

GOOD MORNING: 07/31/17 Farm Direction - VanTrump Report

1 message

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

Mon, Jul 31, 2017 at 6:52 AM



"Life is what happens to us while we are making other plans." - John Lennon

MONDAY, JULY 31, 2017

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Morning Summary: Headlines will be heavy this week as traders digest a ton of fresh economic data and try to sort out the latest political concerns. The U.S. economy continues to show signs of strength, with both consumer confidence and recently released housing data leaning positive. Second quarter corporate earnings also continue to impress. In addition second-quarter GDP was reported at an annualized rate of +2.6%, more than double the first quarter reading of just +1.2%. Interestingly, inflation, is still failing short of Fed expectations, at +1.0%, meaning perhaps the Fed will be less likely to continue raising rates in the months ahead. On the political front, there's still a massive number of moving parts and pieces. Not only are there many unanswered questions about U.S. health care, but the market is also extremely uncertain about tax reform and infrastructure spending, as neither political party looks willing to become united. The kicker now is that lawmakers in the House are starting their five-week recess, while the Senate will begin their shortened break on August 11th, leaving the market somewhat in limbo. I personally don't think it matters, the trade has clearly looked the other direction since President Trump was first elected. In other words, there's been all kinds of political drama circulating inside the press, yet the Nasdaq is up over +20% and the S&P500 up over +10% in 2017. Perhaps of more importance and interest to the markets will be how we handle the latest North Korean missile test? In case you missed the headline, North Korea on Friday fired a ballistic missile that experts say is capable of reaching the continental U.S. Supposedly the missile traveled in the air for about 47 minutes before splashing down in the waters off the Japanese coast. South Korea's joint chiefs of staff said they estimate that the intercontinental ballistic missile is more advanced than the one launched last month based on the range it traveled. Jeffrey Lewis, a nuclear nonproliferation expert at the Middlebury Institute of International Studies in California, said that initial indications showed the latest missile had a range that now puts the U.S. West Coast and the Midwest within distance. Pyongyang's Korean Central News Agency said, "Friday's test was designed to show the Hwasong-14 missile's maximum range with a large-sized heavy nuclear warhead, and that Washington should regard the launch as a grave warning." Another U.S. weapons expert, David Wright, said if the missile had been fired on a flatter, standard trajectory, it would have threatened major US cities. Los Angeles, Denver and Chicago would all be well within its range, with even the possible ability to reach as far as New York and Boston. Keep in mind this was the 14th missile test carried out by North Korea in 2017, and the latest to be conducted in defiance of a UN ban. The missile North Korea tested on July 4th was thought to be able to reach Alaska. President Trump posted a series of tweets this weekend, that stated, "I am very disappointed in China ...they do NOTHING for us with North Korea, just talk. We will no longer allow this to continue. China could easily solve this problem!" Reports now circulating, show the U.S. sent two B-1 bombers from Andersen Air Force Base in Guam on a 10-hour round trip Saturday over the Korean Peninsula in what the U.S. Pacific Air Forces called a direct response to the North Korean missile test. General. Terrence J. O'Shaughnessy, Pacific Air Forces commander, said, "Diplomacy remains the lead; however, we have a responsibility to our allies and our nation to showcase our unwavering commitment while planning for the worst-case scenario. If called upon, we are ready to respond with rapid, lethal, and overwhelming force at a time and place of our choosing." To say things are heating up would be a gross understatement. Just remember, both China and Russia share borders with North Korea. How the market reacts and responds to what could eventually be "military action" will be of great importance...

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The flight data everyone is watching from the latest launch includes:

- 998 kilometres — range (on-land distance travelled)
- 3724.9 kilometres — apogee (or maximum altitude)
- 47 minutes, 12 seconds — flight time

David Wright, a physicist and co-director of the global security program at the Union of Concerned Scientists, said if reports of the missile's maximum altitude and flight time were correct, it would have a theoretical range of at least 10,400 kilometres.

In the event of an attack, the distance a missile could travel would depend on variables such as the size and weight of the warhead that would be carried atop it.

Dr Wright published this table:

City	Distance from North Korea	Range of missile toward city
Los Angeles	9,500 km	11,700 km
Denver	9,800 km	11,400 km
Chicago	10,400 km	11,100 km
Boston	10,750 km	10,750 km
New York	10,850 km	10,850 km
Washington DC	11,000 km	10,900 km

(Source: Union of Concerned Scientists)



U.S. Coal Exports Are Booming: U.S. coal exports have jumped more than 60 percent this year due to soaring demand from Europe and Asia, according to a Reuters review of government data, allowing President Donald Trump's administration to claim that efforts to revive the battered industry are working. The previously unpublished figures provided to Reuters by the U.S. Energy Information Administration showed exports of the fuel from January through May totaled 36.79 million tons, up +60.3% from 22.94 million tons in the same period in 2016. While reflecting a bounce from 2016, the shipments remained well-below volumes recorded in equivalent periods the previous five years. They included a surge to several European countries during the 2017 period, including a +175% increase in shipments to the United Kingdom, and a doubling to France – which had suffered a series of nuclear power plant outages that required it and regional neighbors to rely more heavily on coal. Overall exports to European nations totaled 16 million tons in the first five months of this year, up from 10.5 million in the same period last year, according to the figures. Exports to Asia meanwhile, totaled 12.3 million tons, compared to 6.2 million tons in the year-earlier period. Both the coal industry and the Trump administration said the rising exports of both steam coal, used to generate electricity, and metallurgical coal, used in heavy industry, were evidence that Trump's agenda was having a positive impact.

