

GOOD MORNING: 06/29/17 Farm Direction - VanTrump Report

1 message

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

Thu, Jun 29, 2017 at 7:27 AM



"Making predictions is hard, especially about the future..." - Yogi Berra

THURSDAY, JUNE 29, 2017

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REMINDER: Our offices are closed the week of the July 4th holiday and the week between Christmas and New Year. These seem to be the best weeks to give my staff a break and time to spend with their families. I will however personally be monitoring the markets and will send a "Special Report" to paid subscribers if an event should alter my current marketing thoughts, opinions and or strategies. From my family to yours, have a safe and happy July 4th. No morning reports July 3rd, 4th, 5th, 6th or 7th. Remember, most markets close early on Monday, July 3 and will be closed entirely on Tuesday, July 4, including the CME ([detailed schedule](#)) and New York Stock Exchange ([detailed schedule](#))

Morning Summary: U.S. stocks continue to trade near all-time highs with the tech sector up more than +15% for the year. Financial stocks are also starting to gain some momentum as the Federal Reserve announced after the market close that all big U.S. banks passed the second round of its so-called "stress test," giving banks permission to make what is expected to be record payouts to shareholders. Interestingly, Goldman Sachs yesterday issued a slightly less bearish forecast for the stock market. They had been saying the S&P 500 would end the year around 2,300. They have now bumped that estimate higher to 2,400, expecting the benchmark U.S. equity index to fall just -1% over the next six months, thanks to a more optimistic outlook for the financial and technology sectors. The bank also warned that a primary risks to the stock market stems from higher interest rates and inflation. Despite higher rates being beneficial for some sectors, like financials, across the entire index, the analysts note that it is usually associated with lower earnings for companies. Economic data today includes Corporate Profits for first-quarter, as well as the final estimate of first-quarter GDP. Most sources are looking for Q1 growth to stay at around +1.2%. We will also be hearing from St. Louis Fed president, James Bullard, who will be speaking on the low growth, low inflation and low interest rate regime of the current U.S. economy, as well as global developments and prospects for growth. The U.S. dollar is higher and crude oil continues to find a bit of nearby momentum, commodities may feel a slight tailwind.

Apple iPhone Turns 10 Years Old: Apple has sold more than 1 billion iPhones since June 29, 2007. The iPhone really didn't hit its stride until 2008 when Apple introduced the App Store, which allowed developers to make and distribute their mobile applications with Apple taking a cut of any revenue. Fans and investors are now looking forward to the 10th anniversary iPhone 8, expected this fall. More than 2 billion people now have smartphones. Talk about a "game-changer". (Source: Reuters)

Brazil President Formally Charged With Corruption: Brazilian prosecutors have filed criminal charges of "passive corruption" against President Michel Temer. The charges, which Brazilian Attorney General Rodrigo Janot filed with the federal Supreme Court, came after a secret recording surfaced of a discussion between Temer and Joesley Batista, the president of JBS, a food processing company. In the recordings, Batista can be heard talking about paying bribes. Temer maintains the recording was doctored. The complaint against the President says that Batista sent a \$152,000 payment to Temer, which was received in a briefcase by former federal lawmaker Rodrigo Rocha Loures, who also was charged in the case. The passive corruption charge means that the President was

Today In History



1613, Globe Theater - The Globe Theater, where most of Shakespeare's plays debuted, burned down on this day in 1613. The Globe was built by Shakespeare's acting company, the Lord Chamberlain's Men, in 1599 from the timbers of London's very first permanent theater, Burbage's Theater, built in 1576. Before James Burbage built his theater, plays and dramatic performances were ad hoc affairs, performed on street corners and in the yards of inns. However, the Common Council of London, in 1574, started licensing theatrical pieces performed in inn yards within the city limits. To escape the restriction, actor James Burbage built his own theater on land he leased outside the city limits. When Burbage's lease ran out, the Lord Chamberlain's men moved the timbers to a new location and created the Globe. Like other theaters of its time, the Globe was a round wooden structure with a stage at one end, and covered balconies for the gentry. The galleries could seat about 1,000 people, with room for another 2,000 "groundlings," who could stand on the ground around the stage. The Lord Chamberlain's men built Blackfriars theater in 1608, a smaller theater that seated about 700 people, to use in winter when the open-air Globe wasn't practical.



1776, American Revolution - Edward Rutledge, one of South Carolina's representatives to the Continental Congress in Philadelphia, expresses his reluctance to declare independence from Britain in a letter to the like-minded John Jay of New York. Contrary to the majority of his Congressional colleagues, Rutledge advocated patience with regards to declaring independence. In a letter to Jay, one of New York's representatives who was similarly disinclined to rush a declaration, Rutledge worried whether

charged in the case. The positive corruption charge means that the President was to have received the payment through an intermediary. In a plea deal, Batista said Temer also condoned payments to imprisoned former House Speaker Eduardo Cunha in exchange for his silence in a corruption investigation. Temer was originally vice president to Dilma Rousseff. He became one of the key players that led the charge to impeach Rousseff for breaking budgetary laws, then assumed the presidency after her impeachment in September. Yesterday, Brazilian Supreme Court Justice Edson Fachin sent corruption charges against President Michel Temer directly to the lower house of Congress. Two-thirds of the lower house would need to vote in favor of Temer facing trial. If 342 legislators accept the charge, it will head to the Supreme Court for trial. If the case proceeds that way, the President would be removed from office for 180 days. (Sources: CNN, Reuters)

Are Bank Shareholders About To Get A Big Payday? *Regulators have given a big vote of confidence in the health of the US financial system as they gave banks the go-ahead to make a record level of payouts to shareholders — even as Capital One was warned it needed to improve its capital planning. Capital One, one of the country's biggest consumer lenders, was put on notice it needed to address the weakness or face a block on shareholder payouts, one black mark in a largely upbeat verdict on the industry from the Federal Reserve in its annual stress tests. Another consumer lender, American Express, was meanwhile forced to rethink its capital distribution plan, although regulators gave their blessing to its more conservative payout proposal. Overall, shareholders in the 34 banks tested are in line for a payout bonanza. Senior Fed officials said the 34 banks that took part in the tests were in aggregate close to paying out almost all of their projected net earnings over the next four quarters. That is up sharply from 65 per cent in last year's stress tests. Morgan Stanley has said it expects the median gross payout ratio from the banks to rise to 95% of yearly earnings and estimated that Bank of America, JPMorgan, Goldman Sachs and Citigroup alone have a combined \$79 billion in extra capital. This was actually the first time since the financial crisis that the Fed has cleared all big banks' capital returns. (Source: Financial Times, IBD)*

