

GOOD MORNING: 08/09/17 Farm Direction - VanTrump Report

1 message

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

Wed, Aug 9, 2017 at 7:09 AM



"You know you are getting old when everything either dries up or leaks." - Roy Rogers

WEDNESDAY, AUGUST 09, 2017

[Printable Copy](#) or [Audio Version](#)

Morning Summary: Bulls are pausing a bit as North Korean threats move back into the headlines. A speech delivered by President Trump yesterday threatened to meet the country's nuclear ambitions with "fire and fury," the most aggressive response to North Korea's continued testing of weapons programs yet. The heightened tensions and what some interpret as the U.S. threatening "war" could understandably leave some bulls looking to bank a portion of their profits and become a bit more risk averse. In U.S. economic data, the number of job openings in June jumped to a record high of 6.163 million from a previous 5.702 million. Openings outpaced hiring, indicating employers are having a tough time finding "qualified" applicants. In theory, it also points to the possibility of wage inflation. Today's economic data includes Productivity and Costs and Wholesale Trade. We will also hear from Chicago Fed President Charles Evans, who is scheduled to speak about current economic conditions and monetary policy. Earnings are still trickling in, though most major U.S. companies have already released their results. Today's earnings highlights include Mylan, Novo Nordisk, Twenty-First Century Fox and Weibo. Turning to oil markets, WTI prices remain weak on an EIA forecast that lifts projections for U.S. oil output both this year and in 2018.

Glen Campbell "Rhinstone Cowboy" Dies at 81: Country music star, Glen Travis Campbell, known best for his iconic recording of "Rhinstone Cowboy," passed away yesterday of Alzheimer's disease at the age of 81. During his career he released more than 70 albums and sold more than 45 million records. He was also a member of the Country Music Hall of Fame. Many might not know this, but originally, Campbell was a Los Angeles session musician, playing on hits by the Monkees, Elvis Presley, Frank Sinatra, Merle Haggard, the Mamas & the Papas, among many others. Campbell was born and raised in Arkansas where he learned to sing and play guitar. By the age of 18 he had formed a band and moved to California. Shortly after arriving in California, Campbell earned the reputation of being an excellent guitarist, playing on records by Bobby Darin and Rick Nelson. Following Brian Wilson's breakdown and retirement from the road in 1965, Campbell became a touring member of the Beach Boys for several months. At the end of his tenure as the group's temporary bassist, the Beach Boys offered him a permanent spot in the band, but he turned them down when they wouldn't allow him to have an equal cut of the group's royalties. Throughout the late '60s he recorded several hit singles under the umbrella of Capitol Records. Also in 1969, he began a film career, appearing in the John Wayne movie True Grit that year and Norwood the following year. In 1975 his mega hit single "Rhinstone Cowboy" became the number one single in the U.S. on both the country and pop charts. Click [HERE](#) to see the video!

VAN TRUMP CONFERENCE 2017

December 6, 2017

Full MARKET Outlook



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Trump Delivers Harsh Warning To North Korea: Donald Trump in a press conference yesterday warned North Korea that it will be met with "fire and fury like the world has never seen" if they continue to escalate their nuclear threat. The President also warned that North Korean ruler Kim Jong-un "best not make any more threats to the U.S." U.S. intelligence agents have determined that North Korea has produced a miniaturized nuclear warhead, which could in theory be mounted on a missile. It is not believed that the capability has been tested, according to the sources. The U.S. official familiar with the analysis of North Korea's missile and nuclear program says, in reference to North Korea's leader Kim Jong Un's boasts about the program, "we have to take him at his word and we need to be prepared to deal with it." The Washington Post first reported details of the assessment on Tuesday just hours after North Korea threatened 'physical action' in response to punitive sanctions unanimously passed by the United Nations Security Council over the weekend. U.S. Ambassador to the United Nations Nikki Haley called the newly approved sanctions as "a gut punch" and warned of possible military action should the regime continue its aggressive actions. Those military options include launching a "preventative war" against North Korea, according to White House national security adviser H.R. McMaster. North Korea was estimated to have between 13 and 30 nuclear weapons at the end of 2016, according to the Institute for Science and International Security. (Sources: CNN, Washington Post)

EIA Raises Both 2017 & 2018 U.S. Oil Production Forecasts: U.S. producers are seen pumping away, even with the price of West Texas Intermediate crude lingering below \$50 as barrel, according to the latest government estimates. Domestic output will average 9.91 million barrels a day next year, the U.S. Energy Information Administration said in its monthly Short-Term Energy Outlook released yesterday. That's up from 9.9 million barrels estimated in July. The agency lowered its 2017 WTI crude estimate to \$48.88 a barrel from \$48.95. Brent crude, the global benchmark, was revised down to \$50.71 this year, compared with a prior estimate of \$50.79 in July. Price forecasts for both WTI and the global benchmark Brent in 2018 remained unchanged from July's estimates of \$49.58 and \$51.58 respectively. For 2017, domestic production is seen at 9.35 million barrels a day, up from 9.33 million in the July outlook. Global production is forecast at 100.21 million barrels a day next year, compared with a 100.20 million estimated in July. Demand is seen at 100.02 million barrels a day next year, up from 100 million. During the April-through-September summer driving season of 2017, U.S. regular gasoline retail prices are forecast to average \$2.37 per gallon, +14 cents per gallon higher than last summer. Annual average U.S. regular gasoline retail prices are forecast to be \$2.33 per gallon in both 2017 and 2018. (Sources: EIA, Bloomberg)

Japanese Car Makers Pay Up To Grab U.S. Market Share: For the first time in nearly a decade, Japan's auto makers have overtaken Detroit's Big Three in the U.S., their largest market. The Japanese managed this feat last month, data this week showed. U.S. car sales were off 7% from a year earlier, but the fall came mostly from General Motors, Ford and Chrysler. Japan's car makers, including Toyota, Honda, Nissan, Mazda and Subaru, picked up market share, with Toyota moving close to a first-place tie with GM, each holding almost 16% of the U.S. car market. It comes at a cost, though. Toyota posted a -46% drop in fiscal-first-quarter operating income in North America—its largest market, good for more than 700,000 cars a quarter—despite 8,000 more cars sold. The reason: higher

