

GOOD MORNING: 08/14/17 Farm Direction - VanTrump Report

1 message

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Mon, Aug 14, 2017 at 7:25 AM



"People who help others are not trying to be useful, but are leading a useful life. They rarely give advice, but rather only good examples." - Paul Coelho

MONDAY, AUGUST 14, 2017

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Morning Summary: Investors continue to grapple with the ongoing tensions between the U.S. and North Korea, but as we return from the weekend there seems to be a slightly reduced possibility of war. Late Sunday, U.S. Secretary of Defense Jim Mattis and Secretary of State Rex Tillerson wrote that the Trump administration was continuing to seek diplomatic solutions to seek the "irreversible denuclearization" of North Korea. In return the stock market is higher and trying to regain some of last weeks losses. I should note that the cryptocurrency "Bitcoin" continues to surge higher, now trying north of \$4,000 dollars, quadrupling it's value this year, and up over +40% in just the first few weeks of August. Traders have also turned decidedly more bearish against the U.S. dollar, as large traders are now holding their highest net short positions since the Spring of 2014. On the economic front, there are really no major reports due out today and no scheduled Fed speakers. Earnings wise, nearly three-quarters of S&P 500 companies have reported and topped earnings estimates, showing they are on track for +10% growth. Keep in mind, President Trump is still in the middle of his working vacation, and both the House and Senate are out for the August recess. There is still a ton of uncertainty surrounding a possible government shutdown health-care, tax reform and infrastructure spending. We also have a wave of geopolitical headlines surrounding Russia, North Korea, Venezuela, China, etc... Outside of the political tensions, I suspect traders will carefully dissect the Federal Reserve's July meeting "minutes" scheduled for release this Wednesday. Investors will be particularly keen on what Fed officials were saying about inflation last month, as fresh data this past week indicates it remains somewhat stagnant. Consumer prices have risen an unadjusted 1.7% over the past 12 months, up slightly from 1.6% in June. But on a core basis, which is watched more closely by Fed officials, consumer prices remained at a 1.7% annual rate, the same rate as in May and June. Coupled with a decline in producer prices, investors are questioning if the Fed will hold off raising interest rates again later this year. Dallas Fed President Rob Kaplan said on Friday that the Fed needs more evidence of progress toward its inflation goal before raising rates again, but other officials have reiterated that they are confident inflation will begin to rise later this year. Other economic data this week will primarily focus on U.S. Consumer Spending. With most sources thinking that at least 70% of our economy is fueled by consumer spending, retail sales figures will be of great importance. It's interesting that while Consumer Confidence is currently at or near its highest level in 16-years, Consumer Spending is still very restrained. I should also note that data released last week showed U.S. mortgage delinquencies at 10-year lows and employment continuing to improve. Throw on top fairly inexpensive energy cost and the continued ability to borrow money at a relatively cheap rate, and it's tough to build an extremely bearish scenario for the stock market. A couple of not so explainable reasons might be the fact August is historically the most volatile month in the market, followed by September and October, which have the reputation of hosting the deepest stock market selloff's. I've read several psychological studies through the years that believe the markets selloff in the Fall might be related to our internal "hunter and gatherer" type wiring. Meaning as the weather starts to change, our internals kick in to harvest our crops and prepare ourselves for the troubles and tough times that might be ahead. Hence, taking some risk off the table and squirreling away the nuts, might tend to be somewhat hardwired. There's also some strange and unexplainable uncertainty surrounding the upcoming total solar eclipse on August 21st. Academic

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study after study has found that human behavior and even the markets are indeed affected or somehow influenced by solar changes, astronomical and astrological phenomena. Keep in mind the continental U.S. hasn't seen a total solar eclipse since Feb. 26, 1979. As always lots of moving parts and a lot to think about...



China Says They Would Remain Neutral If North Korea Attacks U.S.: *China won't come to North Korea's help if it launches missiles threatening U.S. soil and there is retaliation, a state-owned newspaper warned Friday, but it would intervene if Washington strikes first. The comments from the influential Global Times came after U.S. President Donald Trump stepped up his rhetoric against North Korea again on Thursday, saying his earlier threat to unleash "fire and fury" on Pyongyang if it launched an attack may not have been tough enough. The Global Times newspaper is not an official mouthpiece of the Communist Party, but in this case its editorial probably does reflect government policy, experts said. China has repeatedly warned both Washington and Pyongyang not to do anything that raises tensions or causes instability on the Korean Peninsula, and strongly reiterated that idea Friday. In an editorial, the Global Times said China should make it clear to both sides: "when their actions jeopardize China's interests, China will respond with a firm hand." They added, "If the U.S. and South Korea carry out strikes and try to overthrow the North Korean regime and change the political pattern of the Korean Peninsula, China will prevent them from doing so."* (Sources: Washington Post, CNBC)

America's Drinking Problem Is Much Worse This Century: *Bloomberg's John Tozzi recently wrote in an article, "Americans are drinking more than they used to, a troubling trend with potentially dire implications for the country's future health-care costs. The number of adults who binge drink at least once a week could be as high as 30 million. While underage drinking has declined in recent years, adult consumption increased across all demographics. Excess drinking caused on average more than 88,000 deaths in the U.S. each year from 2006 to 2010, the Centers for Disease Control estimates—more than twice the number of deaths from prescription opioids and heroin last year. The CDC says drinking too much is responsible for one in 10 deaths among working-age Americans. Read more at [Bloomberg](#).*

These Places Spend The Most On Their Children's Education: *When it comes to investing in a child's education, parents in Hong Kong spend the most; on average over \$130,000 from primary school all the way through to university. Next is the UAE where parents spend almost \$100,000 on average, followed by*