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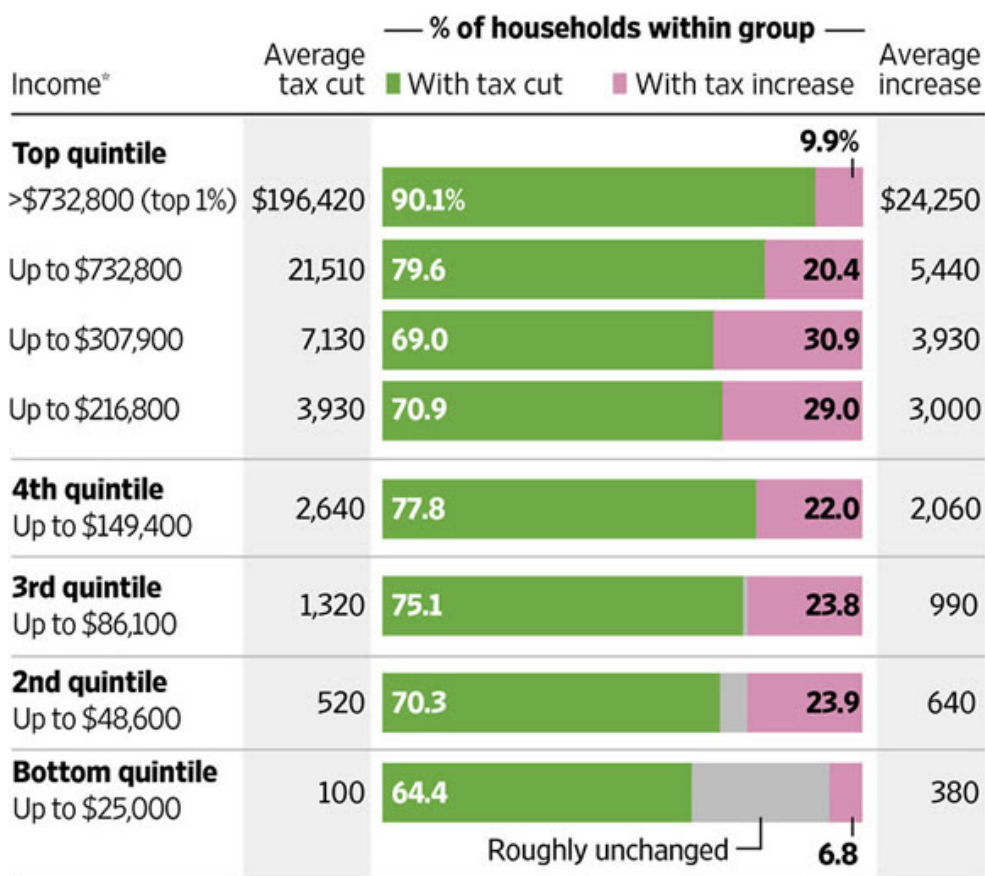
heavy industry, were evidence that Trump's agenda was having a positive impact. Shaylyn Hynes, a spokeswoman at the U.S. Energy Department, said: "These numbers clearly show that the Trump Administration's policies are helping to revive an industry that was the target of costly and job killing overregulation from Washington for far too long."

U.S. - Russian Relations Heating Back Up: Putin orders U.S. to cut 755 people from its diplomatic staff in Russia. The move comes in response to the U.S. Senate's approval of a new package of sanctions against Russia. The Senate passed the bill Thursday, 98-2, two days after the House pushed the measure through by an overwhelming margin, 419-3. The bill also imposes sanctions against Iran and North Korea. You can read more [HERE](#)

What Tax Reform Could Look Like: If President Donald Trump sticks to what he has said, Americans earning between \$149,400 and \$307,900 are most likely to see an increase in their taxes as a result of tax reform. Those figures come from a recent study by the Tax Policy Center, a nonpartisan group in Washington, and are based on Mr. Trump's statements and proposals. The study concludes that nearly one-third of about 19 million households in that income range could see tax increases averaging from \$3,000 to \$4,000 a year. By contrast, less than 10% of households earning the least or the most—below \$25,000 or above \$733,000—would owe more after a tax overhaul. Over all, the study found that about 20% of taxpayers would owe more after tax reform than before it. The issue of tax reform's winners and losers has resurfaced after top congressional Republicans and the Trump administration released a set of broad principles for tax policy on Thursday. (Source: The Wall Street Journal)

Possible Winners and Losers

Most households would get a tax cut, based on a study of Trump's proposals and statements. But affluent households are likelier to have a tax increase than the highest earners.



*Income is pretax income plus other non-cash items, such as tax-free growth in retirement accounts and employer payments for health coverage.

Source: Roberton Williams, Tax Policy Center

THE WALL STREET JOURNAL.



LANSING

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Today In History



1953, Robert Taft - Senate Majority Leader Robert A. Taft (R-Ohio) dies of cancer at the age of 63. Branded by critics as an "isolationist," Taft was a

consistent critic of America's Cold War policies. Taft, known as "Mr. Republican" because of his ferocious partisanship, was a true conservative in every sense of the word. First elected to the Senate in 1938, Taft lashed out at Franklin D. Roosevelt's New Deal programs as being too expensive and wasteful of taxpayers' dollars. During World War II, he warned against the tremendous growth of presidential power, which he claimed threatened the people's liberties and freedom. This same kind of criticism also brought Taft into conflict with the American government's Cold War policies after World War II. He attacked President Harry S. Truman's policy of containment of the Soviet Union, arguing that the United States was provoking Russia into a war. He vigorously opposed the Marshall Plan, designed to give billions of dollars in aid to Western Europe, as far too costly. He also voted against U.S. participation in the North Atlantic Treaty Organization (NATO) because he believed it impinged on the nation's freedom of action. Overall, Taft feared that Truman and the U.S. government were using the Cold War to take on powers they were never intended to have. For this reason, he also opposed Truman's call for a peacetime draft in 1948. Taft's harsh criticisms sometimes brought him into conflict even with members of his own party. After winning

Weather forecasts are calling for much cooler temps across most of the Midwest. As you can see in the graphic I included below, the 6-10 day forecast is showing much cooler than normal temps, but also limited rainfall. The drier weather will clearly benefit crops in some of the eastern areas, while the cooler temps may keep the crops from significantly stressing in areas that need moisture. Bottom-line, the current forecast is being digested as somewhat bearish and the markets are backpedaling a bit on thoughts of improved weather conditions.

members of his own party. After winning the presidential election in 1952, Republican Dwight D. Eisenhower publicly attacked what he called Taft's "isolationism" and "fortress America" mentality. In the years following his death, however, Taft's views gained new credibility. The immense costs of the Cold War and the brutal and inconclusive Vietnam War seemed to bear out many of Taft's criticisms of America's Cold War policies. During the 1960s, a number of scholars noted the similarities between Taft's opposition to the draft and American military intervention overseas and the objections raised by the anti-Vietnam War movement.



