

GOOD MORNING: 07/14/17 Farm Direction - VanTrump Report

1 message

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

Fri, Jul 14, 2017 at 7:27 AM



"Ring the bells that still can ring. Forget your perfect offering. There is a crack in everything. That's how the light gets in."—Leonard Cohen

FRIDAY, JULY 14, 2017
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Morning Summary: Stocks continue to make minor gains and once again push the Dow to another record high close yesterday. Investors are anxiously waiting for the start of second quarter earnings, which kick-off today with results scheduled from JP Morgan Chase, Wells Fargo and Citigroup. Bank earnings were very strong last quarter, but several insiders believe major banks are actually going to see a decline in year-over-year earnings in the second-quarter. Some reasons cited for the gloomy outlook include decreased trading revenues amid the extremely low volatility witnessed in bond and equity markets over that time period. I personally don't see big bank earnings being impacted and remain bullish the banking sector. For the S&P 500 Index as a whole, total Q2 earnings are expected to be up +5.6% from the same period last year on +4.5% higher revenues. Sectors with the strongest growth in Q2 include Energy, Technology, Aerospace, Construction and Industrial Products. Some of the earnings highlights coming up next week include Abbott Labs, American Express, Bank of America, BlackRock, Capital One, Colgate-Palmolive, CSX, Ebay, General Electric, Goldman Sachs, IBM, Kinder Morgan, Lockheed Martin, Microsoft, Netflix, Novartis, United Health, Visa and Yahoo. Economics are becoming a bigger focus for many traders as they try to second-guess the Federal Reserve's next move. The direction of inflation tops that list, making today's Consumer Price Index extremely significant. Consensus is looking for a +0.1% gain. The Producer Price Index released yesterday only witnessed at +0.1% increase, which strengthens concerns that weak inflation may not be due to "transitory factors", but rather more systemic reasons that are not yet fully understood. Other reports due out today include Retail Sales, Industrial Production, Business Inventories and Consumer Sentiment. Turning to next week, U.S. data includes Empire State Manufacturing on Monday; Import/Export Prices and the Housing Market Index on Tuesday; Housing Starts on Wednesday; and the Philadelphia Fed Business Outlook Survey on Thursday. Investors will also be tuned into a couple of key international events. China releases GDP, Industrial Production and Retail Sales overnight this Sunday, meaning the trade will be digesting that data first thing Monday morning. The other hot ticket item is the European Central Bank's latest policy decision due out on Thursday morning. On the U.S. political front, the Senate expects the Congressional Budget Office to release a score for their healthcare bill Monday. This information will be critical in determining whether the bill moves forward. Also look for more debate and headlines about the budget and debt ceiling. Still closely monitoring military tensions surrounding North Korea.

Tax Reform and Tax Cuts Are Coming Even If Health-Care Bill Fails:

Political strategists say tax reform and tax cuts are alive and well, even with doubts about congressional efforts to adopt a health-care replacement bill. Corporate tax reform and individual tax cuts are being worked on behind the scene by the Trump administration and members of Congress. The tax bill is expected to take shape during the fall and be signed into law by early next year. Tax reform and tax breaks have been a key part of the Trump agenda, but expectations for legislation have faded amid congressional wrangling over health care and the constant headlines around investigations into the Trump campaign's ties to Russia. What appears to be emerging from behind-the-scenes work on tax reform by Congress and the Trump administration is a smaller tax cut for corporations than originally desired but reforms that should level some of the

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December 6, 2017

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playing fields for U.S. companies. Based on early proposals, the new corporate tax rate could be about 23 percent. For individuals, there may be smaller tax breaks as well, with a focus on cuts for lower and middle-class taxpayers. Insiders should not expect some of the more controversial elements, like the elimination of deductions for such things as real estate taxes and charitable giving, to be part of the reforms for individual taxpayers. Daniel Clifton, head of policy research at Strategas, believes there is less than a 50 percent chance that the current health-care bill passes the Senate, and strategists say health care ultimately may have to be addressed in a dual effort with Democrats. (Source: CNBC)

IEA Lifts Global Crude Demand Forecast: In its latest monthly report, the International Energy Agency (IEA) has updated its global crude oil demand forecast for 2017 to 98 million barrels per day. The agency expects demand for crude to grow by +1.6 million bpd compared to the 2016 figure, while there was a 100,000-bpd increase on a month-to-month basis. The IEA reports that commercial oil reserves of developed countries are at 3.047 billion barrels based on end-of-May data, which is -6 million barrels less than they were in April. Reserves exceed the 5-year average by +266 million barrels, while April's figure was +300 million barrels above the same mark. Countries of Europe and Asian Pacific have reduced their oil supply the most, which is a result of lesser import volumes of crude oil and oil products. IEA notes that based on OPEC's latest monthly report, its members increased their overall oil production by 340,000 bpd to 32.6 million bpd. The higher output from members bound by the production cut pact knocked compliance to 78% in June, the lowest rate during the first six months of the agreement. Neil Atkinson, head of the oil industry and markets division at IEA, told CNBC in an interview that "the rebalancing is happening ... It's just taking longer than what most people originally thought." (Source: Bloomberg, Economic Calendar)

What Could All The Cryptocurrencies In The World Buy? Bitcoin and Litecoin and Ripple and Ethereum and all these other mysterious new online "cryptocurrencies" have been tumbling for a month, and many have now gone into free fall. Where does that leave the market now? If you think the plunge has gone far enough and this is looking like a glorious "buying opportunity," consider some of the following facts. At current prices, investors — or speculators — are still valuing these new "cyberinventions" at a staggering aggregate value of \$82 billion. That includes \$39 billion for bitcoin and \$19 billion for Ethereum, the two most popular. Is that a lot or a little? Compared with the amount of gold in the world, or the size of the U.S. stock market, or the amount of dollars in circulation, it's a pittance. But put that in another context. If you're considering cryptocurrencies as an investment, reflect that today they have the same total aggregate dollar "value" as Starbucks. For that same \$82 billion you could buy 100% ownership of one of the world's most recognized and respected brands, a company generating \$21 billion in annual sales and \$3.1 billion in free cash flow last year. For that matter, \$82 billion could also get you complete ownership of defense giant Lockheed Martin or about 90% of the parent of the Union Pacific Railroad. If stocks aren't your thing, \$82 billion is also enough to buy up all the farmland in the state of Ohio, according to the Agriculture Department's numbers. Or all the farmland in the states of Pennsylvania and Kentucky combined. Bitcoin alone is valued at more than all the farmland in Virginia or North Carolina. \$82 billion would give you more than enough to buy up all the timberland in Oregon... plus, say, 100% of the stock of Tiffany & Co. (Source: MarketWatch)

Remember we sold out early last year!



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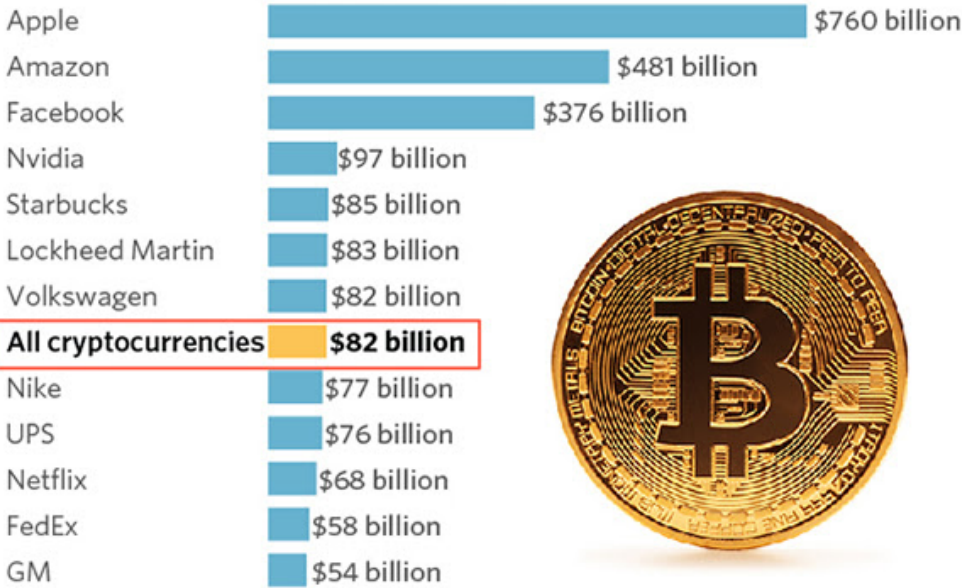


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What can \$82 billion buy you?