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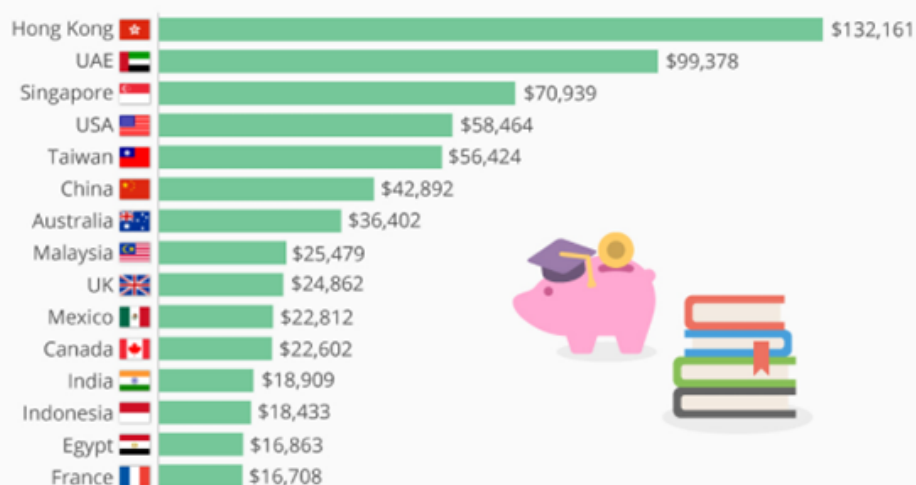


Singaporean couples at \$70,000. In the US – home to six of the top 10 global universities – parents spend an average of \$58,000 – less than half the average spend in Hong Kong. That's according to a new study by HSBC, which looked at how much parents in different countries and territories around the world spend on their children's education. The average spend in France is the lowest of the 15 countries surveyed, at just \$16,000. It's a similar story for India, Indonesia and Egypt, where parents all spend less than \$20,000 on average on their children's education. French parents are also pretty pessimistic about their offsprings' prospects. Less than half (42%) are confident of a bright future for their children, compared to the global average of 75%. Those with the most optimistic views can be found in Asia, almost one in nine parents in India (87%) are optimistic about their children's future, and 84% of parents in China said they felt the same. (Sources: Statista, World Economic Forum)



Who Spends the Most on Their Child's Education?

Average spend from primary school to undergraduate level



@StatistaCharts Source: HSBC



Today In History



1784, Three Saints Bay - On Kodiak Island, Grigory Shelikhov, a Russian fur trader, founds Three Saints Bay, the first permanent Russian settlement in Alaska.

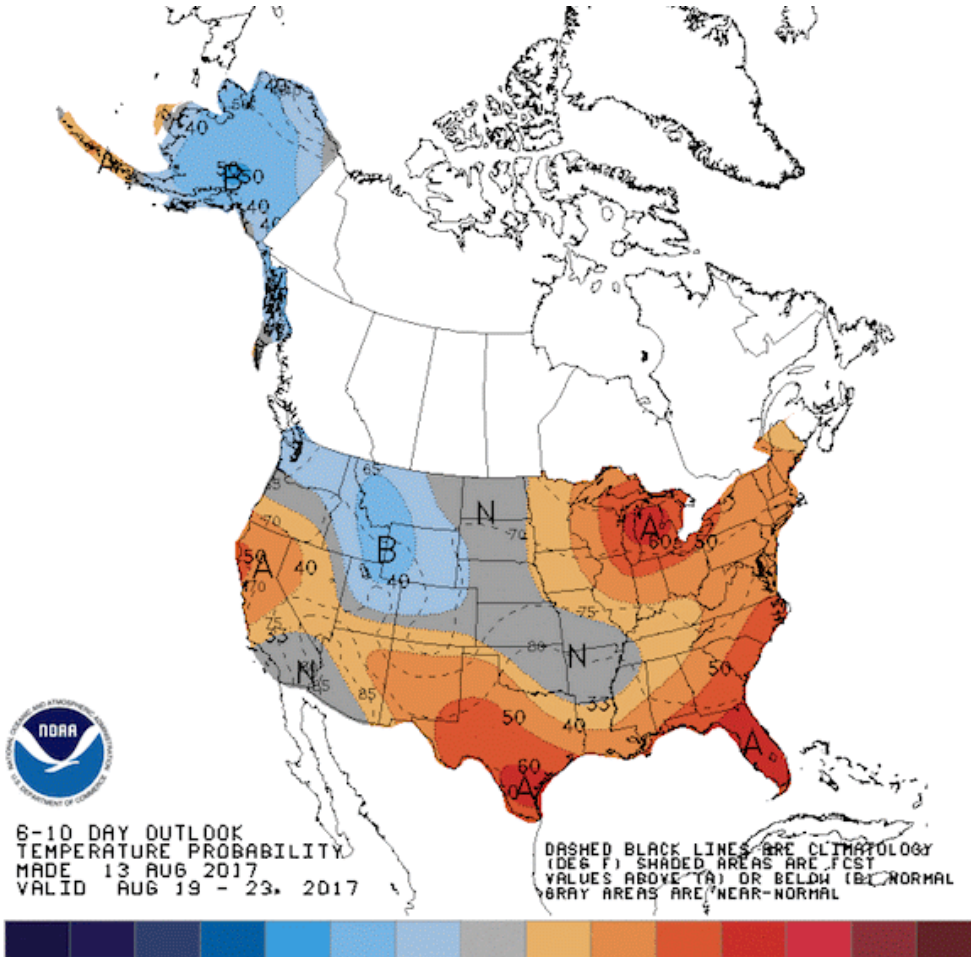
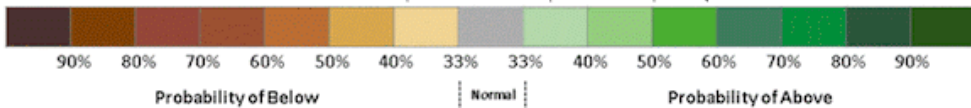
The European discovery of Alaska came in 1741, when a Russian expedition led by Danish navigator Vitus Bering sighted the Alaskan mainland. Russian hunters were soon making incursions into Alaska, and the native Aleut population suffered greatly after being exposed to foreign diseases. The Three Saints Bay colony was founded on Kodiak Island in 1784, and Shelikhov lived there for two years with his wife and 200 men. From Three Saints Bay, the Alaskan mainland was explored, and other fur-trade centers were established. In 1786, Shelikhov returned to Russia and in 1790 dispatched Aleksandr Baranov to manage his affairs in Alaska. Baranov established the Russian American Company and in 1799 was granted a monopoly over Alaska. Baranov extended the Russian trade far down the west coast of North America and in 1812, after several unsuccessful attempts, founded a settlement in Northern California near Bodega Bay. British and American trading vessels soon disputed Russia's claims to the northwest coast of America, and the Russians retreated north to the present southern border of Alaska. Russian interests in Alaska gradually declined, and after the Crimean War in the 1850s, a nearly bankrupt Russia sought to dispose of the territory altogether. The czarist

