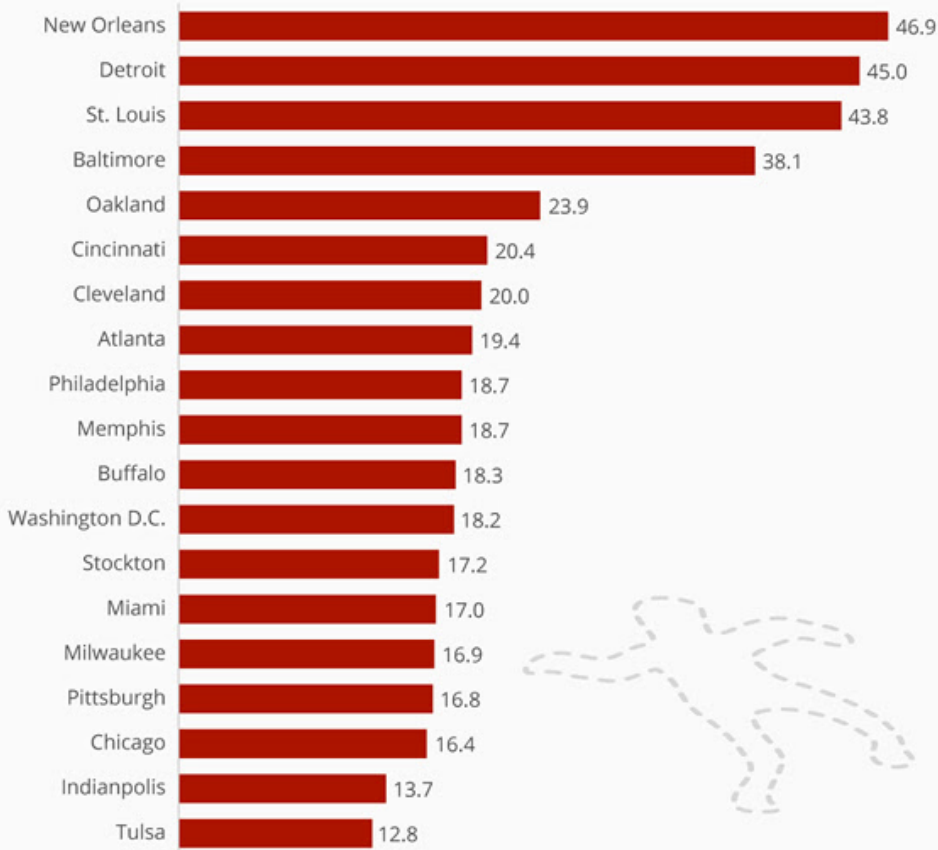
**1959, Klaus Fuchs** - After only nine years in prison, Klaus Fuchs, the German-born Los Alamos scientist whose espionage helped the USSR build their first atomic and hydrogen bombs, is released from a British prison. Fuchs immediately left Britain for communist East Germany, where he resumed his scientific career. As a student in prewar Germany, Fuchs joined the German Communist Party in 1930 but in 1934 was forced to flee after Nazi leader Adolf Hitler came to power. Settling in Britain, he became a brilliant young scientist and was recruited by the British military after the outbreak of World War II. Despite his communist past, he was granted security clearance. In 1943, Fuchs was sent with other British scientists to the United States to join the top secret U.S. atomic program. Eventually stationed at atomic development headquarters in Los Alamos, New Mexico, Fuchs became an important figure in the program. Unbeknownst to anyone at Los Alamos, he made contact with a Soviet spy soon after his arrival and offered precise information about the program, including a blueprint of the "Fat Man" atomic bomb later dropped on Nagasaki, Japan, and everything that the Los Alamos scientists knew about the hypothesized hydrogen bomb. After the war, Fuchs returned to England, where he continued his atomic work and Soviet espionage until December 21, 1949, when a British intelligence officer informed the physicist that he was suspected of having given classified nuclear weapons information to the USSR. The discovery of Fuch's espionage came four months after the Soviet Union successfully detonated its first atomic bomb. Fuchs pleaded guilty and on March 1, 1950, after a two-hour trial, was convicted. By British law he could be sentenced to only 14 years in prison because the USSR was not an official British enemy at the time of his arrest. After nine years, he was released from prison for good behavior and immediately left Britain for communist East Germany. He died in 1988.



**1973, Watergate** - President Richard Nixon's advisor, H.R. Haldeman, tells the president to put pressure on the head of the FBI to "stay the hell out of this [Watergate burglary investigation] business." In essence, Haldeman was telling Nixon to obstruct justice, which is one of the articles Congress threatened to impeach Nixon for in 1974. In audio tapes of that day's conversation in the Oval Office, Haldeman tells Nixon that the press and FBI investigators have come close to linking the men who burglarized

## America's Most Dangerous Cities

Homicide rate per 100,000 residents over the last five years\*



\* 2010-2015  
@StatistaCharts Source: FBI & UCR via The Trace

statista

**Weather** on the Plains has cooler air overspreading Montana and the Dakotas, preceded and accompanied by a few showers and thunderstorms. Recent rains on the northern Plains have bypassed some areas but have stabilized crop conditions in others. However, drought problems still remain. Meanwhile, on the southern High Plains, hot weather continues to reduce topsoil moisture, boost irrigation demands, and increase stress on rain-fed crops. In the Corn Belt, a cold front has developed alongside yesterday's showers and thunderstorms that moved through the region. In the last week, Midwestern soil moisture and growing conditions have generally improved, well in advance of corn and soybean reproduction. In the South, the tropical storm moved inland yesterday near the Texas-Louisiana border. The main threat from the storm remains locally heavy downpours, with secondary concerns about high water levels along the central Gulf Coast. Additional rainfall could reach 3 to 6 inches from the Gulf Coast northward into the Tennessee Valley and the central Appalachians. Higher totals may occur along the central Gulf Coast. Meanwhile, scattered showers and thunderstorms will cross the Midwest and East, followed by a surge of cool, dry air over the weekend. In fact, below normal temperatures will dominate areas from the Plains to the East Coast, starting late this week.

