

GOOD MORNING: 07/12/17 Farm Direction - VanTrump Report

1 message

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"The art of being wise is the art of knowing what to overlook." - William James

WEDNESDAY, JULY 12, 2017

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Morning Summary: Stocks remain near their all-time highs. The Nasdaq is up over +17% on the year, and the S&P 500 up over +9%. Interestingly the U.S. dollar is down roughly -6.5%, and crude oil down about -20% on the year. Investors today will turn their attention back to the U.S. Federal Reserve, as Chairwoman Janet Yellen begins her two-day monetary policy testimony before Congress. Most insiders believe her overall stance will remain relatively hawkish, and that she'll reiterate her opinion that the recent weakness in inflation is primarily due to transitory factors, keeping the Fed on track with continuing to raise rates and normalize monetary policy. Many suspect that will include at least one and perhaps two more interest rate hikes this year, along with beginning to unwind the Fed's massive stockpile of bonds they purchased during the financial crisis. Kansas City Fed President Esther George, who has also been extremely hawkish, is also scheduled to speak today. Keep in mind that Canada's central bank will update their monetary policy today. If the bank does raise interest rates, they would be the first global central bank to make a concrete move towards getting in synch with the U.S. Fed's efforts to tighten monetary policy. Economic data on the calendar today includes Mortgage Applications, Atlanta Fed Business Inflation and the Fed's Beige Book. In Washington, Republican leaders in the Senate have outlined their revised ObamaCare replacement bill, which they will reveal in its entirety on Thursday. The revisions are aimed at winning over additional support, but it remains unclear whether the changes are enough to get them to 50 votes. The final reveal on Thursday will include two drafts, one with a controversial amendment from Senator Ted Cruz and one without. Senate leadership also announced yesterday that they will delay the month-long August recess in order to give lawmakers more time to "complete action on important legislative items and process nominees", goals that they say have been stalled due to a lack of cooperation from Democrats. Deadlines for Congress to raise the debt ceiling and fund the government are also quickly approaching.

Thoughts On Crude Oil: I keep hearing talk from Middle Eastern leaders about a possible supply shortage if prices don't promptly run back to higher ground. The market has responded, and is higher for the third consecutive day. The argument from the Saudi's is that lower capital spending levels during the oil bust means the industry will have to replace 20 million barrels a day from declining oil fields over the next five years. They state that oil fields producing roughly 100 million barrels a day will decline at a rate of -6% a year for five years. Others argue the Saudi estimates are grossly overstated and that they are simply talking their position. Ed Morse, global head of commodities research at Citigroup, said his team believes the supply gap will be significantly less. He said, they shouldn't use 100 million barrels a day in the equation, because roughly 20 million barrels a day are natural gas liquids or not refined for some other reason. Roughly 32 million barrels a day belong to OPEC countries, which can keep oil production going longer than their rivals, and another 5 million barrels a day come from Canadian oil sands or other fields that don't fall off rapidly. He also believes growing oil production from the United States, Canada and Brazil could still ultimately outpace demand. I should also note, Baker Hughes recently showed the worldwide oil rig count up +106 from May to June and up +634 vs. June of last year. Here at home, the EIA has 2018 U.S. production forecast at 9.9 million barrels per day, even though it's a hair lower than their previous estimate, it's still the highest annual average production in U.S. history. The previous

Today In History



1876, Marcus Kellogg -

Marcus Kellogg, a journalist traveling with Custer's 7th Cavalry, files one of his last dispatches before being killed at the Battle of the Little Big Horn. A native of Ontario, Canada, Kellogg migrated with his family to New York in 1835. As a young man he mastered the art of the telegraph and went to work for the Pacific Telegraphy Company in Wisconsin. Sometime during the Civil War, Kellogg abandoned his career in telegraphy in favor of becoming a newspaperman and eventually gained a job as the assistant editor of the Bismarck Tribune. While returning from a trip to the East in 1876, Kellogg was on the same train as George Custer and his wife, Elizabeth. Custer was on his way to Fort Abraham Lincoln, near Bismarck, where he was going to lead the 7th Cavalry in a planned assault on several bands of Indians who had refused to be confined to reservations. Ever since his days as a Civil War hero, Custer had enjoyed being lionized in the nation's newspapers. Now, as he prepared for what he hoped would be his greatest victory ever, Custer wanted to make sure his glorious deeds would be adequately covered in the press. When Custer led his soldiers out of Fort Abraham Lincoln and headed west for Montana on May 31, Kellogg rode with him. During the next few weeks, Kellogg filed three dispatches from the field to the Bismarck Tribune, which in turn passed the stories on to the New York Herald. His final report, dated June 21, came from the army's camp along the Rosebud River in southern Montana, not far from the Little Big Horn River. "We leave the Rosebud tomorrow," Kellogg wrote, "and by the time this reaches you we will have met and fought the red devils, with what result remains to be seen." The results, of course, were disastrous. Four days later, Sioux and Cheyenne warriors wiped out Custer and his men along the Little Big Horn River. Kellogg was the only

record was set in 1970 at 9.6 million barrels per day. Meaning a shortage of supply doesn't appear to be looming anytime soon.

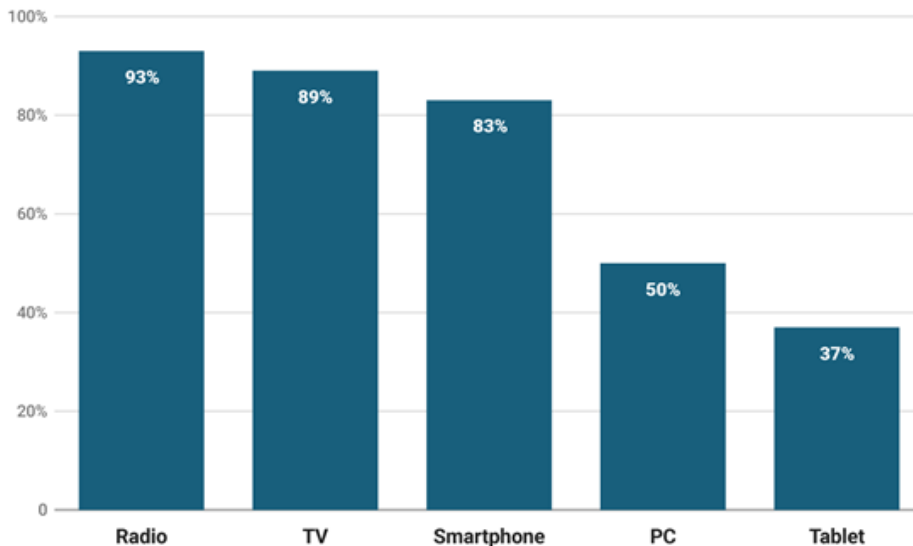
May Hiring Was The Strongest In 13 Years: *The number of job openings in the U.S. fell sharply in May as companies hired the most people since 2004. Job openings fell by 301,000 in May to 5.66 million, just one month after reaching the second highest level ever, according to the government's job openings and labor turnover survey (JOLTS). The catalyst appears to have been a big surge in hiring. Some 429,000 people were hired in May, marking the biggest increase since March 2004. The quits rate, meanwhile, rose a tick to match a post-recession high of 2.2%. Quits measure how many people leave their jobs by their own choice. A higher number suggests Americans are confident enough about the economy to more readily change jobs. The snapshot of the U.S. workforce in May points to a strong labor market in which companies are willing to hire. Layoffs remain near decade lows — the unemployment rate is 4.4% — and most people who want a job can find one. The shrinking pool of available workers is one of the chief worries of big and small companies. A separate survey from the National Federation of Independent Business showed that finding qualified workers is still one of their biggest worries. (Source: Marketplace)*

