

GOOD MORNING: 07/10/17 Farm Direction - VanTrump Report

1 message

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

Mon, Jul 10, 2017 at 7:04 AM



"Many of life's failures are people who did not realize how close they were to success when they gave up.: - **Thomas A. Edison**

Today In History

MONDAY, JUNE 10, 2017

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Morning Summary: Trading gets back to normal this week, and it appears global central bankers will be a major focus. Topping the list of interest will be U.S. Fed Chair Janet Yellen's biannual testimony before Congress on Wednesday and Thursday. Traders will be listening closely to her comments on inflation and policy "normalization." Keep in mind, the Consumer Price Index is due out on Friday, the results of which will likely have a strong influence on how the Fed proceeds on raising interest rates. Inflation has been weaker than expected in recent months and has many insiders speculating the central bank may be somewhat less inclined to hike rates in the short-term. It is also expected she will voice her thoughts on asset valuations, which many believe are too high. Besides Yellen, several other Fed officials will deliver speeches this week, starting today with San Francisco Fed President John Williams. Canada's central bank will be releasing their latest monetary policy decision on Wednesday. Recent comments from officials there indicate they are leaning toward a more hawkish stance and perhaps an interest rate hike as early as this week, or at the latest by the end of this summer. Comments from European Central Bank officials will also be highly scrutinized as we approach their next policy meeting on July 20. Minutes from their last meeting, along with recent public remarks, point to the European Union dialing back their stimulus measures. U.S. economic data is fairly light, with probably the most important numbers coming later in the week. This week officially kicks off second quarter U.S. corporate earnings season, with big banks like JPMorgan and Wells Fargo announcing results on Friday. Next week brings earnings from giants like General Electric, Netflix, Blackrock, CSX, Capital One, E-Trade, Dominoes Pizza, Visa, e-Bay, Honewell, etc. Turning to U.S. politics, Congress is back in session this week where lawmakers will continue their efforts on healthcare reform. More closely watched in the weeks ahead will be progress on a budget and increasing the debt ceiling. Remember, Congress has a month long recess in August. The U.S. risks defaulting on its debt if the ceiling isn't raised by mid-October, the deadline given by the Treasury Department. It doesn't seem like the Democrats want to budge at all, while there are still deep divides within the ruling Republican party over healthcare and budget details, which in turn is bogging down any progress on a tax overhaul, a reform that is seen as underpinning a lot of the strength in the stock market this year. I am also keeping an extremely close eye on headlines surrounding North Korea and U.S. - Russian relations. There are some very interesting dynamics in play. Stay on your toes...

North Korea Raising Global Tensions: *North Korea is again at the center of heightened tensions between the U.S. and China, the latter of which has seemingly gained the support of Russia. North Korea successfully launched an intercontinental ballistic missile last week which prompted a coordinated response from China and Russia. While both are calling for North Korea to freeze its nuclear program, the two countries are also pushing for the U.S. and South Korea to suspend their military maneuvers in the region. Some foreign policy experts say the new China-Russia alliance serves a common goal that is central to both Russian and Chinese foreign policy — loosening American alliances around the globe. There are also some concerns that the alliance on the matter could undercut America's influence on reining in North Korea's military ambitions. As North Korea's only critical ally, China is seen as key to providing significant pressure on the rogue nation. If China, backed by Russia, decides to ease*



1850, Millard Fillmore - Vice President Millard Fillmore is sworn in as the 13th president of the United States. President Zachary Taylor had died the day before, five days after falling ill with a severe intestinal ailment on the Fourth of July. Fillmore's manner of ascending to the presidency earned him the nickname His Accident. He was only the second man to inherit the presidency after a president's death. The first was John Tyler, who had assumed the presidency in 1841 after William Henry Harrison died of pneumonia 30 days into office. As vice president, Fillmore quietly expressed his support of a compromise in slavery legislation and thus appeared sympathetic to slave-owning interests. However, his predecessor President Taylor opposed slavery and vowed to use force against southern states who threatened to secede. During Fillmore's single term as president, he passed the Fugitive Slave Act (1850), which made it a crime to support slaves trying to escape to free territories. He also presided over an era of increased settlement across the western part of the continent. As white settlers clashed with indigenous peoples, Fillmore approved one-sided treaties that forcibly placed Native Americans onto government reservations. During this time, millions of Native Americans died from disease and starvation and in wars with government-funded militias. After losing the support of his northern anti-slavery constituency, the incumbent Fillmore was defeated by the Democrat Franklin Pierce in the 1852 presidential race. After making two more unsuccessful bids for the presidency in 1856 and 1860, he retired to Buffalo, New York, where he served on various legal and historical committees until his death in 1874.



1943, WWII - The Allies begin their invasion of Axis-controlled Europe with landings on the island of Sicily, off mainland

restrictions on North Korea, it could complicate efforts by the Trump administration to impose costs on the country for its nuclear program. Over the weekend, North Korea criticized the U.S. for a recent bombing practice run with South Korea and Japan, saying it was "reckless" and raised the risk of inciting nuclear war. The drill was conducted on Saturday and designed to display a show of force following North Korea's latest bomb test. Experts say that Pyongyang now has the capability of hitting Alaska with an intercontinental ballistic missile.

June U.S. Employment Report Extremely Strong: U.S. non-farm payrolls increased +222,000 for June compared with expectations of a gain around +180,000 for the month. The May data was revised to 152,000 from the 138,000 reported previously and the 3-month average increased to 194,000 from 136,000 previously. Surprisingly, retail employment actually increased during the month following three months of consecutive declines. Manufacturing, construction and the health and social assistance area also witnessed gains. The unemployment rate increased slightly to 4.4% from a previous 4.3% on a slight gain in the participation rate. Average weekly hours had a small gain, but average earnings only rose +0.2%, less than the +0.3% expected. The earnings rate has become a critical component for investors as it is a key indication of how inflation is trending. This aspect of the employment situation remains a mystery to economists as traditional theory says a shrinking labor pool should result in stronger wages. Wages are a key driver for inflation and without greater pressure, overall inflation does not look to improve. I personally believe gains in "technology" are fueling deflationary pressures and will continue to with on wages. (Sources: Econoday, Wall Street Journal)