**Drought Worsens for Northern Plains:** A weather pattern change brought badly-needed, widespread showers and thunderstorms across the eastern half of the Nation, right after abnormal dryness developed in many areas of the Midwest and south central Plains last week. In the majority of corn producing states, drought has shrunk by nearly 14% thanks to recent rains. The latest drought report does highlight the ongoing troubles developing in the Wheat Belt. 3% now in extreme drought, 40% in dry conditions. Parts of eastern Montana, and North and South Dakota have seen the lowest precipitation as compared to normal since April, with deficits of 3 - 6 inches at 60 days and 4 - 8 inches at 6 months. Temperatures have also averaged well above normal the past few weeks, and combined with strong winds, have evaporated much of the soil moisture quicker than expected. Where recent rains have fallen some recovery of the crops and pastures have occurred, but winter wheat fields and other small grains that were planted early are much drier than corn, soybean, or later planted fields.

close to linking the men who burglarized the Democratic National Committee headquarters in 1972, housed in the Watergate building, to the White House. They specifically mention funds diverted to the burglars, many of whom were Cuban, by members of Nixon's re-election committee. Nixon tells Haldeman to tell the FBI that the funds in question were intended for the CIA and concocted a story about covert plans regarding communist Cuba. "Don't lie to them," said Nixon, "to the extent to say there's no involvement [on the part of the president] but just say this is sort of a comedy of errors, bizarre, without getting into it." The tapes of the hour-and-a-half conversation between Nixon and Haldeman eventually brought down the Nixon administration and led to his resignation in August 1974. They were considered the "smoking gun" which proved Nixon's role in obstructing justice during the Watergate investigation.

### 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

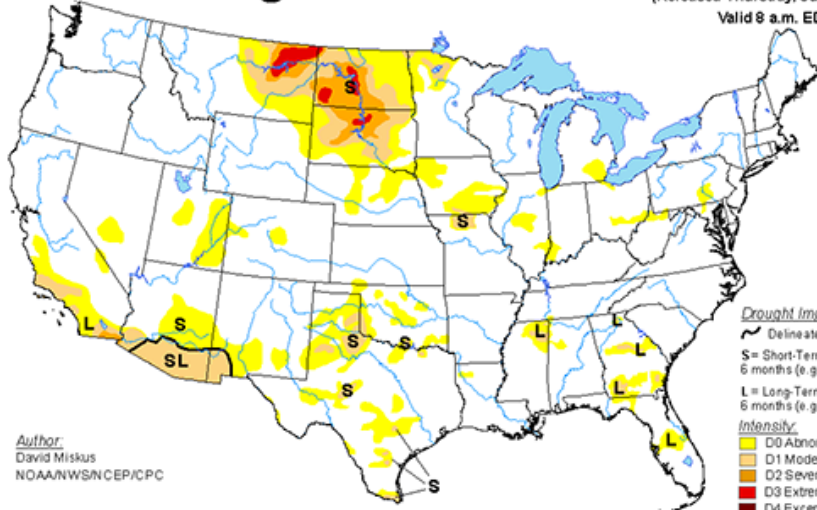
**Fri. 8/25** - Cattle on Feed

### Chart Of The Week



# U.S. Drought Monitor

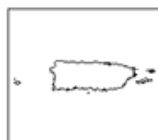
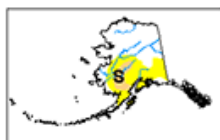
June 20, 2017  
(Released Thursday, Jun. 22, 2017)  
Valid 8 a.m. EDT



**Drought Impact Types:**  
~ Delineates dominant impacts  
S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)  
L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

**Intensity:**  
D0 Abnormally Dry  
D1 Moderate Drought  
D2 Severe Drought  
D3 Extreme Drought  
D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



USDA  
NOAA  
NCEP/Climate Prediction Center  
<http://droughtmonitor.unl.edu/>

**Corn** bulls are finding little traction as U.S. weather offers only a small wall of worry. In turn the JUL17 old-crop contract posted it's lowest close of 2017 yesterday, and is now down over -12% in the past 52-weeks. Technically the JUL17 contract feels like it might be wanting to test major psychological support down in the \$3.50 area. DEC17 new-crop corn is trying to hang tough, but is still down close to -5% in the past 52-weeks and down almost -2% in the past month. Obviously weather and next weeks highly anticipated USDA report, scheduled for release on Friday, will dictate the next couple of steps. Neither of which currently look to be extremely bullish. Just as I had suspected, there was fairly heavy farmer selling of old-crop bushels on the recent rally, and with very few buyers aggressively bidding up for supply, the basis was drastically widened in several parts of the U.S. At the same time we have an Argentine and Brazilian corn crop that appears to be getting larger and bringing about more questions regarding U.S. export and ethanol demand in the 3rd and 4th quarter of 2017. There's just a lot of old-crop corn floating around in the marketplace. As for new-crop, I'm personally starting to see more "good" corn as I travel around the Midwest. In fact some areas are starting to tassel and looks as if it has greatly improved. I'm also hearing more talk that the cool down coming our way this weekend and into next week might hit some areas at just the right time, helping the crop improve a bit more. I still however think the current USDA yield estimate is overly optimistic considering several areas have had to deal with various weather extremes, but the crop has improved to some degree in many locations. It will be interesting to see if the USDA bumps conditions higher on Monday and by how much? I also believe "demand" headlines are starting to waiver a bit and need to be more closely monitored. As a producer, I continue to keep all hedges in place. As a spec I'm thinking prices could move lower as the trade digests new headlines about a larger South American crop and perhaps lower export and ethanol numbers. Perhaps closer to next Friday the trade will start to talk more about fewer U.S. acres???

**Soybean** bears remain in control as the new-crop NOV17 contract is now down about -3.5% in the past month and about -7.5% year-to-date. The record crop in South America looks as if it's going to have an extremely long tail and limit the early purchases of U.S. new-crop soybeans. This obviously has some inside the trade worried about U.S. new-crop export demand. Throw on top a fresh new all-time record number of U.S. planted acres and talk of a +600 million bushel ending stock estimate, and the market really starts to weigh itself down. Technically, I'm still hearing talk of the market wanting to test nearby downside support in the \$8.80 to \$9.00 range. Longer-term bears are throwing around numbers in the low to mid-\$8.00 range if U.S. weather cooperates. Outside of next weeks highly anticipated USDA data, we might also be digesting numbers from the EPA's updated biofuel mandate. Should be an extremely busy and wild week!