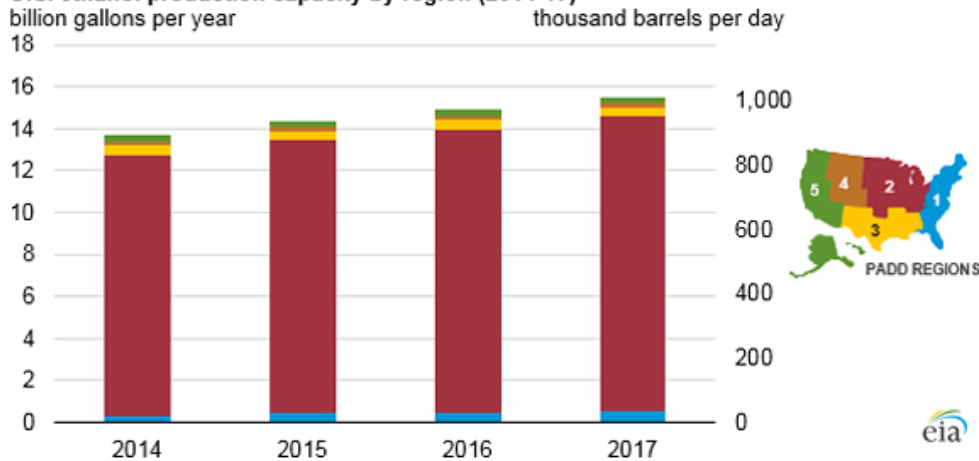
U.S. Ethanol Production Capacity Continues To Rise: *Fuel ethanol production capacity in the United States reached 15.5 billion gallons per year, or 1.01 million barrels per day (b/d), at the beginning of 2017, according to EIA's most recent U.S. Fuel Ethanol Plant Production Capacity report. Total capacity of operable ethanol plants increased by about 4%—or by more than 600 million gallons per year—between January 2016 and January 2017. Most of the 198 ethanol plants in the United States, representing most of the U.S. fuel ethanol production capacity, are located in the Midwest region (as defined by Petroleum Administration for Defense District, or PADD, 2). Total nameplate capacity in the Midwest was 14.0 billion gallons per year at the beginning of 2017 (918,000 b/d), an increase of about 4%—or by more than 530 million gallons per year—between January 2016 and January 2017. Nameplate production capacity, the measure of capacity that EIA tracks, is the plant manufacturer's stated design capacity to produce fuel ethanol during a 12-month period. Of the top 13 fuel ethanol-producing states, 12 are located in the Midwest. The top three states—Iowa, Nebraska, and Illinois—contain more than half of the U.S. total ethanol production capacity. (Source: EIA)*

moderates like himself and Jay could "effectually oppose" a resolution for independence. Jay had urgent business in New York and therefore was not able to be present for the debates. Thus, Rutledge wrote of his concerns. Rutledge was born in Charleston, to a physician who had emigrated from Ireland. Edward's elder brother John studied law at London's Middle Temple before returning to set up a lucrative practice in Charleston. Edward followed suit and studied first at Oxford University before being admitted to the English bar at the Middle Temple. He too returned to Charleston, where he married and began a family in a house across the street from his brother. As revolutionary politics roiled the colonies, first John, then Edward served as South Carolina's representative to the Continental Congress. Neither Rutledge brother was eager to sever ties with Great Britain, but it fell to Edward to sign the Declaration of Independence and create the appearance of unanimity to strengthen the Patriots' stand. At age 26, Edward Rutledge was the youngest American to literally risk his neck by signing the document.

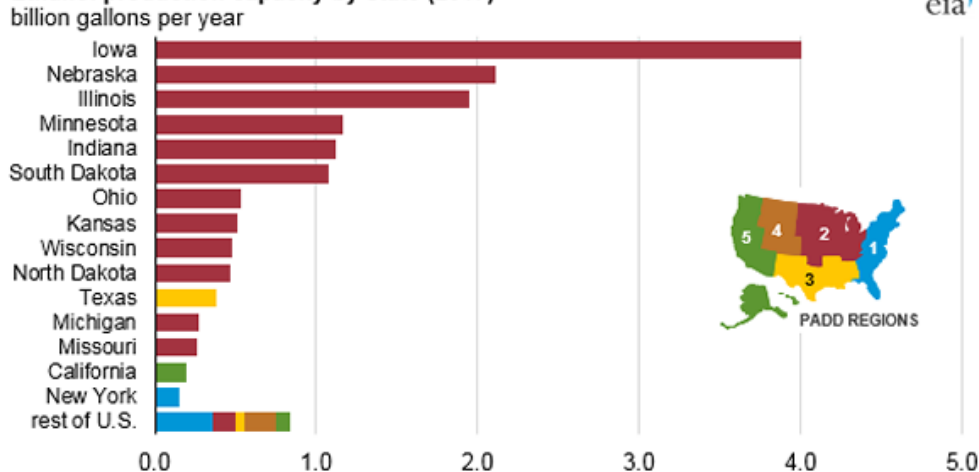


1943, J. Robert Oppenheimer - President Franklin D. Roosevelt writes a letter marked "secret" to leading Manhattan Project physicist J. Robert Oppenheimer. In the letter, Roosevelt sought to smooth over the growing antagonism between Oppenheimer and General Leslie Groves, the military leader in charge of the project. Roosevelt began by congratulating Oppenheimer (or "Oppie" as he was known to colleagues and friends) on the progress of a "highly important and secret program of research, development and manufacture with which you are familiar." No mention was made, of course, of the phrase "Manhattan Project" or "atomic bomb." Roosevelt conveyed a sense of urgency in solving "the problem" and bringing the project to fruition. He stressed the project's bearing on national security. Roosevelt's letter acknowledged Oppenheimer as the leader of an elite group of scientists operating under strict security and under "very special conditions." He had received reports that the brain trust of scientists tapped to deliver an atomic weapon were starting to snap under the pressure of trying to meet what they saw as an impossible deadline. Oppenheimer and Groves frequently clashed over the scientists living and working conditions. The small isolated community resented living under heavy guard in the desert of New Mexico. Many of the experts had doubts the bomb could even be built at all and questioned the wisdom of working with such dangerous material. Roosevelt appealed to Oppenheimer to convince the group of the necessity of the restrictions and asked

U.S. ethanol production capacity by region (2014-17)



Ethanol production capacity by state (2017)



Weather in the Corn Belt is seeing widespread showers and thunderstorms across the upper Midwest maintain generally favorable soil moisture for summer crops. In addition, near to below normal temperatures throughout the Corn Belt are minimizing stress on earlier planted corn and soybeans that are entering reproduction. On the Plains, recent showers brought negligible relief to drought stricken rangeland, pastures, and crops in the Dakotas and eastern Montana. Currently, cool but mostly dry weather is returning to the northern Plains' core drought areas. On June 25, Montana led the nation in topsoil moisture rated short to very short--69%. In the South, lingering showers are primarily confined to areas along and near the Gulf Coast. Elsewhere, mild, dry weather favors fieldwork and crop development. In the Delta States, more than half of the soybeans were blooming by June 25 in Louisiana (79%), Mississippi (61%), and Arkansas (60%), with progress more than 20 percentage points ahead of the respective 5 year averages. A cold front crossing the Midwest will continue to generate widespread showers and thunderstorms through Friday. A subsequent disturbance will bring additional showers during the weekend across the nation's mid-section. Five day rainfall totals could reach 1 to 5 inches across the Midwest and the eastern Plains.