U.S. Fertility Rate Reaches Record Low: In 2016, the fertility rate in the United States was the lowest it has ever been. There were 62 births per 1,000 women aged 15 to 44, down -1% from 2015. There were 3,941,109 babies born in 2016. The historic low has some experts fearing the nation is heading toward a "national emergency". In an analysis issued by the National Center for Health Statistics, researchers report that birthrates declined to record lows in all groups under age 30. Among women ages 20 to 24, the decline was -4%. For women 25 to 29, the rate fell -2%. The decrease in the birthrate among teenagers — down -9% from 2015 to 2016 — and continues a long-term decline: down a whopping -67% since 1991. Fertility increased however among older women. The birthrate for women ages 30 to 34 rose by +1% over the 2015 rate, and the rate for women ages 35 to 39 went up by +2%, the highest rate in that age group since 1962. Women ages 40 to 44 also had more babies, up +4% percent from 2015. The rate for women 45 to 49 also increased to 0.9 births per thousand from 0.8 in 2015. The birthrate among unmarried women went down, to 42.1 per 1,000 from 43.5 in 2015, a drop of -3% and the eighth consecutive year of decline since the peak of 51.8 in 2007 and 2008. There were differences by race: as 28.4% of white babies had unmarried parents, 69.7 percent of black babies and 52.5 percent of Hispanics had unmarried parents. WOW!

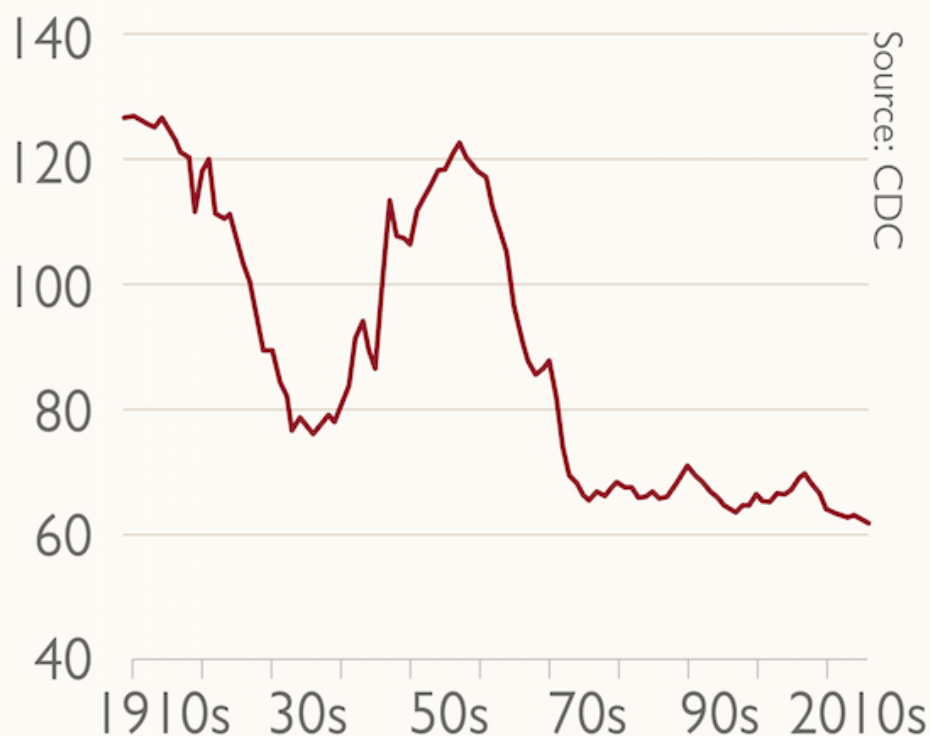
Italy. Encountering little resistance from the demoralized Sicilian troops, the British 8th Army under Field Marshal Bernard Law Montgomery came ashore on the southeast of the island, while the U.S. 7th Army under General George S. Patton landed on Sicily's south coast. Within three days, 150,000 Allied troops were ashore. First to land were American and British paratroopers and glider-borne troops, and at dawn thousands of amphibious troops came ashore. Coastal defenses manned by disaffected Sicilian troops collapsed after limited resistance, and the Anglo-Americans moved quickly to capture Sicily's southern cities. Within three days, the Allies had cleared the southeastern part of the island. In a pincer movement aimed at Messina in the northwest, the British 8th Army began moving up the southeast coast of the island, with the U.S. 7th Army moving east across the north coast. The Allies hoped to trap the Axis forces in the northwestern corner of Sicily before they could retreat to the Italian mainland. In the so-called "Race to Messina," Montgomery's advance up the southeast coast was slowed by German reinforcements, but Patton and the U.S. 7th Army moved quickly along the north coast, capturing Palermo, the Sicilian capital, on July 22. In Rome, the Allied invasion of Sicily, a region of the kingdom of Italy since 1860, led to the collapse of Mussolini's government. Early in the morning of July 25, he was forced to resign by the Fascist Grand Council and was arrested later that day. On July 26, Marshal Pietro Badoglio assumed control of the Italian government. The new government promptly entered into secret negotiations with the Allies.



1962, Seat Belt - The United States Patent Office issues the Swedish engineer Nils Bohlin a patent for his three-point automobile safety belt "for use in vehicles, especially road vehicles". Four years earlier, Sweden's Volvo Car Corporation had hired Bohlin, who had previously worked in the Swedish aviation industry, as the company's first chief safety engineer. At the time, safety-belt use in automobiles was limited mostly to race car drivers; the traditional two-point belt, which fastened in a buckle over the abdomen, had been known to cause severe internal injuries in the event of a high-speed crash. Bohlin designed his three-point system in less than a year, and Volvo introduced it on its cars in 1959. Consisting of two straps that joined at the hip level and fastened into a single anchor point, the three-point belt significantly reduced injuries by effectively holding both the upper and lower body and reducing the impact of the swift deceleration that occurred in a crash. Volvo released the new seat belt design to other car manufacturers, and it quickly became standard worldwide. The

US fertility rate

Births per 1,000 women aged 15–44



Weather forecasts are calling for hot and dry conditions over the next week to ten days, especially in the far western and northwestern Plains and across the Midwest. Temperatures will be very hot with increased irrigation demand and stress on crops. Central and eastern Midwest areas have higher rainfall chances and milder temperatures in the five day time frame. Forecast model presentations hint at hotter and drier conditions spreading into the central and eastern Midwest as well during the 10 day period. This needs to be closely watched for possible stress to corn in the pollination phase.