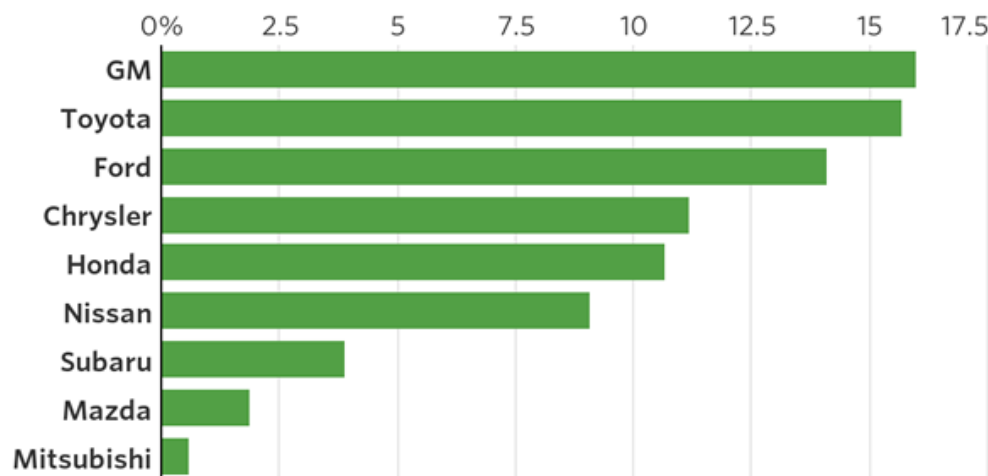
Here are a few of this year's early sponsors



marketing expenses. Overall, inventories are the largest since 2009. To keep moving merchandise, everyone is offering big incentives, as generous as cash back plus 0% financing for six years. The average for all makers in July was approximately \$3,640 a car, up more than \$200 from a year earlier. Toyota's and Nissan's incentives, however, rose by twice that and Mazda's by almost three times that. (Source: Wall Street Journal)

Lion's Share

U.S. car market share



Source: Nomura

THE WALL STREET JOURNAL.

Weather forecasts are calling for cool and dry conditions to continue for the Midwest, as well as beneficial rains in the southern Plains. Weather forecasts are calling for mild temperatures across the Midwest through the next week to 10 days. While these conditions are very favorable, the unusually cool weather throughout the Corn Belt may actually be slowing down crop development, despite mostly sunny skies. In addition, pockets of dryness and drought still are affecting some areas, primarily west of the Mississippi River. In Iowa, topsoil moisture was rated 56% short to very short on August 6. On the Plains, cool weather prevails. Soil moisture shortages remain acute on the northern Plains. On August 6, North Dakota led the nation in rangeland and pastures rate poor to very poor at 78%, followed by Montana at 68% and South Dakota at 67%. Hot mostly dry weather will continue to impact the Northwest for the remainder of the week. In addition, wildfire smoke trapped by in the atmosphere will maintain poor air quality in the Northwest. 1 to 3 inches and possibly higher totals can be expected across portions of the central and southern Plains over the weekend, but the drought stricken northern High Plains should receive less than an inch during the next 5 days. Elsewhere, cool weather will continue in the central and eastern U.S., along with periods of heavy rain locally 2 to 4 inches from the Gulf Coast region to Georgia and the Carolinas. The 6 to 10 day for August 13 - 17 calls for below normal temperatures across a broad section of the country, including most areas between the Rockies and the Appalachians. Warmer than normal weather will be mostly limited to California, Florida, southern Texas, and along the Atlantic Coast states. Meanwhile, near to above normal rainfall across most of the U.S. will contrast with drier than normal conditions in the Great Lakes region.

A Look At Drought Situation in Iowa: *We continue to hear about pockets of dryness and drought in Iowa, so I wanted to take a look at how we got here. At the onset of July, drought was identified in only about 2% of the Midwest. The areas affected by drought in early July were located in Minnesota and Missouri, with just a touch of south central Iowa affected. By the end of the month, drought had expanded from northwestern Iowa to southeastern Iowa including an areas of severe drought in south central Iowa. At the end of July we now find drought conditions affecting 8% of the total area for the Midwest region. Below is a comparison between drought conditions from June 27 and the most recent on August 1. Below that is the Vegetation Drought Index which shows the short term drought affects on vegetation.*



LANSING

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Today In History

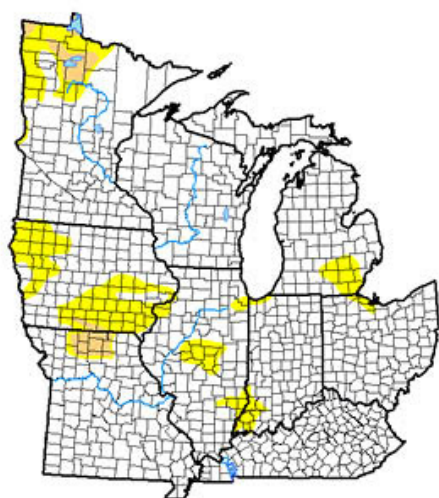


1969, Manson Cult -

Members of Charles Manson's cult kill five people in movie director Roman Polanski's Beverly Hills, California, home, including Polanski's pregnant wife, actress Sharon Tate. Less than two days later, the group killed again, murdering supermarket executive Leno LaBianca and his wife Rosemary in their home. The savage crimes shocked the nation and, strangely, turned Charles Manson into a criminal icon. Manson preached his own blend of eccentric religious teachings to his acolytes, who called themselves his "Family." He told them a race war between blacks and whites was imminent and would result in great power for the Family. Manson said they should instigate the war by killing rich white people and trying to make it look like the work of blacks. Roman Polanski (Rosemary's Baby, Chinatown, The Pianist), was not the cult leader's intended target. Manson, an aspiring musician, chose the Polanski house because he had once unsuccessfully tried to get a recording deal from a producer who used to live there. Polanski was out of town at the time of the murders, but his wife and her friends, including coffee heiress Abigail Folger, were shot or stabbed to death. Manson stayed out of the Polanski house on the night of the crime and didn't take part in the LaBianca killings either. However, he would later be charged with murder on the grounds he had influenced his followers and masterminded the crimes. After initially eluding police

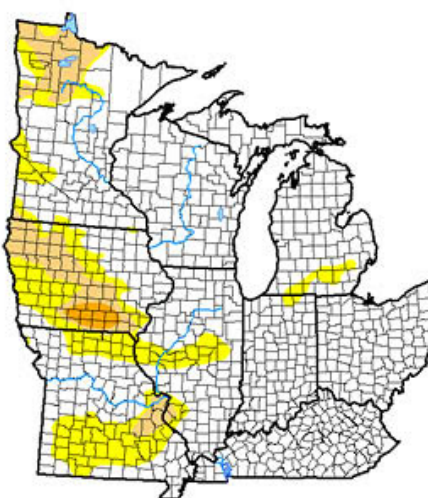
June 27, 2017

(Released Thursday, Jun. 29, 2017)