Lookback At Recent Cool, Rainy Conditions: Looking at the precipitation map below, you can see since June 1, the Corn Belt has seen good rainfall in most areas including Illinois, Indiana and Ohio. White outlined area in central Illinois is the only exception. As far as the cooler temperatures, the other map shows departure from normal average temperatures over the last 7 days. Look how abnormally cool the Midwest/Corn Belt and northern Plains have been in the past week.

him to convey his appreciation for their hard work and personal sacrifice. Roosevelt expressed his faith that "whatever the enemy may be planning, American science will be equal to the challenge." Two years later, at a test site near Alamogordo, New Mexico, the first atomic bomb was successfully detonated. Of course, Roosevelt would not live to decide whether or not to use the new and powerful weapon in World War II. He died on April 12, 1945, leaving the decision to his successor, Harry S. Truman who authorized its use against Japan on August 6 and 9, 1945.

Upcoming Events

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

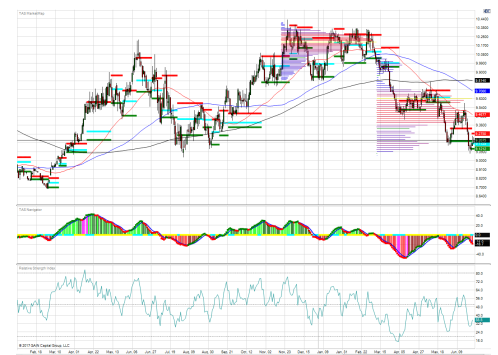
Fri. 8/10 - USDA Supply and Demand

Wed. 8/16 - Minutes From 7/26 FOMC Meeting

Tues. 8/22 - Cold Storage

Fri. 8/25 - Cattle on Feed

Chart Of The Week



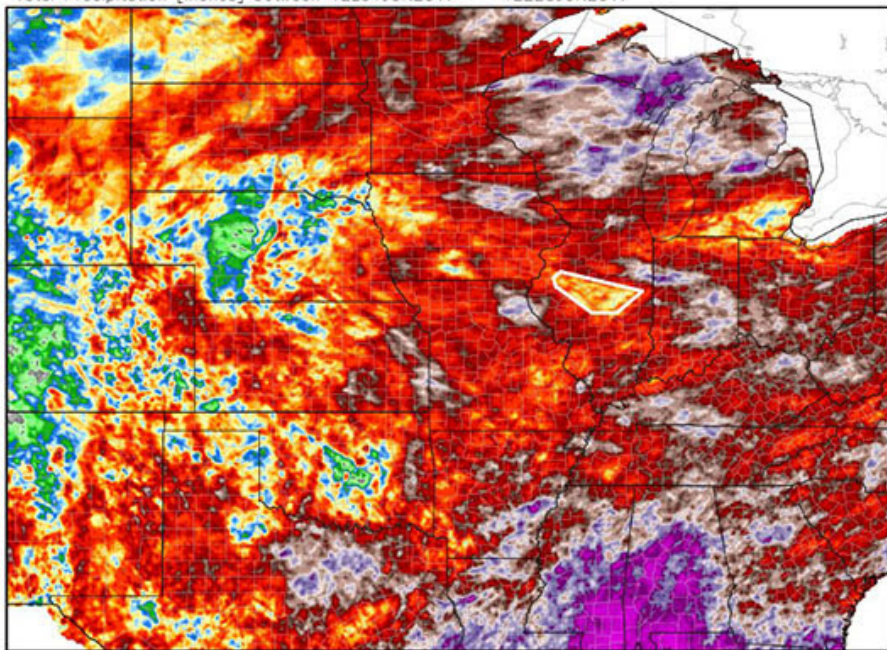
Nov Soybeans

Lows from August 2016 (9.0350) are potentially the last level of support before 8.80.

[Enlarge Nov Soybeans Chart »](#)

NWS Precipitation Analysis 4-km HRAP Grid -- JUN MTD Total Accumulation
Total Precipitation [inches] between 12z01JUN2017 -- 12Z28JUN2017

Domain Max: 27.5 in.



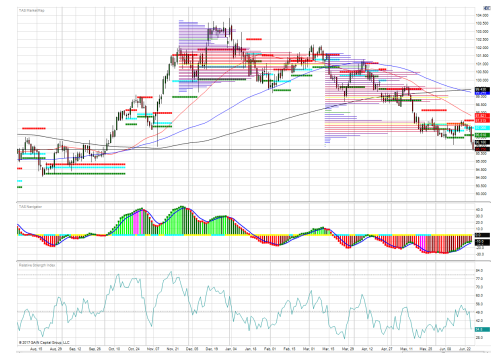
4 km HRAP grid | End of hydrological day at 1200 UTC | <http://water.weather.gov/precip>



Need more help with the "Technical" side of the market? I personally like to use Tom Dossdall at Technical Ag Knowledge.

[Click here](#) for a complimentary subscription courtesy of The Van Trump Report.

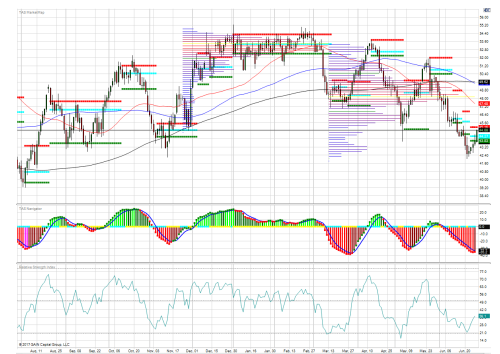
Outside Markets



US Dollar Index

The Dollar falls to fresh 8 1/2 month lows and is technically out of balance/bearish. Next support level down could be 94.250.

[Enlarge US Dollar Index Chart »](#)



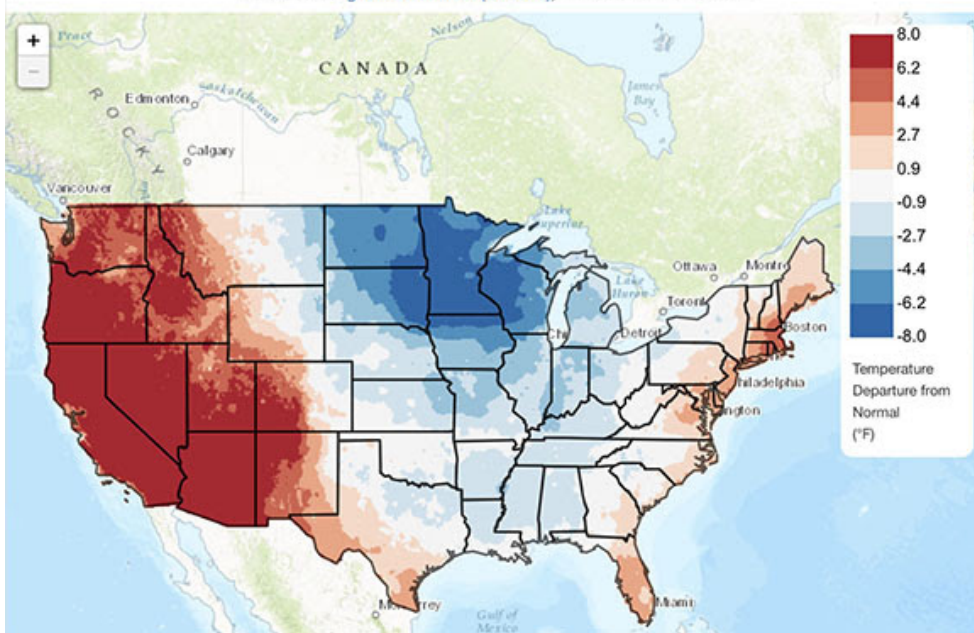
Crude Oil

The bounce from oversold levels could potentially meet resistance at the TAS level of supply (45.29). A close above this level would tilt the scales to out of balance/bullish.