Weather continues to call for favorable conditions for filling corn and soybeans across a large portion of the Midwest due to near to below normal temperatures. However, drought stress continues in some areas of the southern and western Corn Belt. In the 6 to 10 day outlook, there's some good chances for rain across the Corn Belt, but there is still uncertainty. Southern Plains areas have generally favorable conditions for developing crops. Moderate rains over the weekend benefited crops overall, especially for planting hard red winter wheat in September. Below is the 6-10 day forecast.

*****Little Chance for El Nino/La Nina This Year:** The NOAA's Climate Prediction Center has released their update on El Nino/La Nina conditions for August. In summary, ENSO-neutral conditions are favored through the remainder of 2017. These predications along with the demise of the recent Pacific warmth and continued near average atmospheric conditions over the Pacific, lead forecaster to favor ENSO-neutral through the winter. However, some chance for El Niño (15-20%) or La Niña (25-30%) remains during the winter. ***



6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 13 AUG 2017
VALID AUG 19 - 23, 2017



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 13 AUG 2017
VALID AUG 19 - 23, 2017

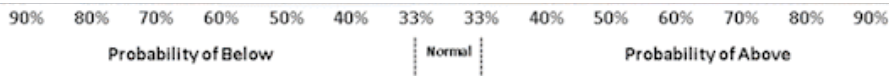


government first approached the United States about selling the territory during the administration of President James Buchanan, but negotiations were stalled by the outbreak of the American Civil War. After the war, Secretary of State William H. Seward, a supporter of territorial expansion, was eager to acquire the tremendous landmass of Alaska, one-fifth the size of the rest of the United States. On March 30, 1867, Secretary of State William H. Seward signed a treaty with Russia for the purchase of Alaska for \$7.2 million. Despite the bargain price of roughly two cents an acre, the Alaskan purchase was ridiculed in Congress and in the press as "Seward's folly," "Seward's icebox," and President Andrew Johnson's "polar bear garden." In April 1867, the Senate ratified the treaty by a margin of just one vote.



1933, Tillamook Burn - A devastating forest fire is sparked in the Coast Range Mountains, located in northern Oregon, 50 miles west of

Portland. Raging for 11 days over some 267,000 acres, the blaze began a series of fires that struck the region at six-year intervals until 1951 that became known collectively as the Tillamook Burn. The first Tillamook Burn fire—which began around noon on August 14, 1933—was sparked in a logging operation located on the slopes above the North Fork of Gales Creek, west of the town of Forest Grove. An official investigation of the fire found that it stemmed from friction produced when loggers dragged a large Douglas-fir log across a downed tree, igniting a large amount of logging debris in the area. Weather conditions—including an unusually high temperature of 104 degrees Fahrenheit, with only 20 percent humidity—helped ignite and spread the blaze, and within an hour, the fire had destroyed 60 acres of the surrounding land. Present-day roads and highways in the region had not yet been built, and the remote location of the logging operation meant that the loggers were forced to fight the fire largely by themselves. Some 3,000 men, including loggers, local farmers and volunteers and several hundred members of the Depression-era Civilian Conservation Corps, battled with the fire over 10 days as it burned through some 40,000 acres. On the night of August 24, strong east winds spread the blaze over 240,000 more acres in only 20 hours, making it one of the fastest-growing forest fires of the 20th century. Though its spread was eventually stopped by rain, the devastation caused by the blaze primed the region for future forest fires. In 1939, another fire raged over more than 200,000 acres of the Coast Range, including 19,000 acres of previously untouched forest. In 1945, two fires burned 182,000 acres, and in 1951, another two fires consumed more than 32,000 more. All told, the fires of the Tillamook Burn damaged or destroyed a