August 1, 2017

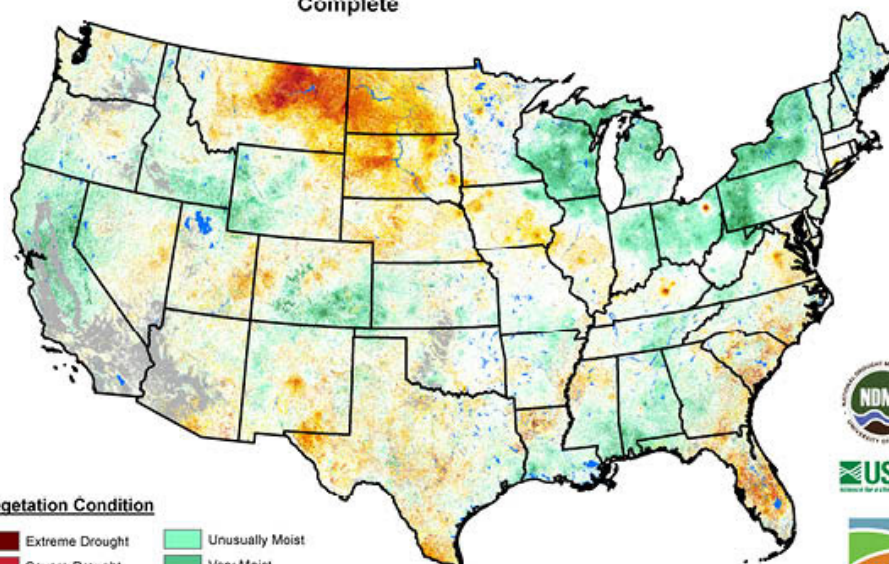
(Released Thursday, Aug. 3, 2017)



Vegetation Drought Response Index

Complete

August 6, 2017



Vegetation Condition

Extreme Drought	Unusually Moist
Severe Drought	Very Moist
Moderate Drought	Extreme Moist
Pre-drought stress	Out of Season
Near Normal	Water



suspicion, Manson was arrested only after one of his followers, already in jail on a different charge, started bragging about what had happened. Manson's subsequent trial became a national spectacle, in which he exhibited bizarre and violent behavior. In 1971, he was convicted and given the death penalty; however, that sentence became life behind bars when the California Supreme Court overturned the death penalty in 1972.



1974, President Ford - In accordance with his statement of resignation the previous evening, Richard M. Nixon officially ends his term as the

37th president of the United States at noon. 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. Richard Nixon was the first U.S. president to resign from office. 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." Ford, the first president who came to the office through appointment rather than election, had replaced Spiro Agnew as vice president only eight months before. In a political scandal independent of the Nixon administration's wrongdoings in the Watergate affair, Agnew had been forced to resign in disgrace after he was charged with income tax evasion and political corruption. In September 1974, Ford 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.

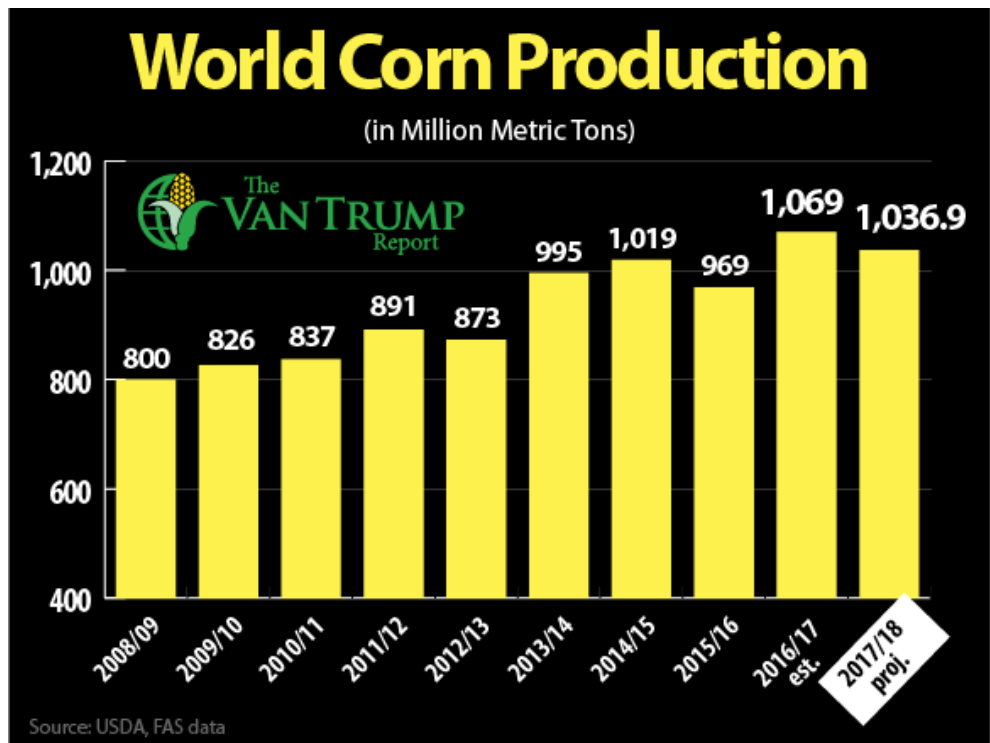


1985, Walker Spies - Retired U.S. Navy officer Arthur Walker is found guilty of espionage for passing top-secret documents to his brother, who then

passed them to Soviet agents. Walker was part of one of the most significant Cold War spy rings in the United States. The arrest of Arthur Walker on May 29, 1985, came just one day after the arrest of his brother, John, and John's son, Michael. All three were charged with conducting espionage for the Soviet Union. John Walker, also a Navy veteran, was the ringleader, and government officials charged that he had been involved in spying for the Soviets since 1968. He recruited his son, who was serving in the U.S. Navy, a short time later. Arthur Walker was drawn into the scheme in 1980 when, at his brother's suggestion, he took a job with VSE a