Radio Is More Popular Than You Might Think: *The common assumption in the tech world is that old media platforms are dying a slow death. As smart devices become more and more ubiquitous, the need for traditional platforms like linear cable TV seems to only lessen with each passing year. But while there's no denying the changes new technologies have brought, it might be unwise to discount just how influential those older platforms remain. For instance, radio, not smartphones or PCs, reaches more Americans each week than any other media platform, according to a recent Nielsen report charted by Statista. Roughly 228 million adults in the US listened to some form of radio at least once a week in the fourth quarter of 2016, the report said. That's good for 93% of the US adult population, and the figure is growing. TV had the second-farthest reach at 89%, followed by smartphones at 83%. The PC and tablet were well behind, at 50% and 37%, respectively. Note that all of this is about reach — when it comes to actual usage, American adults still spend way more time watching TV than anything else. And it's worth noting that the smartphone's reach grew nearly 10% year-over-year. (Source: Business Insider)*

TECH CHART OF THE DAY

WEEKLY REACH OF MEDIA PLATFORMS IN THE US, Q4 2016

Percentage of US population aged 18+



SOURCE: Nielsen Comparable Metrics Report

statista | BUSINESS INSIDER

Weather continues to focus on a threat of damaging heat in the western Midwest and very little rain for the northern Plains. Forecasts are calling for a turn to dry and hot conditions over the western Midwest beginning later in the five day period and continuing during the six to 10 day period. This pattern is expected to increase the threat to crops in Minnesota and Iowa that are currently mostly in good to excellent condition. On the southern Plains, hot and dry conditions increase the prospects of stress to row crops during the balance of this week. In the northern Plains, limited rainfall along with episodes of above normal temperatures continue to affect heading and filling spring wheat and developing corn and soybeans. On July 9, more than two

journalist to witness the final moments of Custer's 7th Cavalry. Had he been able to file a story he surely would have become a national celebrity. Unfortunately, Kellogg did not live to tell the tale and died alongside Custer's soldiers.



1920, Horse Racing - Man O' War

War wins the 52nd Belmont Stakes, and sets the record for the fastest mile ever run by a horse to that time. Man O' War was the biggest star yet in a country obsessed with horse racing, and the most successful thoroughbred of his generation. Man O' War was sired by the champion Fair Play, one of the most successful sires in racing history, and purchased by Samuel D. Riddle in 1918 from August Belmont Jr., son of the racing guru for whom the Belmont Stakes was named. As a two-year-old in 1919, Man O' War won nine out of ten races under jockey Johnny Loftus. His only loss that year came at the Sanford Memorial Stakes, in which his back was to the starting line at the beginning of the race. At that time, before the advent of starting gates, a rope was all that held horses back from starting their run. The Sanford turned out to be the only loss of Man O' War's racing career. As a three-year old, Man O' War dominated the field. The horse skipped the Kentucky Derby, as his trainers deemed the mile-and-a-quarter race to be too grueling so early in the season, so the Preakness Stakes was Man O' War's coming out party. He won easily. Man O' War entered the Belmont Stakes as an overwhelming 1-to-20 favorite, largely because only one horse, Donnancona, was entered against him. With victory over Donnancona seemingly assured, Big Red's real race that year was against the world record for a mile and three furlongs (2:16.8), which had been set in 1908 by the horse Dean Swift in Liverpool, England. The American record of 2:17.4 had been set by Sir Barton at the 1919 Belmont. Man O' War took more than two seconds off both times, running the race in 2:14.2 on his way to a 20-length victory. Donnancona finished the race a full 1/16 of a mile behind the winner.

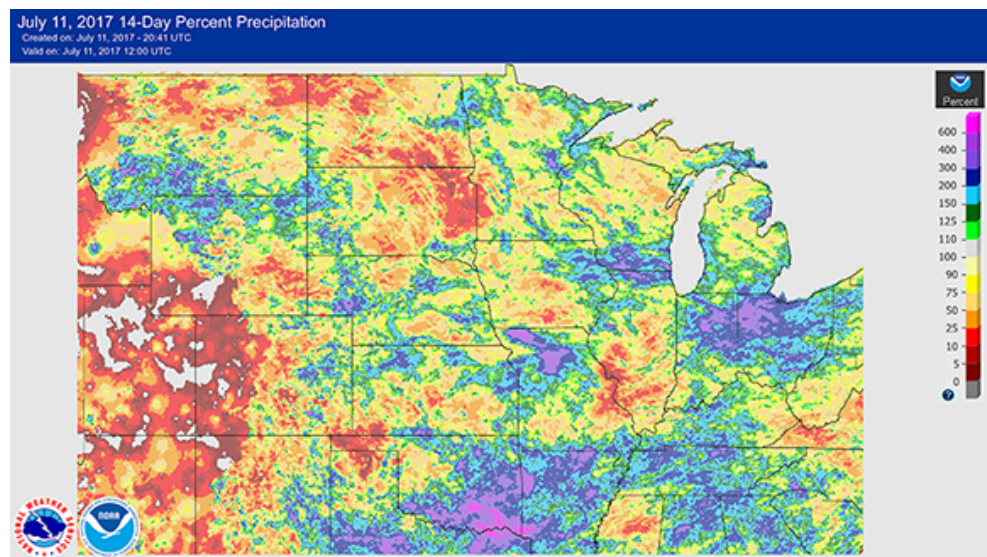


1940, WWII - Edsel Ford

telephones William Knudsen of the U.S. Office of Production Management (OPM) to confirm Ford Motor Company's acceptance of Knudsen's proposal to manufacture 9,000 Rolls-Royce-designed engines to be used in British and U.S. airplanes. By the spring of 1940, Nazi Germany had conquered Poland, Norway and Denmark and pushed France to the brink of defeat. An increasingly nervous General George C. Marshall, chief of staff of the U.S. Army, warned President Franklin D. Roosevelt that the United States needed to rearm in order to prepare for the possibility of a German attack on American shores. That May

and timing spring wheat and developing corn and soybeans. On July 9, more than two-thirds or 72% of South Dakota's spring wheat was rated very poor to poor. Significant losses to spring wheat can be expected. Losses to pollinating corn can be expected if this pattern continues during the next few weeks. Looking ahead, showers and thunderstorms will continue to impact the eastern one-half of the U.S. Five-day rainfall totals could reach 1 to 2 inches or more from the Midwest into the Northeast and along the Gulf Coast. Showers will remain spotty on the Plains, with most of the significant rain remaining east of areas experiencing dryness or drought. However, showers associated with the monsoon circulation could begin to spread across the central Plains during the second half of the week. Meanwhile, dry weather will be primarily confined to the southern Plains and an area stretching from the Pacific Coast States to the northern High Plains. Late in the week, another round of record breaking heat will develop across the northern Plains and parts of the Northwest.