[Enlarge Crude Oil Chart »](#)

Last 7 Days Mean Temperature (Departure from Normal, Degrees F)

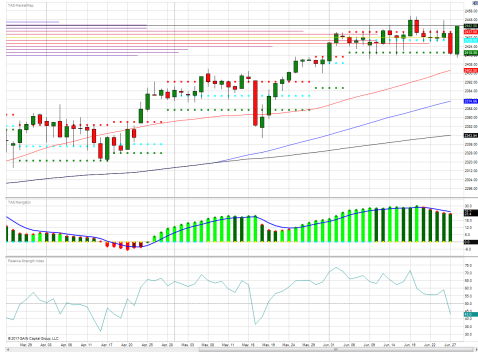
Data Source: [gridMET dataset \(U Idaho\)](#), 2017/06/20 - 2017/06/26



Corn bulls are patently waiting, hoping to see a bullish updated acreage report tomorrow by the USDA. The bears believe the report tends to historically surprise in the opposite direction, showing more corn acres than many often expect. In other words, even though I personally believe fewer corn acres have been planted here in the U.S., it's still somewhat of a coin-toss trying to forecast the USDA's next move. Looking past the upcoming report, which could go either direction, I'm starting to become more bullish. As a producer, I want to pause for a moment before making any additional sales, and as a spec, I want to dip a toe in the water on the bullish side of the trade. I think there could be a U.S. production story potentially brewing. The conditions in the Dakotas are somewhat extreme in several locations and I could argue the dryness might start spreading into portions of Iowa, Nebraska and Minnesota depending on how the upcoming ridge sets up. Overall I just don't feel the U.S. crop is anywhere near as good or even similar to what we were seeing the past couple of years. As I travel around the country, stands seem a bit weaker, roots a bit more shallow, uneven growth in the fields, lower plant populations, etc... I just don't think it would take much to start hearing talk of a sub-165 yield estimate, especially if you start pulling into question some of the acres in Iowa, Illinois, Nebraska or Minnesota. I'm also hearing of more extreme heat and dry conditions impacting China's northern Plains. In fact Chinese corn

prices have recently pushed to levels we haven't seen in some time. Ukraine is also seeing a few problem areas. Bottom-line, yes there could still be some downside risk, but I think the market is setting up for a potential surprise to the upside. As a producer I want to be extremely patient, as an end-user I like locking in price, as a spec I want to start placing longer-term bets on the bullish side.

Soybeans prices are up nearly +25 cents form our previous Friday's low, as traders await the latest USDA data and potentially problematic U.S. growing weather. I'm starting to hear more talk about a significant number of U.S. soybean acres potentially being in harms way, especially "if" the ridge sets up as some are forecasting and brings more extreme heat and dryness during late-July and early-August. Again, as both a producer and a spec, I've become more bullish than in the past few weeks. I understand from a traditional fundamental perspective the market is argued to be "oversupplied" as world production the past three years has exploded higher. Moving forward however, I have to imagine continued strong global demand, coupled with the slightest weather wrinkle, would immediately place us in a more bullish environment. Yes, the market could still have some downside risk as money sloshes around and reacts to the USDA data, but it feels like upside potential is becoming larger than downside risk. As a producer I am hesitant at this point to make new sales. I feel like there will be better opportunities in the days ahead. From a spec perspective, I like the thought of an extremely conservative bullish strategy.



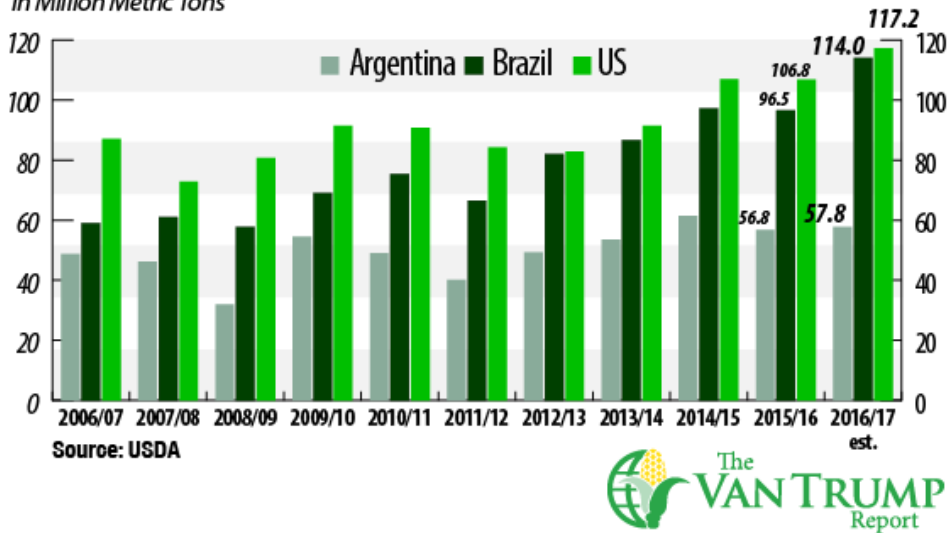
E-Mini S&P Index

The long term bull trend is showing signs of cracking. A close below 2418.00 could put the market out of balance/bearish and could help to attract technical selling.

[Enlarge E-Mini S&P Index Chart »](#)

World Soybean Production

in Million Metric Tons



Wheat bulls are again seeing higher prices, led by spring wheat, which is up another +25 cents this morning, trading north of \$7.30 per bushel. December 2017 SRW and HRW contracts are both now trading north of \$5.00 per bushel. As a producer we also need to keep in mind that December 2018 SRW has now traded to \$5.50 and HRW to \$5.60 per bushel, both numbers worth considering. As both a producer and a spec, I still remain bullish, believing U.S. wheat acres are actually lower than currently forecast and that the drought in the northern Plains show no major relief in the days ahead. I'm also worried about production hiccups in Canada, Australia, Europe and the Black Sea region. Inter-market spreads continue to widen and push to levels we haven't seen in many years, and I don't see them stopping anytime soon. Keep your eye on this morning StatsCan numbers for Canadian production. I believe there's still more room to the upside for wheat, staying patient!

USDA June 30, 2017 Quarterly Stocks & Planted Acres

June Quarterly Grain Stocks

	June #	Avg. Trade Est.	Trade Range	USDA March 1, 2017	USDA June 2016
Corn	???	5.123	4.690 - 5.360	8.616	4.711
Soybeans	???	0.983	0.870 - 1.119	1.735	0.872
Wheat					

Kevin's Song of the Week



About the Report

Wheat	???	1.137	0.968 - 1.185	1.655	0.976
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June Planted Acres

	June #	Avg. Trade Est.	Trade Range	USDA March 31, 2017	USDA Final 2016
Corn	???	89.903	89.000 - 91.005	89.996	94.004
Soybeans	???	89.750	88.466 - 90.500	89.482	83.433
All Wheat	???	46.070	45.700 - 47.404	46.059	50.154
Winter Wheat	???	32.830	32.505 - 33.752	32.747	36.137
Spring Wheat	???	11.206	10.990 - 11.589	11.308	11.605
Durum	???	2.002	1.900 - 2.219	2.004	2.412



> Ethanol Production Week Ending June 23: Weekly ethanol production for the week averaged 1.015 million barrels per day, up +2.53% from last week and up +1.20% compared to last year. Stocks fell to 21.838 million barrels, down -1.98% from last week but up +3.17% from last year. Total corn usage is estimated at 106.58 million bushels.