Corn prices continue to trade in an extremely narrow range ahead of tomorrow's USDA report. Most inside the trade are looking for the USDA to cut their yield estimate from its current 170.7 forecast down to something between 165 to 167. There is also talk of a slight reduction being made to harvested acres. Bottom-line, most seem to be looking for a -300 to -500 million bushel reduction to total U.S. production. As for "demand", nobody seems to be looking for much adjustment to old-crop ending stocks. We can obviously make the argument that new-crop ending stocks will be reduced by the lower production estimate, but there's also some bears wondering if new-crop exports aren't currently a bit overly optimistic. The bulls seem to be thinking new-crop ending stocks will drop sub-2.0 billion bushels, the bears on the other hand are taking the "over". As for U.S. weather, the bears are arguing that a large majority of the crop is going to enjoy cooperative and pleasant conditions down the homestretch. On the flip side, the bulls continue to point towards dry conditions causing production problems in some important parts of Iowa and Illinois and some devastated areas in the Dakota's. Regardless of the arguments and debate, it still feels like we are stuck in a longer-term trading range, with the \$3.40 to \$3.60 area being the downside of the range and \$4.10 to \$4.30 as the upside of the range. As a spec, I still believe it's best not to get chewed up in the middle as the market gyrates trying to find its direction. As an end-user, I think it's smart to be a buyer in the lower half of the range. As a producer, the upper end of the range remains my next target. As I sit here today, I could get a bit creative, and pencil in a 163 to 164 average yield estimate, but I'm thinking it's going to take a

and person in a 200 to 201 average yield estimate, but I'm thinking he's going to take a lower number than that to push prices north of \$4.10 per bushel. I'm not ruling that out of the realm of possibility, but as the clock keeps ticking and temps stay abnormally cool, the odds of a sub-162 U.S. yield seem to be decreasing. Keeping an eye on the latest weather forecast and tomorrow's USDA report.



Soybean prices are hovering between \$9.50 and \$10.00 per bushel as the market tries to determine the next 30-days of U.S. weather, the next set of USDA adjustments, and what will ultimately be total U.S. production. Most inside the trade seem to be thinking the USDA will lower their current 48.0 bushel per acre yield estimate, just slightly down to around 47.5 bushels per acre. Harvested acres could be trimmed a little bit as well. Throw on top an increase in old-crop export demand and there's a chance new-crop ending stocks could be lowered by -25 to -50 million bushels. Unfortunately that still keeps new-crop ending stocks north of 400 million bushels, and the bulls without much of a bullish balance sheet story. Weather obviously remains the wild-card and rain fall totals over Iowa and parts of Illinois remain of most importance. There's a lot of talk inside the trade about the extended forecast and how some key areas in the U.S. might go without enough moisture to properly finish the crop. Chinese demand headlines are also important. Even though Chinese crush margins have disappointed as of late, the latest data shows Chinese imports for July as record large. As a producer, I'm a bit more comfortable with my production estimates and still have new-crop bushels I could price. Since it's my final 30%, I'm going to stay patient for the moment, waiting to see a few more cards. As a spec, I like the thought of being a buyer, but only on a deeper break in price. I've been traveling around a lot as of late and despite the soybean crop not looking nearly as healthy and hearty as last year, it's still a long ways away from being considered a bad crop. I'm having an extremely tough time finding a way to pencil in a yield sub-46 bushels per acre. In fact that might even be a stretch to the downside, without some additional weather complications. Staying extremely patient...

suggestion, he took a job with VSL, a Virginia defense contractor. Over the next two years, the government charged, Arthur Walker provided John with a number of highly classified documents dealing with the construction of naval vessels. For his services, Arthur Walker received about \$12,000. A nasty divorce between John Walker and his wife eventually brought the spy ring to light when his wife, angry after their separation, went to the FBI to inform on her husband. It was revealed at their trials that the motivation of all the Walker men was the repayment of large debts they had accrued. Arthur Walker was found guilty of seven counts of espionage on August 9, 1985. He was sentenced to life in prison and fined \$250,000. John and Michael Walker later pled guilty to espionage charges, with John receiving two life sentences and Michael receiving 25 years in prison. A fourth conspirator, Jerry Whitworth, a friend of John Walker's, was convicted in 1986 on 12 counts of espionage and sentenced to 365 years in prison. With the arrests and convictions, the U.S. government claimed that it had broken one of the most destructive spy rings in the United States in the history of the Cold War.

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

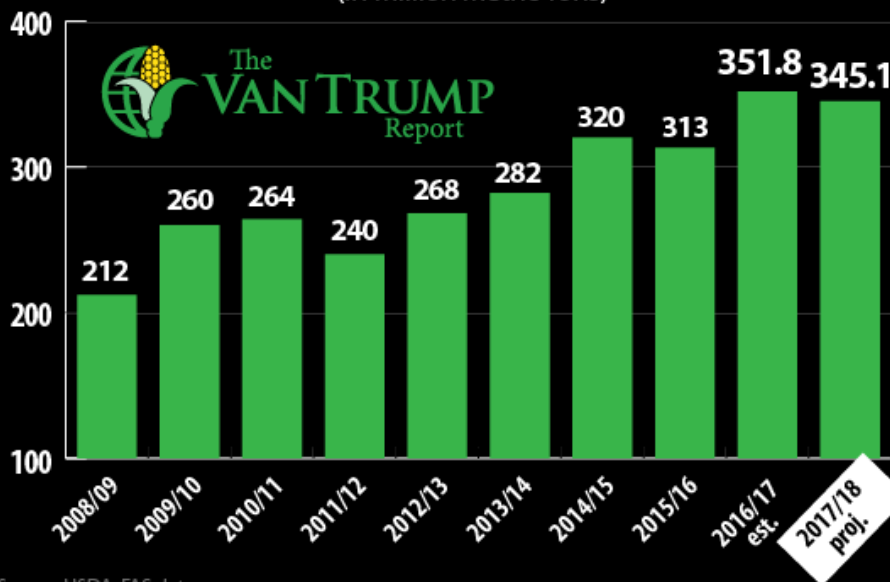
Mon. 11/5 - Daylight Saving Time Ends

Thurs. 11/9 - USDA Supply and Demand

Thurs. 11/23 - Thanksgiving - Markets Closed

World Soybean Production

(in Million Metric Tons)