## Sept Corn

Now that the trend line is broken, bulls are looking to the 3-month and 7-month lows at 3.70 and 3.67 respectively, for support.

[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

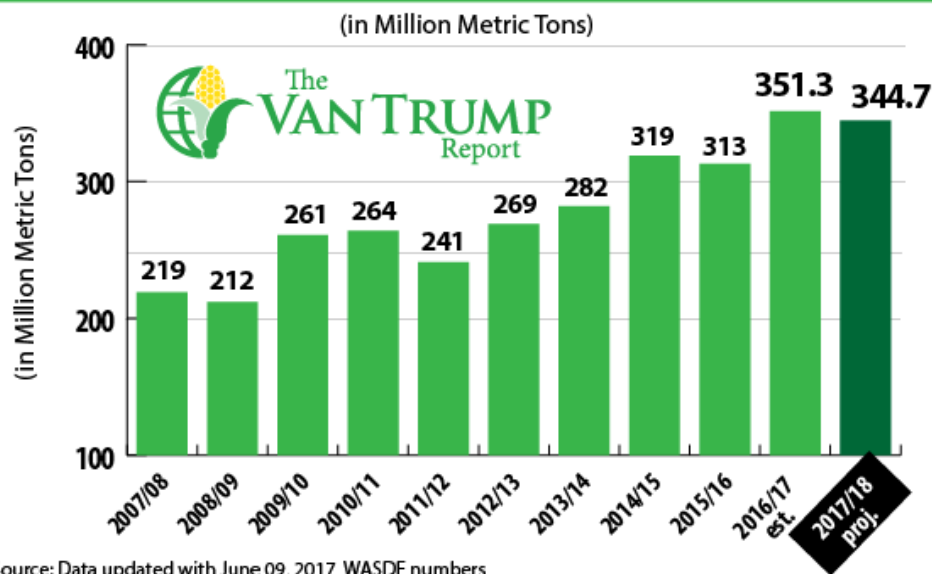


## US Dollar Index

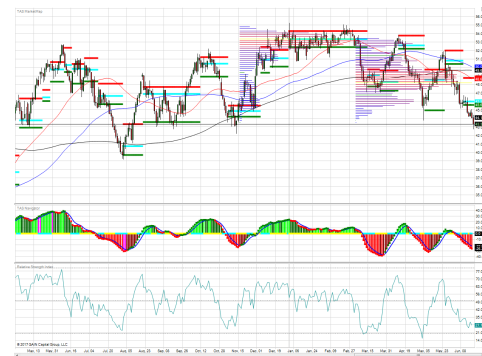
The Dollar is within a neutral/sideways trading range between 96.457 and 97.318. A close below or above one of these levels may set the new technical trend in motion.

[Enlarge US Dollar Index Chart »](#)

# World Soybean Production



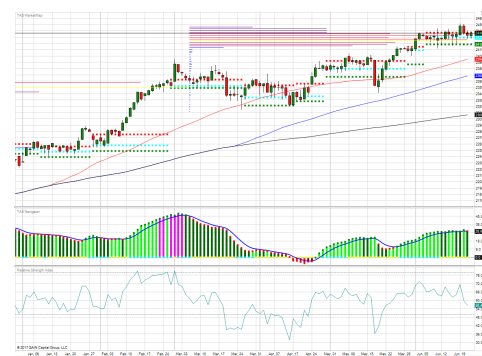
**Wheat** bulls are singing a slightly different tune than those in the corn and soybean markets. SRW and HRW wheat are up about +7% year-to-date, while Spring wheat is up over +20% on the year and appears poised to move higher in the coming weeks. Adding to some of the recent bullish rhetoric, the U.S. drought monitor increased areas in the Dakota's and Montana that are experiencing "severe-to-extreme" drought conditions. The current weather forecast doesn't look like it will help ease the pain in these areas during the next few days. Meaning the crops could become more stressed and fuel more talk of less available protein. Keep in mind there's also weather concerns and potential hiccups across portions of Australia, Canada, Eastern Europe and Ukraine. The U.S. harvest is progressing to the north and I continue to hear mixed results, but arguably most seem to be slightly better than anticipated. Meaning some of the nearby headlines might create a few headwinds, but once we move past this area I believe prices could again push to the upside. As both a producer and a spec, I remain a conservative longer-term bull. I still believe there is more to the Spring wheat story and more to the global protein story.



## Crude Oil

Fresh 7-month lows could attract a fresh layer of technical selling.

[Enlarge Crude Oil Chart »](#)



## E-Mini S&P Index

The long term bull trend remains intact with support for the uptrend at 2421.25.

[Enlarge E-Mini S&P Index Chart »](#)

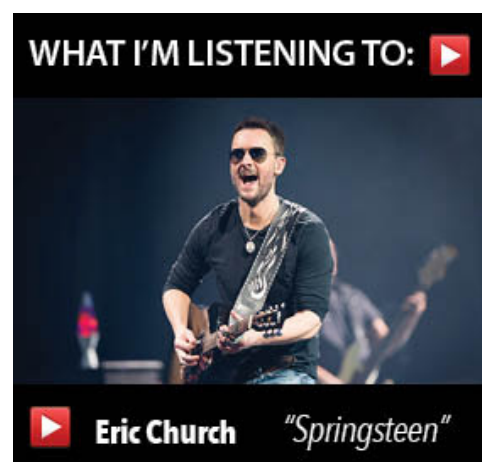


**> Brazil Halts Beef Exports To U.S.:** Marfrig Global Foods SA, Brazil's second-biggest meat producer, had export licenses for three of its plants halted by the nation's agriculture ministry after questioning from U.S. authorities, the ministry said. Competitors JBS SA and Minerva SA each had one plant suspended. All three companies confirmed the temporary halt.

**> Argentine Ethanol Sales Rise +30%:** Argentinian ethanol sales in April reached 86.4 million liters, up +30% on the year, but down -1% from the previous month, data from the ministry of energy and mines showed. On a daily basis, however, sales in April were 2% higher than March at 2.88 million liters, the data showed. April had one fewer day than March. Ethanol sales in April represented a blend into gasoline of 11.95%, the closest to the mandate, since government in April last year increased to 12% from 10% previously. That compared with a blend of 9.98% a year ago. Ethanol output in April amounted to nearly 80.57 million liters, up +33% on the year, but down 3% from March. Ethanol from the feedstock cane accounted for 44% of the total, or 35.35 million liters. The balance was corn ethanol.

