

GOOD MORNING: 08/08/17 Farm Direction - VanTrump Report

1 message

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

Tue, Aug 8, 2017 at 6:54 AM



"Therefore we should not try to alter circumstances but to adapt ourselves to them as they really are, just as sailors do. They don't try to change the winds or the sea but ensure that they are always ready to adapt themselves to conditions. In a flat calm they use the oars; with a following breeze they hoist full sail; in a head wind they shorten sail or heave to. Adapt yourself to circumstances in the same way." - Bion of Borysthene

TUESDAY, AUGUST 08, 2017
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Morning Summary: Stocks continue their climb, pushing the Dow and the S&P 500 to yet another round of new record-highs. Earnings are still topping expectations, with S&P 500 companies expected to witness another quarter of double-digit growth. Nearly 400 releases are scheduled for today, with the highlights including CVS, Monster Beverage, Priceline, Sunoco, and Walt Disney. Today's only notable economic release will be JOLTS, which is expected to show job openings have moved down slightly to 5.600 million. Yesterday's "Consumer Credit" report showed some interesting data. The first being the fact U.S. consumer credit-card debt just passed the record set right before the global financial meltdown back in 2008. Revolving debt, which is primarily credit card balances is now at a new record high of \$1.027 trillion, topping the previous record in April 2008, when consumers had a collective \$1.02 trillion in outstanding revolving credit. I should note that more than 171 million consumers now have a credit card, the highest number that has had access since 2005, when about 162.5 million people had access. The New York Federal Reserve recently released a report that showed U.S. collective household debt balances in March of 2017 totaled \$12.73 trillion, surpassing the 2008 peak of \$12.68 trillion. There are also reports circulating that for the first time since the Great Recession, lenders have given more consumers with sub-prime, or below average, credit scores, access to credit cards. Non-revolving credit, the component including auto and student loans, rose by another +\$8.3 billion, which was actually the smallest increase in the past 12-months. Even though some argue the expansion of consumer credit has slowed, it still just posted a fresh new record high of \$3.86 trillion. Credit card losses are thought to be mounting. Bloomberg, recently reported that the average net charge-off rate for large U.S. card issuers, which is the percentage of outstanding debt that issuers write off as a loss, increased to 3.29% in the second quarter, its highest level in four years. According to the Federal Reserve, current housing-related debt is down nearly -\$1 trillion since the 2008 peak, but auto loan balances are +\$367 billion higher, and student loans are a whopping +\$671 billion higher. Many bears point to the fact, just a few months back, the number of subprime auto loans that had fallen into delinquency have hit their highest level since 2010, with nearly 6 million people at least 90-days late on their payments. Several insiders argue looking back, subprime auto loans were the canary in the coal mine, surging to these types of levels just before the most recent recession. Hence the reason a lot of people are keeping a close eye on the automotive sector. Also interesting is the fact older Americans are taking on a greater share of debt than in years past. Those ages 60 and older now hold over 22.5% of total household debt, compared with 15.9% in 2008 and 12.6% in 2003. Meaning previous research is correct in the fact older Americans don't have enough money saved for retirement. Oil traders are anxiously awaiting the results of the two-day commitment meeting between representatives from OPEC and non-member nations. They are gathered to discuss poor compliance on the supply-cut agreement that went into effect in January. Insiders believe compliance fell as low as 86% in July. Traders are also anxious to see if Libya will implement a production cap. They were initially exempt from the cuts due to political unrest, but the country's output is nearly back to pre-conflict levels. As such,

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many feel they should have to abide by the lower production caps also. Keep in mind, oil prices have posted double-digit gains in the past six weeks and have allowed many producers to hedge future production. In other words I can't see a supply side shortage anytime soon.

Bitcoin Is Now Worth Nearly 3 Times More Than An Ounce Of Gold: *More than five months after bitcoin and gold prices hit parity, bitcoin is now worth nearly three times as much as the more traditional store of value. The price of bitcoin reached a new high above \$3,400 during yesterday's session, a figure that was more than \$2,000 above the price of gold. While largely symbolic, the finding is notable given that bitcoin enthusiasts have long compared the digital asset to gold, arguing that it is a more effective store of value due to its digital and provably finite nature. Still, it remains difficult to determine whether the two assets have any relationship in the market, with past attempts to draw a correlation largely coming up empty. Earlier on Monday, the total value of all publicly traded cryptocurrencies set a new all-time high, rising above \$117 billion for the first time. The soaring price of Bitcoin comes despite a controversial split last week, which created a new blockchain called Bitcoin Cash. There is talk that Bitcoin's price surge is the result of market manipulation. Cointelegraph reports that a trader with nearly unlimited funds is "spoofing" the market. Spoofing is when a trader signals a large order with intent to cancel the bid or offer before execution. The idea is to make traders think that somebody with deep pockets is getting ready to buy or sell, in hopes of moving the market. Spoofing is actually illegal, but as Bitcoin markets are largely unregulated, it's quite common. What is unusual in this case is the enormous bankroll that the trader, nicknamed "Spoofy", has at his disposal. He regularly places orders approaching \$60 million. (Sources: Fortune, Cointelegraph)*

S&P 500 Eyes Double-Digit Earnings Growth For 2nd Straight Quarter: *The blended (combines actual results for companies that have reported and estimated results for companies yet to report) earnings growth rate for the S&P 500 for the second quarter is +10.1% as of Friday. This growth rate is easily above the estimated earnings growth rate of +6.4% at the end of the quarter. If 10.1% is the actual growth rate for the second quarter, it will mark the second highest (year-over-year) earnings growth for the index since fourth quarter 2011, and it will mark the first time the index has seen two consecutive quarters of (year-over-year) double-digit earnings growth since third and fourth quarters 2011. About 72% of S&P 500 companies have topped earnings estimates, compared to the five-year average of 68%. They are also beating estimates by a wider margin at +6.3% versus the five-year average of +4.2%. Because of the number and magnitude of these upside earnings surprises reported by S&P 500 companies for Q2, aggregate earnings for the index have increased by \$9.7 billion since June 30. Three sectors account for \$7.2 billion (or 74%) of this \$9.7 billion increase in earnings since June 30: Health Care, Financials, and Information Technology. In these three sectors, the upside earnings surprises reported by Microsoft (\$0.98 vs. \$0.71), JPMorgan Chase (\$1.82 vs. \$1.59), Gilead Sciences (\$2.56 vs. \$2.16), Facebook (\$1.32 vs. \$1.12), Apple (\$1.67 vs. \$1.57), Merck (\$1.01 vs. \$0.87), and Aetna (\$3.42 vs. \$2.47) were all substantial contributors to the increase in earnings growth for the index during this time. (Source: FactSet)*