National Traffic and Motor Vehicle Safety Act of 1966 made seat belts a required feature on all new American vehicles from the 1968 model year onward. Though engineers have improved on seat belt design over the years, the basic structure is still Bohlin's.

Upcoming Events

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 »](#)

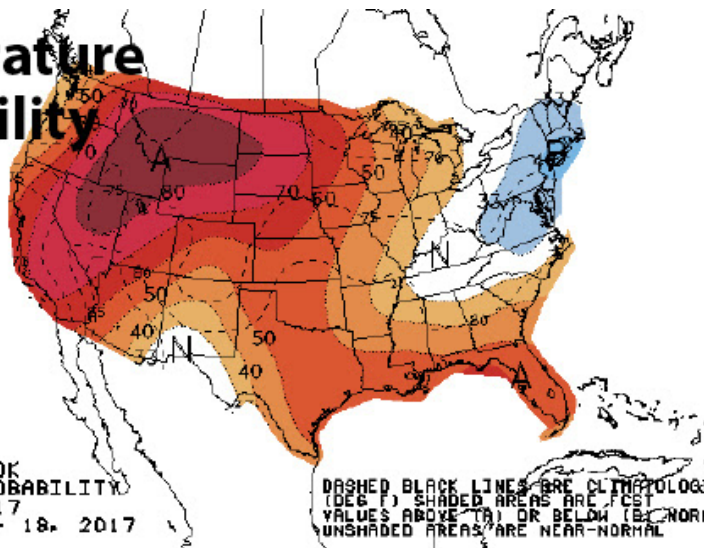


Need more help with the "Technical" side of the market? I personally like to use Tom Dosdall at Technical Ag Knowledge. [Click here](#) for a complimentary subscription courtesy of The Van Trump Report.

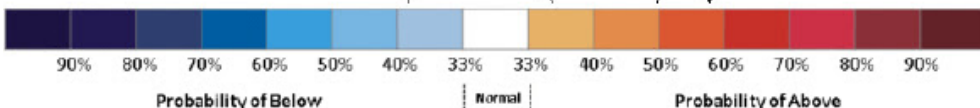
Temperature Probability



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 8 JUL 2017
VALID JUL 14 - 18, 2017



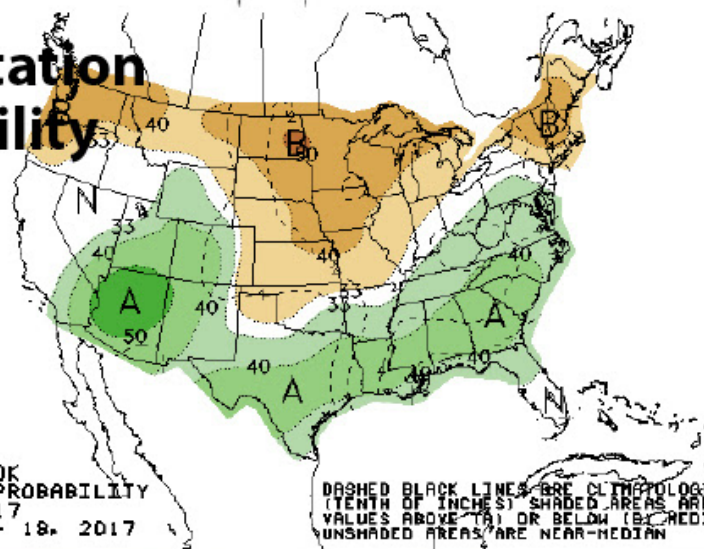
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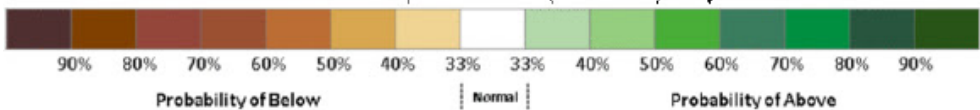
Precipitation Probability



6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 8 JUL 2017
VALID JUL 14 - 18, 2017

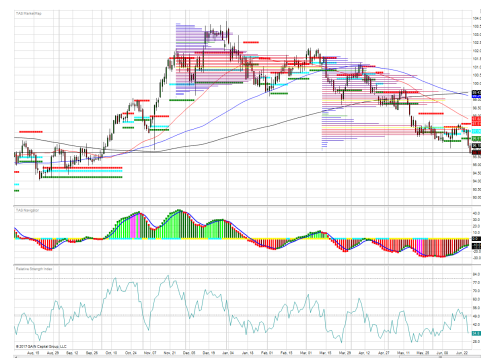


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Corn prices have rallied +35 cents from the lows posted just 10 trading sessions ago. U.S. weather remains the major concern, along with tailwinds being created by the wheat market. There continues to be a lot of talk circulating about huge re-plant acres out in portions of the eastern corn belt, as well as some extreme weather complications in portions of the Dakotas and western Plains. With more extreme heat in the forecast, it seems the bears will be somewhat reluctant to get overly aggressive on the short-side. Keep in mind several important growing regions are looking at temps forecast in the upper-90s and even into the 100s during the next 10-days. The trade was a bit surprised last week to see the USDA crop conditions actually raised a hair higher to 68% now rated "Good-to-Excellent" vs. 75% last year, but still slightly ahead of the 5-year average of 67%. Most sources were thinking conditions had deteriorated to some degree. This afternoons USDA condition estimates will certainly be closely monitored, and presumably lowered. It seems most sources inside the trade are already starting to adjust their yields lower from the USDA's current estimate of 170.7 bushels per acre. It feels like most estimates are somewhere between 165 and 168 bushels per acre. As a producer I like the thought of a reducing a bit more new-corp price risk on the rallies. Technically I continue to hear talk of a potential run to \$4.50, but I have my next sales targets more conservatively placed at around \$4.20 and \$4.40 per bushel. As a spec, I continue to stick with my bullish positions, but scaling back and banking profits as we move to higher ground. We are clearly submerged in a weather market. I will be closely monitoring the forecasts and using the headlines and talk of "extremes" to help reduce

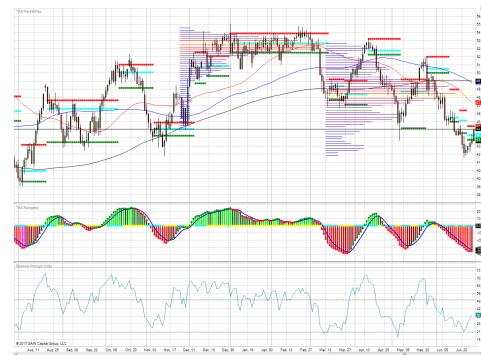
Outside Markets



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.