> Mexico Implements 10% Ethanol Blend For Gasoline: Mexico has increased to 10% the optional proportion of ethanol in gasoline for most of the country except the major metro areas of Mexico City, Guadalajara and Monterrey. By raising the ethanol component from the previous 5.8%, the government is adopting the same standard as the US Environmental Protection Agency as a way to ease gasoline imports from north of the border. The move also seeks to strengthen competitive conditions for imports, the CRE said. Though higher, the ethanol blend remains optional and not mandated, as in the US. Ethanol will now compete with other oxygenates, primarily MTBE, on an economic basis for share in gasoline. Without the largest cities allowed to blend the biofuel, demand is sharply curtailed. There have also been concerns around the import infrastructure for ethanol, as very few if any terminals in Mexico have tank space available for ethanol.

> CME Launching Australian Wheat FOB Futures Contract: CME Group will launch the Australian wheat FOB futures contract and will begin trading on July 24 pending all relevant regulatory review periods. The Australian Wheat FOB (futures contract will be available for trading on CME Globex, for submission for clearing through CME ClearPort, and will be listed with and subject to the rules and regulations of CBOT. The financially-settled contract will reference the Platts daily assessment of the Australian Premium White wheat spot prices. The contract will be U.S. dollar denominated and will be 50 metric tons per contract.

> Canada Tightens Inspections Of Brazilian Beef: Canada has stepped up inspections on imported meat from Brazil to temporarily check every shipment following a corruption investigation involving Brazil's health inspectors the Canadian Food

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

a corruption investigation involving Brazil's health inspectors, the Canadian Food Inspection Agency (CFIA) said. The new protocols, which started on April 10, involve full inspection of all Brazilian meat imports on five consecutive shipments from each approved plant and for each product category. Previously, CFIA conducted one full inspection randomly out of 10 consecutive shipments from each specific Brazilian establishment. The other nine shipments were visually inspected. Canada has rejected six shipments of Brazilian beef out of 191 meat shipments since April 10, according to CFIA. It blocked imports in May from one JBS plant in Brazil that did not meet food safety requirements, and delisted two others in March. (Source: Reuters)

> Dreyfus CEO Confident Argentina Will Win Biodiesel Case: *Commodity trader Louis Dreyfus Co's chief executive officer told Reuters on Wednesday he was "confident" Argentina would prevail in fighting an "unjust" biodiesel dumping case in the United States. Argentina does not sell the fuel below cost, Dreyfus's Gonzalo Ramirez Martiarena said on the sidelines of the Financial Times Commodities Americas Summit. The U.S. International Trade Commission voted last month to continue a U.S. Commerce Department investigation into alleged dumping and unfair subsidies of biodiesel fuels from Argentina. The Argentine government denies flooding the U.S. market with biodiesel. "For us it's very important that Argentina defends against this case as it should, until the end... frankly it's an injustice," Ramirez Martiarena said. He also points out that Argentina had done a good job defending itself from dumping allegations in Europe. In September, a European Union court annulled anti-dumping tariffs the bloc had applied to Argentine biodiesel imports. The WTO had ruled in favor of the South American country, calling the measures protectionist. (Source: Reuters)*

> USDA Solicits Public Input On GMO Labeling: *The USDA Agricultural Marketing Service on Tuesday posted 30 questions for the public regarding bioengineered crops and food labeling. The feedback will help the agency develop a proposed rule governing how food manufacturers disclose when products contain genetically engineered ingredients. Questions include: What terms should be interchangeable with "bioengineering"; whether AMS should require disclosures for foods containing highly refined products, such as oils or sugars derived from bioengineered crops; and the amount of a bioengineered substance needed to deem it bioengineered. You can see the agency's proposed rule questions [HERE](#). (Source: Politico)*

> ABC Settles Pink Slime Suit: *ABC News has reached a settlement with a South Dakota meat producer that filed a \$1.9 billion lawsuit against the network over its reports on the company's lean, finely textured beef product that critics dubbed "pink slime." ABC spokeswoman Julie Townsend said in a statement that the network has "reached an amicable resolution of its dispute with the makers" of the beef product. Townsend said the settlement terms are confidential. Dakota Dunes-based Beef Products Inc. sued the television network in 2012, saying ABC's coverage misled consumers into believing the product is unsafe and led to the closure of three plants and layoffs of roughly 700 workers. After the reports aired, some grocery store chains said they would stop carrying ground beef that contained the product. BPI claims sales declined from about 5 million pounds (23 million kilograms) per week to less than 2 million pounds (907,000 kilograms) per week. The actual damages BPI was seeking could have been as high as \$1.9 billion, according to a U.S. Securities and Exchange Commission filing from Disney, which owns ABC. BPI was also seeking "treble" damages, or triple the amount, under South Dakota's Agricultural Food Products Disparagement Act and punitive damages. (Source: Seattle Times)*

> Industries Firing The Most CEOs: *Last year, 15 percent of all major Western European companies saw a change at the top. While the majority of this turnover was planned, 3.7 percent of firms forced their CEOs out of the board room. The infographic below shows the industries which were most prolific in doing so. The most trigger happy industry was IT. In total, PwC found that 6.7 percent of all CEOs were fired. Least likely to be shown the door were those in 'industrials', with 2 percent dismissed from their post last year. (Source: Statista)*

the past 20 years & 10 years in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

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

[More Testimonials](#)