States With The Most To Lose From A Trade War With China: *China was the United States' biggest trading partner in 2016. Trade between the two countries totaled \$578 billion, or 21% of all U.S. foreign trade. This cartogram breaks down the total value of Chinese exports by state, with the size of each state representing total export value, and color showing the percentage of total foreign exports that go to China. Although the Trump administration has delayed plans to take aggressive steps on Chinese IP theft, a retaliatory move from Beijing could have economic effects that will be felt across the country. The U.S. exported \$115.6 billion worth of goods to China in 2016, while we imported \$462.6 billion. 27% of Alaska's foreign exports go to China. Oregon, South Carolina and Washington export at least 20% of their goods to China. In Nevada, 46.4 percent of foreign imports come from China. 40 states get at least 10 percent of their foreign imports from China. 2017 data is not finalized, but Canada and China are neck and neck as top foreign trading partner as of May. China still comes in third for exports and first for imports. Click the graphic for larger view. (Source: Axios)*

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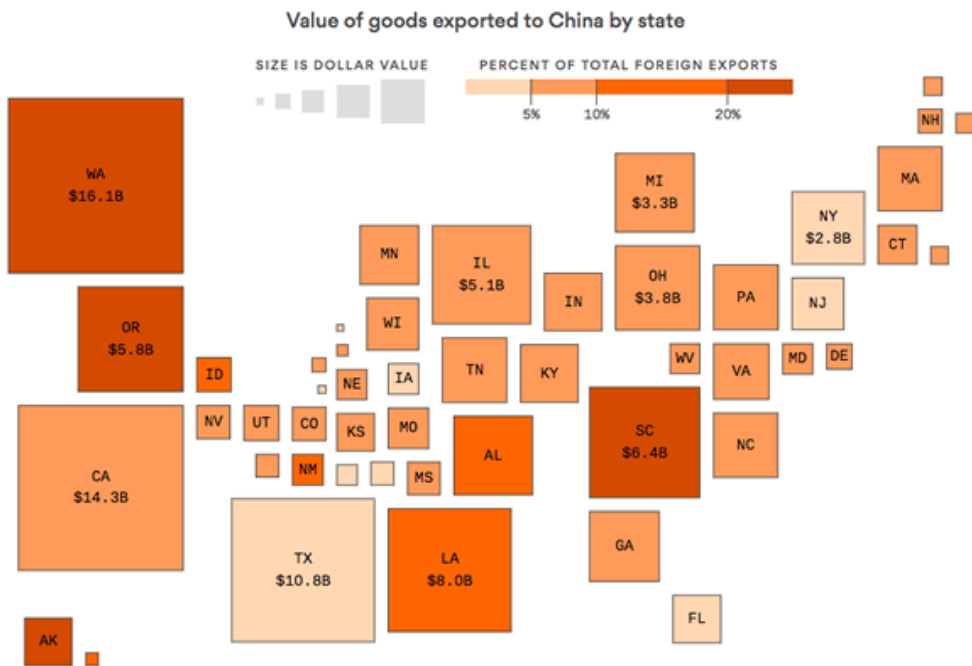
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Data: U.S. Census Bureau; Cartogram: Lazaro Gamio / Axios

Weather forecasts are calling for more favorable conditions for pollinating and filling corn as well as filling soybeans in the western Midwest. Conditions are improving as beneficial rains and near to below normal temperatures are present in the region. However, pockets of unfavorable dryness persists across portions of the southwestern and western Corn Belt, including parts of Iowa. Mostly favorable weather for filling corn and soybeans is in effect in the eastern Midwest. The southern Plains crop areas have generally favorable conditions for developing crops with some beneficial rainfall. Moderate to heavy totals are suggested in the forecast during this week. On the High Plains, a high-pressure system centered over Montana and the Dakotas is resulting in cool, dry weather. In the South, flood recovery efforts continue in parts of New Orleans, Louisiana, which was struck by locally torrential weekend rainfall. Currently, warm, humid weather prevails in Florida, while a band of showers stretches from Texas into the southern Mid-Atlantic region. Looking ahead, a relentless heat wave will persist for the remainder of the week in the Northwest, with hot weather gradually expanding to cover most areas west of the Rockies. Meanwhile, monsoon rains will be numerous across the central and southern Rockies, where 5 day rainfall totals could reach 1 to 3 inches. Similar totals can be expected on the central and southern Plains, but the drought stricken northern Plains should receive less than an inch. Elsewhere, cool weather will continue in the central and eastern U.S., although mostly dry weather in the Midwest will contrast with periods of heavy rain locally totaling 2 to 4 inches in parts of the South and East.

Little Rain in Midwest Forecast This Week: *If you hadn't heard, a big rain event on August 3 missed much of Iowa. Such a missing out is, of course, a regular happening in this high production area of the Corn Belt in the summer of 2017 and isn't likely to change this week. As you can see, the 7 day precipitation outlook below shows little rain across much of Iowa, Illinois and Indiana.*

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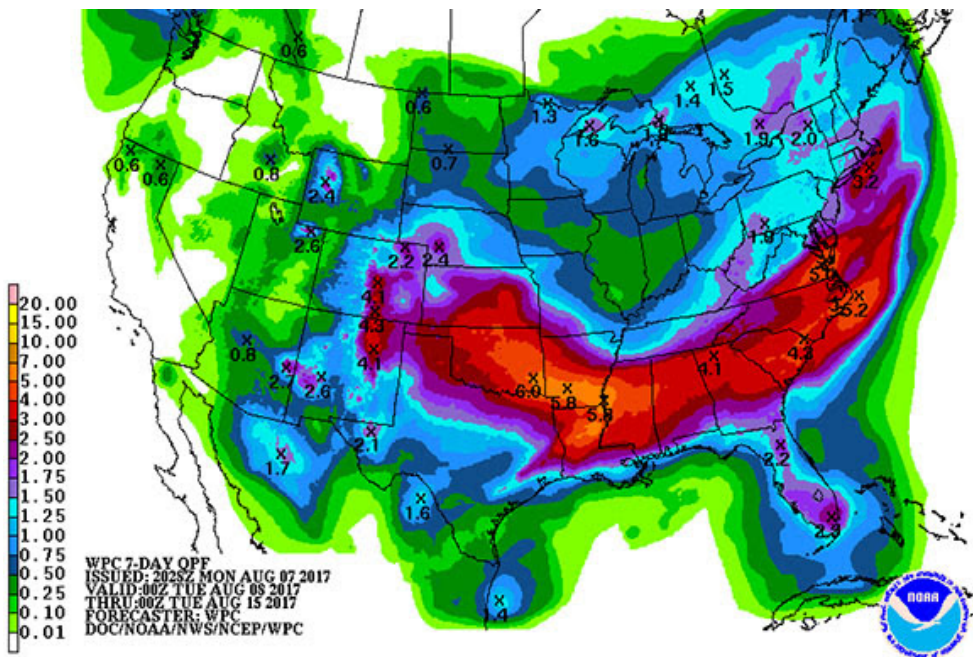
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Today In History