Cryptocurrencies are worth a lot ... or a little



Source: FactSet, MarketWatch

Weather yesterday saw a cold front sweep across the Midwest and into the South and East bringing an end to a brief heat wave. Rainfall totals associated with the front reached 1 to 3 inches, mainly across the South, East and lower Midwest. The rain has provided generally beneficial moisture for reproductive corn and soybeans. On the Plains, heat has returned to Montana, where high temperatures could approach 100 degrees F today. Dry weather prevails throughout the northern Plains, leading to further drought intensification. In contrast, the recent cold front has generated beneficial showers across the central Plains. In the South, hot humid weather and generally abundant soil moisture reserves are promoting a rapid crop development pace. Isolated showers are mostly confined to the Gulf Coast region. By week's end, near or slightly below normal temperatures should cover much of the South and East. In contrast, heat will quickly return across the northern Plains and intensify in the West. As a result, drought impacts will continue to mount in Montana and the Dakotas.

Drought Continues to Expand Across the Nation's Mid-section: *The U.S. Drought Monitor showed hot and dry conditions persisting across the western U.S. as a ridge of high pressure anchored over the region exacerbated drought conditions in Montana and the Dakotas. Areas of Moderate Drought (D1), Severe Drought (D2), and Extreme Drought (D3) expanded across the region as excessive heat continued to deplete soil moisture and further stress rain-fed crops, pastures, and rangelands. During the past week, average temperatures in the northern Plains and eastern Montana were 4 to 10 degrees above normal with the greatest anomalies observed in Montana where temps soared into the low 100s. In the Midwest, some deterioration in conditions occurred in the southern and northwestern portions of Iowa where precipitation has been below normal during the past 90 days with deficits ranging from 3 to 6 inches. Overall, the Midwest was generally dry especially in western portions of the Corn Belt. As for the impact on crop production, USDA's Ag In Drought shows that as of July 11, approximately 9% of corn, 9% of soybeans, 10% of winter wheat and 49% of spring wheat are experiencing drought.*

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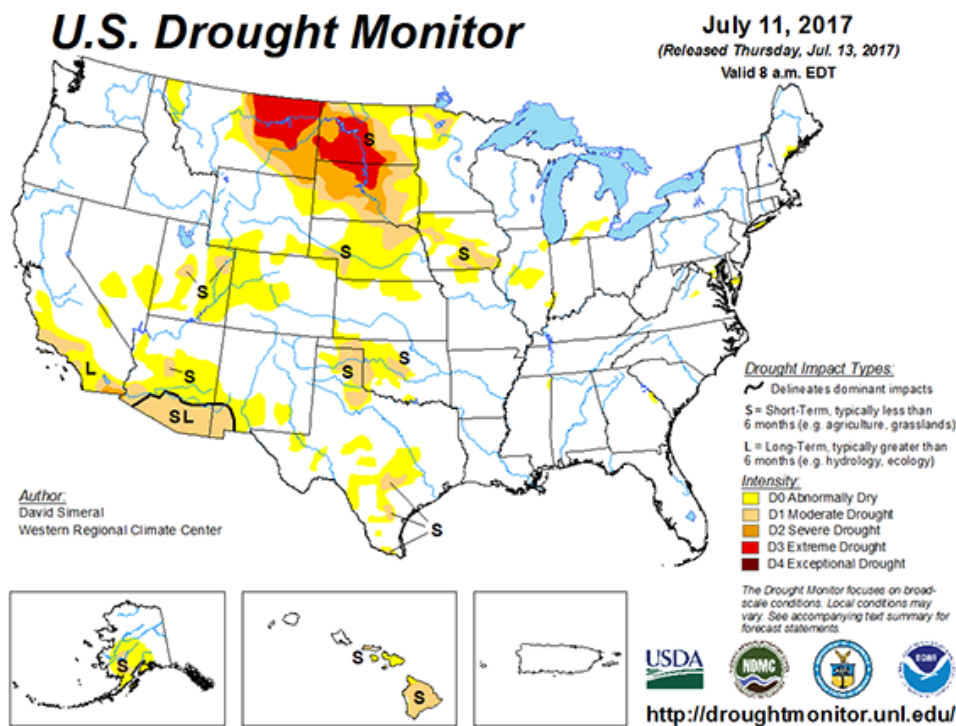
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Today In History



1881, Billy The Kid - Sheriff Pat Garrett shoots Henry McCarty, popularly known as Billy the Kid, to death at the Maxwell Ranch in New Mexico.

Garrett, who had been tracking the Kid for three months after the gunslinger had escaped from prison only days before his scheduled execution, got a tip that Billy was holed up with friends. While Billy was gone, Garrett waited in the dark in his bedroom. When Billy entered, Garrett shot him to death. Back on April 1, 1878, Billy the Kid ambushed Sheriff William Brady and one deputy in Lincoln, New Mexico, after ranch owner John Tunstall had been murdered. Billy had worked at Tunstall's ranch and was outraged by his employer's slaying-vowing to hunt down every man responsible. Sheriff Brady and his men, who had been affiliated with rival ranchers, were involved with the gang that killed Tunstall on February 18. Billy's retaliatory attack left Brady and Deputy George Hindman dead. Although only 18 years old at the time, Billy had now committed as many as 17 murders. Following his indictment for the murder of Sheriff Brady, Billy the Kid was the most wanted man in the West. Evading posses sent to capture him, he eventually struck a deal with the new governor of New Mexico: In return for his testimony against the perpetrators of the ongoing ranch wars in the state, Billy would be set free. Although he kept his word about the testimony, he began to distrust the promise that he would be released and so he escaped. Once a fugitive, Billy killed a few more men, including the gunslinger Joe Grant, who had challenged him to a showdown. Legend has it that Billy managed to get a hold of Grant's gun prior to the fight and made sure that an empty chamber was up first in the man's revolver. When it came time to fire, only Billy's gun went off and Grant was left dead. Legendary Sheriff Pat Garrett finally brought Billy the Kid in to stand trial. The



Corn is rebounding a bit this morning, but the bulls have backpedaled as of late on talk of improved weather forecast and data showing more than ample supply. The past three days have been extremely volatile. The DEC17 new-crop contract is now down over -25 cents from it's most recent high, which was set on Tuesday just north of \$4.17 per bushel. As a producer, I'm happy to have pulled the trigger on an additional 20% of my estimated new-crop production this week up near \$4.15 per bushel. Hindsight being 20/20, perhaps I should have done a bit more? I currently have about 60% of our estimated new-crop price risk removed with sales ranging from \$3.80 to \$4.20 per bushel, so certainly nothing to brag about, but nonetheless risk off the table. I should note, I am still longer-term bullish this market, but have stuck to my plan of reducing risk when presented the opportunity. I feel like my job now becomes much easier as I have "time" on side, at least another 12 to 15 months to market my remaining new-crop bushels. I can also more comfortably take on a bit more risk, as I've mentally and emotionally reduced a large portion of my exposure. As I mentioned earlier, I'm still in the bullish camp and believe this crop still has a lot of work to do in the days ahead. At this stage of the game it certainly doesn't appear to be anywhere near the crops we've seen the past few years. Yes, some areas are seeing a pleasant boost in conditions on the recent rounds of rain, and I could even argue crop-conditions from the USDA might be improved when we come back on Monday, but I still see several hurdles ahead. I currently think the average yield is somewhere in the 160 to 165 range. I know the trade seems to think we are more in the 165 to 168 range, but I don't think so. In my opinion there are just too many problem areas. As a spec, I was able to bank some profits on the recent run higher and will be looking to be a buyer if the bears overdue it to the downside. From a technical perspective the trade is keeping a close eye on the \$3.75 area as major support. I'm going to be a bit more patient, thinking the \$3.60 to \$3.75 area could be tested if conditions start to temporarily improve. As a producer, I'm going to sit on my hands here for a bit and have no current plans of re-owning previous sales. Next week could be extremely volatile as well...

U.S. Corn In Drought Areas: The graphic I included below was released yesterday by the USDA. It shows in "red" areas that are experiencing drought, which is overlaid on top of area in "green" that produce the most corn. As of right now the USDA estimates that about 9% of the U.S. corn crop is within an area experiencing drought.

drought, and the kid in the stand that the judge sentenced Billy the Kid to hang until "you are dead, dead, dead." Billy reportedly responded, "And you can go to hell, hell, hell." Two weeks before his scheduled execution, Billy escaped, killing two guards in the process. Garrett mounted yet another posse to bring in the Kid. After tracing him to the Maxwell Ranch, Garrett shot him to death. No legal charges were brought against him since the killing was ruled a justifiable homicide.