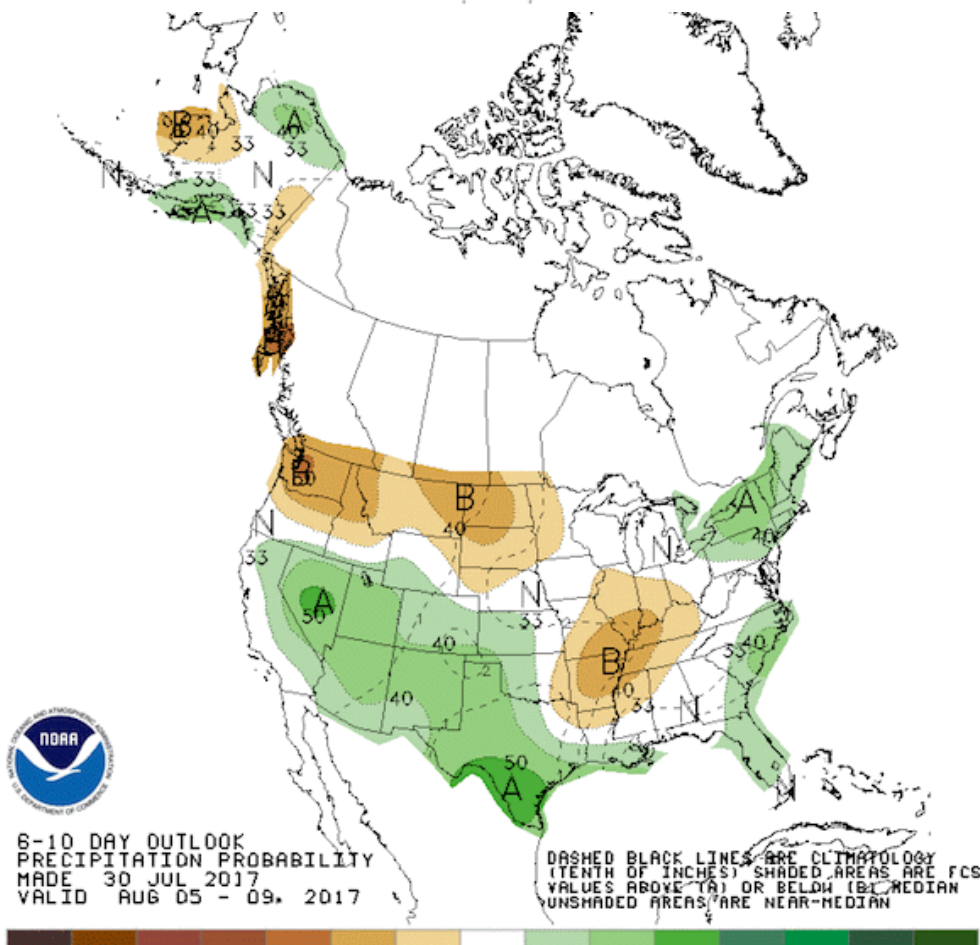
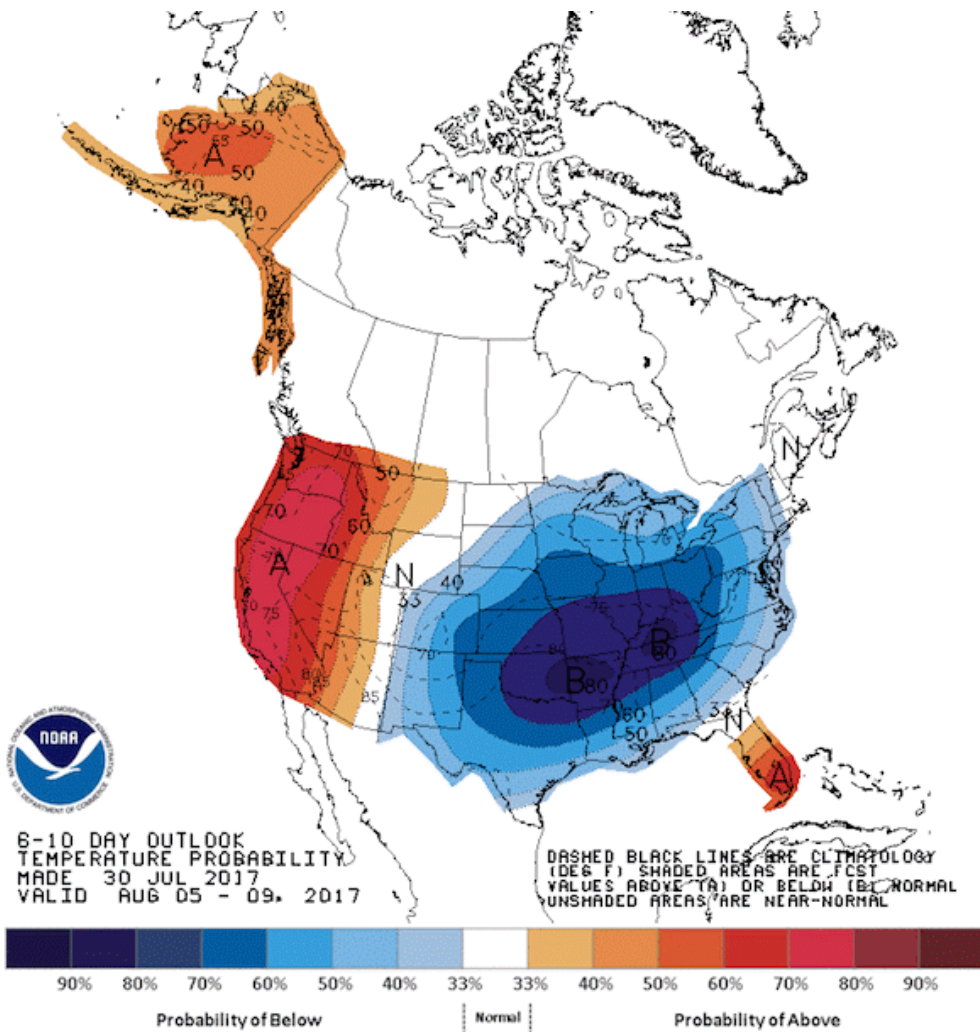
1964, NASA - Ranger 7, an unmanned U.S. lunar probe, takes the first close-up images of the moon—4,308 in total—before it impacts with the lunar

surface northwest of the Sea of the Clouds. The images were 1,000 times as clear as anything ever seen through earth-bound telescopes. The National Aeronautics and Space Administration (NASA) had attempted a similar mission earlier in the year—Ranger 6—but the probe's cameras had failed as it descended to the lunar surface. Ranger 7, launched from Earth on July 28, successfully activated its cameras 17 minutes, or 1,300 miles, before impact and began beaming the images back to NASA's receiving station in California. The pictures showed that the lunar surface was not excessively dusty or otherwise treacherous to a potential spacecraft landing, thus lending encouragement to the NASA plan to send astronauts to the moon. In July 1969, two Americans walked on the moon in the first Apollo Program lunar landing mission.



1975, Jimmy Hoffa - James Riddle Hoffa, one of the most influential American labor leaders of the 20th century, disappears in Detroit, Michigan,

never to be heard from again. Though he is popularly believed to have been the victim of a Mafia hit, conclusive evidence was never found, and Hoffa's death remains shrouded in mystery to this day. Born in 1913 to a poor coal miner in Brazil, Indiana, Jimmy Hoffa proved a natural leader in his youth. At the age of 20, he helped organize a labor strike in Detroit, and remained an advocate for downtrodden workers for the rest of his life. Hoffa's charisma and talents as a local organizer quickly got him noticed by the Teamsters and carried him upward through its ranks. Then a small but rapidly growing union, the Teamsters organized truckers across the country, and through the use of strikes, boycotts and some more powerful though less legal methods of protest, won contract demands on behalf of workers. Hoffa became president of the Teamsters in 1957, when its former leader was imprisoned for bribery. As chief Hoffa