1863, Robert E. Lee - In the aftermath of his defeat at Gettysburg, Pennsylvania, Confederate General Robert E. Lee sends a letter of resignation as commander of the Army of Northern Virginia to Confederate President Jefferson Davis. The letter came more than a month after Lee's retreat from Pennsylvania. At first, many people in the South wondered if in fact Lee had lost the battle. Lee's intent had been to drive the Union army from Virginia, which he did. The Army of the Potomac suffered over 28,000 casualties, and the Union army's offensive capabilities were temporarily disabled. But the Army of Northern Virginia absorbed 23,000 casualties, nearly one-third of its total. As the weeks rolled by and the Union army reentered Virginia, it became clear that the Confederacy had suffered a serious defeat at Gettysburg. The modest Lee took the failure at Gettysburg very personally. In his letter to Davis, he wrote, "I have been prompted by these reflections more than once since my return from Pennsylvania to propose to Your Excellency the propriety of selecting another commander for this army... No one is more aware than myself of my inability for the duties of my position. I cannot even accomplish what I myself desire... I, therefore, in all sincerity, request your Excellency to take measure to supply my place." Lee not only seriously questioned his ability to lead his army, he was also experiencing significant physical fatigue. He might also have



Corn bulls are pointing to further deterioration in the USDA's weekly crop-conditions. Most bulls are specifically pointing to conditions taking steps back in important production states like Colorado, Illinois, Iowa, Kansas, and Minnesota. Many insiders are also expecting to see the USDA reduce their current yield estimate of 170.7 by about -5 bushels per acre in Thursday's report, down to between 165 and 166 bushels per acre. I personally think the U.S. yield average will eventually end up a bit lower than that, assuming the current longer-term weather forecast holds to form. There just seems to be some fairly big pockets, in a few large production states, that are struggling to get enough moisture. If the rains continue to miss these areas, I suspect the yield will continue to deteriorate and potentially pressure a sub-162 type estimate. I should also note that conditions failed to improve and were left "unchanged" in Nebraska, Ohio, South Dakota, and Wisconsin. The cooler than normal temps are certainly a blessing to many producers and can help keep the crop from experiencing max stress, but there is simply no substitute for rain. This is clearly a Clint Eastwood style crop... "The Good, The Bad & The Ugly". States where conditions are actually better than last year include Pennsylvania, North Carolina, Kentucky, Tennessee, Texas, Ohio and Michigan. The USDA also reported 93% of the corn crop as "sinking" vs. the 5-year average of 94%. "Dough" was reported at 42% vs. the 5-year average of 44%. "Dented" was reported 7% vs. the 5-year average of 11%. As both a producer and a spec, I'm staying patient heading into Thursday's USDA report. If we catch a bullish surprise, I will be trying to reduce a bit more longer-term risk on a rally. If the USDA disappoints, and we pressure the most recent low at \$3.74 I may look to be a small buyer. Still believe new-crop is somewhat rangebound between \$3.60 and \$4.10 per bushel.

States "IMPROVING"

Pennsylvania raised by +4% to 92% vs 59% last year
Indiana raised by +3% to 52% vs 73% last year
Kentucky raised by +3% to 83% vs 76% last year
Missouri raised by +2% to 63% vs 75% last year
North Dakota raised by +1% to 40% vs 80% last year
Tennessee raised by +1% to 83% vs 66% last year

States "UNCHANGED"

Nebraska "unchanged" at 59% vs 76% last year
Ohio "unchanged" at 57% vs. 47% last year
South Dakota "unchanged" at 29% vs 55% last year
Texas "unchanged" at 69% vs 57% last year
Wisconsin "unchanged" at 70% vs 88% last year

States "DETERIORATING"

Colorado lowered by -8% to 58% vs 82% last year
Illinois lowered by -5% to 58% vs 83% last year
Kansas lowered by -3% to 54% vs 67% last year
North Carolina lowered by -2% to 74% vs 64% last year
Iowa lowered by -1% to 64% vs 83% last year

sensed that Gettysburg was his last chance to win the war. Regardless, President Davis refused the request. He wrote, "To ask me to substitute you by someone... more fit to command, or who would possess more of the confidence of the army... is to demand an impossibility."



1963, Great Train Robbery -

The 15 thieves involved in the Great Train Robbery, one of the most famous heists of all time, escape in an ex-British Army truck and two stolen Land Rover four-wheel drive all-terrain vehicles, making off with some \$7 million in stolen loot. The mastermind of the Great Train Robbery was Bruce Reynolds, a known burglar and armed robber. Inspired by the railroad heists of the Wild West in America, Reynolds and 14 other men wearing ski masks and helmets held up the Royal Mail train heading between Glasgow, Scotland, and London, England. They used a false red signal to get the train to stop, then hit the driver with an iron bar, seriously injuring him, in order to gain control of the train. The thieves loaded 120 mailbags filled with the equivalent of \$7 million in used bank notes into their Land Rovers and sped off. In their hideout at Leatherslade Farm in Buckinghamshire, England, the robbers divided their loot. Viewed as folk heroes by the public for the audacious scale of their crime and their flight from justice, 12 of the 15 robbers nevertheless were eventually captured. In all, the gang of thieves received a total sentence of some 300 years. One of them, a small-time hood named Ronnie Biggs, escaped from prison after just 15 months and underwent plastic surgery to change his appearance. He fled the country and eluded capture for years, finally giving himself up in 2001 when he returned from Brazil voluntarily to serve the 28 years remaining in his sentence.