Dry Start To July: *Looking at the map below we see departure from normal rainfall over the last two weeks and you can see rain has been quite varied across the Midwest. You can also see just how little rain has fallen in the Dakotas. Click image below for a larger view.*



Corn prices are a bit lower this morning ahead of today's USDA report. The bulls continue to point to problems and complications in the western, northwestern and eastern portions of the corn belt. Areas of major concern continue across a large swath of northern Indiana, portions of Ohio, and a fairly large portion of central Illinois. The trade is also closely monitoring difficult conditions in the Dakota's, as well as worsening fields in portions of Iowa, Nebraska, Colorado and Wisconsin. The early weather complications have many inside the trade thinking the USDA now needs to reduce their current yield and ending stocks estimates. I think realistically, the U.S. crop right now is sub-165, perhaps even sub-162, but I doubt the USDA makes anywhere near that big of a cut in today's report. Most believe the USDA will make a small -1 to -2 bushel per acre cut today from the current 170.7 bushel estimate, then wait until August to adjust lower, when they gotten some farmer surveys and know more about the weather. Just remember, the current USDA forecast would be the third highest yielding crop in our history. I just don't see it. Also keep in mind, during years that we have good production totals, states like Iowa, Illinois, Nebraska and the Dakotas, generally perform family well. I suspect today's market will try to digest the latest USDA update, then quickly get back to trading U.S. weather. I'm certainly starting to hear from more players who are jumping on the bullish bandwagon. As producer I still have the next upside target in the \$4.30 to \$4.50 range, where I will be looking to reduce some additional price risk. As a spec I remain bullish. Corn prices are up over +7% on the year.

attack on American shores. That May, Roosevelt called on Knudsen, a former Ford executive who became president of General Motors in 1937, to serve as director general of the OPM, the agency responsible for coordinating government purchases and wartime production. Knudsen had barely settled in Washington when he received an urgent appeal from the British government: The Royal Air Force (RAF) was in desperate need of new airplanes to defend Britain against an expected German offensive. In two meetings in late May and early June 1940, Knudsen and Edsel Ford agreed that Ford would manufacture a new fleet of aircraft for the RAF. One significant obstacle remained, however: Edsel's father Henry, who still retained complete control over the company he founded, was known for his opposition to U.S. entry into World War II. Edsel and Charles Sorensen, Ford's production chief, had apparently gotten the go-ahead from Henry Ford by June 12, when Edsel telephoned Knudsen to confirm that Ford would produce 9,000 Rolls-Royce Merlin airplane engines. However, as soon as the British press announced the deal, Henry Ford personally and publicly canceled it, telling a reporter: "We are not doing business with the British government or any other government." Ford had actually already accepted a contract from the German government - the Ford subsidiary Ford-Werke in Cologne was doing business with the Third Reich at the time, which Ford's critics took as proof that he was concealing a pro-German bias. Ford later reversed his decision again and by May 1941 had opened a large government-sponsored facility to manufacture the B-24E bombers for the Allied war effort.

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

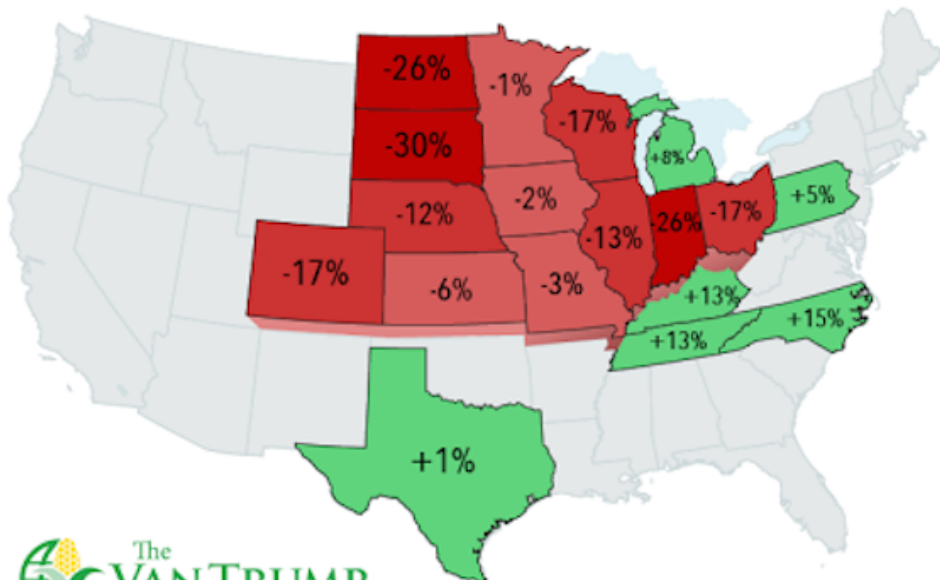
Wed. 8/16 - Minutes From 7/26 FOMC Meeting

Tues. 8/22 - Cold Storage

Fri. 8/25 - Cattle on Feed

Chart Of The Week

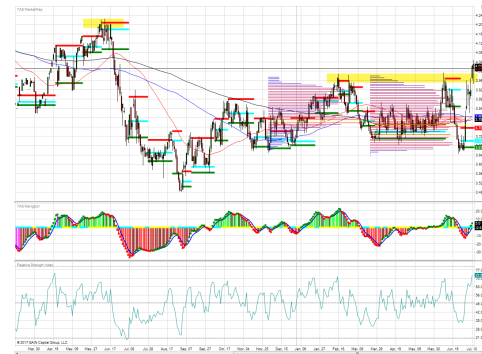
Corn: 2016 vs. 2017 G-to-E Crop Conditions



Source: USDA, NASS Crop Progress Maps

2016 Corn Production - Ranking of States			
United States Total Production		15,148,038,000	
Rank	State	2016	% of Total U.S. Production
1	Iowa	2,740,500,000	18.09%
2	Illinois	2,255,650,000	14.89%
3	Nebraska	1,699,900,000	11.22%
4	Minnesota	1,544,000,000	10.19%
5	Indiana	946,310,000	6.25%
6	South Dakota	825,930,000	5.45%
7	Kansas	698,640,000	4.61%
8	Wisconsin	573,160,000	3.78%
9	Missouri	570,500,000	3.77%
10	Ohio	524,700,000	3.46%
11	North Dakota	516,660,000	3.41%
12	Texas	323,850,000	2.14%
13	Michigan	320,280,000	2.11%
14	Kentucky	222,600,000	1.47%
15	Colorado	160,290,000	1.06%

Soybean traders are looking at a weather forecast that is considered a bit wetter nearby, but the bulls point to the fact it looks much drier out into late-July, arguably meaning more heavy debate about yield is out on the horizon. The bulls are also thinking the USDA could surprise the trade a bit today by lowering ending stocks more than most sources are forecasting. If that happens to be the case, and the weather continues to cause concern, I suspect the trade will eagerly add more risk premium. As a producer, I will be paying very close attention to today's numbers and looking to



Sept Corn

Monday's breakout and close on 1-year highs could help to attract technical buying. Old resistance at 3.96 becomes new support. Next upside target is 4.20.