Corn traders continue to argue about "weather" and "yield drag" in key U.S. production states such as Iowa and Illinois. Needed rains have missed some important pockets of production and the debate surrounding overall U.S. yield continues to wage on. The bulls are saying the impact of "variability" in Iowa and several other key production states makes the current +169 USDA yield forecast extremely difficult to swallow. The bulls also point to the extreme differences in opinion surrounding the weekly crop-condition numbers and what was recently released as individual state estimates by the USDA. In other words the bulls are saying those numbers just don't add up or make a lot of sense. I think were some of the confusion is coming into play is the fact the Monday afternoon weekly crop-condition estimates are a bit more opinionated and subjective based on the FSA agent who is submitting thoughts on his or her specific county condition. Keep in mind for some counties it might only be one FSA agents opinion that week of what he or she is hearing or seeing from out in the field. Where we start to get confused is when we try and take those weekly crop condition numbers from the FSA and make them fit perfectly in line with the monthly data collected by NASS in the farmer surveys and objective field sampling. I constantly battle that myself and it's tough to get my hands around the differing processes and data collection. The market trades around the weekly condition numbers and opinions inside the trade on a regular basis, then constantly gets caught offside when the USDA delivers what is believed to be a more objective number. I also think this is an extremely tough year to be trying to forecast a national average. There have been many small weather extremes this season, ranging from heavy heat and limited moisture, to pockets of too much rainfall, too many cool temps, highs winds, hail, etc... The problem is with this much "variability" spread across the U.S., you can darn near hook your horse to either the bullish or the bearish wagon and feel somewhat confident about your agreement. I've visited and talked to producers across the U.S. who think they might see some extremely strong production, at the same time, I've talked to just as many producers who say the top-end is clearly gone and their production is going to be significantly lower this year. To reference a real estate investor, it's all about location, location, location this crop year. Depending on where you drive your truck and or who you talk to more regularly on the phone, opinions are going to vary, which is going to make it extremely difficult this season to come up with an accurate forecast prior to having detailed harvest data. I've already seen a ton of producers down South underestimate their crop yield, especially on many dry land acres. They are simply harvesting numbers that are much better than anticipated. Up until this past week, after being forced to digest the latest USDA data, I had been taking the "under" on a 165 yield estimate. In other words, I was thinking perhaps we would eventually see the U.S. yield drop down to 162 or 163 by year end, but I also thought the USDA was going to cut more than they did in this last report. I'm now forced to regroup a bit and move my numbers higher, more like 165 to 166. I also have to take into consideration the cooler than normal temps and some good wide-spread late finishing rains for many areas. Yes, I understand some important production areas have not gotten the needed moisture, but I also understand I need to listen to the market more than I do all of the "opinions" currently floating around. I suspect today's weekly corp-condition numbers will again further confuse the trade. As a producer, I want to keep all hedges in place. I'm concerned that prices may still work themselves lower. As a spec, I still believe we are rangebound, with the lower end being in the \$3.40 to \$3.60 range and the upper end being in the \$4.10 to \$4.30 range. I see no reason to get chewed up in the middle while the market debates opinions and facts .

combined total of 355,000 acres (554 square miles) of the country's richest timberland.



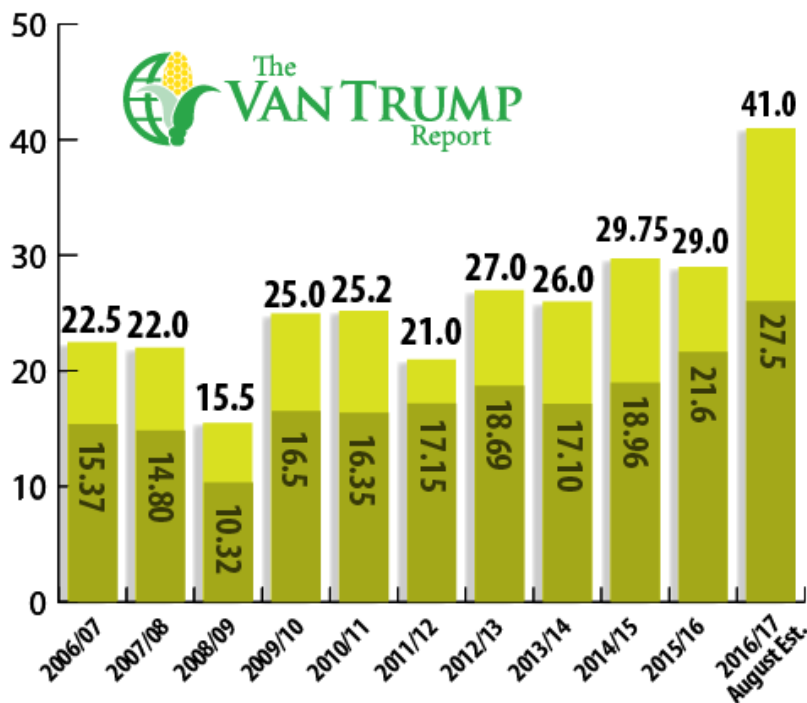
1945, WWII - An official announcement of Japan's unconditional surrender to the Allies is made public to the Japanese people. Even though Japan's War Council, urged by Emperor Hirohito, had already submitted a formal declaration of surrender to the Allies, via ambassadors, on August 10, fighting continued between the Japanese and the Soviets in Manchuria and between the Japanese and the United States in the South Pacific. In fact, two days after the Council agreed to surrender, a Japanese submarine sank the Oak Hill, an American landing ship, and the Thomas F. Nickel, an American destroyer, both east of Okinawa. In the afternoon of August 14, Japanese radio announced that an Imperial Proclamation was soon to be made, accepting the terms of unconditional surrender drawn up at the Potsdam Conference. That proclamation had already been recorded by the Emperor. The news did not go over well, as more than 1,000 Japanese soldiers stormed the Imperial Palace in an attempt to find the proclamation and prevent its being transmitted to the Allies. Soldiers still loyal to Emperor Hirohito repulsed the attackers. That evening, General Anami, the member of the War Council most adamant against surrender, committed suicide. His reason: to atone for the Japanese army's defeat, and to be spared having to hear his Emperor speak the words of surrender.