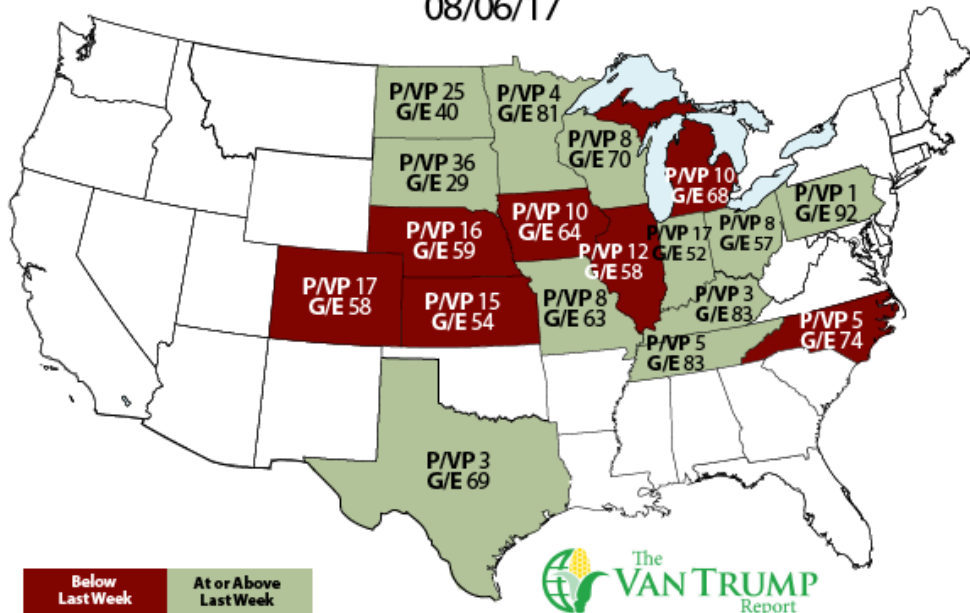
1974, Nixon Resigns -

In an evening televised address, President Richard M. Nixon announces his intention to become the first president in American history to resign. With impeachment proceedings underway against him for his involvement in the Watergate affair, Nixon was finally bowing to pressure from the public and Congress to leave the White House. "By taking this action," he said in a solemn address from the Oval Office, "I hope that I will have hastened the start of the process of healing which is so desperately needed in America." Just before noon the next day, Nixon officially ended his term as the 37th president of the United States. Before departing with his family in a helicopter from the White House lawn, he smiled farewell and enigmatically raised his arms in a victory or peace salute. The helicopter door was then closed, and the Nixon family began their journey home to San Clemente, California. Minutes later

Michigan lowered by -1% at 68% vs 54% last year
Minnesota lowered by -1% to 80% vs 85% last year

Corn Conditions

08/06/17



Soybean bulls see more U.S. weather uncertainty and weekly crop-conditions in big production states like Iowa, Illinois, Nebraska and Missouri deteriorating. Bears on the other hand are pointing to overall conditions improving +1% to 60% rated "Good-To-Excellent". Interestingly, conditions in Ohio, Michigan, North Carolina, Mississippi, Louisiana, and Arkansas are reporting better conditions than last year. I should also note that conditions in both North and South Dakota improved by +3% on the week. The question now is how big of a cut will the USDA make to their current 48.0 bushel yield estimate. Most sources I speak with seem to be thinking they will take a small step backwards, landing somewhere between 47.2 and 47.6 bushels per acre. I'm personally leaning on the bullish side of the bet, hoping we can see a reduction to 47.0 bushels per acre or lower. I'm hearing both sides of the argument in regard to the USDA's export estimate, some are saying it should be bumped higher, while others think the USDA will wait to get a better look. Lets not forget, Chinese demand has been wavering a bit as of late as crush margins have been poor. I'm personally looking for the USDA to bump their old-crop export demand forecast higher. I suspect the USDA could slightly adjust their domestic crush estimate a hair lower to help offset some of the increase to exports, but in the end a reduction in yield and increase in exports should be enough to tighten the balance sheet and hopefully help support prices. Any major disappointment by the USDA on Thursday could bring the \$9.50 area into focus and start a technical landslide down to the \$9.00 to \$9.20 level. I'm staying extremely patient with this market. I would like to be a longer-term buyer but see no reason to be in a major hurry. As a producer I've sold up to my max for this time period and am now sitting on my hands. The USDA also reported soybeans "Blooming" at 90% vs. the 5-year average of 88%. Soybeans "Setting Pods" at 65% vs. the 5-year average of 62%.

States "IMPROVING"

North Carolina raised by +6% to 70% vs 68% last year
Indiana raised by +3% to 54% vs 74% last year
Mississippi raised by +3% to 72% vs 67% last year
North Dakota raised by +3% to 37% vs 73% last year
Ohio raised by +3% to 53% vs 52% last year
South Dakota raised by +3% to 32% vs 57% last year
Tennessee raised by +3% to 75% vs 76% last year
Kansas raised by +2% to 53% vs. 61% last year
Minnesota raised by +1% to 74% vs 80% last year
Wisconsin raised by +1% to 75% vs 88% last year

States "UNCHANGED"

Arkansas "unchanged" at 70% vs 60% last year

States "DETERIORATING"

San Clemente, California. Minutes later, Vice President Gerald R. Ford was sworn in as the 38th president of the United States in the East Room of the White House. After taking the oath of office, President Ford spoke to the nation in a television address, declaring, "My fellow Americans, our long national nightmare is over." He later pardoned Nixon for any crimes he may have committed while in office, explaining that he wanted to end the national divisions created by the Watergate scandal.

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

Thurs. 11/23 - Thanksgiving - Markets Closed

Kevlin's Song of the Week

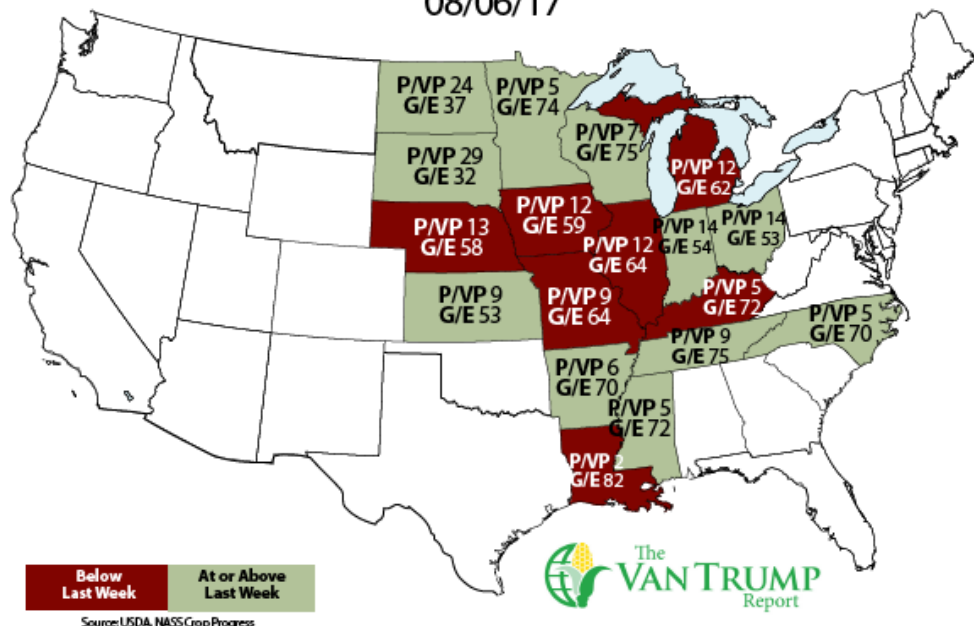


States Deteriorating

Michigan lowered by -4% to 62% vs 57% last year
Louisiana lowered by -3% to 82% vs 78% last year
Illinois lowered by -2% to 64% vs 79% last year
Nebraska lowered by -2% to 58% vs 77% last year
Iowa lowered by -1% to 59% vs 82% last year
Kentucky lowered by -1% to 72% vs 73% last year
Missouri lowered by -1% to 64% vs 70% last year