1968, Hank Aaron - Atlanta Braves slugger Henry "Hank" Aaron hits the 500th home run of his career in a 4-2 win over the San Francisco Giants.

Henry Aaron was born February 5, 1934, in Mobile, Alabama. The third of eight children, Aaron was a star football player, third baseman and outfielder in high school, and signed with the Negro League's Mobile Black Bears while still a teenager. He joined the Indianapolis Clowns in 1952 at age 18 and helped them win the Negro League World Series. The next year, his contract was sold to the Milwaukee Braves of the National League. On April 13, 1954, Aaron became the last former Negro League player to make his debut in the major leagues. Aaron broke camp with the big league Braves in 1954 after a year of thorough domination in the minor leagues. In that and many future seasons with the Braves, Aaron shared the spotlight with third baseman Eddie Matthews. For their careers, the two men hit a record 863 home runs as teammates and hit home runs in the same game 75 times. In 1957, Aaron won his only MVP award, hitting .322 with 44 home runs and 132 RBIs. Aaron, Matthews and pitchers Warren Spahn and Lew Burdette led the Braves to a World Series victory that year over Manager Casey Stengel and his perennial favorite New York Yankees. In 1958, the Braves won their second National League pennant in a row, but lost a World Series rematch to the Yankees. On July 14, 1968, with 499 career home runs under his belt, Aaron hit a three-run shot in the third inning off Giants' pitcher Mike McCormick. Aaron was mobbed at home plate by his teammates and presented with an award by Braves President Bill Bartholomay honoring him as the seventh man in baseball history to hit 500 home runs. Aaron was already 34 years old in 1968, the age at which players of his era usually began a rapid decline. Although 1968 was a slightly off year for the slugger--he hit .287 with 29 home runs and 86 RBIs--Aaron was not yet slowing down. Naysayers ate their words as they watched him hit 203 home runs between 1969 and 1973. On April 8, 1974, after a winter of hate mail containing threats from racist fans, Aaron broke Babe Ruth's record for career home runs when he hit his 715th off Cincinnati's Jack Billingham.

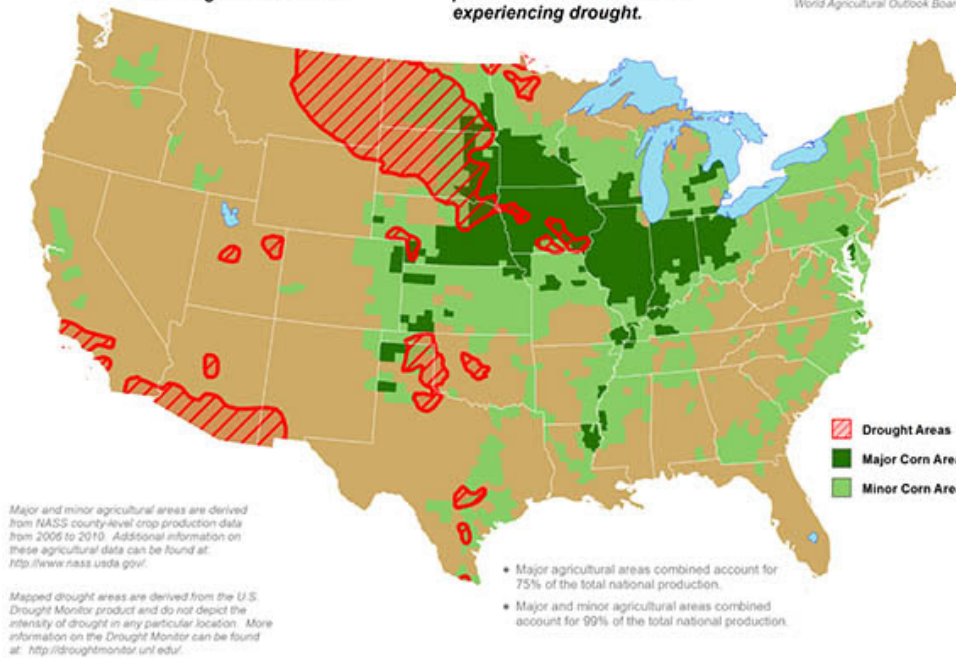
U.S. Corn Areas Experiencing Drought

Reflects July 11, 2017
U.S. Drought Monitor data

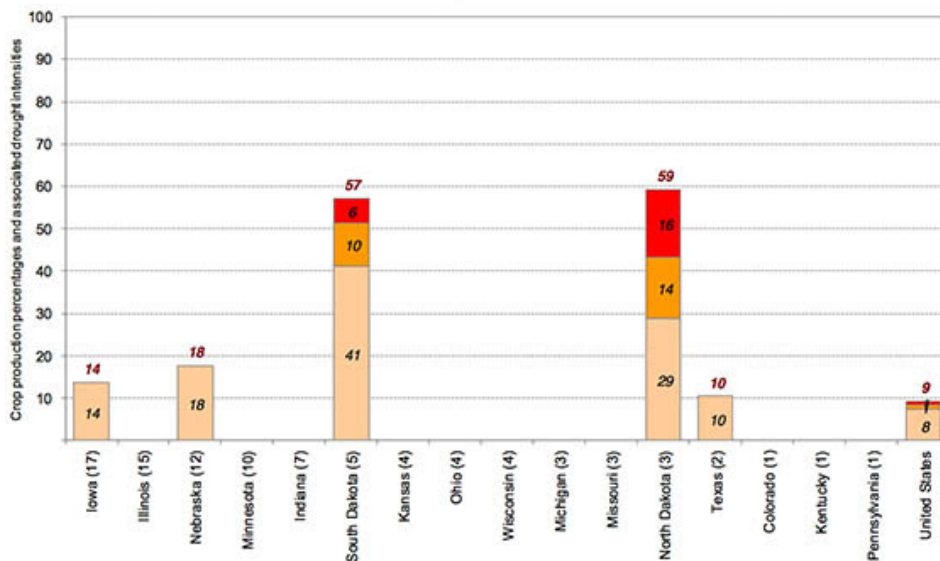
Approximately 9% of corn
production is within an area
experiencing drought.



This product was prepared by the
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Approximate Percentage of Corn Located in Drought *
July 11, 2017



* Drought percentages were calculated from U.S. Drought Monitor (USDM) data for the above date. More information on the USDM is available at: <http://droughtmonitor.unl.edu/>

Legend:

- Percent in Moderate Drought (D1)
- Percent in Severe Drought (D2)
- Percent in Extreme Drought (D3)
- Percent in Exceptional Drought (D4)

USDA Agricultural Weather Assessments
World Agricultural Outlook Board

State contributions to national production (percentages in parentheses) are based upon National Agricultural Statistics Service (NASS) 5-year averages from 2006-2010. More information on NASS data can be found at: <http://www.nass.usda.gov/>

Soybean traders have experienced an extremely wild ride the past several sessions as the market tries to digest and forecast U.S. weather and new-crop production. Precipitation totals look to be improved and have taken some of the nearby fear out of the marketplace. In particular areas in South Dakota and Minnesota that have had the trade worried, look as if they are going to get some timely rains. We also continue to hear talk about weaker Chinese buying interest. I'm not sure that really holds water, as it seems almost every year we hear the same type of rhetoric, only to come back at a later date and hear those comments retracted. In my opinion, Chinese soybean demand seems to be as strong as ever. In fact Reuters reported yesterday, "China signed their second-largest deal for U.S. soybeans, agreeing on Thursday to buy 12.53 million tonnes of U.S. soybeans and 371 tonnes of U.S. beef and pork even as President Donald Trump warned about issuing trade sanctions against the country." Not that this agreement really means anything and seems to be more symbolic than anything, but I don't see Chinese soybean demand going away. Certainly they could buy a few more bushels from South America since they recently harvested a record crop, and that

Aaron retired from baseball in 1976 with 755 home runs. After a career of remarkable offensive consistency, Aaron retired as the all-time leader in runs batted in, extra base hits and total bases. He was named to the Baseball Hall of Fame in 1982.