**> Farmers In Paraguay Protest Proposed Grains Export Tax:** Thousands of farmers in Paraguay protested on Wednesday against a proposed 15 percent tax on soy, corn and wheat exports that will likely come to a vote in the Senate this week. Farmers in the world's No. 4 soy exporter gathered in Itapua, one of the main agricultural areas of the landlocked South American country, complaining the tax would

## Kevin's Song of the Week



## About the Report

put an end to corn and wheat planting and shrink soy output. The proposal came from a leftist coalition in Congress, and President Horacio Cartes's party agreed to support it as part of a political pact formed last week that allowed the party to take back control of Congress. Supporters of the project argue that the agricultural sector contributes very little in taxes, and agricultural exports totaled \$3 billion last year. Even so, Cartes's finance minister warned the tax could have a negative impact on the fast-growing economy and proposed an alternative to raise the value-added tax on agricultural products. (Source: Reuters)

**> Cattle Futures Traders Fined \$5 Million:** U.S. futures regulators fined a Memphis trading firm and three associates \$5 million on Wednesday for using a manipulative tactic in CME Group Inc's cattle futures, a market grappling with extreme volatility. The Commodity Futures Trading Commission said it penalized McVean Trading & Investments \$1.5 million and its chairman, Charles Dow McVean, \$2 million under a settlement deal after an investigation. President Michael Wharton was fined \$1 million and Samuel Gilmore, a consultant to the firm, was fined \$500,000. McVean and Wharton distorted other traders' views of the cattle market in 2012 and 2013 by secretly using cattle feedyards as straw purchasers for hundreds of long futures contracts, according to the CFTC. This enabled them to control substantial portions of the market without disclosing that control, the agency said. McVean Trading said in a statement that the settlement with the CFTC did not impact its clients or capital and that it was glad to resolve the investigation. Neither the firm nor the individuals admitted or denied the CFTC's findings. (Source: Reuters)

**> JBS Asset Sale To Minerva Blocked By Brazilian Judge:** A Brazilian judge has blocked JBS SA's planned sale of a South American unit while the attorney general's office urged the company's assets be frozen, in signs of fallout from a corruption probe involving the controlling shareholders of the world's No. 1 meatpacker. Federal Judge Ricardo Leite blocked JBS's \$300 million sale of the unit to rival Minerva SA, citing a corruption scandal ensnaring JBS's controlling Batista family, court documents seen by Reuters showed. In a separate decision, the attorney general's office urged state auditors to freeze assets of JBS and the Batistas, who own 42 percent of JBS. The move guarantees that funds reimbursing state lender BNDES for faulty dealings with JBS will be preserved, the attorney general's office said in a statement. (Source: Reuters)

**> Democrats To Scrutinize Icahn Influence:** House Democrats are asking the EPA to disclose all communications with Carl Icahn, the billionaire refinery owner and informal White House regulatory czar. Rep. Frank Pallone and other Energy and Commerce Committee Democrats are also suggesting Icahn's business dealings present an inherent conflict of interest. The Environmental Protection Agency is set to unveil 2018 quotas for the renewable fuel standard. Icahn has repeatedly criticized the biofuel blending mandate, and his refining company, CVR Energy Inc., spent \$60 million less on biofuel credits in the first quarter of 2017, according to SEC filings unpacked by Bloomberg News.

**> House Expected To Unveil Budget Next Week:** The House is prepared to unveil its long-awaited budget resolution next week, and it will set spending levels at \$511 billion for domestic programs and \$621 billion for defense, according to two lawmakers that spoke to Politico. For agriculture, the budget is expected to call for a \$150 billion cut to mandatory programs over 10 years - a bucketful of cuts that could very well impact programs like food stamps or crop insurance. The cuts, which during negotiations earlier in the week were also reportedly targeting agriculture payments, would be made through budget reconciliation to avoid the Senate's filibuster.

**> Hottest Industries For Teens To Find Jobs This Summer:** For teenagers, the time off from school could be an opportunity to earn some cash. The share of teenagers that work in the summer has fallen over the years. Data from the Bureau of Labor Statistics show that the share of those aged 16 to 19 who worked or looked for a job in July peaked in 1978, at 71.8%. It's more complicated than just wanting more free time: teens are studying for longer, some choose unpaid internships, and non-white teenagers are less likely to land summer jobs overall. About 43% of teens were active in the job market last July. Most of them worked in the leisure and hospitality industry, working gigs such as waiting tables and housekeeping. This chart from the BLS shows the top industries that employed teens in summer 2016. (Source: Business Insider)

## 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

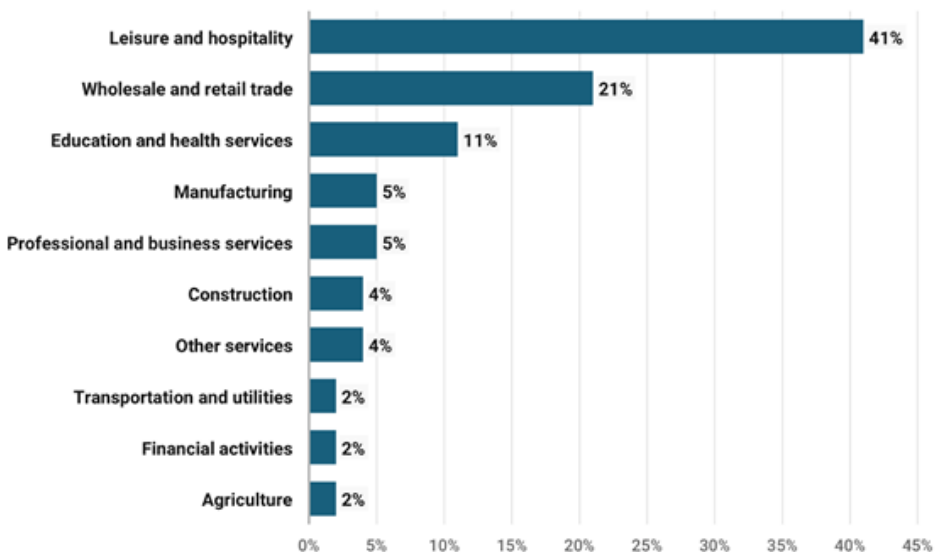
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis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