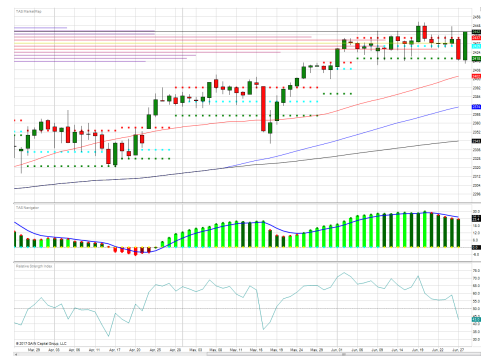
[Enlarge US Dollar Index Chart »](#)



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 »](#)

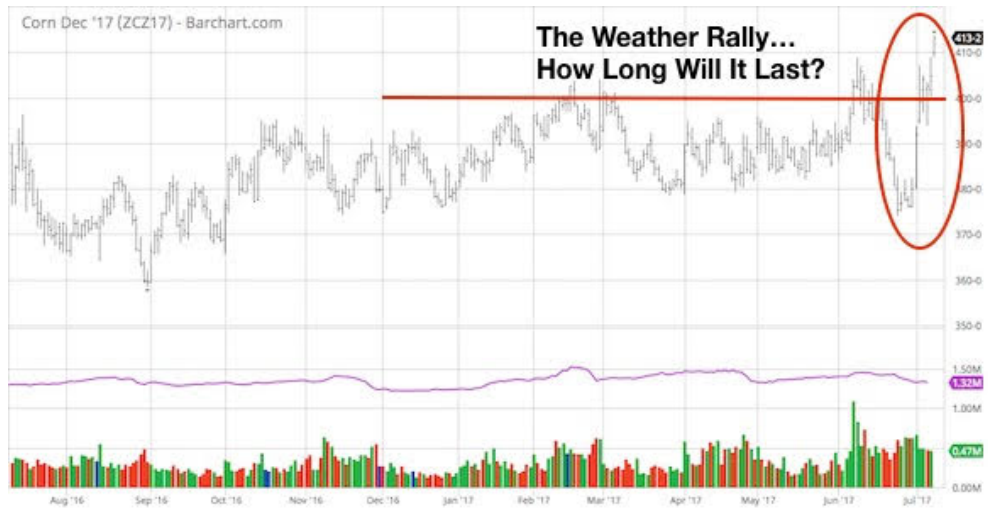


E-Mini S&P Index

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 »](#)

longer-term risk. Staying fully engaged as this rally may offer some longer-term opportunities for 2018 marketing!



Soybean bulls continue to talk about an extremely hot forecast into late-July and early-August, a critical period for a record number of acres. Hence the reason for the continued rally in price. Old-crop prices are trading north of \$10.20 this morning, with the new-crop NOV17 contract pushing to near \$10.40 per bushel. Crop conditions last week were lowered by the USDA from 66% down to 64% rated "Good-to-Excellent" vs. 72% last year, but still very close to the 5-year average of 65%. It will be interesting to see what happens in this afternoons update, most sources suspect conditions are once again lowered. The USDA is currently forecasting an average yield of 48 bushels per acre, well below last year's record of 52 bushels, but still a number that needs very cooperative weather in order to make happen. I personally believe it's still way too early to be forecasting or adjusting soybean yields in any significant manner. Interestingly however the market has rallied by over +\$1.00 in fewer than 10 trading sessions. As a producer I've taken advantage of the recent rally and reduced a bit more longer-term price risk. With NOV18 trading back above \$10.00 per bushel, I went ahead and priced a bit. I also priced all remaining old-crop bushels and priced a few more of our estimated 2017 new-crop bushels. I could list a million reason to be bullish this market, but most all hinge on weather problems here in the U.S. and our average yield being sub-46 bushels per acre. That could defiantly happen, but with South America and last years U.S. crop both being record large, I'm not willing to gamble in a major way. In other words, I only want to "gamble" with chips I can afford to lose. U.S. weather is clearly the wild-card in the deck. I'm just worried if it doesn't get played, the bears will quickly call our bluff and prices will dramatically be lowered. I'm trying to keep this in mind in order to position myself accordingly during the next few weeks as U.S. weather will be heavily debated. I hear there's some fairly burdensome supply backed up at the Chinese ports right now, so global demand headlines might not be as robust as we've seen in the past. Bottom-line, as a spec, I don't want to chase this market higher. As a producer, I still like the thought of reducing longer-term risk on the rallies.



Wheat traders are coming off an extremely volatile week. Spring wheat had nearly a \$1.00 trading range, moving as high as \$8.68^4 this past Wednesday in the SEP17

Kevin's Song of the Week

WHAT I'M LISTENING TO: ▶

▶ Justin Moore "Somebody Else Will"

About the Report

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.