1995, MP3 - Representatives of the Recording Industry Association of America (RIAA) were not in attendance at the 1995 christening of the infant technology that would shake their business model to its core just a few years later. Known formally as "MPEG-1 Audio Layer 3," the technology in question was an efficient new format for the encoding of high-quality digital audio using a highly efficient data-compression algorithm. In other words, it was a way to make CD-quality music files small enough to be stored in bulk on the average computer and transferred manageably across the Internet. Released to the public one week earlier, the brand-new MP3 format was given its name and its familiar ".mp3" file extension on this day in 1995. The importance of MP3, or any other scheme for compressing data, is made clear by some straightforward arithmetic. The music on a compact disc is encoded in such a way that a single second corresponds to approximately 176,000 bytes of data, and a single three-minute song to approximately 32 million bytes (32MB). In the mid-1990s, when it was not uncommon for a personal computer to have a total hard-drive capacity of only 500MB, it was therefore impossible to store even one album's worth of music on the average home computer. And given the actual connection speed of a then-standard 56K dial-up modem, even a single album's worth of music would have taken literally all day to transfer over the Internet. In this way, the nature of the CD format and the state of mid-90s computer and telecommunications technologies offered the music industry a practical barrier to copyright infringement via Internet file-sharing. But then came MP3. Over the course of the late 1980s and early 1990s, several teams of audio engineers worked to develop, test and perfect the standard that would eventually gain the blessing of Motion Picture Experts Group (MPEG). Their approach took advantage of certain physical and cognitive characteristics of human hearing, such as our inability to detect the quieter of two sounds played simultaneously. Using a "perceptual" compression method, engineers were able to eliminate more than 90 percent of the data in a standard CD audio file without compromising sound quality as perceived by the average listener using standard audio equipment. Suddenly, that digital copy of your favorite pop song took up only 2-3 MB on your hard-drive rather than 32MB, which in combination with the growth in average drive capacity and the

could push back their early buying interest in new-crop U.S. soybeans, but eventually I suspect the Chinese step up to the plate and buy again in bulk. Bottom-line, Chinese demand should have little influence on this market during the next two months. I would call it "noise" rather than "music". The trade is clearly going to dance to U.S. weather, nothing else will have much influence until we get a better understanding of U.S. production. I still contend it's extremely early in the game, and that a sub-46 bushel average yield, at least in my opinion, is still a very real possibility. I realize we've had record setting soybean production in each of the past three years, but the weather is still an extreme unknown. As a producer I'm a bit upset that I didn't pull the trigger on another sale vs. the NOV18 contract. I made some small early sales at \$9.50 and again at \$10.02, but then the market pushed to \$10.28 and I didn't pull the trigger. I'm actually upset with myself because I had an earlier target written down on paper at \$10.25, but then pulled it and bumped it up to \$10.30 when the market started moving much faster. I know better than that... Hopefully we will get another shot. Staying extremely patient. As as spec I still think there is more room to the upside, and will be looking to initiate a bullish position on a break in price closer to \$9.50 per bushel.

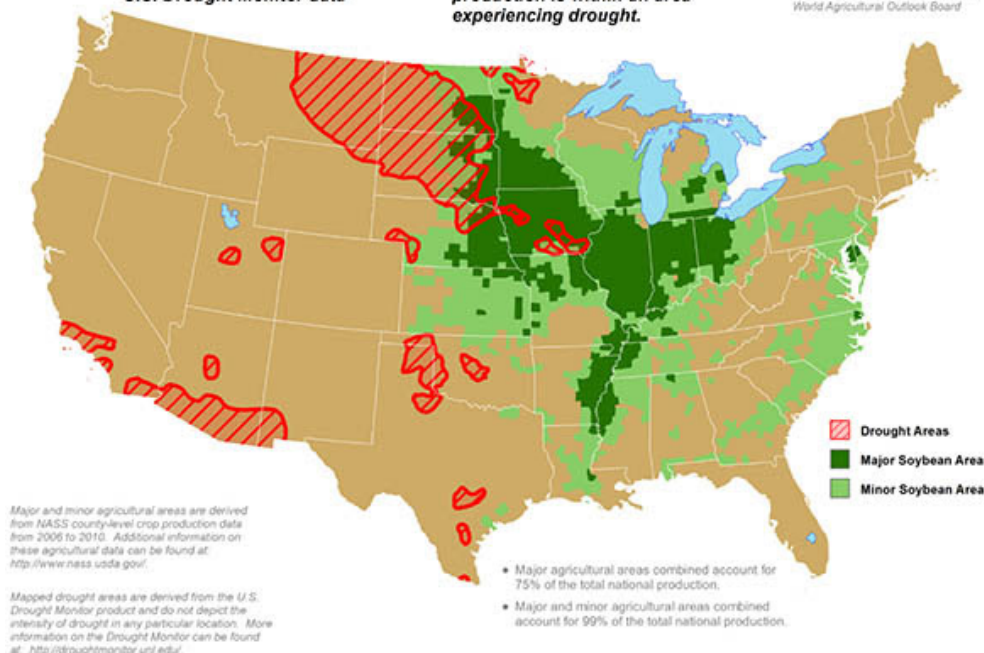
U.S. Soybeans In Drought Areas: *The graphic I included below was released yesterday by the USDA. It shows in "red" areas that are experiencing drought, which is overlaid on top of area in "green" that produce the most soybeans. As of right now, and similar to corn, the USDA estimates that about 9% of the U.S. soybean crop is within an area experiencing drought.*

U.S. Soybean Areas Experiencing Drought

Reflects July 11, 2017
U.S. Drought Monitor data

Approximately 9% of soybean
production is within an area
experiencing drought.

USDA United States
Department of
Agriculture
This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board



Upcoming Events

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

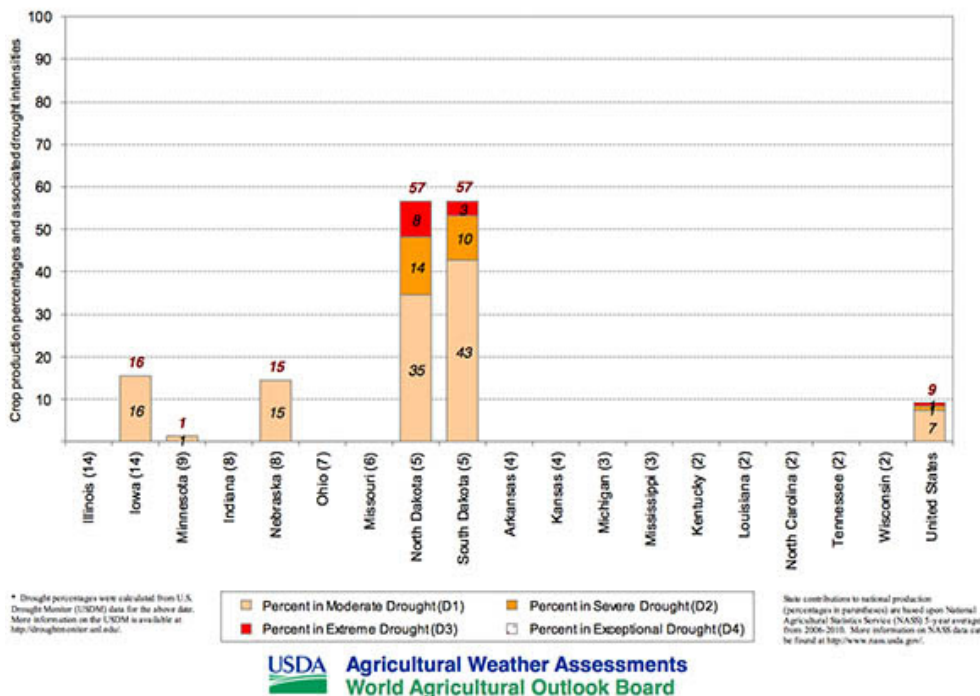
Fri. 8/25 - Cattle on Feed

Kevin's Song of the Week



About the Report

Approximate Percentage of Soybeans Located in Drought *
July 11, 2017



Wheat and weather, wheat and weather, wheat and weather... but as I said a couple of weeks back, eventually the weather headlines subside and the market comes back to trading demand. Are we finally at that point? I'm not 100% certain, but I still think there is more to the weather story and more in the way of headlines surrounding global production hiccups ahead. When do those headlines come to fruition? I think it takes more time, perhaps even a few more months. Hence the reason I've been saying for the past year I'm an extremely conservative bull, simply dipping a toe in the water when it feels like we are getting "undervalued" and scaling back on the rallies. I believe there is a longer-term global shift in production and movement taking place in the macro markets that could allow for an extended run higher in the wheat market, but it's just setting itself up, meaning it's going to be a wild ride as it transitions. As U.S. acres continue to shrink and the world becomes more dependent on less reliable suppliers this market becomes more and more interesting. It has also become much more interesting with the dynamic shifts in policy amongst global leadership. As a producer I'm extremely happy that we stayed patient and were able to capture a large portion of the recent rally. I'm also extremely happy that I stepped up and reduced the risk on the first 10% of our estimated 2019 production with SRW trading at \$6.02 and HRW trading at \$6.18 per bushel vs. the JUL19 contract. I'm hoping I'm wrong and those end up becoming my worst sales for 2019! I think there is defiantly that chance... Staying a longer-term bull!