imprisoned for bribery. As chief, Hoffa was lauded for his tireless work to expand the union, and for his unflinching devotion to even the organization's least powerful members. His caring and approachability were captured in one of the more well-known quotes attributed to him: "You got a problem? Call me. Just pick up the phone." Hoffa's dedication to the worker and his electrifying public speeches made him wildly popular, both among his fellow workers and the politicians and businessmen with whom he negotiated. Yet, for all the battles he fought and won on behalf of American drivers, he also had a dark side. In Hoffa's time, many Teamster leaders partnered with the Mafia in racketeering, extortion and embezzlement. Hoffa himself had relationships with high-ranking mobsters, and was the target of several government investigations throughout the 1960s. In 1967, he was convicted of bribery and sentenced to 15 years in prison. While in jail, Hoffa never ceded his office, and when Richard Nixon commuted his sentence in 1971, he was poised to make a comeback. Released on condition of not participating in union activities for 10 years, Hoffa was planning to fight the restriction in court when he disappeared on July 31, 1975, from the parking lot of a restaurant in Detroit, not far from where he got his start as a labor organizer. Several conspiracy theories have been floated about Hoffa's disappearance and the location of his remains, but the truth remains unknown.

Upcoming Events

Fri. 8/10 - USDA Supply and Demand

Thurs. 8/10 - FSA Crop Acreage Data

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

Tues. 8/22 - Cold Storage

Fri. 8/25 - Cattle on Feed

Mon. 9/4 - Labor Day - Markets Closed

Tues. 9/12 - USDA Supply and Demand

Fri. 9/22 - Cattle on Feed

Fri. 9/22 - Cold Storage

Thurs. 9/28 - Quarterly Hogs and Pigs

Fri. 9/29 - Quarterly Stocks

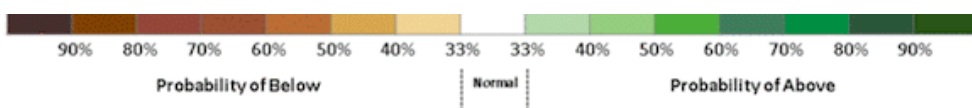
Thurs. 10/2 - USDA Supply and Demand

Fri. 10/20 - Cattle on Feed

Mon. 10/23 - Cold Storage

Mon. 11/5 - Daylight Saving Time Ends

Thurs. 11/9 - USDA Supply and Demand



Corn traders continue to debate U.S. weather. The bears are pointing to cooler temps and what they believe is adequate rainfall across a larger portion of the belt. The nearby forecast feels a bit more bearish as we start the week. The bulls however, continue to point towards lower crop-conditions and a U.S. yield that seems nowhere near last years record. Traders today are eager to see if the USDA will again make another cut to their weekly crop-condition estimate? Last week the USDA dropped the "Good-to-Excellent" rating from 64% down to 62%, compared to last year when 76% of the U.S. crop was rated "Good-to-Excellent". The poorer growing conditions have forced many inside the trade to trim their U.S. yield estimates, but the important question is by how much? Most sources seem to be tossing around a 160 to 165 type estimate, just depending on who you talk with, and perhaps more importantly, what part of the corn belt they call home. Analyst and insiders that are in more "stressed" areas seem to be tossing out yield estimates that are clearly lower than those who are in a more garden type location. From my perspective, these "extreme pockets" are what's making it a bit more difficult to forecast this year crop. There are just several more pockets of extreme than we've seen the past couple of years. We also need to keep in mind that we have rebuilt supply to a level that is keeping the bears from getting overly nervous without a major widespread issue or concern. In other words, the bears don't seem to mind a production hiccup as long as it doesn't become widespread enough to drop the U.S. national yield to sub-160 levels. With ending stock starting at a burdensome +2.0 billion bushels, the bears believe it will take a production hiccup that's more widespread to drop stocks to sub-1.7 billion bushels. Despite what the bears are thinking longer-term, I personally believe if the USDA confirms a sub-165 yield in the upcoming August 10th report, we still have a chance to rally DEC17 prices back north of \$4.00 per bushel. As a producer, I'm comfortable with my current marketing efforts and want to remain patient. As a spec, I'm also saying patient, preferring to trade the extremes of the current range, waiting for the market to challenge longer-term technical support and or resistance. From a global perspective, the trade continues to keep an eye on potential yield hiccups inside Ukraine, as some suspect their corn production could ultimately be reduced by -10% compared to last year.

Interesting Way To Look At Global Corn Production:)

Thurs. 11/23 - Thanksgiving - Markets Closed

Kevin's Song of the Week



About the Report

NEXT level
THINKING

My goal at "The Van Trump Report" is to help readers better identify the moving parts and dynamics associated with the financial markets, geopolitical events, economics, media and culture that is currently influencing and shaping the direction of the agricultural markets. I like to believe I "Challenge the Traditional" and encourage our readers to think outside the box.

I use story telling techniques that are written in an easy to read format to help convey my current thoughts about business, markets, technology, weather, sports and life. I also like to include links, filter the noise, and pass along in-depth research and information that I believe could challenge your current thought process and help you make more informed decisions. In addition I include valuable lessons I have learned from other traders, executives and investors, along with an occasional inspirational piece about life, family and faith.

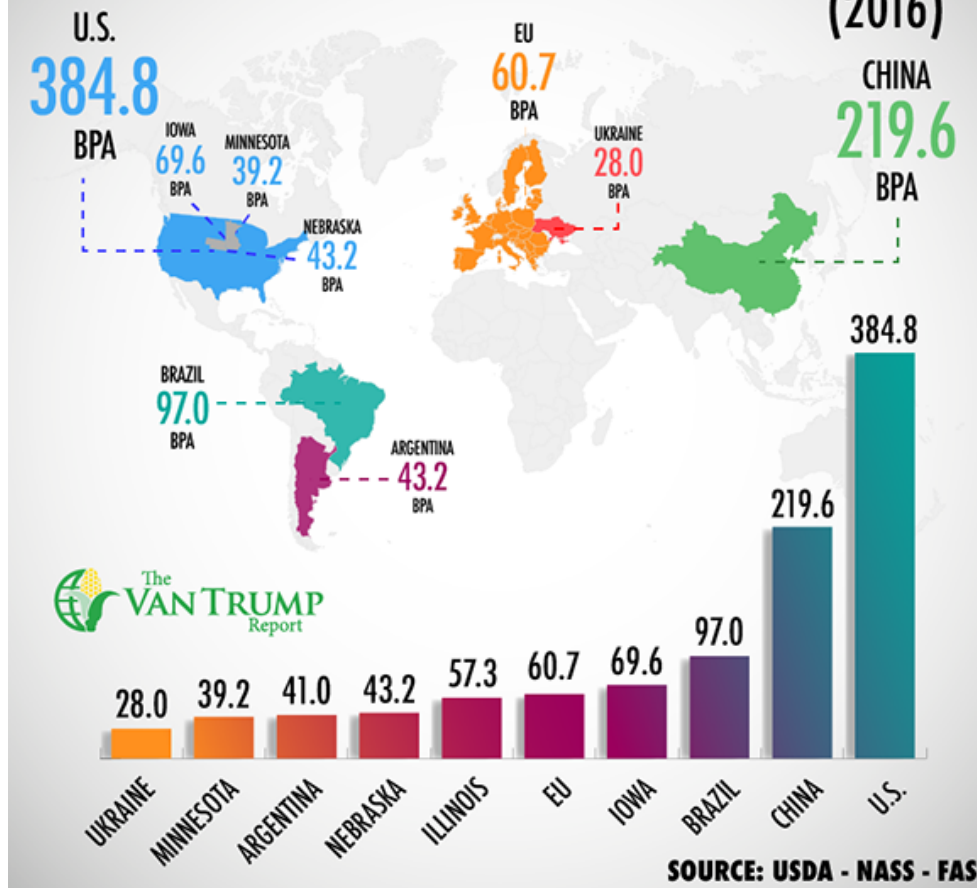
What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific individual needs. For specific investment or hedging advice please seek the help of a licensed representative that can better understand your particular situation, individual needs and overall risk tolerance. This information should ONLY be used for educational and entertainment purposes.