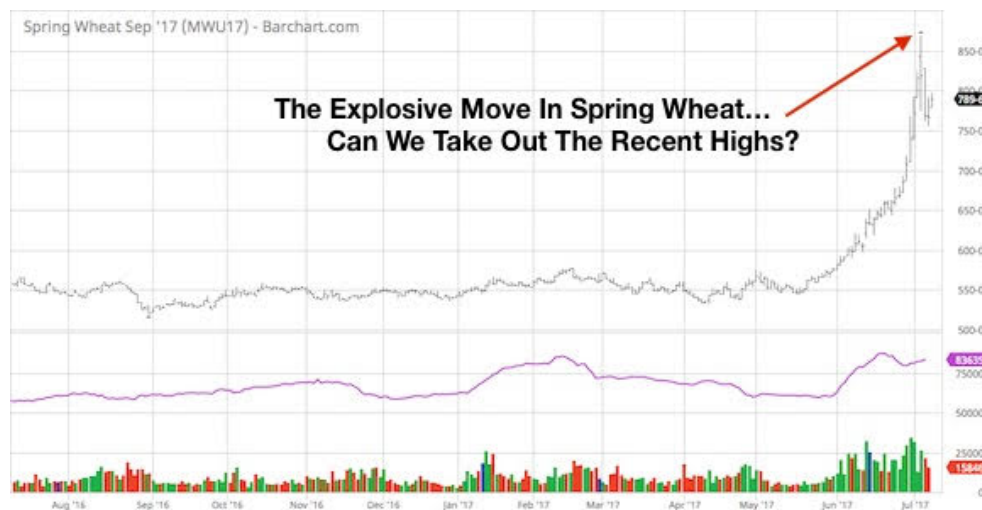
What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific 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

contract. Prices have since cooled off and are trading near levels when we last wrote. The debate inside the trade now is if the "high" is in place or will the market eventually try and re-test the upper end in the days or weeks ahead? I personally believe there is a longer-term story brewing in the wheat market, hence potential for more room to the upside. The winter wheat harvest here in the U.S. is now over 50% complete, and the Spring wheat conditions continue to deteriorate, last week reported at just 37% rated "Good-To-Excellent". We also have continued weather uncertainties surfacing in Australia, Canada, parts of Europe, and Ukraine. In other words, global production numbers may soon need to be adjusted lower by the USDA. As producer I was able to use the recent rally to reduce a bit more price risk, making sales against the DEC17 and JUL18 contracts near \$6.00 per bushel. I'm actually thinking about teeing up a sale in the JUL19 contract if it makes another move back north of \$6.00 per bushel. As a spec I was able to bank some good profits and reduce position size, believing longer-term we could still go higher, but may encounter a bit more back-and-fill type action as the trade tries to digest the recent run-up in price. Global weather is becoming more and more important...



> EPA Proposes Renewable Fuel Standards: The Environmental Protection Agency (EPA) on Wednesday proposed renewable fuel volume requirements that must be supplied to the market in 2018 under the Renewable Fuel Standard (RFS) program. For 2018, the EPA proposes a total renewable fuel volume of 19.24 billion gallons—a 0.2 percent reduction from the 2017 target of 19.28 billion gallons. If the agency maintains the proposed levels, this will be the first annual decrease since the program began in 2006. The proposed reduction occurs in the advanced biofuel category, with the cellulosic target cut from 311 million gallons in 2017 to 238 million in 2018—the actual quantity sold in 2017. The EPA proposes to maintain the standard for "conventional" biofuel (chiefly ethanol from corn) at 15 billion gallons—the maximum obligation under the statute. For 2019, the EPA proposes to maintain the 2.1 billion gallon biomass-based diesel standard—the same as the 2018 target established in the agency's final 2017 rule. A 45-day comment period will begin when the proposal is published in the Federal Register. The agency will finalize the rule in November.

> Missouri, Arkansas Ban Dicamba: Both Missouri and Arkansas enacted bans Friday on dicamba, the herbicide blamed for vaporizing and injuring crops. The more than 130 cases of suspected dicamba drift reported in Missouri this year already eclipse last year's totals, when many farmers saw heavy losses for crop yields in the Bootheel region of southeast Missouri. Reported damage in Arkansas has been even more severe, with 596 complaints of alleged dicamba misuse pouring into the Arkansas Agriculture Department. Following through on a recent recommendation from the department, the state moved Friday to enact a 120-day ban on the sale and use of dicamba, starting July 11. Arkansas will also raise fines for dicamba misuse up to \$25,000, beginning Aug. 1. (Source: St. Louis Post-Dispatch)

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here 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.

> Informa Raises U.S. Corn Output: Informa Economics raised its U.S. 2017 corn production forecast to 14.166 billion bushels from 14.077 billion after incorporating revised acreage estimates that the U.S. Department of Agriculture released last week, the private analytics firm said in a client note last week. Informa also lowered its corn yield estimate to 169.7 bushels per acre from its mid-June figure of 170.0 bpa. The firm used the USDA's estimate of 83.496 million harvested acres. For soybeans, Informa put U.S. 2017 production at 4.253 billion bushels, near its mid-June forecast of 4.255 billion. It trimmed its soy yield estimate to 47.9 bpa from 48.0 bpa and took the USDA's figure of 88.731 million harvested acres. Informa estimated U.S. all-wheat production at 1.783 billion bushels. The total consists of 1.281 billion bushels of winter wheat, 434 million bushels of spring wheat other than durum, and 67 million bushels of durum wheat. The group lowered its forecast of European Union wheat production for the 2017/18 marketing year to 148 million metric tons from 150 million in June, citing below-normal rains. Informa also raised its estimate of Brazil's 2016/17 corn harvest to 97 million metric tons from 96 million last month. (Source: Reuters)

> Australian Wheat Crop May Fall Below 20 MMTs: Conditions for Australian crops have deteriorated so much that there is growing talk that the wheat harvest may fall below 20 million metric tons – a plunge of more than -40% from last year's record high. National Australia Bank last week issued a forecast for a 23.3 million metric tons Australian wheat harvest in 2017-18, undercutting estimates from the likes of the International Grains Council of a 24.8 million metric tons crop, and the US Department of Agriculture's 25.0 million metric tons figure. NAB cautioned over the lack of rain for the crop, and said that "if it stays dry, we expect further downside risks to this outlook". At the Australian office of grain merchant Nidera, origination manager Peter McMeekin said that while "many still have Australian wheat production up around long-term average levels of 24-25 million metric tons, the reality is the Australian wheat crop is suffering big time. He added that the crop could fall to sub-20 million metric tons for the first time since 2007. (Source: Agrimoney)

> France Restricts Use Of Palm Oil In Biofuels: France will take steps to restrict the use of palm oil in producing biofuels in order to reduce deforestation in the countries of origin, French Environment Minister Nicolas Hulot said. France has opposed other uses of palm oil in the past. Several bills have been presented to parliament since 2012 proposing a special tax on its use in food, citing environmental damage caused by plantations. Indonesia's palm oil association said on Friday it is worried that the plan to reduce the use of palm oil in biofuels will prompt other European countries to follow suit. A few months ago, the European parliament called for the European Union to phase out the use of vegetable oils in biodiesels that are produced unsustainably. (Source: Reuters)