## TOP TEN INDUSTRIES EMPLOYING 16-19 YEAR OLDS, JULY 2016



SOURCE: Bureau of Labor Statistics

BUSINESS INSIDER



**Central Kansas** - We are down in Texas but the farms are in Kansas. We grow wheat, soybeans and some corn on our farms. We had grown milo in the past but insect pressure from sugar aphids shut that down. Early this year through most of spring we were very dry. As of late we have gotten on the wet side, but we were able to finish up our wheat harvest. We have not been able to get in the fields to get our double crop beans planted though. We do not have a bean seed planted but I am not too worried for now, but as we get in to July, that typically is not a good thing. The wheat crop was on the thin side all year. We had some fields that we thought wouldn't make anything at all ended up making 30bpa. Most of the wheat fields made anywhere from low 40bpa to mid 70bpa area. We did not have any of the heavy snow here but there were a lot of guys that lost half of fields due to weather problems.

**Western Mississippi** - We are getting some rain today and may get some more substantial moisture over the next few days from the tropical storm that is about to hit land. The rain will be fine but we do not need any of the high winds. If we see winds 30 to 40 mph that will be fine but much higher than that usually will cause some damage. We have had great weather and all the crops look good. Most of the corn has pollinated in great conditions and it looks as good as I can ever remember. The temps during pollination were ideal between a high of 80 during the day and into the low 60's at night, with rain about every couple days. Most people down here have not had to run their pivots all year and the cost saving for that will be huge. We have more cotton acres than we have had for sometime. The cotton looks pretty good but could use some heat. The rice acres are way down for these parts too. I think that our corn crop is all but made if we get this rain from the tropical storm. If it turns off hot and dry after that I think that the crop will make it.

**Western Missouri** - The weather has finally turned to summer and we are seeing some hotter temps over the past week. The corn had a pretty good stand but the beans just haven't grown much at all since being planted. The corn had plenty of moisture to get going but we dried out in a big hurry. Most of the corn is around knee high which is behind where we would normally be but things have evened up well. The stand looks much better as the temps have heated up causing the crop to root in deeper. The crop color has improved greatly over the past week. The beans have struggled after being planted in to fairly dry ground around Mothers day. We had a couple rains around .2" each that was enough to help push the beans up. Most of our beans were planted into even areas. The stand looks to be good but we will need rain to keep pushing them

the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can 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.

cover crops. The stand looks to be good but we will need rains to keep pushing them along. I would say that we are two or three weeks behind the normal growth at this time of year. I am not going to say that we are real dry but we could use a shot of moisture anytime.



## CROSSING WIRES

A place to share intelligent thoughts...


**Safrinha Corn Harvest Underway In Brazil:** *Brazilian farmers are in the early stages of harvesting their 2016/17 safrinha corn crop. The largest corn producing state in Brazil is Mato Grosso which is responsible for approximately 40% of the total production. According to the Mato Grosso Institute of Agricultural Economics (Iamea), up until last Friday, June 16, farmers in the state had harvested 12% of their safrinha corn crop representing an advance of about 7% for the week. The harvest pace is 1.8% ahead of last year and 6.3% ahead of the five-year average. The annual dry season is firmly in place in central Brazil and the hot and dry conditions should accelerate the harvest pace going forward. In Mato Grosso, it is estimated that 17% of the safrinha corn will be consumed within the state, 24% will be shipped to other states, and 54% will be exported. Read more from [Soybean & Corn Advisor](#).*

**Here's How Much Money Americans Think You Need To Be Considered Rich:** *When it comes to defining wealth, Americans are split, with some describing it as a specific dollar amount and others as a state of mind. That's according to a new survey from Charles Schwab, which asked 1,000 Americans to complete the following sentence: "To me, 'wealth' means ..." Participants were also asked how much money is required to be considered "wealthy" in America. "Survey respondents say it's an average of \$2.4 million," Charles Schwab reports, "or nearly 30 times the actual median net worth of U.S. households, according to the U.S. Census Bureau. Read more [HERE](#).*

**The World's Most Important Charts From The Brightest Wall Street Minds:** *Business Insider has once again asked dozens of top strategists, economists, and writers for one chart that is top of mind right now. The slideshow, available [HERE](#), also includes their verbatim analysis of the trend they picked. All of these charts were submitted by June 16, so some of the data may have evolved since then.*

**Hospital Designs Are Changing The Way You Are Cared For:** *While the healthcare system in America is in a state of crisis, the hospitals, care centers and research facilities that make up the industry -- in the States and abroad -- have never looked better. Gone are the days of sterile spaces, shared rooms and buildings that could be confused for corporate offices. Instead, we've seen a new class of hospitals that are more like hotels, with private rooms, gardens and art installations. But competition is*

*Farm Direction*  
RECIPES  
★ **FAMILY** ★  
**FAVORITES**  
- SENT IN BY OUR READERS -