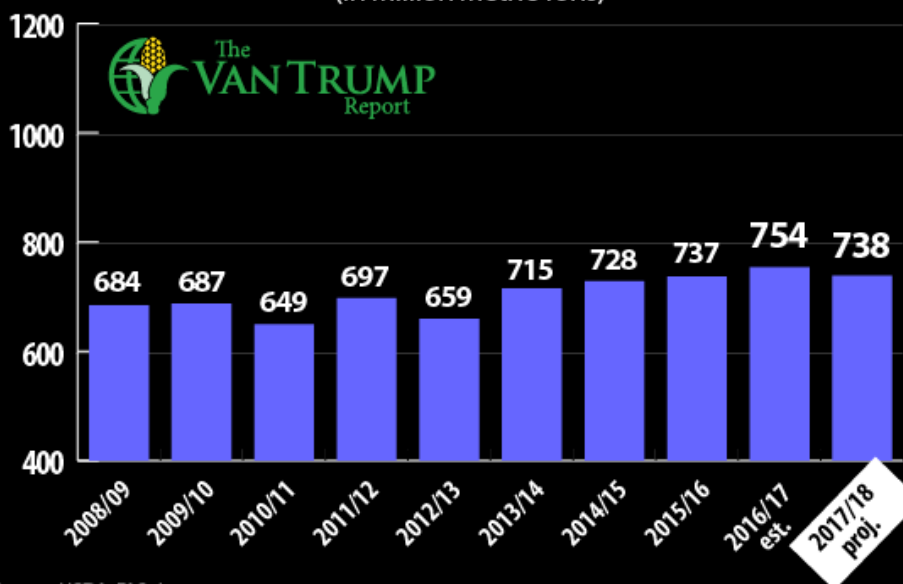


Source: USDA, FAS data

Wheat traders are finding very little fresh or new in the headlines. It feels like the crop production estimates coming out of Russia and Ukraine continue to take a turn for the better, while producers in parts of Australia, Canada, Europe and South America continue to report complications. Technically, the downside seems to be stabilizing and as a longer-term bull I'm hoping a large amount of the recent bleeding has been stopped. The USDA data shouldn't offer up much surprise, but all eyes will be on their reduction in Spring wheat. The bulls would like to see Spring wheat production cut to sub-375, the bears are hoping it stays north of 390. U.S. exports still remain competitive and global production doesn't appear to be growing, hence I continue to believe there is more upside potential than downside risk. I also believe escalating geopolitical tensions could ultimately provide additional upside tailwinds. Staying a longterm bull!

World Wheat Production

(in Million Metric Tons)



Source: USDA, FAS data

U.S Grain Stocks 2016/17

	Aug. Est.	Avg. Trade Est.	Trade Range	USDA July
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Kevin's Song of the Week

WHAT I'M LISTENING TO: ▶



▶ **Kenny Chesney** "Don't Happen Twice"

About the Report

NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's

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

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

A.M., FDIC

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

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

[More Testimonials](#)

My Own Personal Truisms

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

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

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

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

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

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

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

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

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.

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



> China Buyers Resell Soybeans As Crushers Lose Cash: *Two major Chinese soybean buyers have resold more than 500,000 tonnes of product in recent weeks, sources familiar with the deals said, amid growing concerns about losses among crushers and congestion at a major port in the world's top oilseed buyer. The resales appear to be isolated, but they stir worries about possible contract defaults as crushers incur big losses due to a supply glut and a logjam in the port of Rizhao, China's major crushing hub in eastern Shandong province. In the recent resales, Shandong Sunrise Group, a major importer, flipped four to five cargoes back to the market, said three China-based traders and one Singapore-based trader. Rapidly expanding crusher Shandong Sanwei Oil & Fat Group has also resold three cargoes, said two of the traders. The resales may have been triggered by a tightening of credit, said the four traders. Cargoes are sometimes shipped before the buyer has received a letter of credit (LCs). It was not clear if Chinese banks were tightening credit for the sector or if it is part of a wider clampdown on lending across the economy. (Source: Reuters)*

> EU Imposes Import Duties For Corn, Sorghum and Rye: *The European Commission has reintroduced import duties of Eur5.16/mt (\$6.09/mt) for corn, sorghum and rye imports into the trading bloc, effective August 8, according to Regulation 1434/2017 published Tuesday. The Commission said this will ensure that European producers are not put at a disadvantage in the current market conditions. The Commission said import duties should be fixed for the period from Aug. 8 and should apply until new import duties are fixed and enter into force. The individual tariff quotas are not affected by the measure. The measure was last used in 2014 when it was established at Eur5.32/mt. (World Grain)*

> Brazilian Truckers Again Blocking Highway: *Brazilian truckers are once again blocking highway BR-163 in protest of higher taxes on diesel fuel. The blockades in Mato Grosso started last Monday and they have continued at least through Monday of this week. The cause of this protest is an increase in taxes on diesel fuel of R\$ 0.46 per liter which translates to approximately \$0.56 per gallon. Truck drivers contend that they*

meter which translates to approximately \$0.30 per gallon. Truck drivers contend that they can barely make a living the way it is, much less with such a large tax increase on fuel. Exporters are worried that corn shipments are being impacted the most and there is a possibility that ports may run low on available corn supplies for export. The National Association of Grain Exporters (Anec) warned last Friday that if the protest continued this week, they might have to delay grain exports. (Source: Soybean & Corn Advisor)

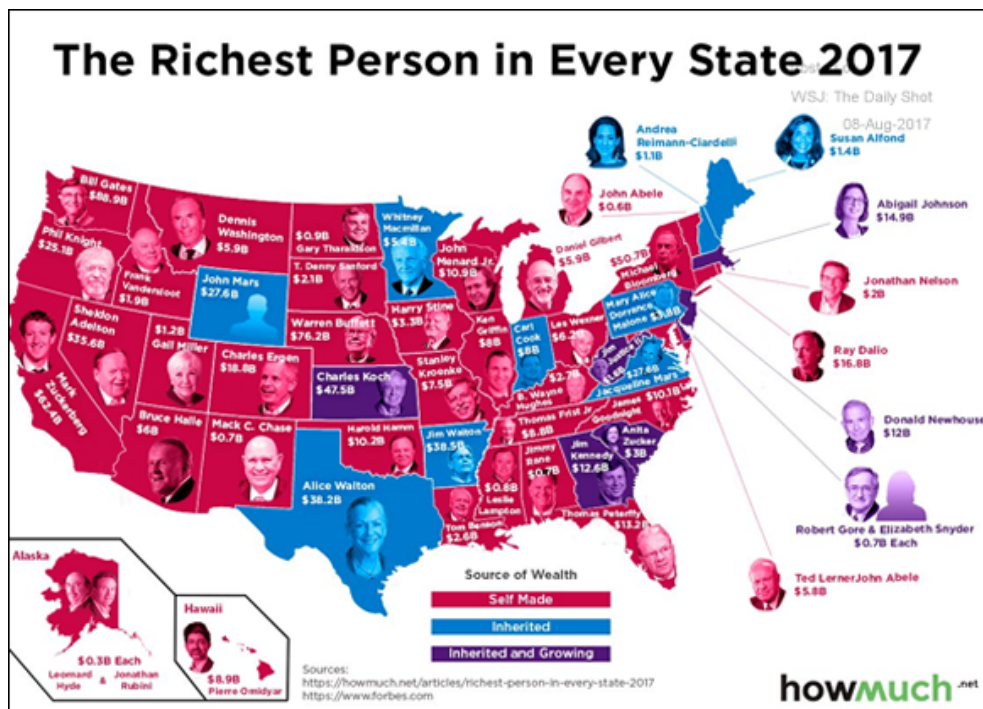
> Brazil Likely To Create Ethanol Import Quota: The Brazilian government is likely to adopt a quota system for ethanol imports, allowing 600 million liters into the country per year free of tax and imposing a 20 percent tariff on volumes in excess of that quota, cane industry group Unica said. Eduardo Leão, Unica's executive director, told Reuters on the sidelines of a seminar in Sao Paulo that the new policy has been discussed within the government and should be approved in an extraordinary meeting of Brazil's foreign trade chamber Camex on August 23. (Source: Reuters)