Soybean Conditions

08/06/17



Wheat breaks it's losing streak, but the question is for how long? Spring wheat conditions appear to have stabilized, improving +1% from 31% to 32% now rated "Good-to-Excellent" vs. 68% last year at this juncture. South Dakota again reported 75% of their crop in "Poor-to-Very Poor" condition. Montana's "Poor-to-Very Poor" conditions increased from 58% to 63%. North Dakota's "Poor-to-Very Poor" conditions actually shrank from 44% last week down to 40% this week. The USDA also now estimates the U.S. winter wheat harvest to be 94% complete vs. the 5-year average of 92%. I still keep hearing a lot of talk about global "quality" or lack there of, but the trade doesn't seem to be giving it much attention. The trade is however eager to hear the USDA's latest estimate in regard to U.S. spring wheat production and ending stock. Will U.S. hard red spring wheat production fall to between 325 and 350 million bushels? I suspect eventually, but maybe not by Thursday. The word is "abandonment" and how difficult it can be to accurately forecast before and during harvest. Keep in mind the spring wheat harvest is thought to be 24% complete and running slightly ahead of schedule.

About the Report



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

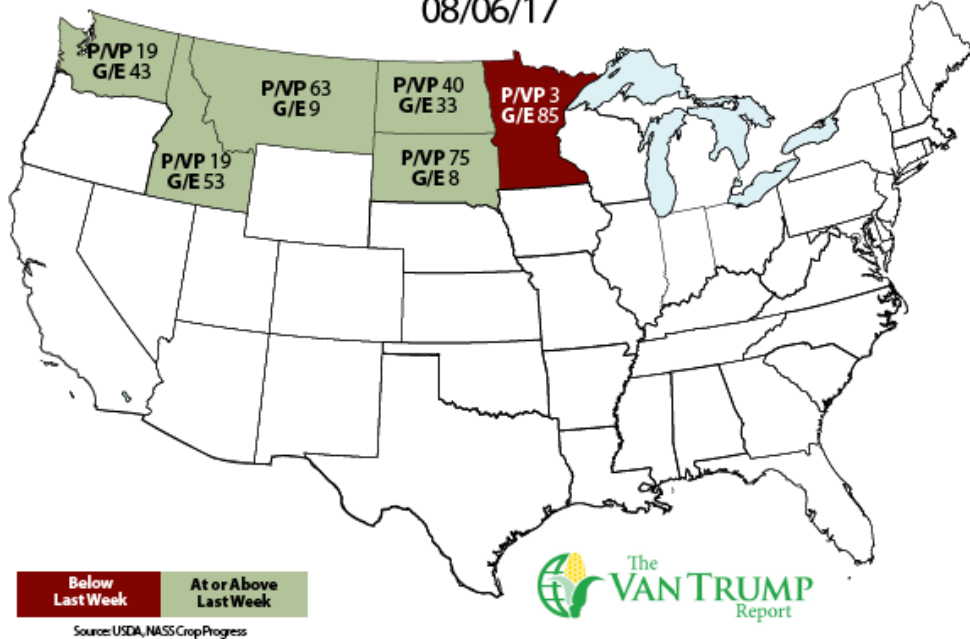
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis 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

Spring Wheat Conditions

08/06/17



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.

- 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.

U.S Grain Stocks 2016/17

	Aug. Est.	Avg. Trade Est.	Trade Range	USDA July
Corn	???	2.363	2.315 - 2.436	2.370
Soybeans	???	0.399	0.285 - 0.430	0.410

U.S Grain Stocks 2017/18

	Aug. Est.	Avg. Trade Est.	Trade Range	USDA July
Corn	???	1.940	1.642 - 2.324	2.325
Soybeans	???	0.433	0.346 - 0.572	0.460
Wheat	???	0.901	0.806 - 0.948	0.938

World Stocks 2016/17

	Aug. Est.	Avg. Trade Est.	Trade Range	USDA July
Corn	???	227.2	224.5 - 229.5	227.5
Soybeans	???	94.4	93.5 - 95.8	94.8

World Stocks 2017/18

	Aug. Est.	Avg. Trade Est.	Trade Range	USDA July
Corn	???	193.4	183.0 - 200.5	200.8

Soybeans	???	92.3	89.0 - 96.5	93.5
Wheat	???	256.8	245.0 - 263.1	260.6

U.S. Production 2017/18

	Aug. Est.	Avg. Trade Est.	Trade Range	USDA July
Corn Production	???	13.807	13.529 - 14.070	14.255
Corn Yield	???	165.9	162.6 - 169.0	170.7
Soybean Production	???	4.203	4.122 - 4.346	4.260
Soybean Yield	???	47.4	46.5 - 49.0	48.0

U.S. Wheat Production

	Aug. Est.	Avg. Trade Est.	Trade Range	USDA July
All Wheat	???	1.717	1.628 - 1.784	1.760
All Winter	???	1.278	1.258 - 1.293	1.279
Hard Red Winter	???	0.757	0.737 - 0.775	0.758
Soft Red Winter	???	0.306	0.300 - 0.311	0.306
White Winter	???	0.216	0.205 - 0.224	0.216

South American Production

	Aug. Est.	Avg. Trade Est.	Trade Range	USDA July
Brazil Corn	???	97.9	97.0 - 102.0	97.0
Brazil Soybeans	???	113.8	113.0 - 114.5	114.0
Argentina Corn	???	41.0	40.0 - 44.0	41.0
Argentina Soybeans	???	57.8	57.0 - 58.0	57.8

Farm Direction
RECIPES

★ **FAMILY** ★
FAVORITES
- SENT IN BY OUR READERS -



**Grilled Shrimp
Taco Bowl**

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> China Corn Crop May See Boost From Drought Easing Rains: Rain last week in the northeast has eased drought and may be beneficial for crops, including corn and soybeans, China's National Meteorological Center says in weekly forecast published on Monday. Corn output in Heilongjiang province, the country's top corn and soy area, could be better than last year. Corn output in north China, including areas along Yellow and Huaihe rivers, may also be higher than last year due to sufficient rains. (Source: Bloomberg)

> Argentine Wheat Conditions Rated "Mixed": The Buenos Aires Cereal Exchange has updated its report saying that the planting of the Argentine wheat crop has reached nearly 95% of the surface expected. The area estimated is at 13.3 million acres. In one week, there was an advance of +3.2 percentage points. The Cereal Exchange assessed that there are mixed conditions in the country with moisture excess in the Buenos Aires province and La Pampa, while Northern provinces face dry fields.