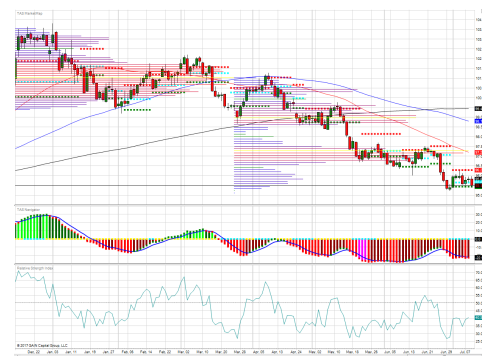
[Enlarge Sept Corn Chart »](#)



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

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

Outside Markets



US Dollar Index

The Dollar is in a short term neutral trading range between 95.437 and 96.287. A close below or above either of these levels could help to set trend direction.

[Enlarge US Dollar Index Chart »](#)

reduce some longer-term risk if we happen to catch a major move higher on a bullish surprise. I would like to reduce a bit more 2018 price risk on move to between \$10.40 and \$10.60 vs. the NOV18 contract. I want to stay patient for the moment in regard to reducing more 2017 price risk. As a spec I still believe there is more room to the upside. Soybean prices are up over +10% in the past month and the NOV17 contract recently posted a three year high. For those who are behind in sales, a rally today might be a nice place to bank a few profits. Keep paying very close attention.

Wheat traders seem a bit hesitant or uncertain how to play the game with the funds thought to now be long all three major wheat contracts. This is something we haven't seen in over two years, and follows a near record short position by the funds. I suspect, like most, all of today's fireworks will be centered over the HRS crop numbers and how big of cut the USDA is willing to make to their current production forecast? I suspect whatever number the USDA releases, the trade will believe it's too conservative and that a much larger cut is coming down the pipe. As a producer, I will be looking to reduce a bit more longer-term price risk on an extreme move to the upside in either SRW or HRW wheat. I remain extremely patient in regard to selling Spring wheat. As a spec, I remain bullish, but have banked profits on half of my longer-term positions. For what it's worth, wheat is now one of the best performing asset classes on the board: SRW up +22%, HRW up +21%, and HRS up +45% on the year!

U.S Grain Stocks 2016/17

	July Est.	Avg. Trade Est.	Trade Range	USDA June
Corn	???	2.321	2.235 - 2.375	2.295
Soybeans	???	0.430	0.400 - 0.465	0.450

U.S Grain Stocks 2017/18

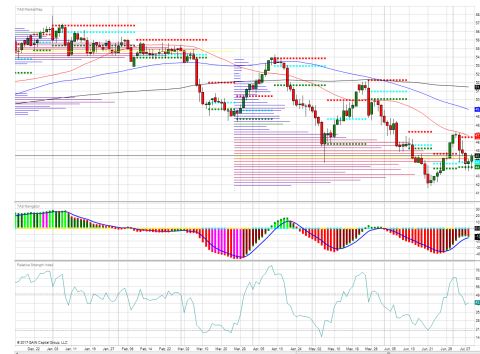
	July Est.	Avg. Trade Est.	Trade Range	USDA June
Corn	???	2.181	1.921 - 2.398	2.110
Soybeans	???	0.473	0.374 - 0.513	0.495
Wheat	???	0.876	0.757 - 0.957	0.924

World Stocks 2016/17

	July Est.	Avg. Trade Est.	Trade Range	USDA June
Corn	???	225.72	223.80 - 228.00	224.59
Soybeans	???	93.12	92.30 - 94.00	93.21
Wheat	???	255.35	249.00 - 257.00	256.43

World Stocks 2017/18

	July Est.	Avg. Trade Est.	Trade Range	USDA June
Corn	???	195.33	190.00 - 198.77	194.33
Soybeans	???	92.14	90.30 - 93.00	92.22



Crude Oil

Crude oil is finding support at the TAS demand level (green dots at 44.04). Momentum is ascending upward which could help to reinforce a higher trade toward the 50 day SMA at 47.01.

[Enlarge Crude Oil Chart »](#)



E-Mini S&P Index

The long term bull trend is supported at 2406.50. Upward momentum has recently faded off so we will watch to see if a close below this level attracts further liquidation.

[Enlarge E-Mini S&P Index Chart »](#)

Kevin's Song of the Week



About the Report

Wheat	???	257.36	250.00 - 262.00	261.19
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U.S. Production

	July Est.	Avg. Trade Est.	Trade Range	USDA June
Corn Production	???	14.126	13.841 - 14.253	14.065
Corn Yield	???	169.6	166.8 - 170.7	170.7
Soybean Production	???	4.243	4.164 - 4.260	4.255
Soybean Yield	???	47.9	47.0 - 49.0	48.0

U.S. Wheat Production

	July Est.	Avg. Trade Est.	Trade Range	USDA June
All Wheat	???	1.748	1.634 - 1.834	1.824
All Winter	???	1.261	1.237 - 1.280	1.250
Hard Red Winter	???	0.745	0.693 - 0.775	0.743
Soft Red Winter	???	0.303	0.296 - 0.332	0.298
White Winter	???	0.210	0.199 - 0.218	0.209



> Brazil Corn Crop Estimate Raised 2.19 MMT To New Record: Brazil is bound to reap a record total corn crop of 96.03 million metric tons in the current 2016-17 cycle, up from 93.84 million metric tons in June report, national crop agency Conab data showed Tuesday. Conab raised second corn crop estimate to 65.63 million metric tons, up from 63.52 million metric tons previously, citing favorable weather. For the first or summer corn crop, the calculation was adjusted to 30.4 million metric tons, up from 30.31 million metric tons in June. Second crop corn harvest was estimated at 23%, as of last Friday, according to consulting firm AgRural. Corn exports were projected at 28 million metric tons in the marketing year from February 2017 to January 2018, Conab said. In June, the agency forecast exports at 26 million mt. If confirmed, the volume will be similar to the record of 30.17 million metric tons shipped in 2015-16 marketing year. Brazil's soybean 2016-17 crop, which was totally harvested, was pegged at a record 113.93 million metric tons, slightly up from 113.92 million metric tons in the previous report and 19.4% higher than 2015-16. Conab kept soybean exports estimate for the current marketing year at a record 63 million metric tons. (Source: Platts)

> Chinese Ag Production Growth Will Be Weak This Year: China's agricultural production growth will be weak in 2017 as farmers are reluctant to scale up production amidst ongoing policy change and uncertainty around future support to grain output, says BMI Research in a note. "In spite of this, food price inflation will remain in check in the coming quarters as local agricultural prices will be low in the country." It adds that

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

corn production has fallen since the government reduced its minimum support prices, while price supports for wheat and rice have remained stagnant. "The agriculture sector is becoming less profitable as costs are rising, while the government is dragging its feet in raising purchase prices for various grains. (Source: Bloomberg)