My Own Personal Truisms

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

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

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

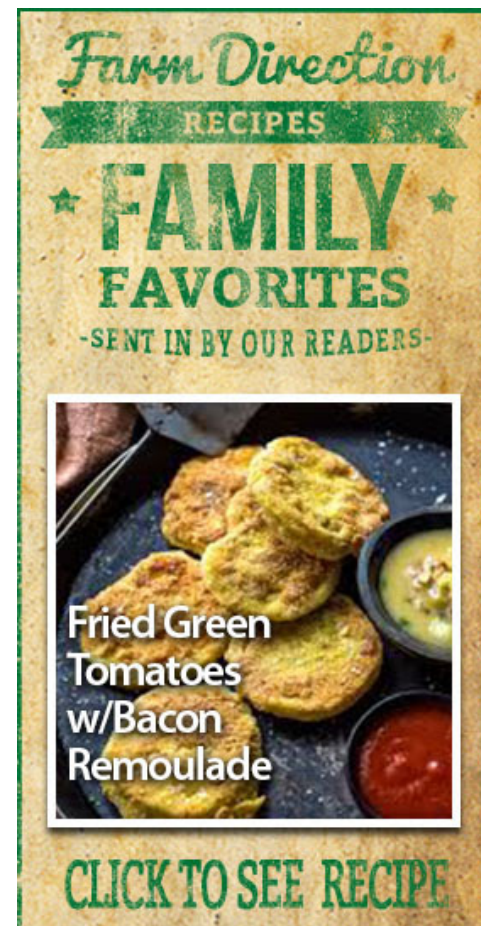
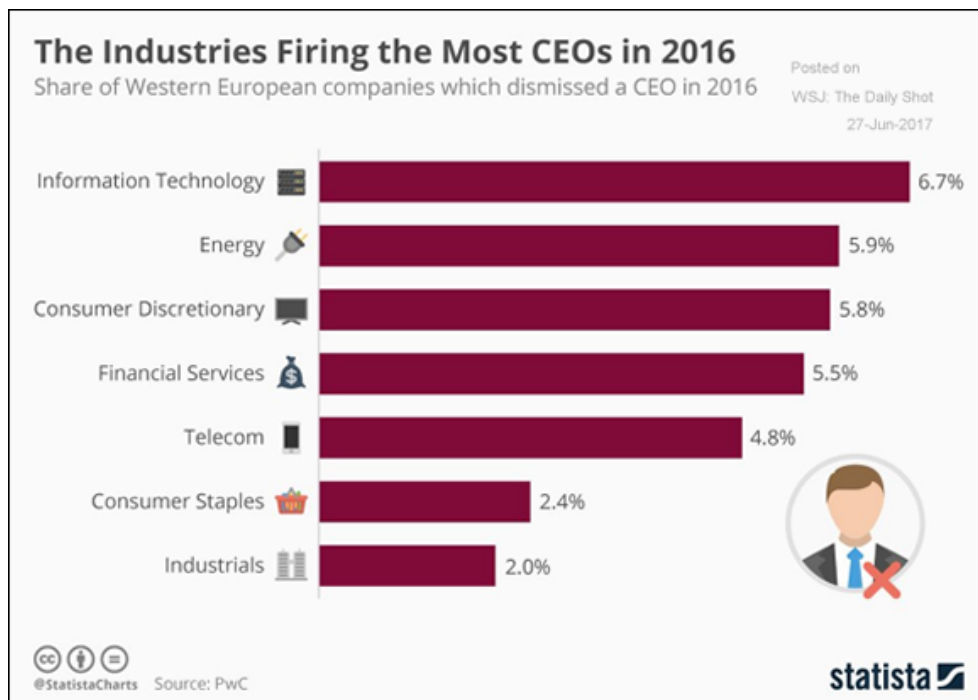
"Bulls make money, Bears make money, but pigs get slaughtered..."

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

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

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

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



Southcentral Nebraska - Crops are looking rough around here. We had a late plant and ended up putting the seed in wetter ground than we wanted. I would guess a good amount of our N leached off the fields with all the rains. All the rains we received in May did not help and I'm sure took much of the N with it. The crops are skinny and ragged looking right now and the June heat and lack of nutrients isn't helping. I do believe our subsoils moisture is ok even though dry on top. Hoping to get anywhere near our averages this year but not sure that is possible.

Southeast Illinois - I don't have the answer but I do know no-till fields seem to be easier to control waterhemp than conventional, as long as you get them all killed clean prior to planting. We rotate corn and soy most of time, so there is no excuse for not having corn clean of broadleaves because there are plenty of options. There should be very little if any seed on top of the ground the germinate. Waterhemp needs lots of sunlight and thus rarely germinates from deeper than a half inch. Tillage for us seems to just bring more seeds to the top that can then germinate.

Central South Dakota - Unfortunately, this has been one of our worst years farming. We will only harvest 320 acres of winter wheat out of a total 1200 acres. We also will only harvest around 300 acres of our 1700 planted in spring wheat. We were one of the last farms in the area that the adjuster stopped by to work up a case file. As bad as it was here, just a bit south of here they were being adjusted before the wheat even headed out. We are putting in the ground our last 500 acres of sunflowers. We will plant 2500 acres of sunflowers which will weigh in at nearly four million pounds. As we seek to diversify our production, we did plant 500 acres of soybeans. Our corn is well behind normal development. I guess it's just our turn with this weather pattern.



Monsanto Again Lifts Profits Hopes As Soy Seed Sales Surge: *Monsanto again*

nudged higher its earnings hopes, as the agrichemicals giant, reported better-than-expected profits, fuelled by rising herbicide prices and the popularity among farmers of soybeans. The US-based group, which expects later this year to complete its \$66bn purchase by Bayer, said that it expected to report earnings per share for the year to the end of August "at the high end" of a range of \$4.09-4.55. That compares with a forecast in April of earnings per share coming in at the high end of a range of \$3.95-4.44. That itself was an upgrade from previous guidance of earnings. Monsanto's shift came as the group unveiled a rise of 17.6% to \$843m in earnings for the March-to-May quarter, on revenues up 1.0% at \$4.23bn. Gross profits in soybeans soared 50% to \$588m, as US farmers sowed 20m acres with Roundup Ready 2 Xtend alone, a seed genetically modified to be tolerant to both dicamba and glyphosate herbicides. Read more [HERE](#).

Is Amazon's Acquisition Of Whole Foods Really Such A Big Deal? USA Today's Editorial Board argues that Amazon buying up Whole Foods is not as big a deal as some are making it out to be. "Their concern is understandable. The \$13.7 billion purchase has the feel of something big, something that could mark the beginning of a downward spiral for grocery stores, not unlike what has happened to department stores. Whole Foods controls less than 2% of the grocery business, Amazon less than 1%. Those are hardly the types of market shares that should raise regulatory red flags." Read more [HERE](#).

Astronomers Are On The Hunt For "Planet 10": After Pluto got demoted in 2006, we were back to being a boring old eight-planet solar system. Then, last year, astronomers announced they'd found hints of a hidden ninth planet in the outer solar system. Scientists are still trying to figure out whether Planet Nine really exists, and now it seems they're already speculating about a TENTH planet, also dark and mysterious--and possibly not actually there. In a paper in the *Astronomical Journal*, planetary scientists Kat Volk and Renu Malhotra from the University of Arizona suggest there may be another planet hidden on the outskirts of the Kuiper belt. If it's there, they think it could be similar in mass to Mars and Earth, orbiting the sun at a distance of about 60 AU. That's 60 times the distance between the sun and Earth. Read more [HERE](#).