Upcoming Events

- 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

Argentina Corn Production & Exports

2016/17 Production Exports



Source: USDA, Updated with August 12, 2017 WASDE numbers

Soybean prices backpedal on cooperative weather. The bulls continue to talk about a USDA yield that is thought to be overly optimistic, some sources saying perhaps by two to three bushels per acre. The bulls are also pointing to extremely strong demand. On the flip side, the bears are seeing cooler than normal temps, good finishing rains and some extremely strong looking crops showing up in several important production areas. The bears are uncertain about the USDA's recent bump higher in new-crop exports. Saying that Chinese demand is definitely strong, but the Chinese soybean crop is going to be better than last year and that the record crop in South American is allowing their exporters to win more business than the USDA is currently forecasting. Bottom-line, the bears believe the current USDA yield estimate is fairly close at 49.4 bushels per acre and that "demand" headlines might have to take a step backwards in the weeks ahead. The bears also argue that even if yield comes down a bit, there's a strong chance the USDA will be adding to an already record number of planted U.S. soybean acres. There also seems to be a bit more geopolitical trade uncertainty brewing. With North Korea directly bordering China, there's more uncertainty than ever about how things could unfold if the U.S. takes full-blown military action. It's certainly not a problem as of yet, but definitely on our radar. As a spec, I can certainly see the longer-term bullish appeal of this market, but I just don't see a nearby reason to take the risk. If prices were to break a lot further, say perhaps down in the \$9.00 to \$9.20 range, like I've mentioned being the possibility, then I would become much more interested from a value perspective. I just see 50 cents of fluff in either direction right here and I don't want to play the "guessing game". I think there are easier shots to take. I continue to hold my short straddles from \$9.50 and \$9.60 vs. the NOV17 contract. To this point these have been big winners...sticking with them. As a producer, I'm still upset that I didn't get another 2018 sale made at \$10.25 when I had the opportunity. I had the order in place for several weeks then bumped it a hair higher to \$10.30 and missed the sale in it's entirety. Now here we are trading back down near \$9.60 and I'm kicking myself. As always, bears make money, bulls make money, but pigs get slaughtered.... I shouldn't have gotten greedy! As for my estimated new-crop production, I'm sitting on my hands for a while with 70% already priced at good levels. No need to get in a hurry now. I will continue to watch the weather forecasts to try and best determine how the pods are going to "fill" across the U.S.. Weather still remains the biggest "wild-card".

Thurs. 11/23 - Thanksgiving - Markets Closed

Kevin's Song of the Week



About the Report

NEXT

level

THINKING

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

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

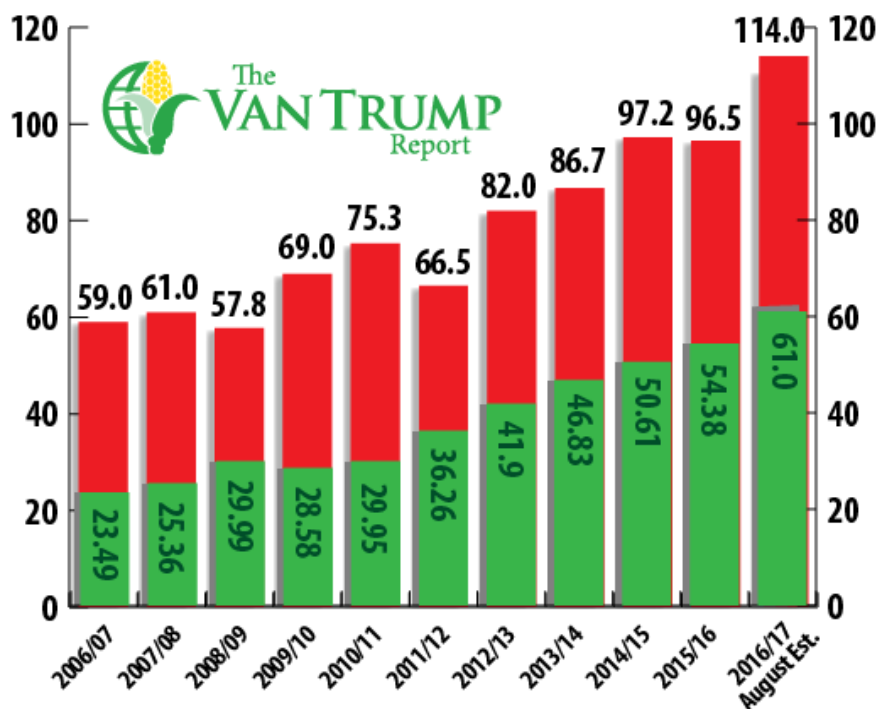
What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific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

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

Kevin Van Trump

Brazil Soybean Production & Exports

2016/17 ■ Production ■ Exports



Source: USDA, Updated with August 12, 2017 WASDE numbers

Wheat prices have tumbled more than -\$1.00 per bushel from their mid-July highs. The bulls want to know when the USDA is going to start making deeper cuts to their production forecast? Most suspect some of the acreage reductions involving "abandonment" will come in the Annual Small Grains Summary at the end of September. Until then the trade will more than likely stay focused on global production estimates and geopolitical headlines. There's a lot of uncertainty surrounding both, so I suspect we might start to see volatility picking back up. As both a producer and a spec, I remain a conservative longer-term bull, despite the aggressive pullback in price. In fact I will consider adding to my bullish spec position if we continue to backpedal. I believe it's a matter of "when" not "if" we run into a supply side problem involving spring wheat. Will it pull SRW and HRW wheat higher in its wake, that the big question? Probably not wildly higher, but I have to imagine eventually spring wheat helps put some wind behind the sails of the entire wheat market. I also see geopolitical tensions and headlines that could spill over and become decidedly more bullish for wheat. Another factor is that equity managers are sitting on huge gains in the stock market and have been known to cross-hedge as winter weather concerns and other oddities begin creeping into the headlines. Just keep in mind, some of these bigger moving pieces might not come to fruition for an extend period of time, so we have to be able to weather the storm nearby. Meaning do NOT allow yourself to get overextended with the bullish bets, respect the nearby downward pressure and the markets ability to inflict more pain nearby on the bulls. Longer-term, I still believe there's a bullish story...