**Beef Tenderloin  
Stuffed w/Herb Pesto**

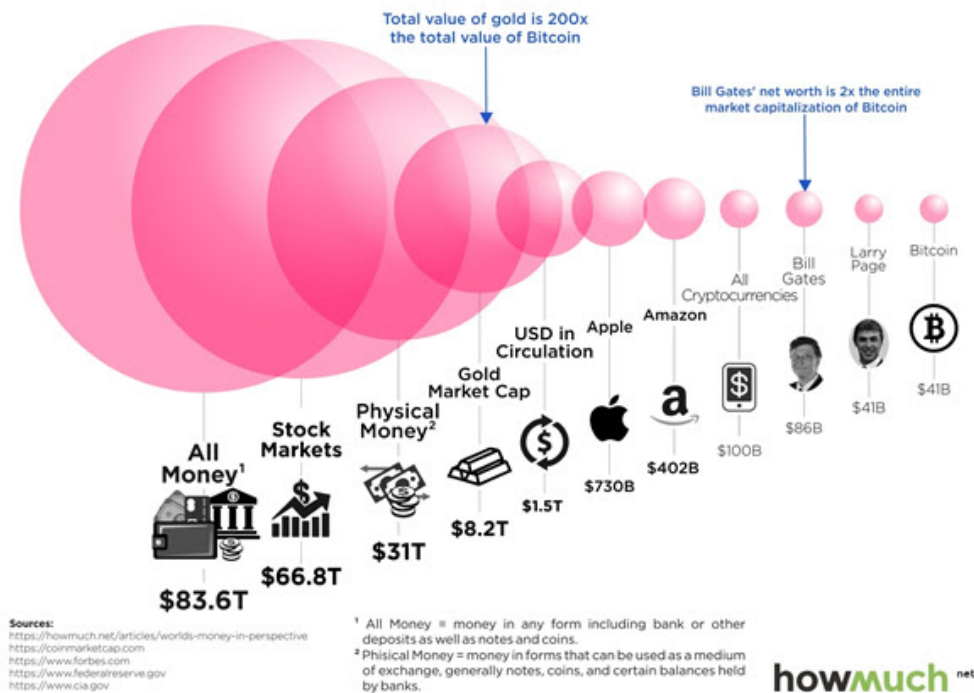
**CLICK TO SEE RECIPE**



more like hotels, with private rooms, gardens and art installations. But competition is driving people away from private facilities and into county hospitals that are adopting a new, more patient-centric approach, according to Pat Bosch, design director at the Miami office of architecture firm Perkins + Will. "We're seeing a lot of intersections with corporate America, retail, hospitality and civic [architecture]," she says. "It's about: How do you attract and retain your community and your patients? How do you attract and retain doctors and nurses?" Read more [HERE](#).

**Putting The World's Money In Perspective:** As you see on this head-spinning graph below, the total amount of money in the world is \$84 trillion. But that includes money in the bank. In physical coins and notes, the total global money supply is only \$31 trillion. See the problem? Hence the rise of Bitcoin and other cryptocurrencies. Bitcoin is the cryptocurrency that refuses to die. Its demise has been predicted numerous times, and one expert calculated that its value is eighteen times more volatile than the U.S. dollar. Yet the virtual money keeps going from strength to strength. Last year, Bitcoin became more stable than gold, and earlier this year, the price of a Bitcoin surpassed that of an ounce of gold for the first time. Currently, all the bitcoin in the world is worth \$41 billion. If that amount is hard to grasp, just think of it as one Larry Page – because \$41 billion also happens to be the net worth of the guy who co-founded Google with Sergey Brin. Bill Gates, the richest man in the world, is worth \$86 billion, or the net worth of Larry Page and Bitcoin combined – with enough change to buy the L.A. Lakers, the Toronto Maple Leafs, the Chicago Cubs and the Solomon Islands (not a sports team, but an entire country). Read more and see a larger version of the below graphic [HERE](#).

## Putting the World's Money into Perspective



### How Tracking "Buzzes" Could Help Farmers Monitor Bee Health

Some scientists have a novel idea for real-time tracking of our country's bee population – an app and listening tools that would capture the sound of their "buzzing". It's estimated that some 40% of pollinators face extinction, which is a serious problem as most food crops depend in part on pollination from bees and other pollinators. In the U.S., pollinators are responsible for more than \$24 billion dollars of economic activity, according to a 2014 study. Without a reliable number of animal pollinators, farmers don't know how much pollination is actually going on in their greenhouses and fields. Researchers recently set up a series of cheap microphones in fields of flowers, then used an algorithm to quantify the number of buzzes in the area as bees flew by. The method was almost always more accurate than researchers who tried to count the bee flights visually—and it's something that could be used much more easily, and more cheaply, over large areas. It also doesn't harm the bees in any way, unlike another

cheaply, over large areas. It also doesn't harm the bees in any way, unlike another popular method for monitoring - by trapping them - which usually kills the bees. The system doesn't really allow the user to count the bee population so much as it helps determine how active the bees are. Researcher, Candi Galen visited the clover field where the mics were set up and found that patches of clovers where her team counted more buzzes during the spring had more seeds in the fall. Also, those with fewer buzzes had fewer seeds. Farmers could use this system to determine if bee activity was slowing down or to effectively measure results of implementing bee-friendly practices. For organic farmers, identifying a crash in activity could alert them to possible pesticides blowing on their crops from neighboring farms. The researchers who developed the new monitoring system are also collaborating with teams that are building a "facial recognition" type tool that would identify specific species and could possibly be used in combination with the buzz recorder. They also hope that further study of buzzing will give them better insights into what those buzzes may reveal about bee health. For instance, scientists already know that when a bee visits a flower, they buzz differently. If they can make those connections, monitoring buzzing could be useful as an early warning system for parasites and pathogens in a bee population. (Sources: NPR, FastCompany)



### **Custer's Last Stand**

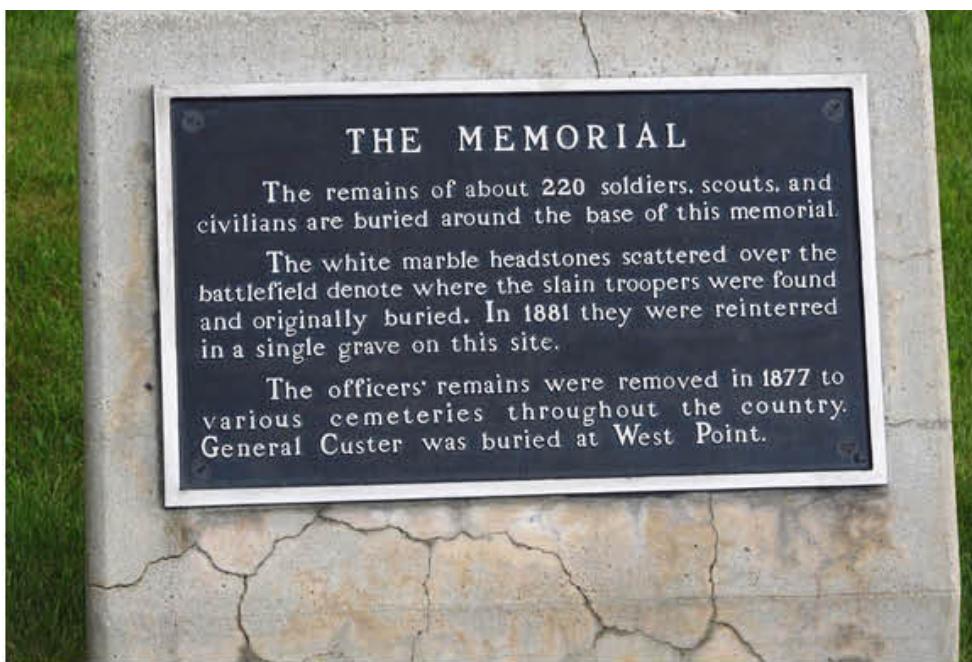
This weekend marks the anniversary of the "Battle of Little Bighorn". For those not familiar with U.S. history, the battle pitted the the U.S. army's 7th Cavalry Regiment against Indians from several tribes, primarily Sioux and Cheyenne. The leader of the U.S. Army was Lieutenant Colonel George Custer, and the Native Americans were led by Sitting Bull and Crazy Horse. The Indians had been successfully resisting American efforts to confine their people to reservations for more than a decade. Although both chiefs wanted nothing more than to be left alone to pursue their traditional ways, the