U.S. Spring & Winter Wheat In Drought Areas: The graphic I included below was released yesterday by the USDA. It shows in "red" areas that are experiencing drought, which is overlaid on top of area in "green" that produce the most Winter wheat. The graphic below it shows Spring wheat. As of right now the USDA estimates that about 10% of the U.S. Winter wheat crop is within an area experiencing drought, and that 49% of the U.S. Spring wheat crop is in an area experiencing drought.

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

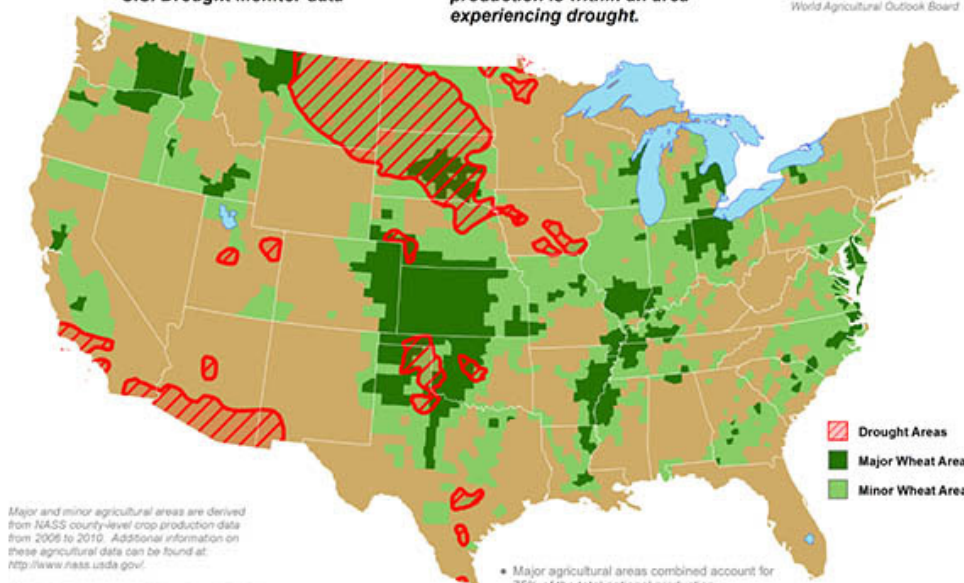
U.S. Winter Wheat Areas Experiencing Drought

Reflects July 11, 2017
U.S. Drought Monitor data

Approximately 10% of winter wheat
production is within an area
experiencing drought.



This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board



Major and minor agricultural areas are derived from NASS county-level crop production data from 2006 to 2010. Additional information on these agricultural data can be found at: <http://www.nass.usda.gov/>.

Mapped drought areas are derived from the U.S. Drought Monitor product and do not depict the intensity of drought in any particular location. More information on the Drought Monitor can be found at: <http://droughtmonitor.unl.edu/>.

- Major agricultural areas combined account for 75% of the total national production.
- Major and minor agricultural areas combined account for 99% of the total national production.

■ Drought Areas
■ Major Wheat Area
■ Minor Wheat Area

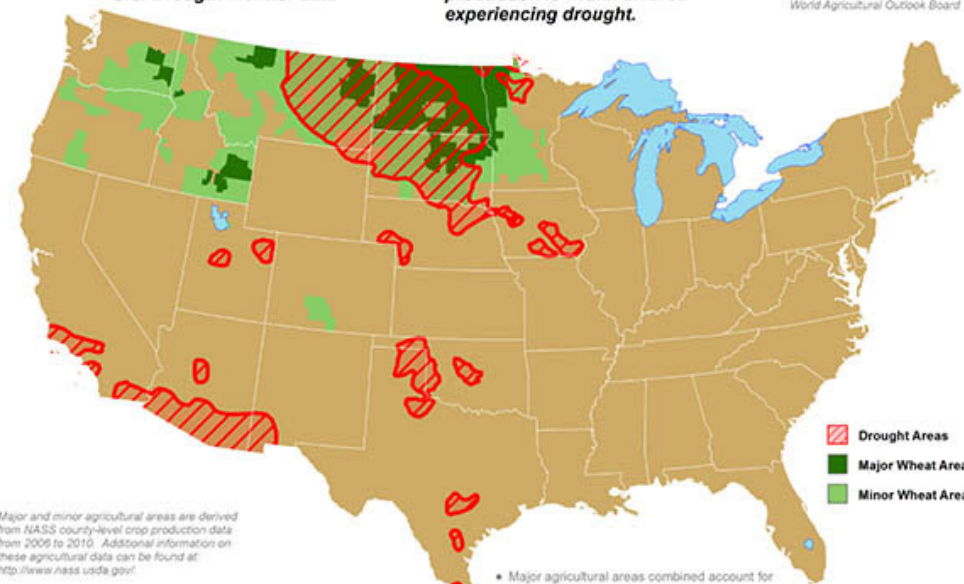
U.S. Spring Wheat Areas Experiencing Drought

Reflects July 11, 2017
U.S. Drought Monitor data

Approximately 49% of spring wheat
production is within an area
experiencing drought.



This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board



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- Major agricultural areas combined account for 75% of the total national production.
- Major and minor agricultural areas combined account for 99% of the total national production.

■ Drought Areas
■ Major Wheat Area
■ Minor Wheat Area

the past 20 years & to thank 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..."

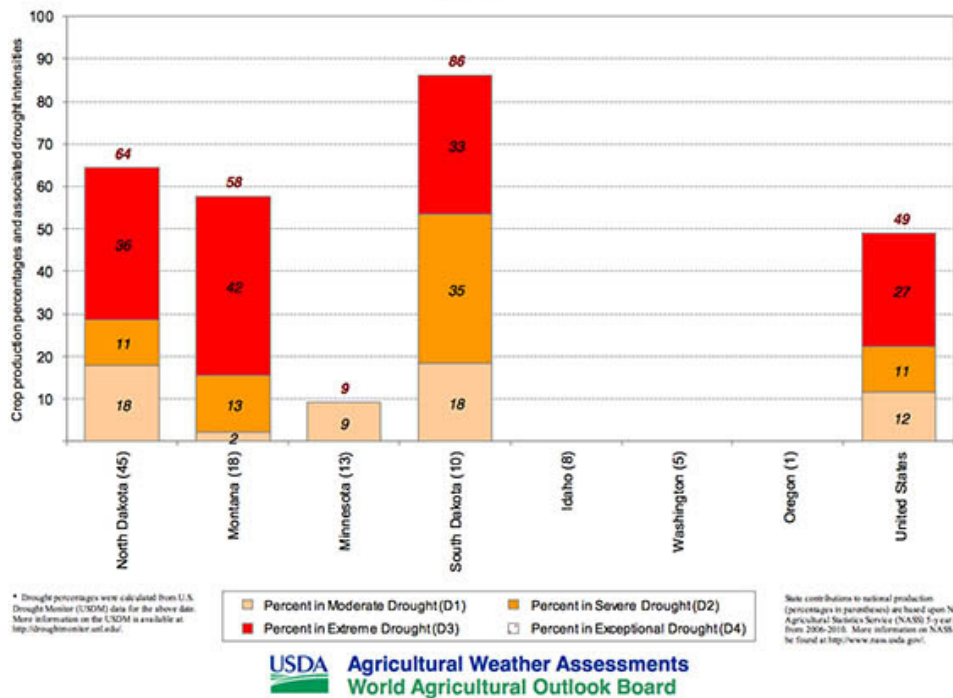
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.

Approximate Percentage of Spring Wheat (excluding Durum) Located in Drought *
July 11, 2017



*Last Trading Day in July Futures!