> Australian Wheat Harvest Downgraded: National Australia Bank extended a round of downgrades to forecasts for the Australian wheat harvest, despite a wetter start to August, which has eased producers' concerns in some regions. The bank cut by 600,000 metric tons to an eight-year low of 22.7m tonnes its forecast for the 2017-18 wheat crop. NAB acknowledged some relief of the country's drought conditions, saying that "the last week has seen some decent falls across Western Australia, South Australia, Victoria and southern New South Wales". However, this followed a July which "did not bring good news" on output, bringing below-average rains, and with dryness remaining a crop threat. NAB cautioned of the potential yet for further downgrades to its forecasts, saying that "if rainfall continues to be below average, a much smaller crop – potentially in the very low 20s or high teens – is well within the realms of possibility." (Source: Agrimoney)

> Russia Forecasts Increase In Grain Production: Grain harvest in Russia in 2017 may amount to 103-105 million tonnes, Russian Minister of Agriculture Alexander Tkachev said in an interview. He also projects an increase in grain exports. "If the dollar does not grow stronger, if we open new countries for export, we will be able to export about 38 million tonnes," the Minister said. According to his estimates, agricultural production may grow by 3.5-4% this year. (Source: World Grain)

> Dutch May Need To Cull Millions Of Hens Due To Insecticide Contamination: Millions of hens may need to be culled in the Netherlands after traces of a potentially harmful insecticide were found in eggs, a Dutch farming group said. Retailers in several European countries have pulled millions of eggs from supermarket shelves as the scare over the use of insecticide fipronil widened. The World Health Organization considers fipronil to be moderately toxic and says very large quantities can cause organ damage. Dutch and Belgian authorities have pinned the source of the insecticide to a supplier of cleaning products in the Netherlands. Farmers in the Netherlands have already culled hundreds of thousands of hens in the wake of the fipronil scare but they can only regain market access once there are no traces of the insecticide in their eggs. Belgian Agriculture Minister Denis Ducarme said products from 57 Belgian poultry companies had been blocked from reaching supermarket shelves. (Source: Reuters)

> Lawmakers Want To Raise Farm Loan Caps: Three Republican members of the Senate Agriculture Committee - John Hoeven (N.D.), Luther Strange (Ala.) and John Boozman (Ark.) - introduced legislation last week that would increase the maximum loan amount a farmer can receive under the USDA Farm Service Agency's credit programs. The bill would raise FSA loan guarantees from \$1.39 million to \$2.5 million, and double the amount allowed for direct loans, to \$600,000. The FSA in each category offers operating and ownership financing. Operating loans are typically used to purchase livestock, farm equipment and inputs, like feed, seed and fertilizer, as well as cover improvements to buildings and family living expenses. Ownership loans are used to purchase farmland, construct or repair buildings, and fund conservation projects. (Source: Politico)

> Tyson Earnings Rise As Company Fast-Tracks Expansion Plans: Tyson Foods on Monday reported a 4.8 percent increase in third-quarter sales, and its CEO said the company is speeding up expansion plans in its chicken business due to "extraordinarily strong demand" for tray-pack and fully cooked chicken. The projects to be accelerated are in addition to the ramp-up of the company's new processing facility in Green Forest

and in addition to the ramp up of the company's new processing facility in Green Forest, Ark., which will start shipping product in the fall and will be "up and running full force in January." Higher prices for chicken haven't dampened consumer demand, and per-capita consumption is projected to hit a record high this year, according to Tyson. Tyson's average price in chicken climbed +2.9%, with sales volume up +1.6%. Tyson's third-quarter beef sales volume rose +0.4%, while average price was up +5.3%. Tyson's pork volume was up +0.6%, and average price increased +3.3%.

> How Much Do U.S. Cities Spend On Policing? Cities across the United States have been setting larger amounts of money aside in recent years in order to fund their police departments. Collectively, the country spends approximately \$100 billion on policing as well as a further \$80 billion on incarceration. Crime levels have dropped substantially over the past three years, in tandem with larger police budgets. A report published last month argues that the drop off in crime is not directly related to the larger budgets, however. It also provides an overview of police budgets in key American cities. It found that in FY2017, Oakland allocated the highest share of its general fund towards policing, some \$242.5 million. Chicago set 39.6 percent of its general fund aside (\$1.46 billion) while Minneapolis allocated 35.8 percent (\$163.2 million). In terms of overall budget, New York had the largest at \$4.89 billion, though this only equated to 8.2 percent of the city's general fund. On a per capita basis, spending per person on policing stands at \$772 in Baltimore, \$581 in New York and \$381 in Los Angeles. (Source: Statista)



Northwest Texas - The corn here is looking great. We have enough moisture now to finish out decent I think. Skip-row is still the way to go for me. That bank of moisture carried us a couple weeks through the hot and dry. Filled up the bank account when we were just about overdrawn. We received some much-needed rains last week. It was crazy hot here a couple months back and the later planted corn was only waist high. Now it's tasseling. The early planted is in great shape. It's nearly done pollinating.

Eastcentral Washington - We are getting ready to head out the door for a vacation to Africa. We farm wheat, cattle and garbonzo beans. The wheat harvest was just plain crappy around here. We got seed in the ground late as we had weather issues. Normally, we'd see 10-12" of precipitation in the winter and we had 17" instead. Half of that was snow which sat around longer than normal as cold temps lasted longer this year. A normal yield would see 50bpa on wheat and we got 26bpa best. The soft white was cut in half this year as well.

Eastcentral Arkansas - We run corn, beans and peanuts down on our farm. Used to have cotton but can't get back into that. The early heavy rains much of the state received were beneficial in this area and our corn and beans look extremely good this year. The combines are just getting fired up in this area and we will be cutting by weeks end. We will harvest at 22 percent and dry down on the farm. We have been lucky or blessed not to be affected by Dicamba issues as it is all around the area. We planted Dicamba beans but the corn and especially the peanuts are sensitive but had no issues. We are hoping for well above average numbers this year.