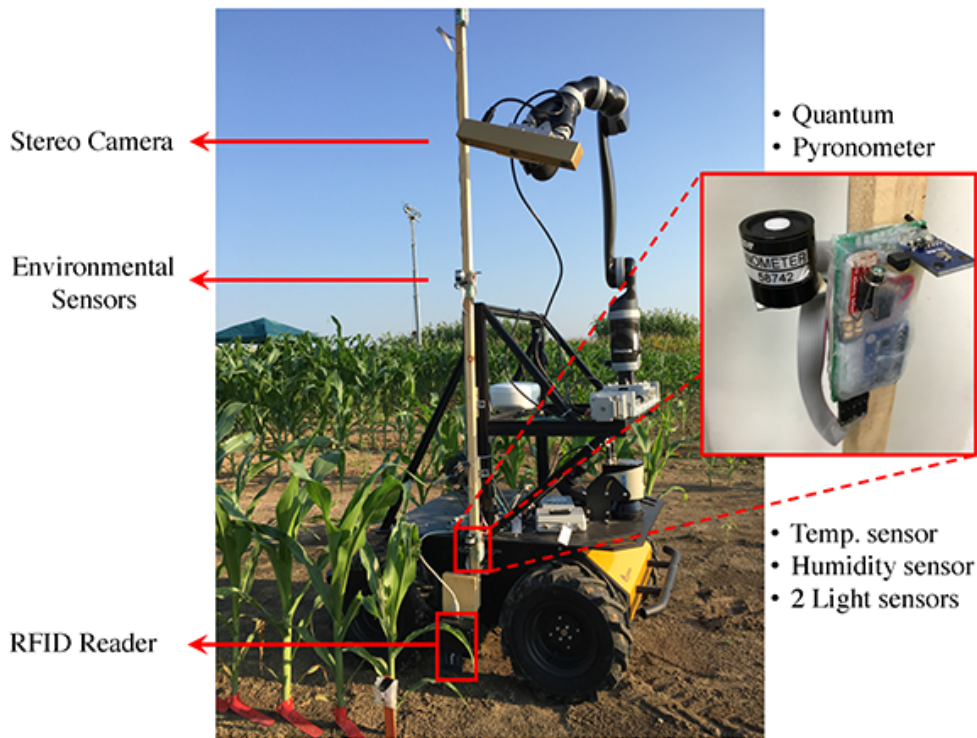
How Many Home Runs Is Too Many? In the NBA, the smart guys have realized the only shots worth taking are 3-pointers and layups. The intermediate shot — and the playmaking, strategy and artistry necessary to get someone open from, say, 15 feet — has gone the way of the two-hand set shot. In MLB, the smart guys have realized that, in particular, the combination of pitching velocity and shifts have made it more difficult to string together three singles and a sacrifice fly to produce multiple runs. So more and more hitters have refashioned their swing to get the ball in the air and out of parks and to swing full force regardless of count and rising strikeout totals. A record 111 players had at least 20 homers last year, and it was 105 out of 203 players with at least 400 plate appearances. Thus, more than half those who played regularly in the majors last year bettered 20 homers. And we almost certainly are going to get new records this year. Read more [HERE](#).

My Wife Wanted Me To Pass Along: Kristin & Danny Adams are entertainers, content creators, public speakers and viral sensations who, according to *Indianapolis Monthly Magazine*, are "taking your co-worker's YouTube break by storm." The couple posts new videos every Friday, and this "love songs" lip-synch has gone viral over the past few months and is all the rage. My wife said everyone was talking about it on the social media sites and that I should pass it along to my readers. She said lots of the wives would love it... Check it out [HERE](#) and be sure to share.



New Robotic Duo Assist Researchers Studying Corn and It's Drought Tolerance

Researchers at the University of Missouri have employed the services of Vinobot - a 60' tower and a robot vehicle duo - to assist them in their research studies on corn and its' drought tolerance. This duo can create 3D models of plants as well as collect data on both crop regions and individual plants. Gui DeSouza who is a research assistant at MU explained that the mobile sensing tower and the autonomous robot combine to complete the plant phenotyping. That is the process which involves assessing the growth development, yield and environmental stressors and correlating them to the shape of the plant. While the tower is positioned in the field to scope the 60-foot radius, the robot vehicle collects data on the individual plants. An additional arm attached to the robot allows it to move around the plant and create the 3D model. The tower's role is to take measurements to determine if the plants are under stress from heat or drought. It will then instruct the robot what area needs further sampling. The autonomous vehicle then uses three sets of sensors to collect temperature, humidity, and light intensity at multiple wavelengths, and it collects those at three different heights of the crop. Though the tower can only cover a small portion of a field at any given time, it should be noted, it is easily moved around to cover the entire field. DeSouza suggests that Vinobot is a more cost-effective tool than an unpiloted aerial vehicles such as quadcopters due to the manpower required, FAA regulations and needing experienced pilots to operate them. I believe these advancements are crucial as we seek to best manage our crops with the most up to date scientific data. As the race for our production dollars moves forward, I still remain a bit on the sidelines awaiting to see who comes out on top as far as ROI. I did just recently read an article stating some drones are making \$15 an acre profit but I think it's too early to know who will gain the market share in the crop management realm as well as still be here down the road.(Source: [Futurity](#))



Record-Setting Travel Expected This July 4th Weekend

If you are planning to travel over the July 4th holiday, prepare to be surrounded by a record number of travelers. Auto club AAA expects a record 44.2 million people will travel at least 50 miles from home. If realized, that would mark a +2.9% increase over last years record numbers. Most of these trips will be via car, but airline travel is also forecast to rise for the eighth year in a row. With Independence Day falling on a Tuesday this year, a lot of American workers are turning it into a four-day weekend, perfect for a quick road trip. Gasoline prices remain extremely affordable. In fact, prices have been trending a few cents below last year's prices. AAA forecasts that average airfares on the most popular domestic routes will be 10 percent lower and car rentals will be down 14 percent from last year's holiday period, while hotel rooms will cost about the same. Bill Sutherland, a AAA senior vice president, said low unemployment, rising incomes and higher consumer confidence will boost travel in general this year, including over the July 4th weekend. Aviation trade group Airlines for America cited those same factors as it predicted that a record 234 million Americans will fly between June 1 and Aug. 31. AAA predicts 37.5 million Americans will drive to their holiday destination while over 3.4 million will fly. The holiday weekend is defined at the period from Friday, June 30, through Tuesday, July 4. Overall, the peak summer travel season runs approximately mid-June through September 6. If you have a trip planned for this timeframe, check out some of the "sanity saving" tips below. (Sources: AAA, JetBlue, CBS)

Get TSA Precheck: *Americans' least favorite part about airport security is waiting in line. The average wait time in a TSA Precheck line was 5 minutes last summer. For a \$85 five-year membership, you can speed through security and not have to remove your shoes, laptops, liquids, belts and light jackets.*

Pack Sunscreen: *Sunscreen is always important, but especially during the summer when the UV exposure is the greatest. Though sunscreen can be purchased at the gift shops in most hotels and resorts, these are often overpriced.*