> **Strategie Grains Cuts EU Wheat Harvest Prospects:** The European Union wheat harvest, the world's biggest, received its second downgrade in two days, thanks to dryness in France and Spain, as Strategie Grains lowered its forecast, again. Paris-based Strategie Grains cut by 900,000 metric tons to 140.7 million metric tons its estimate for the EU soft wheat harvest. The downgrade followed cuts of 1.1 million metric tons to the harvest estimate in both April and May reports. And it left the group's estimate of the total EU wheat crop, including durum, at 149.3 million metric tons – a rise of just 3.3 million metric tons year on year. Strategie Grains cited weaker yield prospects and France and Spain as behind the downgrade. The revisions follow the US Department of Agriculture's lowered forecast for the EU all-wheat harvest by 750,000 metric tons to 150.0 million metric tons, citing "smaller expected crops in Spain and France". (Source: Agrimony)

> **Asian Wheat Buyers Turn To Black Sea As Aussie Prices Hit New Highs:** Major Southeast Asian wheat buyers are turning to Black Sea milling wheat as Australian Premium White wheat prices continue rallying to fresh record highs. APW wheat prices had surged +23.5% over the past month to a new all-time high of \$263/mt FOB Australia as of Wednesday, S&P Global Platts data showed. This was the highest since Platts started APW wheat assessments on November 9, 2015. The jump in APW wheat prices had pushed buyers to seek out Black Sea milling wheat over the past two weeks in view of the widening price spread between APW and Black Sea wheat from a slower rise in Black Sea prices, possibly due to harvest pressure. Offers for APW wheat have been on the rise, as traders had to bid from farmers at higher levels, given continuous limited availability of old stocks. Many farmers in Australia have been storing their old crop on farms due to concerns over extended dryness in the country's major crop areas, traders said, adding that with expectations of lower production for the upcoming 2017-2018 crop season (October-September), many sellers would now rather hold on to supply rather export. In view of the extended dryness, Australia's wheat production is now expected to reach 23 million-24 million mt in the 2017-2018 season, down by more than -30% from the record output of around 35 million mt in the 2016-2017 season, according to latest forecasts by National Australia Bank and Australian Bureau of Agricultural and Resource Economics and Sciences. (Source: Platts)



> China Soybean Imports Fall -20%: China's soybean imports dropped from the month before to 7.69 million metric tons in June, below market expectations due to plentiful stocks at crushers and a change in its value added tax rate. That volume was down -20% from the record imports of 9.59 million metric tons in May, but up +1.7% compared to last year. The trade had expected June imports of just over 8.5 million metric tons. Soy imports for the first-half of 2017 total 44.81 million metric tons, up +14.2% from the same period last year.

> Egypt Wheat Demand Expected To Remain Steady: A fast-growing population means that Egypt, the world's largest wheat importer, will continue to need large amounts of foreign grain and the effect on prices will be minimal. The Supply Ministry said from August it would only subsidize the final sale of bread, instead of production from grain bought locally or via international tenders. "Import demand will be the same as people still need to consume wheat and flour and Egypt's bread consumption is one of the highest in the world," said Haitham Nouh, chief executive officer of Roots Commodities in Egypt. "We expect import volumes to stay normal and any increase in wheat imports will only be a reflection of the increase in population." The new system aims to reduce wheat and flour smuggling and lower subsidy costs by at least 5 percent. Under the new system, the state-run buyer will sell local and imported wheat to public and private mills, and those mills will sell flour to bakeries to make bread that the government will then subsidize, Supply Ministry spokesman Mohamed Suwaid said. Currently, the government pays millers to turn wheat into flour and then pays bakeries to make bread, before subsidizing the final product. (Source: IOL)

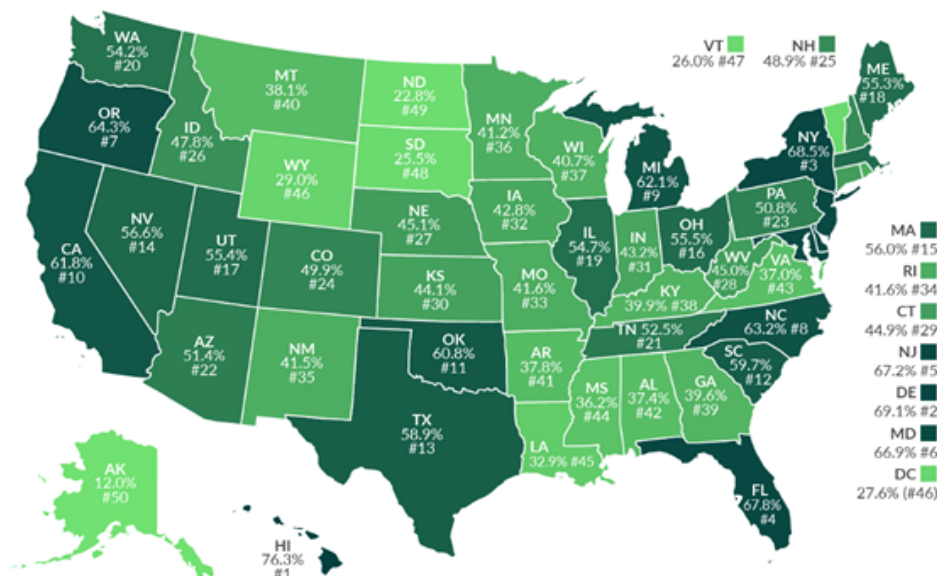
> Tennessee Joins States Restricting Dicamba Use: The Tennessee Department of Agriculture (TDA) has joined other Southern states by announcing additional measures to mitigate the risk of herbicides containing dicamba. The new rules filed with the Tennessee Secretary of State extend through Oct. 1, 2017, and require anyone spraying dicamba to be certified as a private or licensed applicator and keep records of the applications. Available hours to spray dicamba are now restricted to a period of 9 a.m. to 4 p.m. to avoid temperature inversions. No older formulations of dicamba products can be sprayed in agricultural settings for the remainder of the agricultural growing season. Applications over the top of cotton after first bloom are also prohibited. (Source: DTN)

> New Farm Bill Will Not Address Labor: The 2018 farm bill won't address one of farmers' biggest concerns, despite loud calls from produce growers and dairy farmers: the shortage of visas for foreign farm workers. House Agriculture Chairman Mike Conaway told Politico that the issue would have to be addressed by the Judiciary Committee, and not the 2018 farm bill. "Judiciary has full jurisdiction on that, and [Chairman Bob] Goodlatte having had the wonderful experience of being the chairman of the Agriculture Committee understands the need for a working program with respect to agriculture and is keen to get that done," Conaway said. The current visa program for temporary farm workers, known as the H-2A program, is widely acknowledged to be insufficient, plagued with bureaucracy, and too rigid to meet farmers' needs. (Source: Politico)

> Earnings Rise In All Four Cargill Segments: The second year of an ongoing transition went well for Cargill as all four of its business segments reported an increase in earnings for the fiscal year ended May 31. Adjusted operating earnings for the year were \$3.04 billion, up +85% from \$1.64 billion in the previous fiscal year. Net earnings on the basis of U.S. generally accepted accounting principles were \$2.84 billion, up +19% from the previous year. Revenues increased +2% to \$109.7 billion on increased sales of grain, oilseeds and metals. The Originating & Processing segment, after suffering a loss in last year's fourth quarter, responded with a profit in this year's fourth quarter as slow farmer selling in South America extended U.S. export opportunities. Earnings for the fiscal year exceed those of the previous fiscal year as record U.S. crops were met with demand from global growth in livestock production. The Animal & Protein segment was the largest contributor to adjusted operating earnings in the fourth quarter and the full year. The protein business in North America continued to see strong consumer demand in the fourth quarter for beef at retail and for egg products from food service customers. Poultry posted higher earnings for the year thanks to increased exports of cooked chicken from Southeast Asia, higher fresh chicken sales in Europe and improved performance in China. (Source: World Grain)

> How Are Your State's Roads Funded? Gas taxes are typically used to fund infrastructure maintenance and new projects, but the share of state and local road spending that is covered by tolls, user fees, and taxes vary drastically. It ranges from only 12 percent in Alaska to 76.3 percent in Hawaii. States like Alaska and North Dakota (funded 22.8 percent by fees and taxes) keep their transportation taxes low in the same way that they keep all taxes on state residents low, by exporting taxes (primarily through the severance tax). While politically unpopular, gas taxes, fees, and tolls are all relatively good applications of the benefit principle, the idea that taxpayers should benefit from the taxes and fees they pay. One of the primary issues, however,

with both the federal and state gas tax is that they're not indexed for inflation. As time goes on and inflation increases, the nominal value of the gas tax decreases, leaving states with budget shortfalls and unfunded infrastructure. Click on the map below to see how your state funds this critical infrastructure. (Source: Tax Foundation)



Southcentral Iowa - Our corn probably only has a few days left before it will be completely gone. Many of the fields are burnt up already. Most of the corn is just now starting to pollinate. If we don't get any of these rains that are in the forecast now we will be brush hogging all the corn by August. The soybeans are showing signs of stress now. We have a few fields of beans still sitting in dry dirt since they were planted. The early planted beans still have a chance hanging in there even with the stress. I think that this year's crop is as bad as I have ever seen.

Northwest Missouri - I only had about half of my beans sprayed before they banned dicamba. I am not for sure what we are going to do now. I really don't want to waste a lot of money on things that I know will not take care of the water hemp and palmaranth. There is going to be a problem for a lot of the guys in our area. Where we have sprayed looks great but the other fields look terrible. Beans are getting to be knee high. We have gotten rains on the beans pretty much every time we have needed it. We are behind on spraying but no worries yet. Corn went in the ground good. We are full tasselling now and the crop looks great.