> Japan Becomes The Top Buyer Of U.S. Corn: Mexico is no longer the top destination for U.S. corn. Shipments across the southern border dropped 6.7 percent to about \$1 billion through the end of May, when compared with the same period last year, reports Bloomberg, citing USDA data. Japan, meanwhile, boosted its purchases by 53 percent to \$1.19 billion, making it the No. 1 buyer of U.S. corn so far this year. Mexico initiated talks with other major corn exporters this year after it was criticized by President Donald Trump, who said the country has taken advantage of its northern neighbor through the North American Free Trade Agreement, taking away jobs and investment. In May, a Mexican livestock group signed a contract to import 60,000 tons from Brazil. The same month, Francisco Gurria Trevino, a Mexican government official in charge of livestock policy, said his country may import as much as 5 million tons of corn from Brazil in the medium-to-long term. (Source: Bloomberg)

> USDA Clears Release Of GMO Moths: The USDA has cleared the way for releases of diamondback moths that are genetically modified to curb populations of the pests, which feed on cabbage, cauliflower and broccoli, causing millions of dollars in damage. The moths are difficult to treat with pesticides and other methods. The Department on Friday published its findings that the moths - which are modified to kill off some females before they reach adulthood - will have no significant impact on the environment. If the GMO insect is successful in curbing populations, it could spur the use of genetic engineering for pest control in other bugs. (Source: Politico)

> Facebook Boasts a Quarter of the World Among Its Users: Facebook Inc. says it has 2 billion users now, meaning roughly a quarter of the world is plugged into the social media platform. More users means more eyes on lucrative ads, although the company has warned ad growth could slow. Shares have surged 32 percent this year and still trade at a 2 percent discount to their one-year historical average price-to-earnings multiple. (Source: Bloomberg)

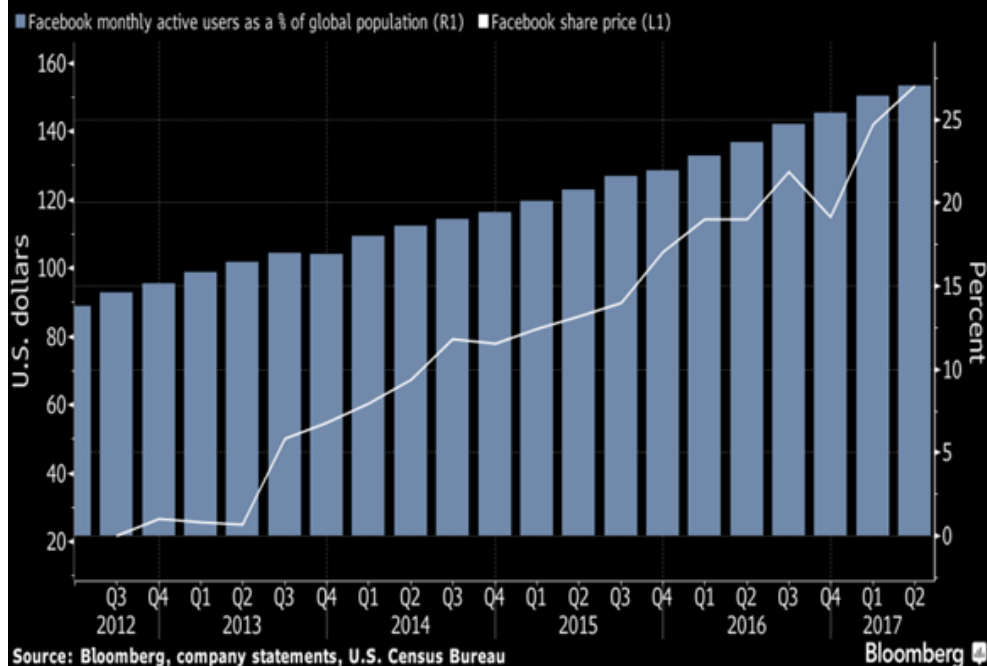
- Option #3 - Sitting on the sideline.

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.



Facebook Nation

More than a quarter of the globe has been active on Facebook over the last month



Northern Kansas - We received 2.25" of rain over the past 24 hours. Prior to that we had only a couple of tenths throughout the past 30 days. The weather in May was very wet and colder than normal then we got to June and the proverbial spigot was shut off. We had a very small rain in June 1st then the 2.25" of rain on June 29th. Up until June we had built up very good subsurface moisture levels but June was much warmer and the wind seemed to blow all month long. Most of the crops still look good even after showing some stress when we were hot and dry. We were lacking heat units early on which kept our corn shorter than normal but when things warmed up the corn definitely liked it. The beans that we have will be fine but they are behind. We need to continue to get rains for our bean crop to have good growth and production.

Eastcentral Illinois - We are delivering corn today. We are sitting on a decent amount of old crop still so it's time to move it. The corn is looking fine now right now. Due to populations in the ground we are looking at a 10%-20% lower yield this year. I would be surprised if we saw 200bpa. Beans are fine but it is too early to predict yields at this time. They did go in a bit late here but moisture levels are good and we are not worried. We are seeing a lot of waterhemp up here. I have participated in flyover programs and yield mapping but I honestly have not had a single incident where money was saved or issues presented before the damage was done. I am not dogging anyone or any company but just saying I think we are still early in the game. I can say that I have saved \$70K on inputs through my relationship with Farmers Business Network. They have followed through on everything they committed to and I am extremely satisfied with their performance.

Northeast Nebraska - Things are pretty spotty in this area of the country. The corn has been developing nicely since things have warmed up. We were wet and cool for along time but have warmed up, seeing the corn crop take off. We are mostly under pivots so as we warmed we have been drier so we are irrigating often. There may be some spots that haven't evened up yet but hoping variability will be limited. Around here right now it seems like all the beans are being sprayed, which leaves them a little rough looking. They will come out of it and typically will thrive as they get some water to them. The bean stand was actually better than the corn initially, which I think was from some favorable weather conditions shortly after planting.

CROSSING WIRES

A place to share intelligent thoughts...