> Ag Secretary Will Be Involved In NAFTA Conversation: U.S. Ag Secretary Sonny Perdue says he plans on being in D.C. next week when formal NAFTA renegotiation talks begin. The secretary told reporters that he will be engaged in the conversation, and he'll work with U.S. Trade Representative Robert Lighthizer on ag issues. There are a few areas where Perdue wants to see changes - easing controls on Canadian dairy and timber and Mexican pork, for example - but his focus will be on protecting agriculture. "The mantra I've continued to promulgate in the White House is first of all, do no harm to ag," Perdue said. (Source: Politico)

> USDA Proposes Easing Restriction On Mexican Pork: USDA's Animal and Plant Health Inspection Service (APHIS) is proposing to recognize Mexico as free of classical swine fever (CSF), withdrawing an earlier proposal to recognize Mexico as a low-risk CSF region. Since USDA proposed the low-risk recognition in July 2014, the World Organization for Animal Health recognized Mexico as CSF-free. As a result, Mexico's government requested that APHIS suspend its rulemaking and instead continue evaluating Mexico's CSF status. APHIS reopened its evaluation and conducted a site visit in 2015. APHIS determined that current conditions support CSF-free recognition for all of Mexico. This newly proposed action would relieve CSF-specific restrictions on the importation of pork and pork products from Mexico, while continuing to protect the United States against this serious swine disease. The agency noted, however, that other animal health concerns related to the import of live swine and swine genetics have not yet been evaluated and will still need to be addressed before live swine and swine genetics may be imported from Mexico. (Source: MeatingPlace)

> Iranian Ports Record Rise In Import, Export of Oil Products: Iran's Ports and Maritime Organization has loaded and unloaded more than 4.477 million tons of oil products at its ports across the country over the last Iranian calendar month ending July 23. According to the latest data available on the organization's website, the figure has increased by 10.55 percent year-on-year. The available data indicates that Iran exported about 2.573 million tons and imported about 1.903 million tons of oil products through 20 ports. The country currently produces 513,500 tons of crude oil per day of which 230,000 tons are refined. Iranian ports saw loading and unloading of a total of 12.6 million tons of various goods and commodities, including food and metal products between June 22 and July 23. (Source: AzerNews)

> Richest Person In Every State 2017: The United States is known to have many millionaires and billionaires. But it turns out that not all states are equal when it comes to the rich and powerful. Where does your state fall? Take a look at the map below to see the richest person in every state. A photo of the richest person in any given state is superimposed on each state in the map, along with the person's name and net worth. States are color coded based upon how the richest person in that state attained his or her wealth: red for self-made, blue for inherited and purple for inherited and growing. There is a total of 52 wealthy individuals on the map because there was a tie in two states. An outright majority of the richest people in the states are self-made. Nearly all of the wealthiest people in Western states are self-made, while a more mixed group is found among the richest individuals in Northeastern states. Although the individuals found on the map represent the wealthiest person in each state, the net worth of each person varies to a significant degree. The West Coast - California, Oregon and Washington - is home to some of the wealthiest people in the country. The wealthiest person in states with a small population, like Midwestern America states, tend to have a relatively lower net worth compared to larger states. But there are a few notable exceptions, including the world's second wealthiest man Warren Buffet in sparsely-populated Nebraska. Click the map for a larger view. (Source: [How Much](#))



Northwest Colorado - We have received plenty of rain this season. Usually by June, the faucets seem to shut off around here. We are 2/3 irrigated and 1/3 not. We are looking at 300+ bushels for the first time ever. It is directly attributable to listening to those who are smarter than I am. Randy Dowdy probably said it best when he stated the most important thing you need to see in your field is your shadow. That plus going 2x2x2 this year versus 2x2 with the fertilizer has made a huge difference. It cost me nothing but a small mechanical change and the difference is huge. We also planted well later than most and my 73-year-old father was chomping at the bit to go but we waited and our corn still tasseled only 4 days later than the stuff that went in the ground nearly two weeks earlier. We normally will see 250-260 yields.

Southwest Minnesota - We need rain bad up here but I need it worse on my farmland in northwest Iowa. Up here we have only seen 6/10th's in the last month or so. 40 miles away in Iowa - the farm seems to be in a four-mile circle that is impervious to rain. Things there are bad. While out scouting for aphids, I have never seen a field of beans that I could still drive through on August 8th and not damage the canopy. The rain has been so close on more than one occasion that they could smell it. The heavier soil up north has held some moisture for a while but now, even it is showing signs of stress. I was able to get some of the risk off the crops in the last rally, hoping beans give us another shot at a profitbale price.

Southwest Ontario - All my beans that went into old hay ground look great, it is better draining soil. my worst ones are in the lower fields that have been cash cropped for years, more of a clay based soil underneath that the water just doesn't drain through. I seeded the soybeans June 4 and couldn't get in to spray until July 10th-15 but not many weeds even then because the fields were soaked. Looking today the fields are still soaking and now some ponds again, no weeds but the beans aren't growing. They are flowering and putting out little pods, but the plants are only 8-10 inches tall and not many leaves. If it was July 4th I would be happy to have a field like that. I'm sure all bets are off to make 40 bushels per acre.

CROSSING WIRES

A place to share intelligent thoughts...