> U.S. Red Meat Exports Remain Strong: U.S. pork and beef exports posted a strong May performance, increasing significantly from the previous month and from year-ago levels, according to statistics released by USDA and compiled by the U.S. Meat Export Federation (USMEF). Pork exports reached 222,015 metric tons (mt) in May, up +11% year-over-year and the fourth-largest monthly volume on record. Pork export value was \$583.2 million, up +16%. For January through May, exports increased +14% from a year ago in volume (1.05 million mt, a record pace) and +18% in value (\$2.68 billion). Through the first five months of 2017, exports accounted for 27.9 percent of total production and 23.2 percent for muscle cuts (up from 25.2 percent and 21.3 percent). May beef exports totaled 105,321 mt, up +6% from a year ago, valued at \$582.6 million, up +9%. For January through May, beef exports were up +12% in volume (497,322 mt) and +16% in value (\$2.75 billion) compared to the same period last year. Exports accounted for 13% of total U.S. beef production in May and 10% for muscle cuts only – each down one percentage point from a year ago. Through May, these ratios were steady with last year's pace. (Source: Meatingplace)

> China To Allow Beef, Poultry Imports From Belarus: China has approved frozen beef and poultry imports from Belarus, official news agency Xinhua reported on Tuesday, citing Belarusian Agriculture and Food Deputy Minister Alexander Subbotin. Twenty-one Belarusian beef packers and five poultry factories are to be authorized to export to China.

> Indian Court Suspends Ban On Trade In Cattle For Slaughter: India's Supreme Court suspended on Tuesday a government ban on the trade of cattle for slaughter. Prime Minister Narendra Modi's Hindu nationalist government in May decreed that markets could only trade cattle for agricultural purposes, such as plowing and dairy production, on the grounds of stopping cruelty to animals. Muslims, who make up 14 percent of India's 1.3 billion people, said the May government decree against the beef and leather industry employing millions of workers, was aimed at marginalizing them. The Supreme Court, in issuing its decision, stressed the hardship that the ban on the trade of cattle for slaughter had imposed. The government could exclude buffalo from the ban - buffalo are not considered sacred - and buffalo meat constitutes the bulk of India's "beef" exports. India exported 1.33 million metric tons of buffalo meat in the 2016/17 fiscal year to March 31, worth about \$3.9 billion. The previous year, it exported 1.31 million metric tons. (Source: Reuters)

> JBS Asset Sale To Minerva Approved: Brazil's antitrust agency CADE approved the sale of JBS S.A.'s assets in Argentina, Paraguay and Uruguay to Minerva S.A., according to information published in the government's official gazette. The \$300 million transaction remains blocked by a Brazilian federal court, which considered the operation "premature" amid the corruption investigations involving JBS' controllers. JBS' request to overturn the federal court decision was denied by the Supreme Court last week, which kept the transaction on hold. (Source: Meatingplace)

> EPA Inspector General Finds Accounting Problems: The EPA's Inspector General is raising concerns about accounting practices in the EPA's Office of Pesticide Programs, finding in a report Monday that officials are using congressionally appropriated funds in some places to cover payroll for positions that should come out of user fees. Doing so, the IG argued, is a "material weakness" that makes it difficult to accurately audit the program. The agency has admitted that it made the financial maneuvers in fiscal years 2014 and 2015. Pesticide office officials have long said that federal belt tightening is making it hard to meet the timelines for pesticide review laid out by the Pesticide Registration Improvement Act and its subsequent reauthorization. Under the law, Congress is supposed to fund the office at \$128 million, though in recent years appropriators have stopped short at about \$120 million. A bill that would reauthorize the measure before it expires at the end of September and increase user fees has cleared the House and is currently waiting for sign off by the Senate. (Source: Politico)

> Ethereum Has Lost \$17.5 Billion In Market Value In 4 Weeks: Digital currency Ethereum slipped below \$200 for the first time since May 30, continuing its fall for a second consecutive session on Tuesday. One ether token hit an interday low of \$192.22, according to industry and price tracking website Coinmarketcap, which takes into account the price on several exchanges. The Bitcoin rival has now fallen more than 50 percent since registering all-time highs of over \$400 in early June. The slip in Ethereum's value coincides with a broader sell-off in the global cryptocurrency markets. However, despite the declines, the price of ether remains substantially higher over the course of the year. Ethereum has risen more than 2,000 percent from around \$8 at the beginning of January. (Source: CNBC)

> Subprime Mortgages Are A Fraction Of Pre-Crisis Levels: A decade after the

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

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

[More Testimonials](#)

My Own Personal Truisms

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

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

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

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

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

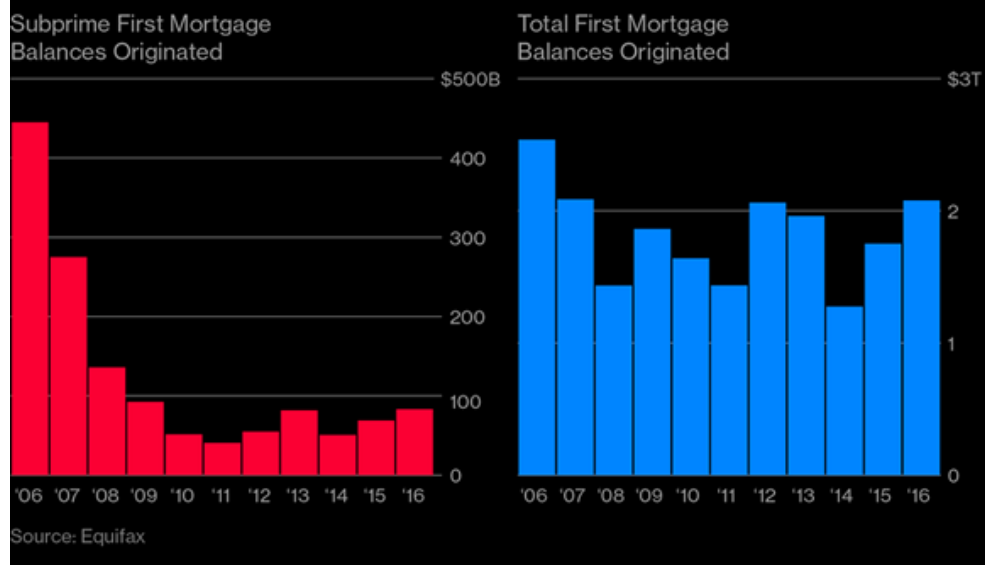
I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

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

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

Subprime mortgage crash, debt markets are booming again. Annual mortgage originations are getting closer to the \$2.5 trillion peak reached in 2006. Risky borrowers have piled on hundreds of billions of dollars in auto loans and credit-card debt. Some economists and executives are worrying that those borrowings are reaching the point of being unsustainable. But in the housing market, stringent regulations have kept loans to borrowers with weak credit in check. Subprime originations are a shadow of their pre-crisis levels, data from Equifax show. And the American Dream of homeownership? That's been hovering at a more than 50-year low. (Source: Bloomberg)

New Subprime Mortgage Volume Collapsed Amid Crisis



Farm Direction

RECIPES

FAMILY FAVORITES

- SENT IN BY OUR READERS -

Steak Diane for Two

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Eastern Michigan - Other than a couple week window at the beginning of June we have been very wet. We grow corn, wheat, sugar beets, and dry beans. The dry beans have struggled with the soils being so wet. Our last rain was about 4" in basically a 4 hour period. After that rain, I have never seen the ditches run that full and fast in this area. The corn looks good now. We went through some delays getting field work done that pushed planting back. We have very high expectations on the wheat crop this year. I have heard of some low quality issues again this year. We made 120bpa last year so anything less than 115bpa to 120bpa will be disappointing. We just hope the quality will be there. The sugar beets look good now and good yields are expected. We have had disease problems starting to show up more often each year that are leaf deficiencies. A few of the diseases are starting to be more resistant to our fungicides making control more difficult. We have seen prices fall with the Mexican sugar dumping issues that have been happening over the past few years but maybe with that behind us, we will see higher prices.