Old Policies May Change The Way Rural America Gets Its News: *While Americans were distracted by the very important public debates around an open internet and the proliferation of fake news online, the Federal Communications Commission quietly proposed reshaping a key way rural Americans stay informed – their local television news. Two decades-old rules – called by policymakers the “main studio rule” and the “UHF discount” – come from different eras of broadcasting, one when the only electronic media was radio and the other from the days before the dominance of cable television. They also come from a different era of government, when policymakers promoted the principle of localism – the belief that local broadcasters should serve their communities. Read more [HERE](#).*

Best Exercise for Aging Muscles: *The toll that aging takes on a body extends all the way down to the cellular level. But the damage accrued by cells in older muscles is especially severe, because they do not regenerate easily and they become weaker as their mitochondria, which produce energy, diminish in vigor and number. A study published Cell Metabolism, however, suggests that certain sorts of workouts may undo some of what the years can do to our mitochondria. Read more [HERE](#).*

The Science Behind Being Left Handed: *Steak knives, scissors, writing desks, and power tools: If you bring any of these things up around someone and they cringe, they either have a bizarre story to tell or they’re just left-handed and, like 15 percent of the population, live in a world that’s not designed for them. But handedness goes deeper than how you like to hold a pen. A dive into the genetics of handedness reveals that southpaws have quite a few other things in common as well. But before that, it’s important to understand where handedness comes from. Read more [HERE](#).*

In The End, It’s All About Relationships and Experiences: *From the longest 75-year running study on happiness to the top 5 regrets of the dying, above all else, time and time again, relationships are the key to making us happiest. It is about the people we meet along the way. The ability to form meaningful relationships with others or “soft skills”, usually get put on the backburner because of the work and emotions involved. It ain’t easy. It’s much easier to measure the balance in your bank account, your degrees, and proficiency at a task. How do you measure love, compassion, and empathy? You cannot automate a genuine human connection. There ain’t no app for that. Read more self-help tips from Kevin Evans at [Intelligent Change](#).*

The Best Tubing In America! *If you’re ever near San Antonio and love to go tubing in giant donuts, then you should check out the Comal River. The Comal River runs entirely through the city limits of New Braunfels, TX, which is 40 minutes northeast of San Antonio and connects to the Guadalupe River. This is the shortest navigable river in the state of Texas and one of the shortest navigable rivers in the United States. This river is only 2.5 miles long filled with people tubing the whole river. The river is also perfect for tubing and to bring your children because it is only 3-4 feet deep throughout most of the river. The Comal also keep a consistent temperature of 70 to 72 degrees throughout the whole year. The Comal River is packed with people and tubing fun every spring and all summer long. Many people love floating this river because it is nothing like rough river rafting most people experience. The Comal is the amusement park of Texas rivers because it is an easy, slow, and relaxing river to float on that isn’t too cold. I should also note that drinking is also allowed on the river for you folks who enjoy an ice cold beer while floating. The cost of this two-hour adventure seems to be around \$15 to \$25 for a tube rental. Check out a video of the tubing fun by clicking [HERE](#).*



How Vertical Farming Is Taking The Next Step Toward Disruption

Indoor vertical farming is starting to gain some traction, and the folks at "Infarm," a 40-plus person startup based in Berlin, is already separating themselves from the crowd with their modular approach and go-to-market strategy. As I understand it, Infarm's vertical approach will not happen inside warehouses like others, but rather in customer-facing urban locations. The plans include setting up shop in grocery stores, restaurants, shopping malls and schools, thus allowing the end-customer to actually "harvest" the produce themselves. I'm told that when the idea was originally shared by Infarm co-founders Guy and Erez Galonska, they were told that they had lost their mind. From my experience, most disrupters and innovators are often met with a similar response. Within the box, plants don't grow on soil, but instead grow "hydroponically" on a thin layer of water enriched with fertilizers and oxygen, under LED growing lights which imitate sunlight. Infarm also uses micro-sensors and data processing to make sure the conditions are suitable for the plants. For over a year now Infarm has partnered with one of Europe's largest wholesalers, Metro Group, and is seeing huge growth in demand as other supermarkets want to do the same. According to the companies other co-founder, Osnat Michaeli, the demand is being driven by a change in consumer behavior in which people are seeking more fresh and more sustainable produce. Bottom-line, the food industry is looking to technology that can help solve inefficiencies in the supply chain and reduce waste. The race is clearly on to cut or trim out as much fat as possible. The Infarm system is pesticide-free and can prioritize food grown for taste, color and nutritional value rather than shelf life or its ability to sustain mass production. Its indoor nature means it isn't restricted to seasonality. In addition, by completely eliminating the distance between farmer and consumer, they market to consumers that the food can't get much fresher. The Infarm vertical farming system has been designed to enable a "perpetual daily harvest". Taking inspiration from the petal constellation of the sunflower, the growing trays move plants from the center to the outer perimeter according to their size and growth. Replenishing the plant food is as simple as changing

a cartridge and water supply can also be automated. As producers, whether or not we agree with the direction new consumer demand is moving, we need to make certain we are paying close attention. (Source: techcrunch.com)



How Long Can Humans Live?

There may be no limit on the human life span, according to newly published research. In fact, five new studies strongly disagree with controversial research published in the journal *Nature* last October. Jan Vijg, a molecular geneticist at the Albert Einstein College of Medicine in New York, and his colleagues concluded that humans may have reached their maximum life span. Their analyses found that survival rates among the oldest people in most countries had not changed since about 1980. They concluded that the human maximum reported age at death had plateaued at about 115. Siegfried Hekimi, a geneticist at McGill University in Montreal, and his colleagues found no evidence that maximum human life span has stopped increasing. By analyzing trends in the life spans of the longest-living individuals from the United States, the United Kingdom, France and Japan for each year since 1968, they found that both maximum and average life spans may continue to increase far into the foreseeable future. Gerontology researchers at the University of Copenhagen in Denmark say they think the study claiming the life span has reached its limit "should be regarded with caution." Other researchers say there is no reason to expect that a limit to human life span is in sight, largely because as long as our living conditions keep on improving, human life span should continue to expand. Of course, maximum human life span seems to be a moot point for the majority of people on the planet. As Jay Olshansky of the University

most people for the majority of people on the planet today, standard, or the entirety of Illinois at Chicago points out, of the 108 billion or so humans ever born, "only a handful have ever lived to extreme old age beyond age 110, and it's only in recent times that the number of centenarians has risen." Hekimi explains that he is not saying that humans will ever be able to live forever, however, there is no proof to the contrary. He added it's not possible to know what the future holds for humans, except that maybe there's a chance future generations could live longer than us. "Three hundred years ago, many people lived short lives," Hekimi said. "If we would have told them that one day most might live up to 100, they would have said we were crazy. Below are some other interesting life facts: (Sources: Live Science, USA Today, Wiki)