Kansas Winter Wheat forecast for 2017 at 324.3 million bushels, just 69% of last year's production. Yields dropped from 57 bpa in 2016 to 47 bpa this year. More details below.

What Others Are Saying

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

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past 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..."

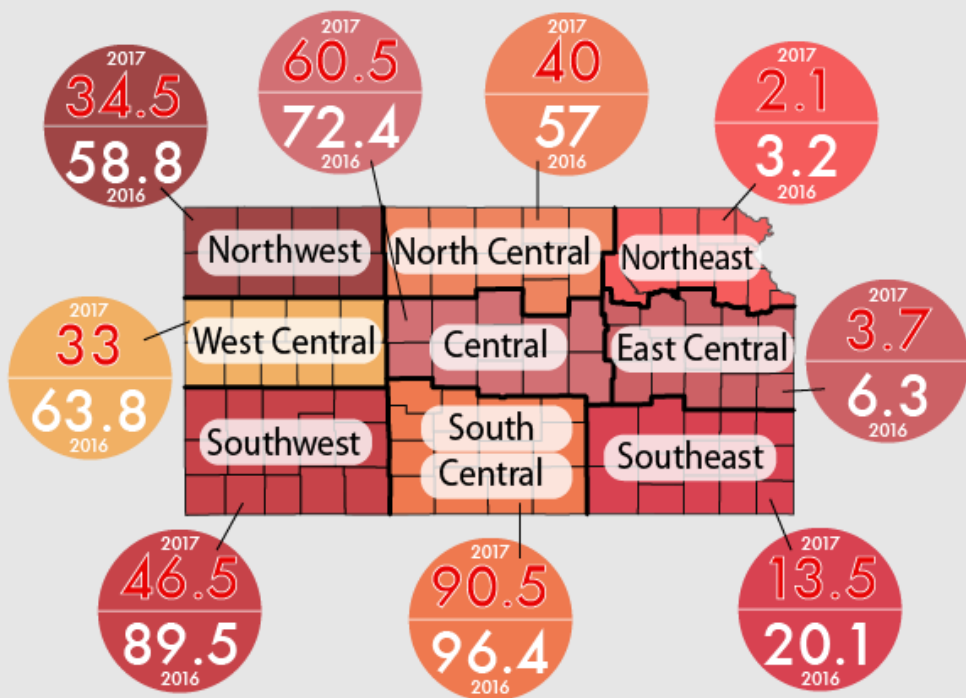
"Bulls make money, Bears make money, but pigs get slaughtered..."

"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.

Kansas Winter Wheat Production

69% of Last Year's Production (in million bushels)



Kansas Winter Wheat Production by District, 2016 and Forecasted August 1, 2017

District	Area Planted		Area Harvested		% of Prev. Yr.	Yield		Production		% of Prev. Yr.
	2016	2017	2016	2017		2016	2017	2016	2017	
	1,000 Acres					Bushels per Acre		1,000 Bushels		
Northwest	940.0	830	912.9	770	84	64.4	45.0	58,770.0	34,500	59
West Central	1,071.8	980	1,034.5	880	85	61.7	37.5	63,801.0	33,000	52
Southwest	1,502.0	1,370	1,443.5	1,220	78	62.0	41.5	89,524.0	46,500	52
North Central	1,006.0	830	974.8	800	82	58.4	50.0	56,974.0	40,000	70
Central	1,350.8	1,210	1,305.5	1,140	87	55.4	53.0	72,389.0	60,500	84
South Central	2,027.0	1,850	1,951.4	1,790	92	49.4	50.5	96,431.0	90,500	94
Northeast	64.7	45	61.7	40	65	51.3	52.5	3,162.5	2,100	66
East Central	132.9	80	127.4	70	55	49.1	53.0	6,252.5	3,700	59
Southeast	404.8	305	388.3	290	75	51.8	46.5	20,096.0	13,500	67
State	8,500.0	7,500	8,200.0	6,900	84	57.0	47.0	467,400.0	324,300	69

Source: USDA, Kansas Crop Production Report, 08/11/17

- 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.

Farm Direction

RECIPES

★ FAMILY FAVORITES ★

- SENT IN BY OUR READERS -

Avocado-Pesto Pasta Salad w/ Fresh Corn

[CLICK TO SEE RECIPE](#)



> EU Egg Scandal Broadens: Romania and the Netherlands have reported finding the banned insecticide fipronil in eggs, in what has become a sprawling international scandal. Romanian food safety authorities seized a metric ton of liquid egg yolk imported from Germany, the country reported on Thursday, while Danish authorities said they found the insecticide in 20 metric tons of eggs imported from Belgium. The announcements from the two EU-member nations came hours after Dutch police arrested two company directors suspected of playing a significant role in the scandal. While authorities haven't named the company, Netherlands-based ChickFriend has been under investigation for purchasing a fipronil-laced treatment designed to kill mites in chickens to treat poultry farms in both Belgium and the Netherlands. Millions of chicken eggs have been pulled from European supermarket shelves as a result of the scare over the use of the insecticide and hundreds of thousands of hens may be culled in the Netherlands. (Source: Politico)

> Aldi To Deliver Groceries To Your Doorstep: Looking to slice into the U.S. food market, Germany's Aldi is partnering with Instacart, the Silicon Valley unicorn, to deliver groceries to American doorsteps. The move comes as grocers nationwide prepare for the looming threat of Amazon, which is set to gobble up Whole Foods by the end of the year. (Source: SeekingAlpha)