Central Nebraska - The markets are finally starting to price in the dry conditions that are existing in our area. The corn here is just getting ready to pollinate. It could be a rough week around here if we have the heat that they are forecasting. The big effect on the corn has been the lack of rain but over the past week the high temps overnight has not given the corn a break. We had good rains in April and May but those subsurface moisture levels are below the root systems that are presently developed. They need to get more rains to promote additional growth. Our normal dry land production is 180bpa but we will not make that this year and I would say at best we will be 150bpa. The irrigated ground will make 250bpa and I would say at this point we should be real close to last year. The beans are shorter than normal and behind their normal growth by a couple of weeks. We had way too much moisture early on. The weather now has been pretty spotty at best with the rainfall. We did have some bean replant acres due to major ponding and we did not get finished until July 1, which is close to the latest I have ever replanted.

Westcentral Illinois - We are now in a rain missing area. This will be at least our 3rd week with no rain. 15 miles east of us got 5" the other night and 5 miles north of us received 1". They've had rain south and west of us too. The storms get here and fizzle away. Crops look excellent, but by the end of this week I look for the corn to be rolling up. If next week stays as hot and dry as this week, it's going to start looking bad here. Obviously we will see some sort of yield drag the way things are going.

CROSSING WIRES

A place to share intelligent thoughts...

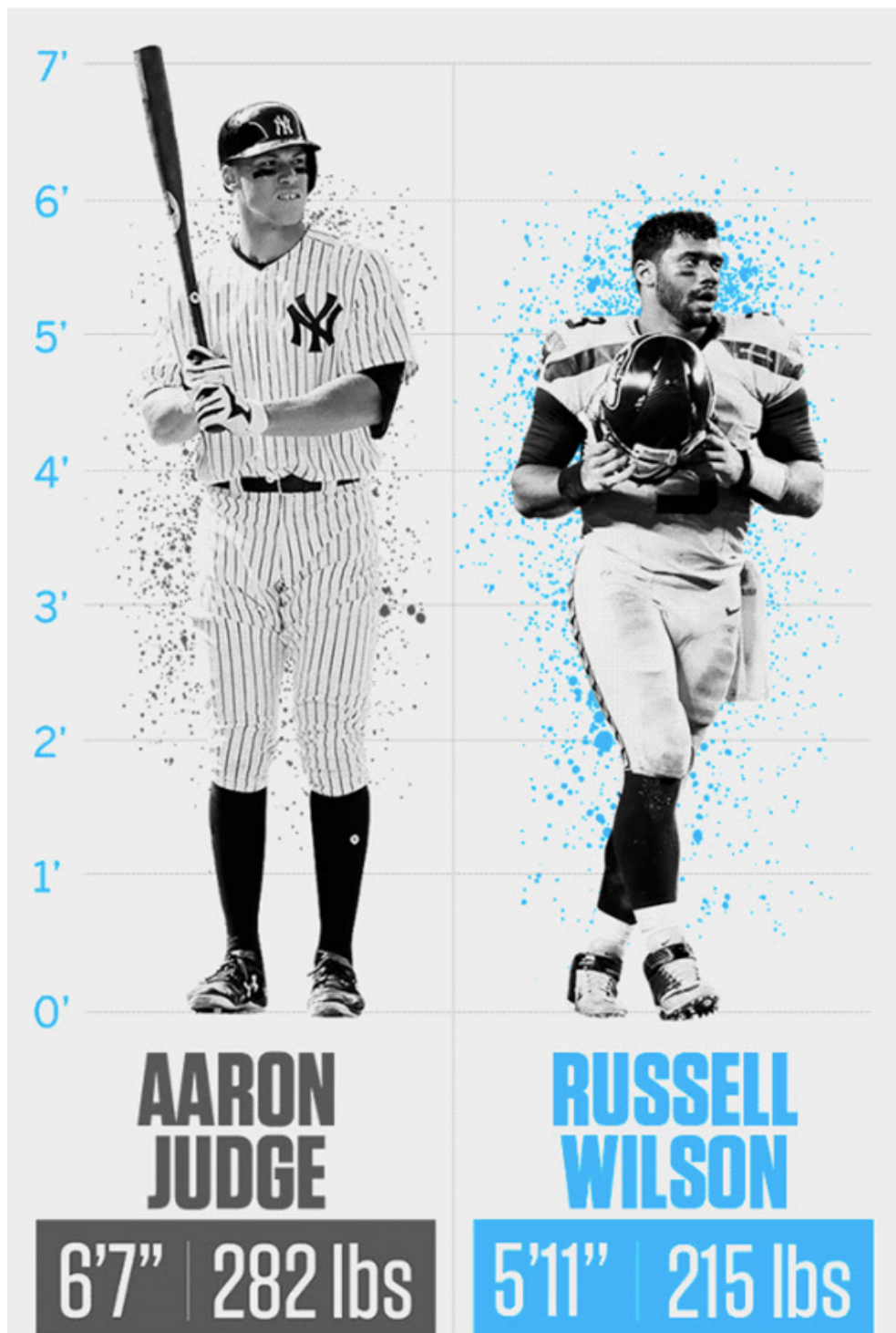
U.S. Farms Could Suffer As The Arctic Heats Up: The planet is getting hotter. One of the more confusing aspects of this global trend is the persistent, undeniable discomfort of winter. Even more confusing is when that chilly weather continues into April, May, or even June. This might clear the confusion (but probably not the frustration): Those colder temperatures in the first half of the year might be due to warmer weather in the Arctic. Authors of a new study, published Monday in *Nature Geoscience*, found this trend looking at over 100 years of climate data from the Arctic and North America. This warm Arctic/cold North America connection has been particularly noticeable since 1990. And that doesn't just mean you'll be wearing a puffy jacket to Memorial Day cookouts from now on. Spring is an important time for agriculture, and the authors noted that US crop productivity declined by as much as 4 percent following warm Arctic years. Read more from [Wired](#).