- **1550 to 1850** the average life expectancy fluctuated between 30 and 40 years of age. There were a few years in the 1550's and 1720's where it dipped down to between 23 and 25 years of age, and a few years where we pushed to 41 or perhaps 42 years of age.
- **1900's** is when the big jump in medicine and in turn life expectancy began to explode higher, at least in the worlds more developed regions. In 1900 the average life expectancy in developed regions was around 45 years of age, by 1950 it had pushed all the way to 70 years of age. Interestingly, when you bring the entire world into the equation, the average life expectancy was around 30 years old in 1900 and around 48 years of age by 1950.
- **Current** global life expectancy was most recently reported at 71.4 years of age. Life expectancy in the U.S> is now around 79 years of age, Japan close to 84, Britain just over 81 years of age.
- **Where You Live is Critically Important:** Life expectancy in some parts of Africa are still in the 40's. While in some parts of Canada, Australia and Western Europe are well above 80 years of age. Monaco has the highest average life expectancy at just under 90 years of age.
- **Historical Data Is A Bit Skewed** - If you dive deeper into the numbers, you will see the majority of the gains in living longer have been made by not dying early in life. For instance 17th-century English life expectancy was only about 35 years, largely because infant and child mortality remained high. Life expectancy was under 25 years in the early Colony of Virginia, and in seventeenth-century New England, about 40 per cent died before reaching adulthood. During the Industrial Revolution, the life expectancy of children increased dramatically. If you would have survived until the age of 21, a male member of the English aristocracy in the periods mentioned below could expect to live: to age 64 between 1200 and 1300; to age 45 between 1300 and 1400 (because of bubonic plague); to age 69 between 1400 and 1500; and to age 71 between 1500 and 1550.
- **Could A Rise In Mental Illness Create A Drag?** Mental illness is reported to occur in approximately 18% of the average American population, and on the rise. Life expectancy in the seriously mentally ill is much shorter than the general population. The seriously mentally ill have a -10 to -25 year reduction in life expectancy. Psychiatric medicines can increase the chance of developing diabetes. Psychiatric medicine can also cause Agranulocytosis. Psychiatric medicines also affect the stomach, where the mentally ill have a four times risk of gastrointestinal disease. Lets also keep in mind the U.S. suicide rate has skyrocketed to around 45,000 per year, and many who are mentally ill have lost their jobs and do not have health insurance...vicious cycle.
- **More Living Longer:** In developed countries, the number of centenarians is increasing at approximately +5.5% per year, which means doubling the centenarian population every 13 years, pushing it from some 455,000 in 2009 to 4.1 million in 2050. Japan is the country with the highest ratio of centenarians. In the United States, the number of centenarians grew from 32,194 in 1980 to 71,944 in November 2010.



Farmer Plants Thousands Of Oak Trees To Honor Late Wife

I received an e-mail from my wife the other day that I wanted to pass along. My research found that it was originally written by Noell Evans and published by Liftable a couple of weeks ago. I hope you enjoy it!

For 33 years, Winston Howes had the pleasure of waking every morning to his wife, Janet. And then sadly in 1995, he started waking up alone.

That year Janet was taken from Howes by heart failure. Although she was no longer physically here, she would always have his heart.

After her passing, Howes had an idea for a way to honor and remember her. He just needed some help; so, he enlisted his son and several thousand trees.

"I thought it was a great idea – it was a flash of inspiration – and I planted several thousand oak trees. Once it was completed we put a seat in the field, overlooking the hill near where she used to live," said Howes.

Interestingly, Howe planted them in a field, but right in the middle he left a huge heart-shaped hole. That is where he placed the seat from which he could sit and remember her.

The heart is hidden from the roads by the trees and a surrounding hedge and that gives Howes the sanctuary he desires.

"I sometimes go down there, just to sit and think about things. It is a lovely and lasting tribute to her which will be here for years and years," he said.

The balloonist who discovered this hidden heart, Andy Collett, told the Daily Mail that "this was the most amazing sight I have ever seen from the sky. You can just imagine the love story."





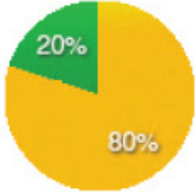
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CASH SALES & HEDGING TOTALS

CORN 2016 CROP

80% SOLD
20% HEDGED
0% UNPROTECTED



SOYBEANS 2016 CROP

100% SOLD
0% HEDGED
0% UNPROTECTED



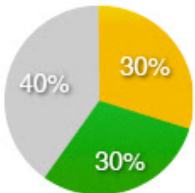
WHEAT 2016 CROP

100% SOLD
0% HEDGED
0% UNPROTECTED



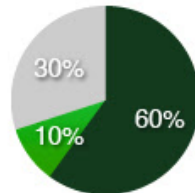
CORN 2017 CROP

30% SOLD
30% HEDGED
40% UNPROTECTED



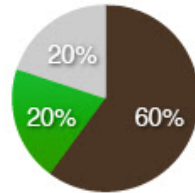
SOYBEANS 2017 CROP

60% SOLD
10% HEDGED
30% UNPROTECTED



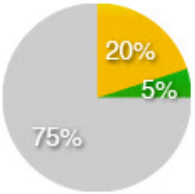
WHEAT 2017 CROP

60% SOLD
20% HEDGED
20% UNPROTECTED



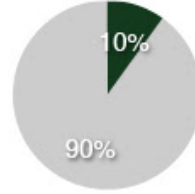
CORN 2018 CROP

20% SOLD
5% HEDGED
75% UNPROTECTED



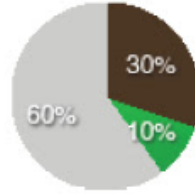
SOYBEANS 2018 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



WHEAT 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



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