My family and I would like to thank you again for your support!

Kevin Van Trump

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(2016)



Soybean price continue to trade around \$10.00 per bushel. The bulls continue to talk about the USDA lowering last weeks crop-condition from 61% down to 57% rated "Good-to-Excellent", which is much worse than last year at this juncture. Remember, as of last week, conditions in Iowa were reported at almost -20% lower than last year at this time, 62% "Good-to-Excellent" vs 81% last year. The crop conditions in Illinois were also aggressively lowered, falling by -8% last week to just 59% rated "Good-to-Excellent" vs. 77% last year. The question is what happens this week and the next couple of weeks? Will the USDA continue to lower their crop-conditions or have we seen the worst of it? Will the cooler temps and recent rainfall be enough to stabilize the U.S. crop and keep the yield estimates from ticking lower? The bulls need the yield worries to continue and get a bit more extreme, potentially falling to sub-45 bushels per acre, which makes for a more realistic sub-300 million bushel ending stock story. On the flip side, the bears say the U.S. crop would need to be the worst in several years to cause reason for drastically higher prices, something that probably isn't in the cards. Bottom-line, weather here in the U.S. will clearly remain the "wild-card" for a few more weeks.

Wheat prices are trying to stabilize, spring wheat is trading around \$7.50 per bushel, while both SRW and HRW are trading near \$4.80 per bushel. Bulls still see the U.S. crop as overstated and are giving little credence to the recent Spring Wheat tour, saying, how can you provide accurate yield forecasting when you are not fully taking into account "abandoned acres", especially when "abandoned acres" in Montana and the Dakota's will be extremely large this year? The bulls are also pointing to continued uncertainty in some key global growing regions, i.e. Australia, Canada, parts of South America, the Black Sea region, and several growing areas inside Europe. The International Grains Council seems to be seeing a similar occurrence, recently lowering their global production and ending stock forecast. Traders today will be eager to see if the USDA continues to lower their weekly spring wheat crop-condition estimate? The U.S. spring crop has been deteriorating for several weeks and was last reported at just 33% rated "Good-to-Excellent". As both a spec and producer, I continue to believe a longer-term bullish story is brewing. I continue to believe lack of global "quality" is a very real story and is just starting to be told. However, I also realize we could take a few steps backwards as the market is eventually forced to transition from a U.S. weather market to more of a global story. Unfortunately this might not be as "sexy" or as easy and quick for the market to understand. I still believe there are a ton of

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

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

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

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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.

underlying pieces in the macro landscape that the trade is given zero credit. Staying a conservative longer-term bull...

Thoughts From A Canadian Farming Friend, Sent In Last Night: *Haven't had a decent rain in a month, so with this heat crops are suffering. Wheat at best will be an average crop, but won't really know until the combines start rolling. Went for a long trip from southern Manitoba to northern Saskatchewan and it looks like Saskatchewan will harvest a crop way below average. Wheat for the most part was poor and the canola is really hurting with this heat and lack of moisture. Our corn and soybeans will need a good rain very soon or they will deteriorate very quickly. For the most part, I would say western Canada will have a crop significantly below its trend average.*



> **Victory For Biofuel:** *The U.S. government may have to require more biofuels to be blended into the country's fuel supply after a court ruled on Friday that the mandates must be reconsidered, a decision that boosted renewable fuel credits to seven-month highs. The EPA decision in 2015 required oil refiners blend 18.11 billion gallons of biofuels into their gasoline and diesel supply the following year. That level was below the goal set by Congress, but the EPA said it was waiving the requirement because demand pressures were limiting the ability to increase renewable fuel levels as quickly as the law required. But the court ruled Friday that the EPA wasn't allowed to make that determination. The ruling may force the EPA to reconsider the volumes set for 2016. Meaning perhaps more volume will now be allowed. Keep in mind, the EPA in July proposed requiring refiners use 19.24 billion gallons of renewable fuels in 2018, about 25 percent lower than the target in the RFS law. This is thought to be a nearby victory for biofuel advocates. Unfortunately we haven't heard the last of this headline, stay tuned...*

> **Brazil's Parana State May Disappoint On Corn Crop:** *Brazil's second largest corn producing state, Parana, had its second crop output estimate reduced by the local agricultural agency. According to the Department of Rural Economy of Parana, the state will produce 13.7 million metric tons of corn in the second harvest this season. The previous forecast was 13.8 million metric tons. Still, the current projection is +35% higher than the output of last year. At this time, the harvest reached 43% of the surface, advancing 13 percentage points in one week. The official data also says that nearly 19 percent of the corn expected to be produced is sold. (Source: Agrosouth)*

> **PotashCorp Ups Potash Outlook:** *PotashCorp hailed a "constructive" potash market as it raised its forecast for profits from the nutrient this year – in contrast to weakened expectations for its nitrogen and phosphate operations. The Canada-based fertilizer giant, which is amidst a merger with rival Agrium, raised to 62m-65m metric tons, from 61m-64m metric tons, its forecast for world industry potash shipments this year - taking the figure "well above" the volume of 60 million metric tons achieved in 2016. The revision reflected in the main an upgrade to 15.5m-16.5m metric tons, from 14.5m-15.5m metric tons, in the forecast for Chinese volumes this year, as price weakness and "a move to balance fertility" spur consumption. For PotashCorp itself, the improved conditions will see sales volumes reach 9.0m-9.4m metric tons, nudged higher from a previous estimate of 8.9m-9.4m metric tons, with the estimate for gross margin raised to \$650m-850m, from \$600m-800m. However, the company cautioned too that PotashCorp was anticipating "more subdued nitrogen and phosphate markets in the second half to offset strength in potash". (Source: Agrimoney)*

> **USGC Says Tweaking NAFTA Is Risky:** *The U.S. Grains Council says there is a risk in tweaking the North American Free Trade Agreement for U.S. grains. Floyd Gaibler told the House Agriculture Committee last week that NAFTA is critical to the U.S. grains business because it's been efficient, effective and tariff free. But, he says Mexico has confirmed to the Grains Council that it is looking for other supplies because of political tensions with the U.S. and the council has strong but unconfirmed evidence that Mexico will be buying corn from South America in August and September. Gaibler says the discussion about NAFTA has caused uncertainty in the market that needs to be resolved as quickly as possible. "This angst is translated into actual impacts with U.S. corn exports down 7 percent since the first of the year," said Gaibler. The Grains Council hopes agriculture doesn't get caught up as a retaliation target, Gaibler told lawmakers. He says NAFTA renegotiation should build on the important provisions that were in the*

- 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.