> Philippines Reports First Bird Flu Outbreak: The Philippines will cull 200,000 chickens, quails and ducks after confirming the country's first outbreak of bird flu, Agriculture Secretary Emmanuel Pinol said on Friday. The avian flu outbreak was detected on a farm in San Luis municipality in Pampanga province, north of the capital Manila, which later spread to five neighboring farms. There has been no case of human transmission although health officials are conducting checks on farm workers. The volume of birds to be culled was half of Pinol's initial estimate of 400,000, which he said was based on a preliminary evaluation and was later revised after inspection. Initial tests ruled out the highly pathogenic H5N1 as the virus strain, Dr. Celia Carlos told reporters, and samples will be sent to Australia for further testing. Culling should be completed within the next three days, said Pinol. The virus may have come from migratory birds from China or smuggled ducks, also from China, he said. (Source: Reuters)

> China's Updated Supply & Demand Numbers: There were few changes in supply and demand estimates by China's Ministry of Agriculture in August with harvests for major crops about to begin in coming months. The 2016/17 estimate of corn imports was raised by 200,000 mt to 1 mmt. According to MOA, the corn auctioned from reserves has not met demands of processors, so some switched to imports. As of last week's auctions, 40 mmt of corn had been auctioned from China's reserves since May. However, the MOA balance sheet estimates that the supply of corn for 2016/17 will still exceed consumption by 9.7 mmt. MOA revised its estimate of 2017/18 corn yields downward due to pest problems in certain areas--although the yield is still historically high. Corn production for 2017/18 will fall to 210.7 mmt, and consumption will exceed supply by 3.17 mmt in the coming market year, according to the MOA estimates. MOA raised its estimate of 2016/17 soybean oil imports to accommodate increased demand from a growing stream of rural-urban migrants discovered by the National Bureau of Statistics in its report on economic growth for the first half of 2017. (Source: Dim Sums)

> China Soybean Crushers Suspend Some Operations: Soybean crushers in China's Shandong province have suspended some operations due to port delays that are holding up import cargoes of the oilseed, and amid pressure from high soymeal stocks, industry portal Cofeed reported on Thursday. The cuts, though short term and with some plants already restarted, boosted soymeal prices and crushing margins, easing pressure on the market from a growing glut of meal. (Source: Reuters)

> Oil World Forecasts Plunge In Rapeseed & Canola Exports: Oil World say it is likely that world exports of rapeseed and canola in the 2017-18 marketing year will plunge by at least -2.0 million metric tons from the 16.5 million exported in 2016-17. They estimate Canada's exports will fall by -1.7 million metric tons while Australia's will plunge by -1.1 million. The consultancy notes there is "considerable uncertainty" about Canada's crop which has been damaged by severe drought conditions in many parts of the growing area. They also point out the wide-range of crop estimates in Australia.

> Ag Exports From Brazilian Port More Than Double In July: Agricultural exports out of the Port of Paranaguá in Brazil more than doubled to 1.8 million metric tons in July compared to 801,071 metric tons in the same month last year. It was the best July of all time, port officials said. The increase in productivity shows that agriculture in Parana is in good condition, and that the port is managing more customers, said José Richa Filho, secretary of state for Infrastructure and Logistics. Soybeans accounted for the bulk of exported products at 1 million metric tons. This is almost three times the 375,245 metric tons shipped in July 2016. Corn came in second at 358,000 metric tons, which is more than double the 177,000 shipped a year ago. According to the Organization of Cooperatives of Paraná (Ocepar), the export increases could be attributed to the large volume of soybeans produced in the first harvest and at the beginning of the second harvest. (Source: World Grain)

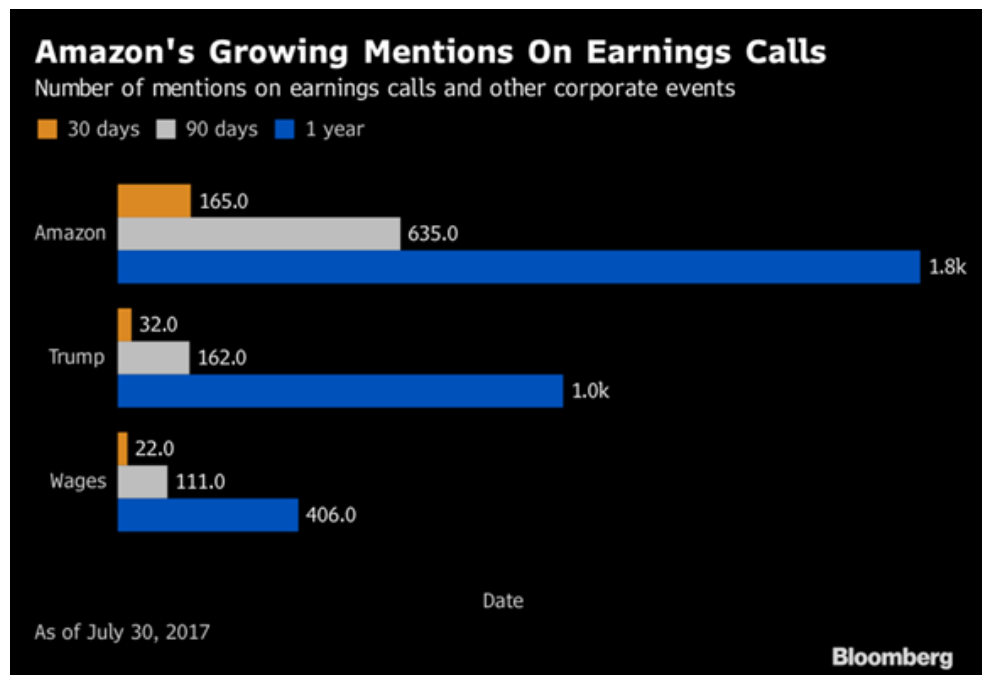
> Egypt Cotton Exports Up Nearly +20%: Exports of Egypt's prized cotton will hit 38,000 tonnes in the 2016-17 season ending this month, up 19 percent on last year's total, the head of a cotton exporting council told Reuters, as Egypt looks to win back market share lost after a 2011 uprising. Production of Egyptian long-staple cotton, famously used for luxury linens, has fallen sharply since political upheaval six years ago led to less enforcement of regulations, degrading the crop's quality. (Source: Reuters)