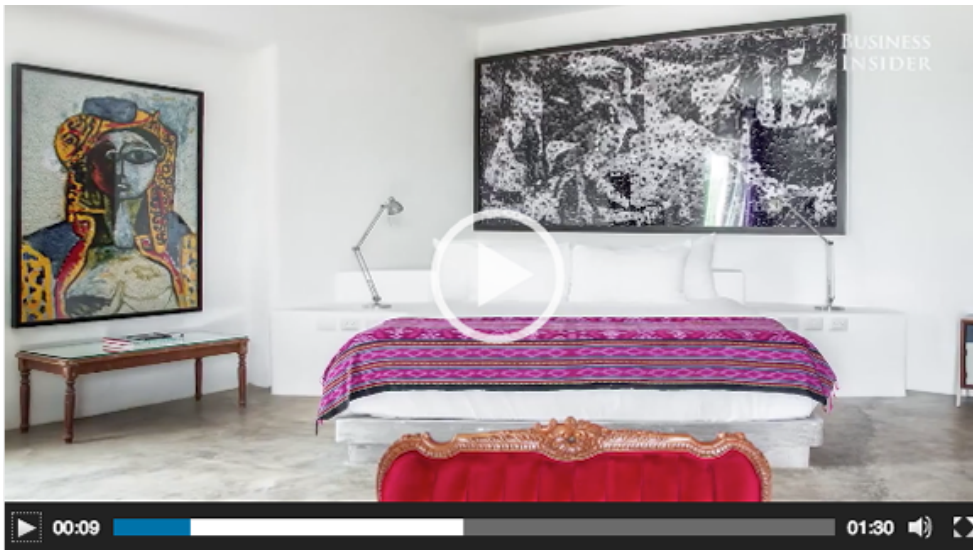
Assessing the Pulse of the Next Farm Bill Debate: From Carl Zulauf, Gary Schnitkey, David Orden, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign: Thirteen agricultural economists put together short papers describing issues that will surface during the writing of the next farm bill. For each issue, the author describes the "policy setting" and details "farm bill issues" that likely will arise during negotiations. Each issue then has a "what to watch for" summary. These papers, along with an overview, are presented in this [Farm Doc Daily article](#).

Americans Are Dying Younger, Saving Corporations Billions: Steady improvements in American life expectancy have stalled, and more Americans are dying at younger ages. But for companies straining under the burden of their pension obligations, the distressing trend could have a grim upside: If people don't end up living as long as they were projected to just a few years ago, their employers ultimately won't have to pay them as much in pension and other lifelong retirement benefits. Read more from [Bloomberg](#).

San Francisco Street Sells For \$90K: These days, the price of a San Francisco home can easily top a million dollars. But one savvy investor has bought up a whole street in the city's most exclusive neighborhood for a mere \$90,000. Trouble is, some of the extremely wealthy residents of Presidio Terrace were not aware their street was up for sale and are not pleased it has been sold. Thanks to a city auction stemming from an unpaid tax bill, Bay Area real estate investor Michael Cheng, and his wife Tina Lam, bought the street and now own the sidewalks, the street itself and other areas of "common ground" in the private development. Cheng says reaction to the sale has been less than neighborly. "I thought they would reach out to us and invite us in as new neighbors," Cheng told The Associated Press. "This has certainly blown up a lot more than we expected." Read more [HERE](#).

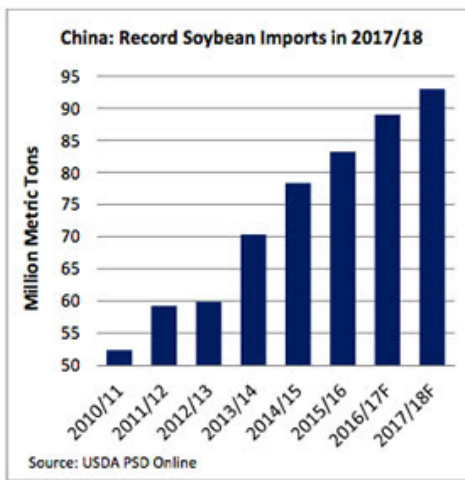
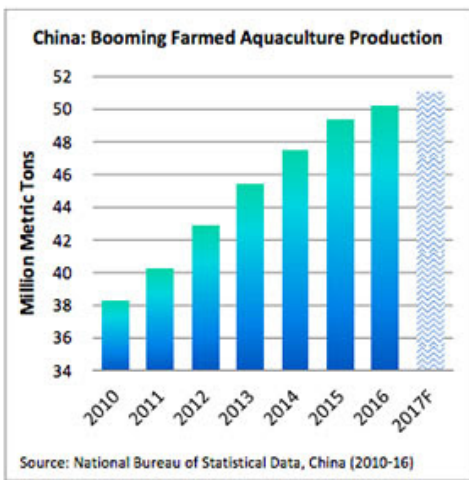
This Is What Personality Tests From Apple, Microsoft, Facebook, Google, and Uber Employees Reveal About Gender Differences: The issue of sexism in tech is finally entering the mainstream conversation in a big way. In light of the assertions about so-called biological differences in the now infamous anti-diversity memo from a Google engineer, the results of employee personality tests from several major tech companies take on an interesting meaning. Job matching platform Good&Co used their proprietary data to analyze the personality traits of 1,029 male and female employees from assessment tests that they gave at a few of tech's largest and most influential companies: Apple, Microsoft, Facebook, Google, and Uber. Check out details of their findings [HERE](#).

You Can Rent One Of Pablo Escobar's Former Mansions: You can stay in one of Pablo Escobar's former mansions for \$515 a night. The recently renovated estate is now luxury hotel Casa Malca, located on the Caribbean coast of Mexico in Tulum. Locals claim the so-called King of Cocaine, who headed up the Medellin Cartel that brought in more than \$91.5 million per day, built the whitewashed house in the 1980s. The 35-room hotel had sat empty for 14 years until being snatched up by art dealer Lio Lamca, who began renovations in 2012. Watch a video tour of the property [HERE](#). (Source: Business Insider)



A Deeper Look Inside Chinese Soybean Demand

Global soybean consumption is forecast to grow +4% in 2017/18 driven mainly by China's strong protein feed demand. This demand is projected to lift soybean imports to a record 93 million metric tons. Expanding hog populations, consolidation and modernization of the animal production sectors, as well as a growing aquaculture industry, are all driving total feed demand and production upward. China remains the top global producer of pork and currently holds over half of the world's hog supply, so without a doubt, rising pork production is the main driver of feed demand. However, China's fish farming is also leading the world's aquaculture growth and accounts for approximately 60% of globally farmed warm water species. In 2006, China's total artificially cultivated aquatic production was estimated at 31 million metric tons. Within the last 10 years, aquaculture has grown in importance, with production estimated at a little over +50 million metric tons in 2016. It's estimated that approximately 9 million metric tons of soybean meal is used in fish farming. Current feed production and consumption estimates suggest that soybean meal use doubled over the past 10 years. Another changing industry in China is dairy, which alongside aquaculture is transitioning from backyard farming to more intensive commercial production. Urbanization, rising incomes, and the two-child policy have contributed to growth in dairy consumption and growing consolidation and modernization of the industry. China's soybean imports continue to outpace last years record setting performance. Imports from the U.S. will more than likely be increased in tomorrows USDA report. In fact, the USDA has said on numerous occasions that China's demand for soybeans will continue to grow, creating more opportunities for U.S. producers and exporters. Keep your eye on tomorrows Chinese soybean demand and import numbers, any surprises will definitely influence our current price. In fact, I would guess, Chinese demand is currently the second most important headline, behind only U.S. weather. (Source: USDA, FAS Oilseeds: World Markets and Trade report)



What Do Baby Formula, Smartphones, and You Favorite Weather App Have in Common???