Trans Pacific Partnership. NAFTA renegotiations are set to begin August 16th. (Source: Brownfield Ag)

> Judge Tosses Tyson Price-Fixing Lawsuit: A federal judge in western Arkansas dismissed a lawsuit filed by Tyson Foods investors who alleged that the company conspired with other producers to fix chicken prices so that it could reap record profits in recent years, according to court documents. U.S. District Judge Timothy L. Brooks said in his order that the plaintiffs failed to sufficiently plead that supply cuts resulted from an agreed-upon industry conspiracy rather than from just "parallel business behavior." The decision comes nearly a year after a group of customers in the chicken industry filed a lawsuit in Chicago alleging an industry-wide conspiracy to fix prices. Similar lawsuits have followed. Those include this one filed by Tyson investors, which details a series of production cuts across the industry beginning in 2008 that it argues was meant to suppress supply and boost prices. (Source: MeatingPlace)

> EU Clears Dow-DuPont Deals: The European Commission has conditionally approved the sale by DuPont of part of its crop protection business to FMC Corp. and DuPont's acquisition of FMC's health and nutrition business. The deals cleared help DuPont meet commission requirements for DuPont's pending \$62 billion merger with Dow Chemical, the parent company of Indianapolis-based Dow Agrosciences. The European Commission cleared the merger in March, subject to conditions including DuPont selling major parts of its global pesticide business.

> Noble Group Undergoing Drastic Slim-Down: Once Asia's largest commodities trading house, Singapore-listed Noble is a shadow of what it was during the boom years, when it snapped up assets from sugar mills to coal mines and expanded globally to rival Glencore and Trafigura. In a dramatic overhaul announced last week, it sold its U.S. gas and power business to a Swiss-based peer, Mercuria Energy Group, for \$248 million, started a process to sell its oils liquids unit and announced plans for up to \$1 billion of disposals over the next two years. It also flagged a \$1.3 billion writedown, leading to a quarterly loss of up to \$1.8 billion on a "more conservative balance sheet valuation". Sources close to the company and investors said the business remains hemmed in by financing constraints - a major issue for trading houses - and has lost many traders, analysts and managers over the past months, despite cash offers to keep key staff until December. Analysts expect Noble's latest plan to mark the prelude to talks with bondholders. "The question is if it can service its remaining debt even if it can reduce the short term liquidity issues," said Chris Park, an analyst at Moody's. (Source: Reuters)

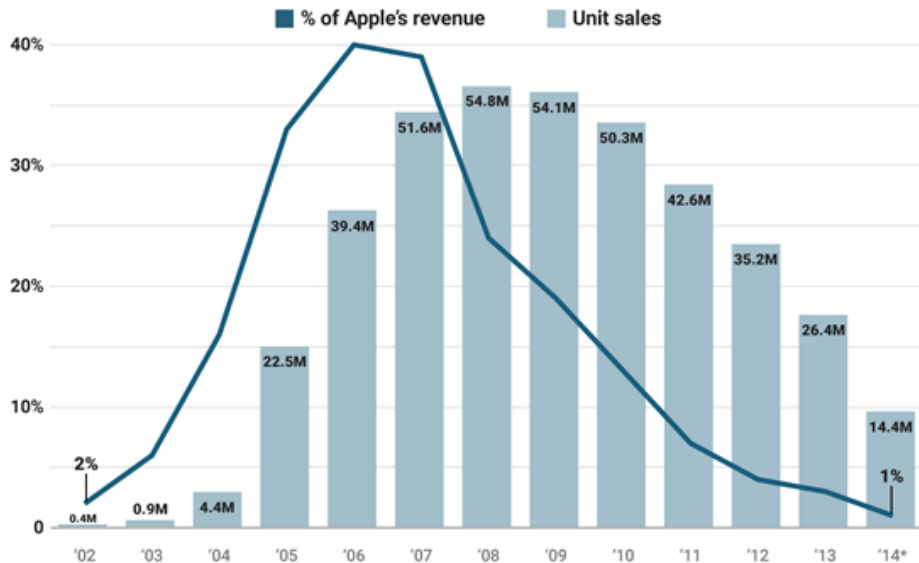
> Mongolia Bans Grain Exports As Drought Hits Ag Output: Mongolia has suspended grain exports with as much as a third of its farmland suffering from severe drought after temperatures last month rose to the highest in more than half a century, agricultural officials said. The Ministry of Agriculture and Industry has banned grain exports as it prepares for a shortfall in the autumn harvest. Temperatures in Mongolia reached their highest level in 56 years in June, according to weather reports, threatening crop production. Officials are concerned the droughts will lead to crop failures that will leave the country's semi-nomadic herders with insufficient fodder to help sustain their animals through the country's notoriously long and cold winter. The country has made the expansion of its agriculture sector a major priority to shield its economy from swings in resource commodities prices. (Source: Reuters)

> Snap's lock up expires. 400 million shares owned by early investors are available to be sold on Monday, creating the biggest test yet for Snap's struggling stock. Another 800 million-plus shares will be available for sale by August 28. (BusinessInsider)

> The Rise And Fall Of The iPod: The iPod is on its death bed. Apple said on Thursday that it was discontinuing the iPod Shuffle and iPod Nano, leaving the iOS-equipped iPod Touch as the only model left in Apple's venerable line of portable music players. Though the move may be sad for the nostalgic among us, it's completely unsurprising from a business perspective. As this chart from Statista shows, the iPod has gone from Apple's primary cash cow to something it stopped bothering to count as a separate sales category by 2015. The second Steve Jobs introduced the iPhone as, in part, "a widescreen iPod with touch controls," the writing was on the wall. The rise of streaming services, Apple Music included, has only cemented the iPod's obsolescence. And it's hard to say Apple subsuming its most popular product wasn't a wise move: The iPhone has made it the world's most valuable company, and there've been more iPhone sales in the past two years than iPod sales in history. In the end, Apple saw greener pastures. It can look back at its old standby with fondness, but now it's simply time to move on. (Sources: Statista, Business Insider)

THE SLOW GOODBYE OF APPLE'S FORMER CASH COW

Apple's iPod sales in units and as a percentage of the company's total revenue



SOURCE: Apple * Apple stopped breaking out iPod sales separately after 2014

statista BUSINESS INSIDER



Southwest Iowa - We could use a rain here. We missed some really good rains last night but we have gotten about 2" over the last two weeks. The corn looks good here. We went through pollination a couple weeks back with higher temperatures but still didn't see the crop show any signs of stress. Even when we heated up during the day, we saw some moderate temperatures at night, which helped. You do not have to go to far from our farms to see some areas that have missed a few rains that look much worse. The soybeans have really come as of late adding more growth. I think overall our crops look as good as they ever have and the yields may be record size come harvest. Its amazing how Mother Nature can make you look like a good farmer.