Central Indiana - We just had another storm roll through and drop over 1.5" of rain on us. We have been overly wet late this spring, into summer and there will be a pretty good drop in yields. Our latest planted corn is just now starting to tassel. Those later planted fields seem to have a little thinner stand than the earlier planted corn. On average where we have made 195bpa to 205bpa in the past, I am thinking that we will only yield in the 175bpa range. I think that the beans are catching up on their growth after having a very slow start. I will say that the bean fields are all over the place on how far along they are. Early this spring we were dry and over the past 4 weeks have been overly wet. There have been probably 50% of fields get replanted. The early planted beans got hit with the wet cold weather before we were able to add some heat units. Most guys are still thinking that they can make 55bpa to 60bpa if they can catch some late rains. With the recent rally in prices, there has been a lot of grain move to town.

CROSSING WIRES

A place to share intelligent thoughts...

German Downpours May Make High-Protein Wheat Harder to Find: Rains in Germany, the European Union's second-biggest wheat grower, are adding to concerns about a global dearth of high-protein crops favored for making specialty breads and pizza crusts. Downpours in the past three to four weeks have been detrimental to German wheat and the heaviest rains have been in northeastern areas, which has reduced quality, said David Streit, a forecaster at Commodity Weather Group. Rains at this time in the season can lower protein levels and delay harvesting, which typically picks up from mid-July and continues through August. There are already signs that crop problems in North America are increasing demand for high-protein supplies in Europe. Protein levels for German wheat are typically between 12 and 14 percent, generally higher than for the grain grown in France and Ukraine. The level for U.S. spring-wheat traded in Minneapolis is 13.5 percent. Those futures have jumped more than 40 percent in the past two months. Read more [HERE](#).

Battling Food Waste In America: America is one of the largest offenders of food waste in the world, according to a recent survey. Every year, roughly 1.3 billion tons of food is thrown out worldwide, a considerable problem given that agriculture contributes about 22 percent of the planet's greenhouse gas emissions and 12.7 million people go hungry in America alone. Entrepreneurs across several sectors have created ways to repurpose food. Their efforts are admirable and economical, but the biggest difference will be if you make food waste reduction a daily habit. Read more [HERE](#).

How Fender Is Reinventing Online Guitar Lessons For The Age Of Distraction: In recent years, learning music has become a much easier, do-it-yourself affair thanks to YouTube tutorials and countless guitar lesson websites. Fender is now offering up their own option - Fender Play. It is a video subscription service designed to make learning the guitar online a more painless, digestible process. Using bite-sized, multi-angle video lessons, Fender Play puts the focus on learning popular songs, rather than bogging students down with arcane music theory up front. The idea behind the new \$20-per-month service is to more quickly nudge amateurs toward the rewarding milestone of actually being able to play a familiar song. Then, the company hopes, beginners will be less likely to quit—and perhaps more likely to buy more Fender guitars and amplifiers in the future. Read more about the service [HERE](#).

4 Signs of a Bubble: The terms bubble and crash get thrown around far too liberally these days, which makes sense since investors can easily see two large boom-and-bust cycles in the rearview mirror. Many investors now spend 95% of their time worrying about market extremes that only occur 5% or so of the time. The bubble in bubble predictions makes it tough for investors to figure out the difference between rising prices and a full-fledged euphoric boom. Since there are no formulas or ratios that work in every market environment it really comes down to understanding human emotions when trying to gauge these things. Ben Carlson over at A Wealth of Common Sense posted some tips from financial theorist William Bernstein. Check them out [HERE](#).

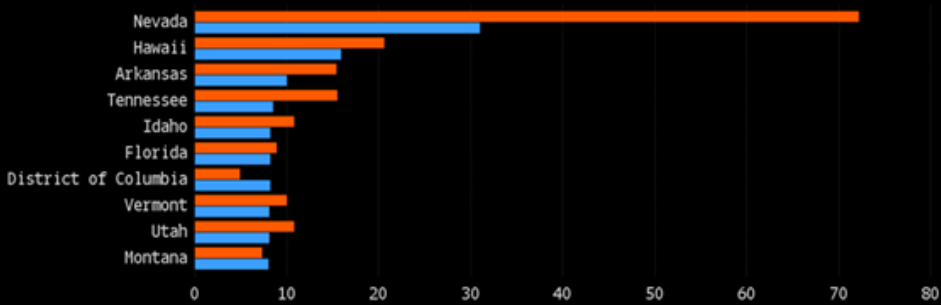
Scientists have developed a way to predict whether you'll die in the next 5 years with surprising accuracy: There's an elusive innovation that would revolutionize medicine: a way to detect disease before it becomes obvious. A study recently published in the journal Scientific Reports could bring us a step closer to that capability. The paper reveals how artificial intelligence analysis of routine medical scans could be turned into powerful predictors of a person's health and risk of death. Click [HERE](#)

The Decline of Marriage Is Hitting Vegas Hard: Nevada's marriage rate has plummeted in recent decades, an extreme version of a pullback happening across the U.S. The forces that have reshaped the nation's economic life since the 1970s have helped make marriage an institution increasingly reserved for the well-educated and more affluent. A spate of recent research suggests America's marriage gap is cementing disadvantage. Half of Americans older than 18 were married in 2014, down from 72 percent in 1960, according to the Pew Research Center. The Silver State has felt America's changing trends acutely because it hosts more weddings than any other and has historically taken a permissive stance on divorce and marriage. That—coupled with Las Vegas's emergence as a destination for drinking, gambling and risqué fun—created an industry bolstered by spur-of-the-moment life decisions. Read more and view a larger graph [HERE](#).

Marriage Rate Top Ten

Most of America's wedding-rate leaders have seen a steep dropoff so far this century

■ 2000 marriage rate ■ 2015 marriage rate, licenses issued in state per 1,000 residents



Source: Centers for Disease Control and Prevention data

Bloomberg

FROM MY PERSPECTIVE

Kevin Van Trump



Why Peach Prices High This Year... And Perhaps Not Tasting As Good

Peaches are going for sky-high prices this season thanks to weather issues that destroyed most of this year's crop in the Southeast. Georgia Peach Council president Duke Lane said a mild winter had led to much of the crop entering the flowering stage earlier than previous years. The warm weather deprived the trees of "chill hours" - the time a tree needs to be exposed to temperatures colder than 45 degrees to ensure consistent blooming and plenty of fruit. Then in mid-March, unusual freezing temperatures hit, dipping as low as 24 degrees F over two nights. The unfortunate series of events led to the shortest peach crop in 35 years. It's estimated Georgia peach growers lost around 80% of their crop. Georgia's ag commissioner says this is representative of hundreds of million of dollars in Georgia's economy. On a typical year Georgia may produce around 75 million pounds of the stonefruit. It is the third-largest peach-growing state behind California and neighboring South Carolina. And many sources say South Carolina might have it even worse than Georgia, where perhaps about 90% of their crop was destroyed due to the same winter weather. The state's peaches usually bring in about \$90 million a year, and their impact on the greater economy is three times that much. Although many growers have crop insurance, it won't replace lost income. And it won't help workers who rely on the peach crop. Peaches provide about 1,500 jobs in South Carolina. In both states, grocery stores and other outlets will probably have plenty of peaches, but their fruit isn't likely to make it north with shippers not willing to pay the cost of shipping. For peach fans in the rest of the country, what you get this summer will probably be supplied by California, which produces about half the U.S. crop, or a few peaches that make their way down from New England. However, many would argue that the fruit from those two areas can't compare to that grown in Southern soils and sweetened during warm Southern nights. (Sources: Delish, Atlanta Journal Constitution)



How The French Helped America...