Brazil Poised to Surpass the United States in Soybean Production: *Brazilian farmers have steadily increased their market share in world grain and oilseed production over the last few decades and in the next decade, they will surpass the United States in soybean production. Brazil is already the world's largest soybean exporter and they are poised to become the largest soybean producer as well. The Food and Agriculture Organization of the United Nations (FAO) recently released a study titled "Agricultural Perspectives 2017-2026" in which they forecasted the growth rate of soybean production in the three main soybean producing countries - the United States, Brazil, and Argentina. Read more details [HERE](#).*

Silicon Valley Luminaries Are Busily Preparing For When Robots Take Over: *Until a couple of years ago, Antonio Garcia Martinez was living the dream life: a tech-start up guy in Silicon Valley, surrounded by hip young millionaires and open plan offices. But at some point in 2015, he looked into the not-too-distant future and saw a very bleak world, one that was nothing like the polished utopia of connectivity and total information promised by his colleagues. "I've seen what's coming," he told me when I visited him recently for BBC Two's Secrets of Silicon Valley. "And it's a big self-driving truck that's about to run over this economy." Antonio is worried about where modern technology - especially the twin forces of automation and artificial intelligence - is taking us. He thinks it's developing much faster than people outside Silicon Valley realize, and we're on the cusp of another industrial revolution that will rip through the economy and destroy millions of jobs. Read more [HERE](#).*

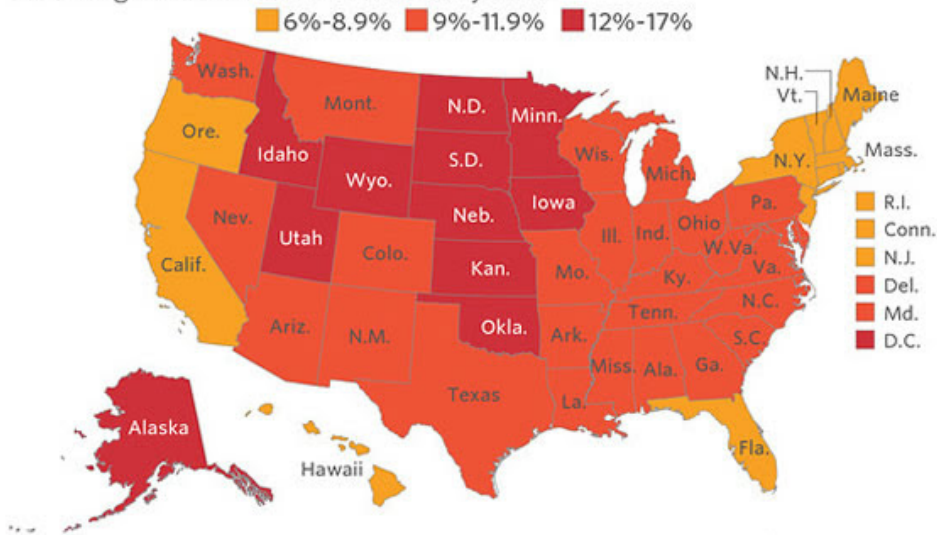
What is Sarahah and why is everyone talking about it? *Every now and again, an app comes around that sparks huge amounts of controversy. Sarahah is one of those apps, and it's got parents in the UK and US on their toes merely a month after it made its way to their teenager's smartphones. The controversial app is an anonymous messaging service. Registered users get a link, which can be sent to others in order to receive anonymous messages from them. The user can neither know the sender's name nor respond to the anonymous message in any manner. While most teens are obsessed with Sarahah, many parents and teens are reporting Sarahah as a cyber-bullying platform. Read more [HERE](#).*

Which Wines from Costco, Amazon, Or Hyatt Are Worth Buying: *Every wine lover wants a deal. But no matter how cheap, if a wine is too awful to drink, it's not a good bargain. Bloomberg's wine critic Elin McCoy sampled the private-label wines sold by big brands including Whole Foods, Total, Hyatt, Costco, and Amazon to find out which ones are worth buying. Check out the results [HERE](#).*

The Best State To Pursue The American Dream: *If you're seeking the American dream, look no further than the rolling cornfields of Iowa. The Midwestern state is the best place for millennials to get a financial foothold and buy a home, an analysis of U.S. Census Bureau data from New York-based travel marketing company Development Counsellors International found. Some 65% of millennials consider homeownership a major part of the American dream, a 2016 study from housing service Zillow found. However, Americans between 18 and 35 have driven the rate of homeownership to record lows in recent years, hitting 64% in 2017, down from its peak of 69% in 2006 but up from its previous low of 63% in 2016. Only 35% of young adults across the U.S. own a home versus 70% of millennials in China and 46% of millennials in Mexico. In Iowa, 13.5% of homeowners are under 35 years old and the average home value is \$139,000. The other top states for young homeowners include Oklahoma, Nebraska, South Dakota, and North Dakota. See more details [HERE](#).*

Here's where millennials own the most homes

Percentage of millennial homeowners by state



Source: DCI/U.S. Census Bureau

FROM MY PERSPECTIVE

Kevin Van Trump



iSELECT FUND



The VAN TRUMP Report

Featured

Ag-Tech Startups

iSelect Webinar Series

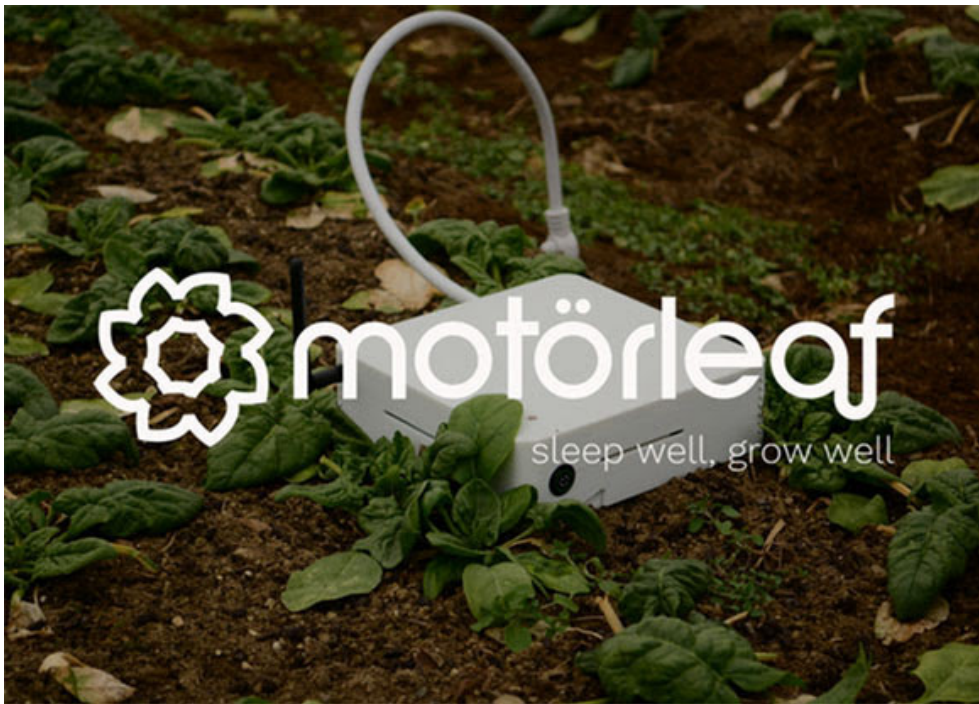
The Van Trump Report has partnered with iSelect to help bring ag-tech to the farmer in the field. My good friend Carter Williams, CEO of iSelect, is making a difference in agriculture and I wanted to share some of his insight. Carter was the former director and founder of Boeing Ventures where he led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