Southcentral Wisconsin - We have had a lot water around here over the past months. We have had a lot of corn under water at various times this season which caused a few acres of replant. The corn stand is a little less than what we prefer but still very good and I think that the yields will be at trend line or slightly above. The determining factor will be the weather that we have during the grain filling stage here in a few weeks. The soybeans look pretty good this year so far but maybe a bit shorter than normal. As we all know the August weather will make or break the beans. We will be spraying all of our bean acres with fungicide, just waiting to get back in the fields after the rains. We are seeing a substantial infestation of Japanese beetles which we will be spraying for too.

Central Illinois - We planted into some pretty rough conditions that were wet and cool. We received another 1.25" of rain last night. North of us has seen much flooding and ponding in a lot of fields. I feel like the corn is in pretty good shape with the earliest planted already having pollinated and the later stuff a week off. The planting was drawn out due to rain delays. The soybeans went in under less than desirable conditions as well. The beans that germinated and emerged quickly look good but the seed that sat in the ground for a couple of weeks has looked puny all year. We plant our beans on 30" rows and they are just filling in and starting to canopy.

CROSSING WIRES

A place to share intelligent thoughts...

The Farm Bill Debate Continues In Washington DC: *In his opening statement at yesterday's hearing, Ag Committee Chairman Pat Roberts (R., Kansas) noted that, "When producers put their seeds in the ground, they do not expect a hail storm to hit right as they are ready to harvest their crops. They would much rather reap the benefits of their hard work in the marketplace, rather than receive an indemnity. In her opening remarks yesterday, Committee Ranking Member Debbie Stabenow indicated that, "When it is available, crop insurance is one of, if not the most important risk management tool for our producers. But historically, it hasn't been available to some of the farmers who need it most. See all major comments [HERE](#).*

EU Report: More Evidence on Link Between Antibiotic Use, Antibiotic Resistance: *The European Food Safety Authority, the European Medicines Agency and the European Centre for Disease Prevention and Control are concerned about the impact of use of antibiotics on the increase in antibiotic-resistant bacteria. The report presents new data on antibiotic consumption and antibiotic resistance and confirms the link between antibiotic consumption and antibiotic resistance in both humans and food-producing animals. The conclusions are in line with those of the first report published by the three agencies in 2015 . However, the availability of better quality data allowed a more sophisticated analysis. Read more [HERE](#).*

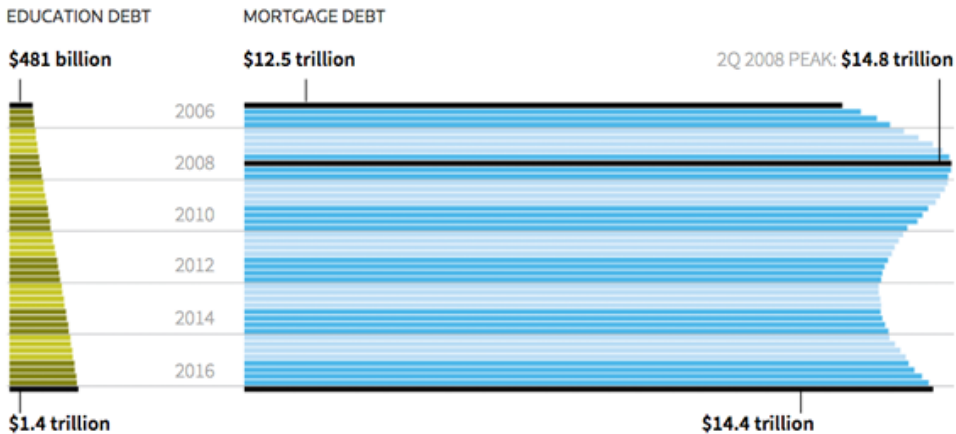
Leaked Photo Supposedly Shows New iPhone Move To Wireless Charging: *A fresh photo leak supposedly showing wireless-charging technology designed for Apple's upcoming so-called iPhone 8 was spotted on Thursday by the gadget-leaks site Slashleaks. The photo appears to show a coil designed for inductive wireless charging, as well as an Apple Lightning port on the left where a user would plug in a charging cable. It's unclear whether the technology would be in a wireless-charging dock or the iPhone itself. The updates to the iPhone 7 and 7 Plus — most likely "S" versions — are also said to come with wireless charging, according to the Japanese news site Nikkei. Read more [HERE](#).*

America's Wild And Scenic Rivers Can Be Enjoyed By All: *In 1968 Congress passed the Wild and Scenic Rivers Act to ensure that some of our most cherished river segments are conserved in their natural, untamed state for us and for future generations, and next year marks the 50th anniversary of this landmark act. From placid canoe streams to rushing whitewater kayak runs, from icy trout-filled brooks to lazy cypress lined bayous, the system contains America's best free-flowing waterways. There are 208 river segments in 40 states that are part of the system. Whether you want to hike, fish, canoe, camp or just relax along the bank, below is a sampling of 15 stream segments around the U.S. that can be seen [HERE](#).*

Sub-Prime loans And Student Debt... How The Two Debt Crises Compare: *A decade ago, an avalanche of mortgage defaults in the U.S. led to a financial debacle that swamped the global economy. Today, as millions of student loan borrowers fall behind on their payments, fears of a similar catastrophe are emerging. Are they well-founded? Check out the Thomson Reuters report [HERE](#).*

EASY MONEY

For decades, ever-lower interest rates and lending standards fed a borrowing binge to fund home purchases. Similarly, federally subsidized loans to just about anyone seeking a college degree led to an explosion in student loan debt.