A lot of my friends have little respect for the French and through the years have made their position well known. Some argue adamantly that the French gave up way too early during WWII, others say it was Charles de Gaulle during the 1960s, as he obnoxiously stressed the greatness of France that upset many Americans. I've heard some argue it's because France sort of went it's own direction in regard to NATO, and wasn't a full ally like many Americans were hoping to see. Or the fact France didn't allow U.S. planes to fly over French air space when Reagan bombed Libya. I could go on and on about reasons many of our U.S. military families have animosity towards the French, but there are a few very important things the French have done to help America that we should never forget. Below is a bit about French history and small bit about how the French have helped the U.S. (Sources: Origins, Wikipedia, History.com)

French History: Today is the French version of America's Independence Day, "Bastille Day". The holiday is officially called "la Fête nationale" and commemorates the fall of the Bastille in Paris on July 14, 1789, which marked the beginning of the French Revolution. The Bastille was a fortress prison in Paris used by King Louis XVI, and had become a symbol of the monarchy's tyrannical rule. An angry crowd gathered around the Bastille on the morning of the 14th, demanding its surrender. The governor of the fortress at first refused. When the crowd pushed in, violence broke out and the angry crowd became an enraged mob. When the fortress commander saw that his situation was hopeless, he raised a white flag of surrender. By the time it was over, the people of Paris had freed the seven prisoners held in the Bastille and taken the governor captive. Almost one hundred protestors and eight prison guards were killed. Later, the governor and three of his officers would be killed and then beheaded by an infuriated crowd, their heads paraded through the streets atop pikes. Below are some facts about how the French Revolution is relevant to America's own history and some other bits of interesting trivia.

American Revolution: History shows the French spent roughly 1.3 billion livres directly supporting American troops as we tried to earn our independence in the American Revolution. This created a ton of tension and unrest in France as they were battling extremely tough economic conditions caused by the lavish spending by King Louis XVI. It actually pushed the French into an extreme financial crisis. Reports also show that this was a huge amount of money, perhaps more than a third of the entire French gross national product at the time. France also spent additional money fighting Britain on land and sea outside of the U.S. It was actually in the Battle of Yorktown, on October 19, 1781, after 21 days of fighting, the British troops, led by Lieutenant General Lord Cornwallis, surrendered their weapons to the American revolutionary forces, led by General George Washington, and to the French troops under the command of the Comte de Rochambeau. It is also thought that by the French taking our side, the

British were forced to leave a lot of weaponry and men at home on their shores. The British naval force, at that time the largest fleet afloat, and the French fleet confronted each other from the beginning. The British avoided intercepting a French fleet that left Toulon under the comte d'Estaing in April for North America, fearing the French fleet at Brest might then be used to launch an invasion of Britain. Many historians believe the British feared if they focused all of their efforts and attention on America, it could leave the door at home open to the French.

Lafayette's Military Bravery - A young 19 year old from France named Marquis de Lafayette helped turn the tide in the American Revolution. Lafayette's first battle was at Brandywine on September 11, 1777. The British commanding general, General Sir William Howe, planned to take Philadelphia by moving troops south by ship to Chesapeake Bay (rather than the heavily defended Delaware Bay) and bringing them overland to the rebel capital. After the British outflanked the Americans, Washington sent Lafayette to join General John Sullivan. Upon his arrival, Lafayette went with the Third Pennsylvania Brigade, under Brigadier Thomas Conway, and attempted to rally the unit to face the attack. The British and Hessian forces continued to advance with their superior forces, and Lafayette was shot in the leg. During the American retreat, Lafayette rallied the troops, allowing a more orderly pullback before being treated for his wound. After the battle, Washington cited him for "bravery and military ardour" and recommended him for the command of a division in a letter to Congress, which was hastily evacuating, as the British took Philadelphia later that month. Lafayette returned to the battlefield as soon as he could and received command of the division previously led by Major General Adam Stephen. He assisted General Nathanael Greene in reconnaissance of British positions in New Jersey; then with just 300 soldiers, he defeated a massively superior British force on November 24 1777. Lafayette stayed at Washington's encampment at Valley Forge in the winter of 1777-78, and shared the hardship of his troops. I should also note that Lafayette also wrote many times and traveled back to France to seek more money and more military help for America. All of which later proved to be of extreme importance.

Spread of Democracy: More than any other event of the eighteenth century, the French Revolution changed the face of modern politics across Europe by introducing democratic ideals. It became a model of revolutionary political change that was followed throughout the world from Europe, to Haiti, Latin America, Russia, and East Asia. After the revolution began, no European kings, nobles, or other privileged groups could ever again take their powers for granted or ignore the ideals of liberty and equality.

Shaping Of America's Own Democracy: American political debate over the nature of the French Revolution exacerbated pre-existing political divisions and resulted in the alignment of the political elite along pro-French and pro-British lines - the Democratic-Republican party who supported the revolution and the Federalist Party who wanted to maintain a good trade relationship with Britain. When the other European powers went to war with France in 1793, however, both parties agreed that taking sides would lead to economic devastation and potential invasion for the country. The United States in the end issued a proclamation of neutrality. Disagreements over the move's Constitutionality, as well as possible violations of existing treaties, eventually led the Neutrality Act of 1794, which makes it illegal for an American to wage war against any country at peace with the United States. It also led to the passage of the Alien and Sedition Acts in 1798. These laws collectively raised the residency requirement for citizenship, gave the president the power to deport aliens considered dangerous and male citizens of hostile nations.



What Happened To All The \$500, \$1000, \$5000 and \$10,000 Bills?

Have you ever seen a US \$10,000 bill? Outside of a museum, they are a very rare and extremely hard to find, but at one time they were indeed in circulation. The same is true of \$500, \$1,000 and \$5,000 bills - all real denominations and all officially discontinued on July 14, 1969. These high-denomination notes were first introduced in 1780 when the Province of North Carolina issued the first \$500 bill. Other jurisdictions followed suit, adding \$1,000 notes and at one time even a \$2,000 bill printed by Virginia. Interestingly, most of this currency was only used for intra-government transaction and never issued to the general public. Gold backed \$5,000 and \$10,000 bills were released in 1928, then confiscated following President Franklin Roosevelt's repeal of the gold standard in 1933. For some reason, even though the gold standard was done away with the year before, several more gold certificates were issued in 1934, including the largest denomination ever printed for \$100,000. There are only seven known to still be in existence. In researching this story I came across several claims on the internet of people having them for sale, and while I guess it can't be said with 100% certainty that it's impossible, according to the Treasury all 42,000 of those printed have been accounted for, so be extremely cautious thinking you've found a hidden gem. They were never in general circulation and it's actually illegal for a private person to own one! Of the high-denominations that were in general circulation, the Federal Reserve not only discontinued them, but started taking them out of circulation back in 1969. They are however still completely considered a legal tender, but are now worth far more than the face value. The \$10,000 bill, which is considered rare, with only about 336 still known to exist, depending on condition can fetch anywhere from \$30,000 to \$200,000. These bills actually have an odd figure featured on their face - Salmon P. Chase. Nope, that 's not a President that was left out of the history books. He was actually a big time political player during the 19th century, served as Chief Justice of the US, had stints as both Ohio's governor and Senator and was Abraham Lincoln's first Secretary of the Treasury. The latter position put him in charge of designing the new US currency in 1861, so historically speaking it makes sense that the Treasury later honored him in some capacity. He also happens to be the very same Chase that Chase National Bank was named after, which then became Chase Manhattan and is now a part of JPMorgan Chase. There are not too many \$5,000 bills still floating around out there either, with only a little over 300 known to exist. Collector prices range from \$10,000 for those in poor condition up to \$100,000 for those in pristine condition. As for the \$500 and \$1,000 bills, only "uncirculated bills" seem to have any real value for collectors, which can often bring close to twice their face value.

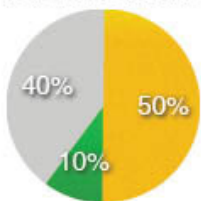




CASH SALES & HEDGING TOTALS

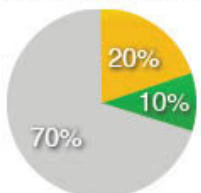
CORN 2017 CROP

50% SOLD
10% HEDGED
40% UNPROTECTED



CORN 2018 CROP

20% SOLD
10% HEDGED
70% UNPROTECTED



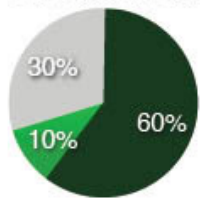
CORN 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



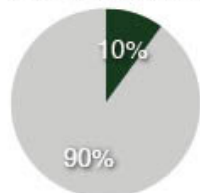
SOYBEANS 2017 CROP

60% SOLD
10% HEDGED
30% UNPROTECTED



SOYBEANS 2018 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



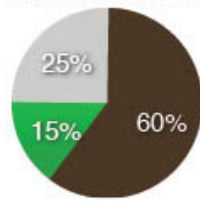
SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



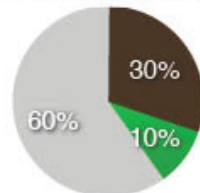
WHEAT 2017 CROP

60% SOLD
15% HEDGED
25% UNPROTECTED



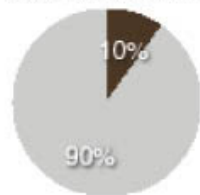
WHEAT 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



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