Presentation Title: "Transforming Agriculture by Automating Indoor Farming"

Date & Time: August 10th at 3pm CST

The agriculture industry has a problem. The world's population is on track to increase by nearly 50% over the next 45 years, reaching 9.1 billion by 2050, but at the same time the amount of arable, unfarmed land left on the planet is dwindling. Farmers need to come up with new solutions to feed all of these people. Learn how one company is embracing the potential of indoor farming to meet this demand at "Transforming Agriculture by Automating Indoor Farming," a free webinar to be held August 10th at 3PM CST with Ally Monk, CEO and co-founder of Motorleaf. Motorleaf is developing the

first wireless, automated indoor growing system, bringing Artificial Intelligence-enabled hardware and software tools to both large scale farmers as well as home gardeners. Its goal is to automate any indoor farm equipment, using any growing method, anywhere in the world, unlocking the potential of this \$17 billion market. Even if you can't make the live broadcast, registered users will be able to view a recording on [our website](#) after the fact. Click [HERE](#) to register and learn more.



Are We About To See The "Human Brain" Merge With A "Computer"?

Elon Musk has been working on a project called Neuralink, which aims to link human brains directly to computers. Brain implants would allow the human-to-machine communications, as well as permit telepathy between people. It would be a bunch of electrodes inside a person's brain, enabling them to merge with artificial intelligence. Think of how Google fills in suggestions on what you are searching for - you type "Su" and Google fills in "Super Bowl." Musk is proposing that we can do the same sort of thing inside our heads, in real time. Musk believes this would help humans keep pace with Artificial Intelligence advances as it would be integrated with human consciousness. In Musk's vision, telepathic communication from person-to-person would allow direct "uncompressed" communication of concepts between people, instead of having to effectively "compress" your original thought by translating it into language, and then having the other party "decompress" the package you send them linguistically. Musk says the technology is at least 8 to 10 years away, though there are

others who argue that it is much further off than that. Musk wants the Neuralink technology to first be adopted for therapeutic purposes, such as for patients with disabilities. As of right now, the first implants will be designed to help people with certain brain injuries, for instance stroke victims. Musk's timeline is four years for this one. Of course, such technology is going to be subject to stringent regulatory approval, which is seldom a quick process. Neuralink technology could possibly help create a brain interface modeled after the electrode-laden cochlear implants and retinal implants that give deaf and blind people some semblance of hearing and sight. Ultimately, Neuralink would be available to the general public and provide a "whole-brain interface." Musk also maintains that this sort of integration would actually help prevent potentially dangerous applications of artificial intelligence. He also envisions machines being able to install the implants in order to not face dealing with a neural surgeon shortage. In theory, a machine based, automated process would also be cheaper. Musk also heads his two other businesses - electric-car company Tesla and rocket company SpaceX, so far-fetched concepts are nothing new for the entrepreneur. He does have a record of being overoptimistic about how quickly he can bring his products to market, though, so don't get too anxious about people being able to read your mind...yet!



'Charlotte's Web' Farm Is On The Market

A Maine farm that served as E.B. White's inspiration for *Charlotte's Web* is up for sale. The 1795 farmhouse was purchased by White and his wife in 1933 and he remained there until his death in 1985. The beloved children's classic, *Charlotte's Web*, tells the tale of Wilbur the pig and his friendship with Charlotte the spider. Most of the story is set in the barn, which is still there, along with the now-famous rope swing. Yankee magazine recently toured the author's property, which is located in North Brooklin and is being offered by its current owners, Robert and Mary Gallant, for \$3.7 million. The below pictures were provided by the magazine (Sources: Yankee Magazine, New England Today)

1. The main house has 12 rooms and three-and-a-half bathrooms. Children, writers and other fans of E.B. White often just show up at the house and sometimes ask for a tour. The Gallants say they always try to be open and polite to these unexpected tourists. Mary Gallant says she is hoping the next owners will be a family, and of course, E.B. White fans.



2. The rope swing made famous by the book really does hang in the barn doorway. Every year, the Gallants have allowed a Maine schoolteacher to bring a class to the farm. Mary Gallant told Yankee magazine how the children sit on bales of hay in the barn, listening to a recording of White reading from "Charlotte's Web."



3. The saltwater farm has 2,000 feet of ocean shore frontage. The realty group handling the sale says there has been plenty of interest in the house, from people all over the country. They have been diligent on pre-screening potential buyers as many calls have been from people that just want to see the house, not buy it. Showings apparently take about three hours, with a tour through the house, the guest house, barn, shore, dock and beach.



4. The dining room contains one of the home's six fireplaces. The Gallants have tried to preserve as much of the home's original features as possible. The only things they have updated are the kitchen and the hardwood floors. However, they did keep the original wood cookstove, which is still in perfect working order.





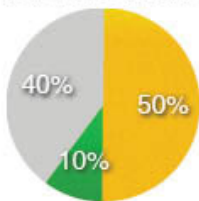
5. E.B. White did most of his writing in the boathouse. In it, he built a simple table and bench, with a barrel used as a wastebasket. Another of his famous novels, 'Stuart Little', was also crafted in the space. White also wrote for The New Yorker magazine for decades. Along with William Strunk, Jr., he co-authored 'The Elements of Style', a guide to writing that is considered one of the most influential books ever written.



CASH SALES & HEDGING TOTALS

CORN 2017 CROP

50% SOLD
10% HEDGED
40% UNPROTECTED



CORN 2018 CROP

20% SOLD
10% HEDGED
70% UNPROTECTED



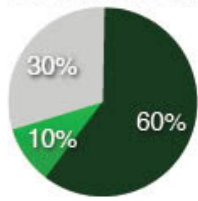
CORN 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



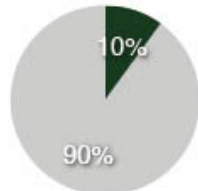
SOYBEANS 2017 CROP

60% SOLD
10% HEDGED
30% UNPROTECTED



SOYBEANS 2018 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



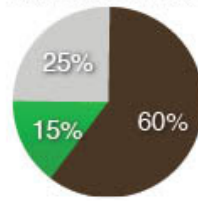
SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



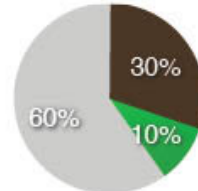
WHEAT 2017 CROP

60% SOLD
15% HEDGED
25% UNPROTECTED



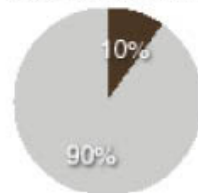
WHEAT 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



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