Did you look up today's forecast on your weather app? You can thank the National Science Foundation, the National Oceanic and Atmospheric Administration, and the CIA. Do you use baby formula? Then you can thank NASA. You probably wouldn't even be reading this story online without government money for technology and science, and you definitely wouldn't be sharing it with friends over email or social media. During the past several decades, U.S. government funding has been responsible for a host of surprising things we often take for granted in everyday life. Here are just a few of the widely used products that would most likely be missing from our lives without research and funding. I know there's a lot of frivolous spending in Washington, and a ton of fat could definitely be trimmed, but some of our tax dollars are going to some great causes and are making a difference in the world. (Source: [National Geographic](#))

1. The Internet: *the U.S. Defense Advanced Research Projects Agency (DARPA) started looking into ways to link computers to one another in 1973; the resulting network, ARPANET, was up and running by 1977. Later, in the 1980s, the National Science Foundation (NSF) took control of the majority of Internet-related funding. The agency eventually offered commercial access to their network, and in 1995, the internet became a fully public system open for business.*



2. Smartphones: *In the 1990s, NASA was trying to make miniature cameras for interplanetary spacecraft and ended up developing the image sensors that are now common in cell phones, as well as in webcams and DSLR cameras. You can thank the NSF, NASA, and the CIA for your favorite compact device that allows you to read this email and take selfies. And researchers at the University of Delaware developed the first touchscreens using funding from the National Science Foundation and the CIA.*

3. GPS Navigation: *No longer a technology available only to the U.S. military, the global positioning system is now nearly ubiquitous in cars and smartphones. Developed by the Department of Defense in the 1970s, this radio navigation system relies on a constellation of at least 24 satellites. Plus, those satellites were launched into orbit on government funded rockets from air force bases.*

4. Baby Formula: *The liquid mixture that has been a boom for many parents wouldn't be nearly as nutritious if NASA had not been trying to develop a bio regenerative fuel for long-duration space travel. During the*

course of that research, scientists stumbled upon a type of algae rich in the omega-3 fatty acids normally found in breast milk. Now, the supplement is in 90% of commercially available infant formulas.

5. Weather Apps: *Weather junkies would be stuck without the National Science Foundation funded work that ultimately led to the development of weather-detecting Doppler radar, plus detailed forecasts from the National Weather Service and Storm Prediction Center, which are apart of NOAA. No matter how the information is delivered, people across the U.S. rely on the forecasting models developed by NWS meteorologists, who are constantly tweaking their formulas to improve their prediction power.*

Bush's New Role As "Artist-In-Chief"

Former President George W. Bush has been very busy in his new role as an artist. His painting "hobby" has turned into a full-fledged career that includes a best-selling book and, soon, a second art exhibition. The 43rd president's portraits of world leaders are slated to go on display, for one day only, at a conservative conference in Steamboat Springs, Colorado on August 25. His "Art of Leadership" series will be on display for attendees of the Freedom Conference and Festival, which brings together conservative and libertarian thinkers. The collection features his portraits of world leaders that he met while in office, which includes Russian President Vladimir Putin, German Chancellor Angela Merkel and even himself. The ten paintings from his "Art of Leadership" series will, unfortunately, not be accessible to the general public. Event coordinator Schubert Akin explains, "As much as I would have loved it, it would have added to the security costs, and we wouldn't have known how many people were going to show up." Earlier this year, Bush debuted a portrait series in a book, "Portraits of Courage," which rose to No. 1 on the New York Times bestsellers list. The coffee-table book includes his oil paintings of American military veterans. Bush also wrote all of the accompanying stories, which explain how each featured veteran "dealt with setback and then mounted a recovery." The full-color portraits are all of military members that have served our Nation since 9/11, and whom President Bush has come to know personally. Some of those paintings are actually on display at the George W. Bush Presidential Center, an exhibition that runs thru October 1. Bush's hobby was revealed to the world back in 2013 when a hacker posted two unfinished self-portraits that he had allegedly emailed to his sister, Dorothy. Apparently, Bush took up painting after leaving office in 2009. He explained in an interview earlier this year that he was inspired by British Prime Minister Winston Churchill, who painted extensively, Bush told friends and family that he found painting relaxing and that he hoped it would inspire others to try new things. He worked with several art teachers, one of which he notably told that he wanted to discover his "inner Rembrandt." At the exhibit opening at his Presidential Library, Bush told attendees, "You have to understand when you're the president you are going at 100 miles per hour and the next day it's zero. I had this anxiousness to keep moving and to learn something." Check out the President's book [HERE](#), and learn more about his art exhibit and library [HERE](#).

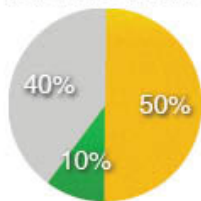




CASH SALES & HEDGING TOTALS

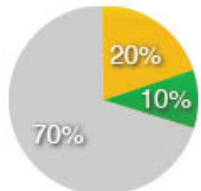
CORN 2017 CROP

50% SOLD
10% HEDGED
40% UNPROTECTED



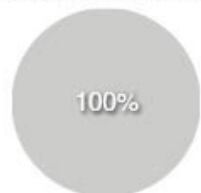
CORN 2018 CROP

20% SOLD
10% HEDGED
70% UNPROTECTED



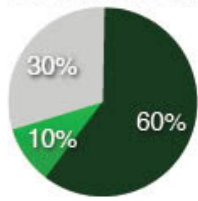
CORN 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



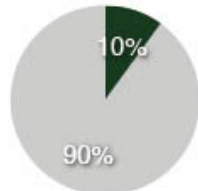
SOYBEANS 2017 CROP

60% SOLD
10% HEDGED
30% UNPROTECTED



SOYBEANS 2018 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



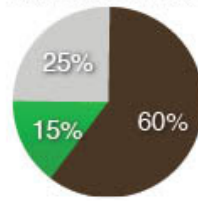
SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



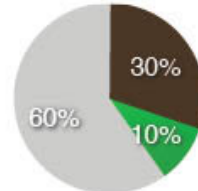
WHEAT 2017 CROP

60% SOLD
15% HEDGED
25% UNPROTECTED



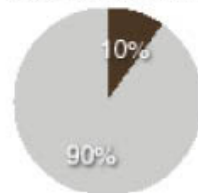
WHEAT 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



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