Want To Buy Happiness? Spend Your Money On These 4 Things: Happiness is like a game of pass the parcel — and your spending should be, too. Indeed, research shows that spending money on others — be they furry friends or human friends — rather than on yourself will help you find lasting happiness. Another golden rule? Spending on possessions may fill your closet and pantry, but spending on intangibles fills your soul. Read details on the full list [HERE](#).

Goats Accused Of Taking Jobs From Union Workers: A battle is brewing at Western Michigan University this summer between a group of hungry goats and a labor union. The 400-member American Federation of State, County and Municipal Employees has filed a grievance contending that the work the goats are doing in a wooded lot is taking away jobs from laid-off union workers. The grievance alleges that the university did not notify the union that it was planning to use goat crews on campus, according to a chief steward report supplied to the Battle Creek Enquirer. University spokeswoman Cheryl Roland said a small goat crew has been on campus this summer, but not to cut grass. Read more [HERE](#).

Survey Shows 25% Of People Want 'Organic Water': "Organic water" probably shouldn't exist. We're not being snarky, it's more of a definition thing. That's not to say that you can't have pesticide-free water. Most people would prefer that, actually. But "organic" means that something was derived from living organisms. Water, in its minimalist two-hydrogen-atoms/one-oxygen-atom glory, has no carbon molecules and is therefore technically "inorganic." In fact, as NPR points out, the USDA specifically excludes water as an ingredient that can be included when making organic claims (instead, describing it as "natural"). And yet, according to Food Navigator USA, not only does "USDA organic certified water" now exist, a recent survey suggests that "almost a quarter of Americans" want to get their hands on it. Read more [HERE](#).

Just How Big Is This Years Home Run Derby Winner Aaron Judge?: In the history of MLB's All-Star Game, there has never been a slugger the size of New York Yankees rookie Aaron Judge. Additionally, Judge is more than a foot taller than the shortest All-Star selections ever - shortstop Freddie Patek, outfielder Albie Pearson and pitcher Connie Marrero, who were all 5-5, and nearly 150 pounds heavier than the lightest - pitcher Bobby Shantz, who weighed in at just 139 pounds. With all that in mind, we wanted to see how some of this year's All-Stars, as well as some recognizable names from the NFL and NBA, plus a surprise guest at the end -- stack up against him. Click [HERE](#) to see this very interesting ESPN info graphic.





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The
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Featured Ag-Tech Startups

iSelect Webinar Series

The Van Trump Report has partnered with iSelect to help bring ag-tech to the farmer in the field. My good friend Carter Williams, CEO of iSelect, is making a difference in agriculture and I wanted to share some of his insight. Carter was the former director and founder of Boeing Ventures where he led Boeing's technology planning process. Carter is also the past president and founder of the MIT Corporate Venturing Consortium and Co-founder of the MIT Entrepreneurship Society. Today Carter is using his team's talents and abilities to help some of the most innovative in agriculture. Through this process he has the opportunity to see some of the latest innovations and technological shifts that are heading our direction, many times before they ever hit the mainstream market. Each week I will be featuring one of the NEW ag-tech companies and passing along an invitation for readers to join a webinar that will further explain the start-up. Keep in mind the webinars are geared towards investors who are thinking about providing start-up capital and seed funding. I personally find it interesting to hear about the technology and innovation that is being discussed. Some of the technology may be of interest to you, while some may not. I feel it's important to pass along what Carter and his team are seeing happen in the ag space. Remember, we don't have to be in agreement with every thought or idea but we do need to understand and be aware of the changes that are happening.

Presentation Title: "Bringing Predictive Analytics to the Farm"

Date & Time: July 13th at 3pm CST

Farmers, agriculture executives, and anyone interested in the future of food should join us tomorrow for a free webinar to be held with Chris Harbourt, Ph.D., CEO of Agrible and Dave Stanko, COO. Predictive analytics are changing the way that food is produced, helping to make farmers more efficient, suppliers more reliable and the entire value chain more sustainable. Based in Champaign, Illinois, Agrible is developing a crop growth model that provides highly accurate field-by-field predictive analytics, delivering field-level data to help farmers and all stakeholders deliver on their promises. What's more, its output analytics are helping producers and other partners, from the field to the fork, better understand each other and work together, forwarding the mission of advanced, data-driven agriculture. Even if you can't make the live broadcast, registered users will be able to view a recording on [our website](#) after the fact. Click [here](#) to sign up and learn more.



AGRIBLE®

Laser Equipped Helicopter Zaps Its First Target

Raytheon has just handed the U.S. military a new weapon that can fry a target in a matter of seconds. The defense contractor bolted a laser to a U.S. Army Apache AH-64 helicopter and zapped an unmanned target at its White Sands Missile Range. In a statement, Raytheon said it marked the first time a "fully integrated laser system" had successfully located and shot a target from a rotary-wing aircraft "over a wide variety of flight regimes, altitudes and air speeds." The company said the laser "directed energy" on the unspecified target from almost a mile away. The company provided a computer rendered image of what the helicopter and the new laser weapon look like, with the exception of their image showing the laser beam to be red. In reality, the beam is invisible to the naked human eye. The main point of the test was to see how well the laser performed when exposed to the vibrations of the helicopter, the dust kicked up by the rotating blades and the vehicle's "downwash," or downward airflow. Raytheon will use the data to help develop the test equipment into a viable weapon system. To be clear, Raytheon does not call the laser it used in the test a "weapon", but rather more of a stand-in for a future high energy weapon that may someday arm the U.S. military's helicopters. The U.S. military already uses lasers, though the devices are low-powered and used to precisely determine range to target, as well as marking targets for friendly forces and for weapons like laser-guided bombs and Hellfire missiles to home in on. Art Morrish, vice president of Advanced Concept and Technologies for Raytheon Space and Airborne Systems, says the test achieved all primary and secondary goals. He also said it shows the company is on the right track and should be able to bring the capability to the battlefield sooner rather than later. A laser weapon on the Apache would, as Defense News points out, greatly increase an Apache's firepower. The four wing pylons on an Apache can each carry up to four Hellfire anti-tank missiles, for a total of 16 missiles. Armed with a laser an Apache could probably carry 12 missiles and a laser weapon. The laser would be capable of an number of shots restricted only by the amount of power on hand. The ability to generate and store large amounts of power is a major stumbling obstacle for laser weapons, but if that problem can be straightened out, the cost per shot is about as low as things get. (Sources: Popular Mechanics, Defense News)



Here's What You Need To Know About Tonight's "25 Year ESPY Awards Anniversary Show"

NFL legend Peyton Manning will play host duties at Microsoft Theater in Los Angeles tonight at 7 p.m. CST, with the event broadcasted on ABC and streamed online at WatchESPN. Manning alone might make the event worth watching, but from what I hear ESPN is pulling out all of the stops and has a ton of big stars in the line-up. I listed below a few of those nominated for awards tonight as well as three of my all-time favorite moments.