growing tide of white settlers invading their lands inevitably led to violent confrontations. Increasingly, the Sioux and Cheyenne who did try to cooperate with the U.S. government discovered they were rewarded only with broken promises and marginal reservation lands. In 1876, after many claimed the U.S. Army blatantly ignored treaty provisions and invaded the sacred Black Hills land, many formerly cooperative Sioux and Cheyenne abandoned their reservations to join Sitting Bull and Crazy Horse in Montana. The U.S. Army soon ordered all the "hostile" Indians in Montana to return to their reservations or risk being attacked. Sitting Bull and Crazy Horse ignored the order and sent messengers out to urge other Sioux, Cheyenne, and Arapahoe Indians to unite with them to meet the white threat. By the late spring of 1876, historians say more than 10,000 Indians had gathered in a massive camp along a river in southern Montana called the Little Big Horn. "We must stand together or they will kill us separately," Sitting Bull told them. Custer had originally been told there were no more than 700 to 800 hostile Indians in the area. When the 7th Cavalry attacked on June 25, 1876, near the Little Bighorn River in eastern Montana, they were greeted by what some say were thousands of Native Americans. The entire battle actually started in the afternoon and lasted overnight, but in the end the U.S. Army's 7th Cavalry was decimated. Many historians say the battle with Custer's Battalion lasted less than an hour as he and his troops were grossly outnumbered, perhaps by a ratio of 9:1. Not only did Custer die, but so did two of his brothers, his brother-in-law, and his nephew were also killed. Call it bad intel, faulty strategy, or karma it was a rough outing for the U.S. military. (Source: History; Wiki)



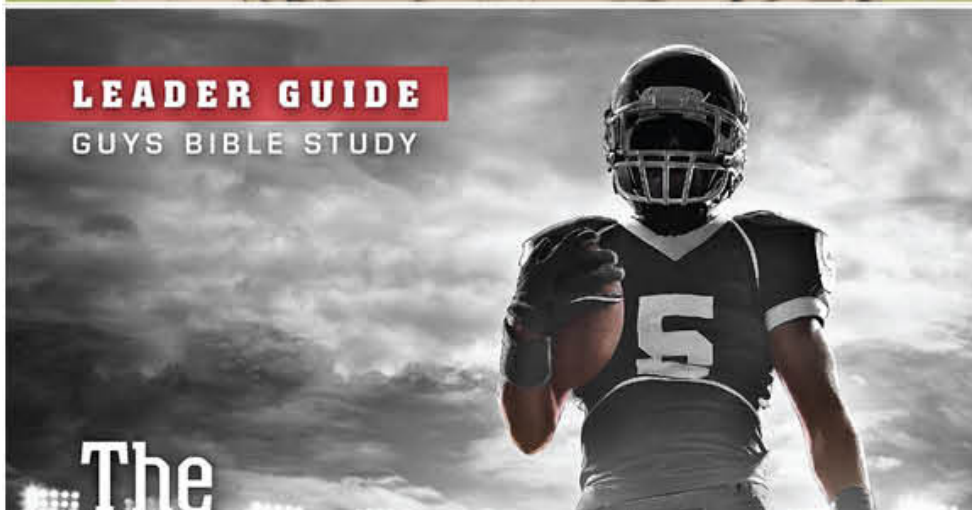




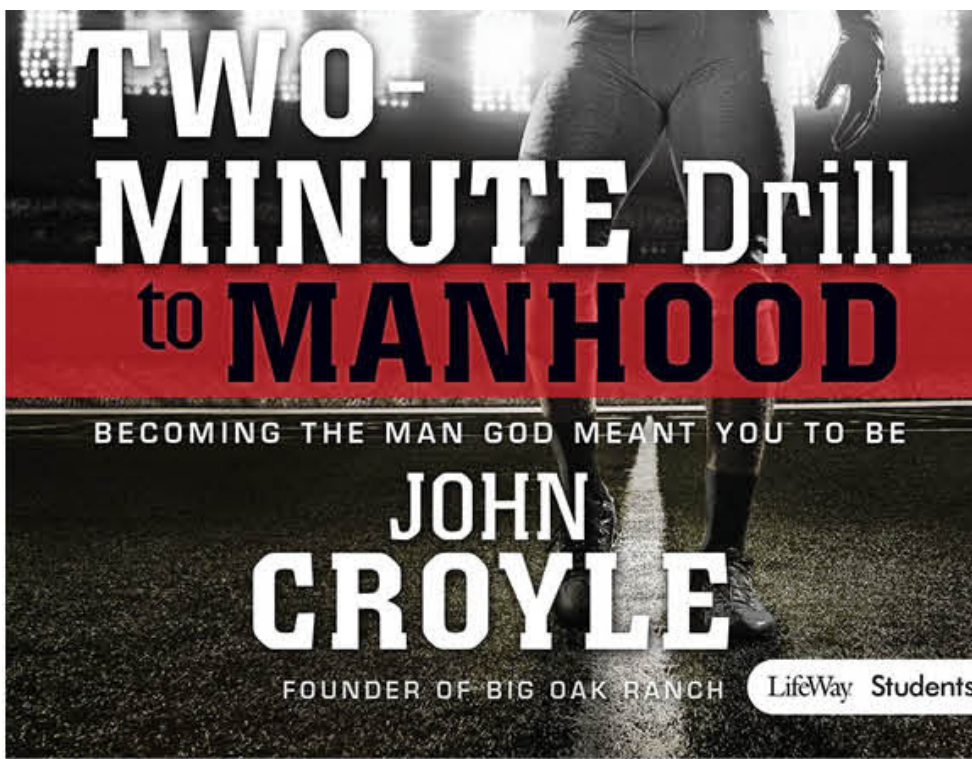
### **One Man's Journey From NCAA Champion To Father Of Thousands**