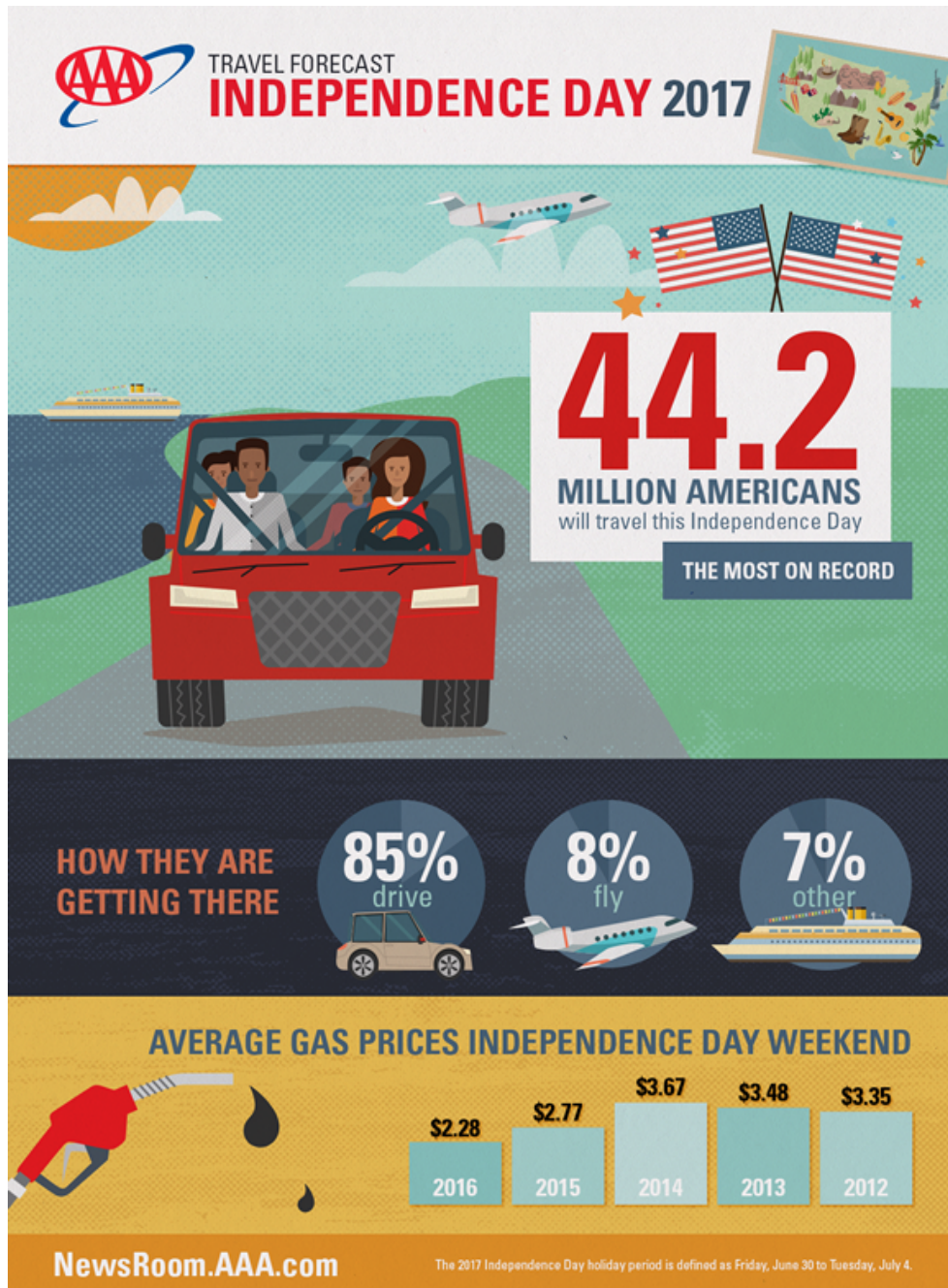
Don't Forget Aloe: *Not only is aloe vera lotion super moisturizing after a long day out in the sun, it's also a quick, cooling remedy for sunburn incidents. By also freezing aloe gel in ice cube trays or bags you can add an extra layer of coolness to your hot sunburnt skin.*

Pack Smarter and Tighter: *One trick to maximizing the space in your suitcase is to roll your clothes instead of folding them. It's also helpful to visually section off your luggage and organize by type of clothing: Bottom section by wheels is for shoes, middle section is for bottoms/pants, and top layer is for tops, swimwear and undergarments. Don't forget to bring a bag to keep your clean clothes separate from your clean clothes. Stuffing a couple of dryer sheets between clothes will also help keep them smelling*

resn.

Why Put Your Phone In Airplane Mode: When charging your phone at the airport in a charging station, put your phone on airplane mode so it can charge faster.

Put All Your "Stuff For The Plane" In One Area: Have a designated pocket in your carry on with necessary things for the plane ride, such as travel documents, medications, toothbrush and toothpaste, headphones, phone and charger, moisturizers and chapstick. Consider earplugs and an eye-mask if you've got a long flight.



The Worlds Largest Antique Fair

The Brimfield Antique Show in Massachusetts has become the largest Antique Market in the world. Since 1959, antique aficionados from across the United States have gathered along Route 20 in Brimfield to hunt for hidden treasures and seek out one-of-a-kind collectibles. My wife tells me it is now considered the largest Antique Market in the world, and has been trying to drag me there for a visit. From what I understand, the market is held three times a year in May, July and September. Thousands of dealers and exhibitors set up shop for each session selling everything from the most precious antiques to kitschy "junk", vintage clothing, old jewelry, industrial relics, local art, and everything in between. The market itself covers over a half-mile, so make sure you pack your favorite walking shoes. The market is broken up into fields, most of which are free to enter but there are a couple that do charge between \$5-\$10. Those who regularly attend the market will tell you that world-class dealers are present along with the more casual shoppers, and that the second often contains favorite novelties and more

the mom-n-pop shops, and that the crowd often contains famous musicians and movie stars looking to score a deal or simply do some picking. The colonial community of 3,600 which is surrounded by apple orchards, horse farms, and rolling hills, so there's some good country to see as well. As you would imagine, shoppers say the show is something special because of the energy and vibe, a must see and experience once in your lifetime. Though many vendors do accept debit and credit cards, they say the best deals are always negotiated with "cash". If you are planning to head that way keep in mind the last two shows for this year are July 11-16 and September 5-10. You can visit their website [HERE](#) for more details on the show as well as more information on area lodging and food. I'm told the nearest lodging accommodations tend to book fast so plan accordingly. (Source: [onlyinyourstate.com](#), [Brimfieldshow.com](#))

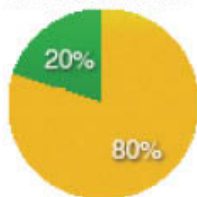




CASH SALES & HEDGING TOTALS

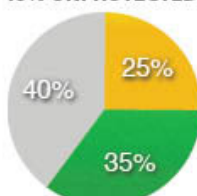
CORN 2016 CROP

80% SOLD
20% HEDGED
0% UNPROTECTED



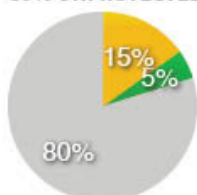
CORN 2017 CROP

25% SOLD
35% HEDGED
40% UNPROTECTED



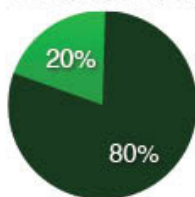
CORN 2018 CROP

15% SOLD
5% HEDGED
80% UNPROTECTED



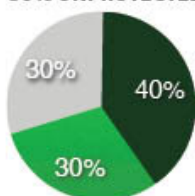
SOYBEANS 2016 CROP

80% SOLD
20% HEDGED
0% UNPROTECTED



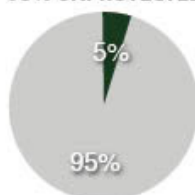
SOYBEANS 2017 CROP

40% SOLD
30% HEDGED
30% UNPROTECTED



SOYBEANS 2018 CROP

5% SOLD
0% HEDGED
95% UNPROTECTED



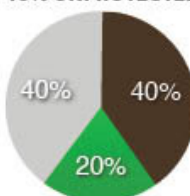
WHEAT 2016 CROP

100% SOLD
0% HEDGED
0% UNPROTECTED



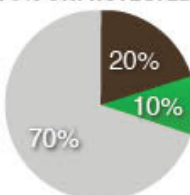
WHEAT 2017 CROP

40% SOLD
20% HEDGED
40% UNPROTECTED



WHEAT 2018 CROP

20% SOLD
10% HEDGED
70% UNPROTECTED



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