Best Male Athlete

Kris Bryant, MLB
Sidney Crosby, Stanley Cup Finals
Michael Phelps, Swimming
Russell Westbrook, NBA

Best Female Athlete

Simone Biles, Gymnastics
Katie Ledecky, Swimming
Candace Parker, WNBA
Serena Williams, Tennis

Best Championship Performance

Tom Brady, Super Bowl
Kevin Durant, NBA Finals
Shay Knighten, WCWS

Best Upset

Clemson defeats Alabama, CFB National Championship
Denis Istomin over Novak Djokovic, Australian Open
Mississippi State defeats Connecticut, Women's NCAA Basketball Final Four

Best Game

Cubs vs. Indians, World Series Game 7
Patriots vs. Falcons, Super Bowl
Federer vs. Nadal, Australian Open Final

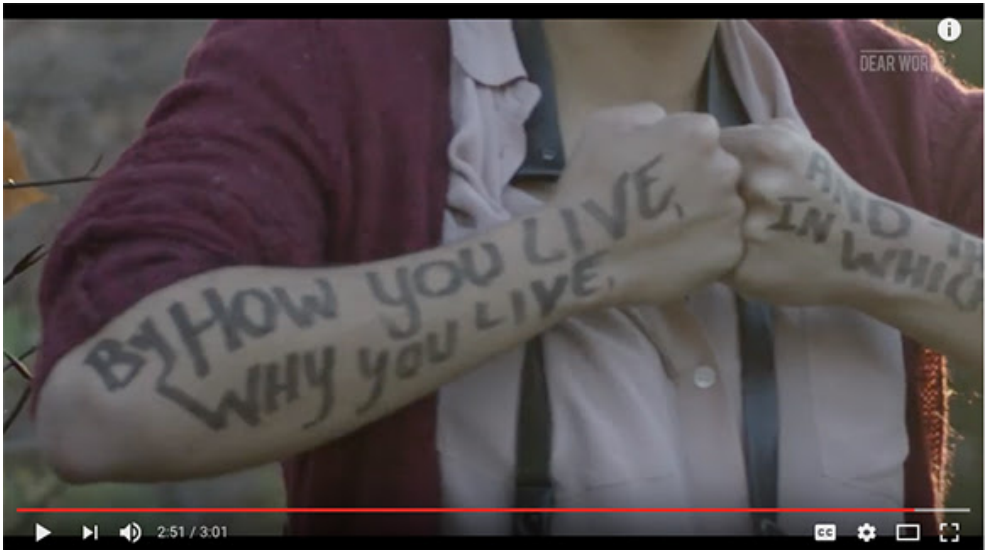


If You Do One Thing Today, Watch These Two Videos!!!

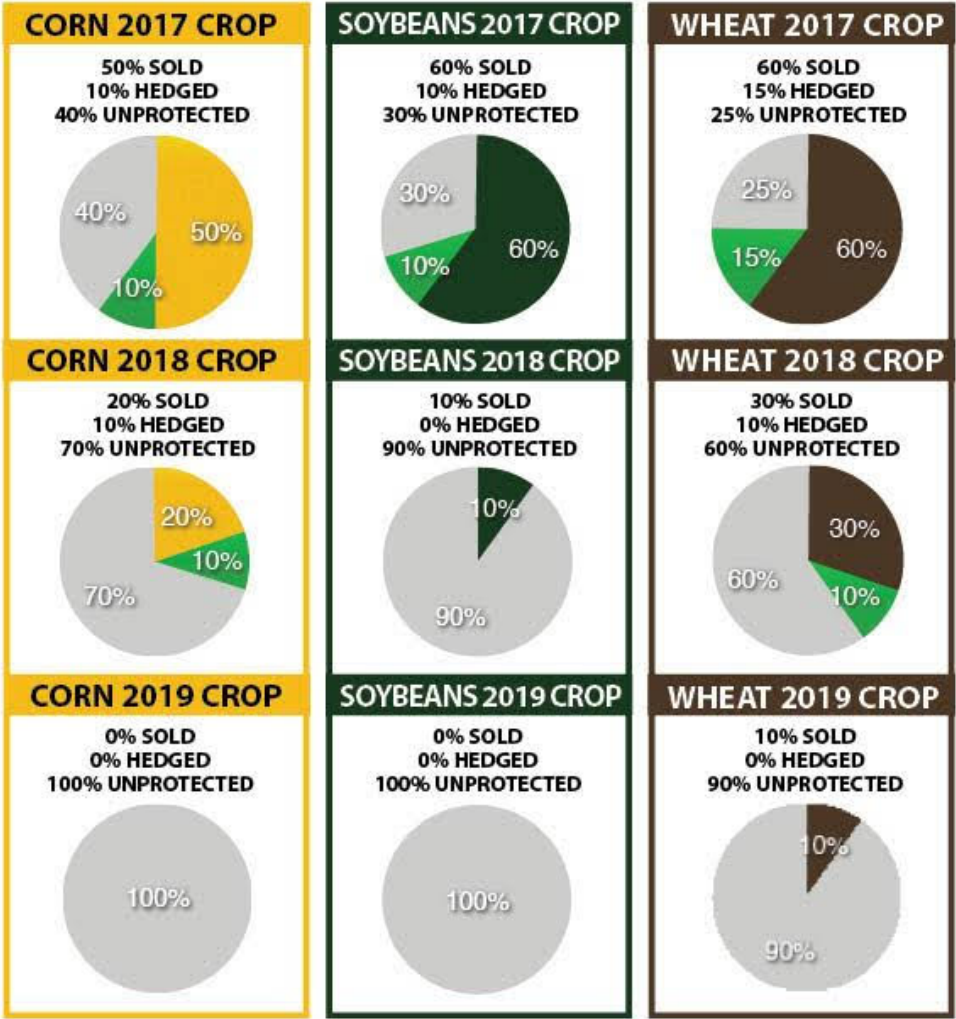
"Jimmy V" 1993 Winner - One weekend my daughter was attending one of her best friends gymnastic competitions. She sent me a text that read, "Dad, they showed this video at the opening of the gymnastic competition. Thought you would like it. I am not sure who the guy is but he reminds me a lot of you, he says a lot similar things!" The video they aired prior to the gymnastic competition was the speech Jimmy Valvano gave 24 years ago when accepting the first ESPY award. For anyone who has never seen Jimmy V's speech that night it is a must. For those who have, it's certainly worthy of another view. Remember, this speech was given as Jimmy V was battling cancer in early March of 1993. Some of his closest friends said he didn't want to come to the event, because he was terribly sick. I heard he actually had to carry a puke bag with him the entire trip because he couldn't stop vomiting. Somehow, somehow, he found the strength to deliver one of the most inspirational speeches of our generation. You can imagine how proud I was when my daughter sent me the text comparing my inspirational talks around the house with those of Jimmy V's. I obviously don't compare, but I am extremely happy she can identify and appreciates people with great "PASSION"... Here is Jimmy V's must see amazing ESPY speech [CLICK HERE](#)



Stuart Scott's Daughters - ESPN's well-known sports journalist and commentator, Stuart Scott, won the famous ESPY awarded in 2014 echoing an extremely moving speech about life and the things that are really important. Scott passed away at the age of 49, leaving behind two beautiful daughters, who filmed a love letter to their father one year after his passing. Watch their inspirational video by [CLICKING HERE](#)



CASH SALES & HEDGING TOTALS



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