John Croyle had the same dream most Alabama boys do at the age of 7, which is to play football at the University of Alabama for Coach Bear Bryant. The only difference for John is that he lived it. Most things in life, especially football, came easy for John and he admits until his freshman year at the University he had never truly experienced adversity. His parents were hardworking folks who provided John a strong foundation for him to accomplish anything he wanted in life. During his freshman year, Croyle suffered a severe knee injury, which appeared career-ending. John recalls Coach Bryant saying, "what a waste son, your career is over". Up to this point, Croyle was a typical cocky jock certain that things would work out for him. It would be that injury that would change the trajectory of Croyle's life and character. He was humbled, terrified, and would cry himself to sleep many nights, but he did commit himself to rehabilitating his knee. Eight surgeries and 18 months later, Croyle would return to the field at Alabama, where he would learn how to win. Coach Bryant would make sure of that as Alabama only lost four games in Croyle's time at UA, where he won a National Championship in 1973 and was selected to the All-SEC Team. While working as a camp counselor in Mississippi at 19 years old, he met a boy in circumstances most people can't imagine. "His mom was a prostitute, and he was her banker and timekeeper," Croyle said. At this moment, Croyle knew he wanted to help young orphaned boys by establishing a home for children like this boy. Coming from a family of faith, John says, he knew what God wanted him to do with his life, but he didn't see the path to get there. Croyle figured he would play in the NFL for a while and save up money to open the ranch, but the advice he received from Coach Bryant wasn't what most would expect from the man who many believed ran the NFL's best farm club. The Coach told

John, unless you are willing to marry the sport don't do it. At that point Croyle walked out the door and never looked back. As I'm sure you have all experienced, when one door closes God is faithful to open another. Bryant became an early supporter of Croyle's dream as did his friend and former teammate, John Hanna. The All-American kicked in his \$30,000 signing bonus from the New England Patriots to help buy the boys' ranch property in 1973, back when \$30,000 was real money. Big Oak Ranch began in 1974 in an old farmhouse near Gadsden. Since then, Croyle has been a father to over 2,000 orphaned, neglected, and unwanted children. Through the years, children who have suffered from every abuse imaginable have found shelter at his ranch. By his side from the beginning was his wife, Teresa. They raised daughter, Reagan, and son, Brodie, at the ranch: Reagan played basketball at the University of Alabama, was crowned Homecoming Queen, and modeled internationally in places like Milan. Her brother, Brodie, starred as the quarterback at Alabama and played with the Kansas City Chiefs in the NFL. Both have now returned to the ranch, and are now running the place. John gives every child who comes to the ranch this assurance, "I love you. I'll never lie to you. I'll stick with you until you're grown. There are boundaries — don't cross them." He believes these four promises cover the bedrocks to parenting a child. "My job is to give them the emotional support, security and discipline they need because their parents didn't want the job," John Croyle explained. Croyle learned a lot of his life lessons from Coach Bryant and a lot about teaching young people. "Coach was demanding of his players in the same way parents should be demanding of their children," Croyle explained. Practices were always harder than games, he said. "Coach would say, 'If you'll quit on Tuesday, you're definitely going to quit on Saturday.' We practiced so hard all week, that game day was the easiest day of the week. It's not whether you were going to win, it's how much you're going to win by. "We feared Coach Bryant," Croyle continued. "Not physical fear, and not from abuse or anything else. We were afraid to disappoint him." I applaud John Croyle's efforts and accomplishments also I thank him for filling the gap created by others. I absolutely agree that it takes a lot of hard work, being consistent, and holding to your standards as a parent to raise a kid who will have the skills to succeed. Too many are focused on their own lives and don't want to be inconvenienced by disciplining their children, we see how that approach has worked for them.(Source: [LifeZette](#))







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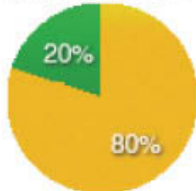




## CASH SALES & HEDGING TOTALS

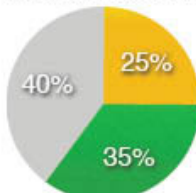
### CORN 2016 CROP

80% SOLD  
20% HEDGED  
0% UNPROTECTED



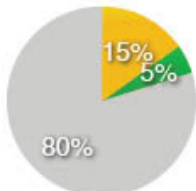
### CORN 2017 CROP

25% SOLD  
35% HEDGED  
40% UNPROTECTED



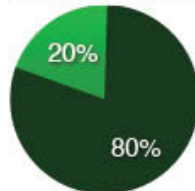
### CORN 2018 CROP

15% SOLD  
5% HEDGED  
80% UNPROTECTED



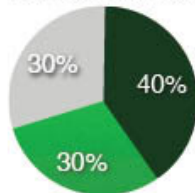
### SOYBEANS 2016 CROP

80% SOLD  
20% HEDGED  
0% UNPROTECTED



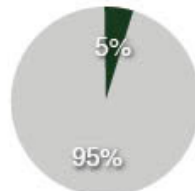
### SOYBEANS 2017 CROP

40% SOLD  
30% HEDGED  
30% UNPROTECTED



### SOYBEANS 2018 CROP

5% SOLD  
0% HEDGED  
95% UNPROTECTED



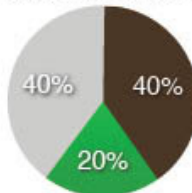
### WHEAT 2016 CROP

100% SOLD  
0% HEDGED  
0% UNPROTECTED



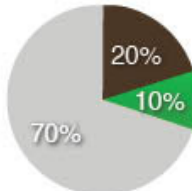
### WHEAT 2017 CROP

40% SOLD  
20% HEDGED  
40% UNPROTECTED



### WHEAT 2018 CROP

20% SOLD  
10% HEDGED  
70% UNPROTECTED



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