Who Has The Best Weather Model

With "weather" being the driving force in the market, there seems to be more and more controversy about which model to follow and who tends to be the most accurate. The forecasting supremacy of the European Center for Medium-Range Weather Forecasts and its global weather prediction model seems to be the most well documented. This fact most glaringly reached the American public, back in 2012, when only the European forecast model correctly predicted Hurricane Sandy would turn toward the northeastern U.S., rather than remaining out to sea like others had been forecasting. For several years, the U.S. and its Global Forecasting System (GFS) have been struggling to catch up. Many inside sources argue that the U.S. forecasting enterprise has more or less stayed the same, it while other nations are now equalling and perhaps passing the GFS model. Arguably the most well accepted method of measuring a model's accuracy is by scoring its "anomaly correlation", a measure of its ability to accurately predict observations (a score of 1 is perfect). For the northern hemisphere during the last two months, as measured about 3.5 miles above the Earth's surface, the European model scored the highest by far, at .905. It's followed by the United Kingdom's model (.870), the the Canadian model (.868), and finally the American GFS model (.857). According to Cliff Mass, a University of Washington atmospheric scientist, who closely tracks the forecast model "wars", it's not that U.S. weather prediction is getting less skillful, but that other nations are innovating and pushing ahead a bit faster. Many weather guru's say the Europeans and Canadians are pulling ahead of the U.S. in regard to global weather prediction. In fact, there's talk circulating that the U.S. Air Force has or is close to abandoning the U.S. GFS model, believing the UKMET office model is generating better forecasts. If you would like to know more on the subject, Cliff Mass' Weather and Climate blog is very enlightening. In this post, Cliff tries to tackle the situation showing how it could be greatly improved within a short period of time. Obviously this would require strong leadership, innovation, and a willingness to partner with others in new ways. I should also note that some private companies are now throwing their hat in the ring. Panasonic, who just recently dove into the space in 2013, thinks they might now have the best weather forecasting model. There's reports that the Panasonic model recently scored out at 0.926, which would be better than the European model. (Source: Ars Technica; Weather.com)



Microchip Implants Arriving Soon At American Offices

Tagging people with microchip implants sounds like something straight out of a science fiction novel, but it's becoming a reality at one Wisconsin technology company. Three Square Market is offering its employees an electronic implant that will give them access to the office building, log into their computers and make purchases at the cafeteria, all with the swipe of their hand. About the size of a grain of rice, the chips use RFID technology (Radio Frequency Identification) and will be implanted between the thumb and forefinger. The procedure takes just a few seconds and is completely optional. CEO Todd Westby said in an interview that his company foresees RFIC technology driving everything from making purchases, unlocking phones, sharing business cards, storing medical information and used as payment at other RFID terminals. Westby said in a company statement, "Eventually, this technology will become standardized allowing you to use this as your passport, public transit, all purchasing opportunities, etc." Apparently, more than 50 employees have already signed up to receive the implants. Three Square isn't the first company to offer microchipping to employees. Swedish start-up hub Epicenter offers them to workers and start-up members. They function just like common swipe-cards: opening doors, operating printers and even buying smoothies. Epicenter began the program in January 2015 and more than 150 of their workers have gotten the chips. There are also a handful of other companies around the world that offer employees such implants, but so far it is still pretty rare. There are still a lot of concerns about the technology, one big one being how safe it is to inject an electronic into a human body. But as proponents of the technology have pointed out, people have been implanting things into their bodies for decades. Doctors began implanting pacemakers into humans in 1958 and swallowable electronic sensors are ingested by patients for a host of tests. Microchipping is very common for pets and is even mandatory in some countries. The other major concern about the implants is security. If hacked, microchips implanted inside the body could be read to reveal a person's location and length of time spent somewhere. The microchips that employees are currently having implanted are really just a matter of convenience, but at some point in the future, they could be storing highly sensitive personal information. It's one thing to have your computer hacked. Having your body hacked sounds like a whole new level of terrifying. (Sources: ReCode, USA Today)



The +800 Horse Power "Dodge Demon" Hits The Streets

I've heard reports of a few people seeing the new "Dodge Demon" rolling around in test markets. From what I understand, pre-orders are being taken, but the car won't officially be delivered to the dealerships until mid to late-October. Talk inside the auto industry is that Dodge will only manufacture about 3,300 units, with a MSRP sticker price of around \$86,000. Why all the buzz... because this car is a beast! Reports show it pushes a record breaking 840-horsepower and is street legal. This car is also full of many first ever features. The Demon has a 6.2-liter V8 engine hiding under the hood. With this much power, it allows the car to hit 60 mph in 2.3 seconds, 100 mph in 5.1 seconds, and can run a quarter-mile in 9.65 seconds reaching 140 mph. This car is also the first factory-production car with a special calibrated engine control to take advantage of 100 plus octane race gas. As well, this is the first production car equipped with a "rans-brake," which helps locks the transmission when dialing up the RPMs. The Demon is also the first stock car made that includes a novel liquid-to-air intercooler chiller system. This chiller system helps cool the supercharger engine after the it is turned off. The Demon again is the first production car to come with Drag Mode suspension and a set of front-runner wheels just for drag racing. This car includes many of the first ever features put on a production car. If your thinking about buying the Demon, then there are a few things to know before you jump in the water. The Demon only comes with one seat, making the car 200 pounds lighter without the others. The car weighs in at 4,280 pounds. The good news is the passenger front seat and the rear seats can be added, if you aren't too worried about being the fastest car on the streets, for just \$1 extra dollar. This car is also banned by the National Hot Rod Association, they say the car is simply too fast on the strip. The car also includes a line lock mode that locks the front brakes allowing it to do a beautiful and smoky burnout. The car includes two keys, one of the keys limits the car to 500 horsepower and the other key lets the car reach its full maximum. All of the changes and features in this car makes it the fastest production quarter-mile drag car ever, which is said to be faster than Ferrari's and Lamborghini's. Wow, What a car.... You can click [HERE](#) to see a short video

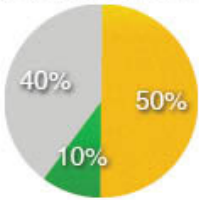
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CASH SALES & HEDGING TOTALS

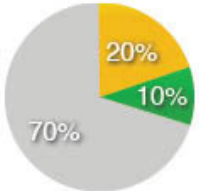
CORN 2017 CROP

50% SOLD
10% HEDGED
40% UNPROTECTED



CORN 2018 CROP

20% SOLD
10% HEDGED
70% UNPROTECTED



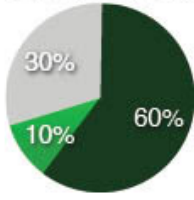
CORN 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



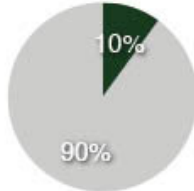
SOYBEANS 2017 CROP

60% SOLD
10% HEDGED
30% UNPROTECTED



SOYBEANS 2018 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



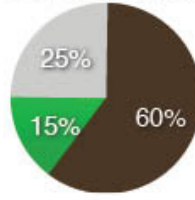
SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



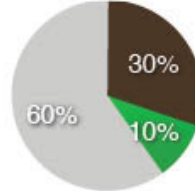
WHEAT 2017 CROP

60% SOLD
15% HEDGED
25% UNPROTECTED



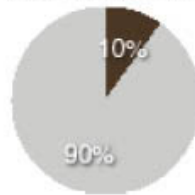
WHEAT 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



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