> Proposal Would Divert USDA Resources To Combat Opioid Crisis: Some members of Congress are backing legislation that would allow rural communities to use USDA resources to address the opioid epidemic. Illinois Congresswoman Cheri Bustos and Indiana Senator Joe Donnelly are proposing bills that would shift certain USDA

resources to substance-abuse treatment and other initiatives. The proposed legislation would set aside 20 percent of USDA's telemedicine grant funding and prioritize grant program applications focused on substance abuse prevention, treatment and recovery services. Bustos says rural communities are facing an addiction epidemic and Congress needs to provide resources to help small towns access health care and the tools needed to combat drug abuse and overdoses. (Source: Brownfield Ag)

> IEA Warns Of Slow Market Rebalancing: The International Energy Agency on Friday said weak OPEC compliance with production cuts was prolonging a rebalancing of the market despite strong demand growth. The IEA said OPEC's compliance with the cuts in July had fallen to 75 percent, the lowest since those curbs began in January. It cited weak compliance by Algeria, Iraq and the United Arab Emirates. The agency's monthly market report showed that at the end of the second quarter, commercial inventories fell 500,000 barrels a day to just 3 billion barrels. They say that even if the same level of drawdowns continued into the first three months of 2018, stockpiles would remain above their five-year average levels. The agency raised its 2017 demand growth forecast to 1.5 million barrels per day (bpd) from 1.4 million bpd in its previous monthly report and said it expected demand to expand by a further 1.4 million bpd next year.

> Executives Are Really Worried About Amazon: What keeps corporate leaders up at night? It isn't the chaos in Washington or rising worker pay. It's what Amazon.com Inc. is, or could be, doing to their business models, according to a Bloomberg analysis of earnings conference call transcripts. The expanding online behemoth has morphed from a retail category killer to a much broader enterprise that now competes with everything from high-end grocers to technology developers. It's safe to say corporate America has taken notice -- and is increasingly concerned about the competition. Looking at the last 90 days of earnings calls and other corporate events such as investor days, a trend emerges. Amazon comes up a lot. It was mentioned a staggering 635 times over that time frame, while President Trump came up just 162 times and wages were discussed 111, the earnings call data show. It's become even more pronounced over the past 30 days, with Amazon garnering 165 mentions compared with 32 for Trump and 22 for wages. (Source: Bloomberg)



Southern Iowa - We have been very dry for some time with no rains of any significance for weeks. We do not have any rain in the forecast for the next week to ten days. Both corn and beans have shown extreme signs of stress. The beans could still make a decent crop if we get rains during the rest of August. We have a lot of ground

that can easily make 200+ bpa corn but this year we will probably see a whole farm yield near 110 bpa. We have not seen the hot temps so that helps. The ears look the best on end rows but when you get out in a field the ears do not look good. Much of the crop is very dry and dead, which you usually don't see until closer to harvest. Most of the ears have dropped on dead looking stalks. We planted this crop with plenty of moisture, early in the year and didn't see any dryness while we were spraying the second time. The soybeans are not quite as bad as the corn but they need a rain immediately. They have a decent amount of pods on the plant but they are all flat right now and not filling.

Southcentral Indiana - There was a lot of replanting of corn around here this season due to all the early season rains. You will see a lot of holes scattered throughout the fields. Nothing too big though. We have some irrigated fields that could get near our APH of 175 bpa if we are lucky and the dry land will fight to get to 150 bpa. We were shocked to hear the USDA numbers as it sounds like everyone was but I was glad I pulled the trigger on some prior to the report coming out this morning. We have driven around and seen a lot of fields ourselves and honestly can't believe the August numbers.

Northwest Missouri - The weather here over the past couple of months have been terrible. I do have a relative a few counties to the east that have been worse than us. They usually average about 10" of rain and they have only had .40" overall. Our corn looked like it potentially could be my best crop ever three weeks ago, but then the bottom fell out. I am not even for sure why the crop looked so good but it did. The corn got planted into very cold soil and the weather has been all over the board ever since. We do not have much rain in the forecast over the next 7 to 10 days and the corn crop is changing daily. I am hoping that we will make 140 bpa if we can get some rains to finish things up. We should harvest in early October if all works out, with the moisture levels just above 20%, which I have found eliminates much of the waste and gives us a higher quality of grain. I had one of the worst crop emergence's ever, as they were very uneven. The beans have literally stopped growing right now.



ASA Leader Urges Patience In Quest For Dicamba Answers: A farmer leader with the American Soybean Association (ASA) is urging growers to be patient as work is being done to find out how dicamba damage to soybeans has occurred this season. Davie Stephens farms in western Kentucky and is Secretary of the ASA, "It's all come about in six weeks and to find an answer – you know, the golden egg – for what has happened on such a large scale in such a short period of time is really just really pushing the envelope. It's kind of unrealistic. Even me as a farmer, it's kind of unrealistic." Stephens tells Brownfield ASA leaders have been in close contact with the makers of the new dicamba technology, "I'm talking about Monsanto, BASF and DuPont Pioneer. We've been working with industry leaders to try to figure out what's going on, through many conference calls." Stephens says ASA is also working with state soybean checkoffs and the national checkoff, United Soybean board, on the dicamba issue as they all try to find out what's going on. While operator error is suspected in some dicamba product application, Stephens says "not all farmers became bad farmers in one year." Listen to the full interview [HERE](#).

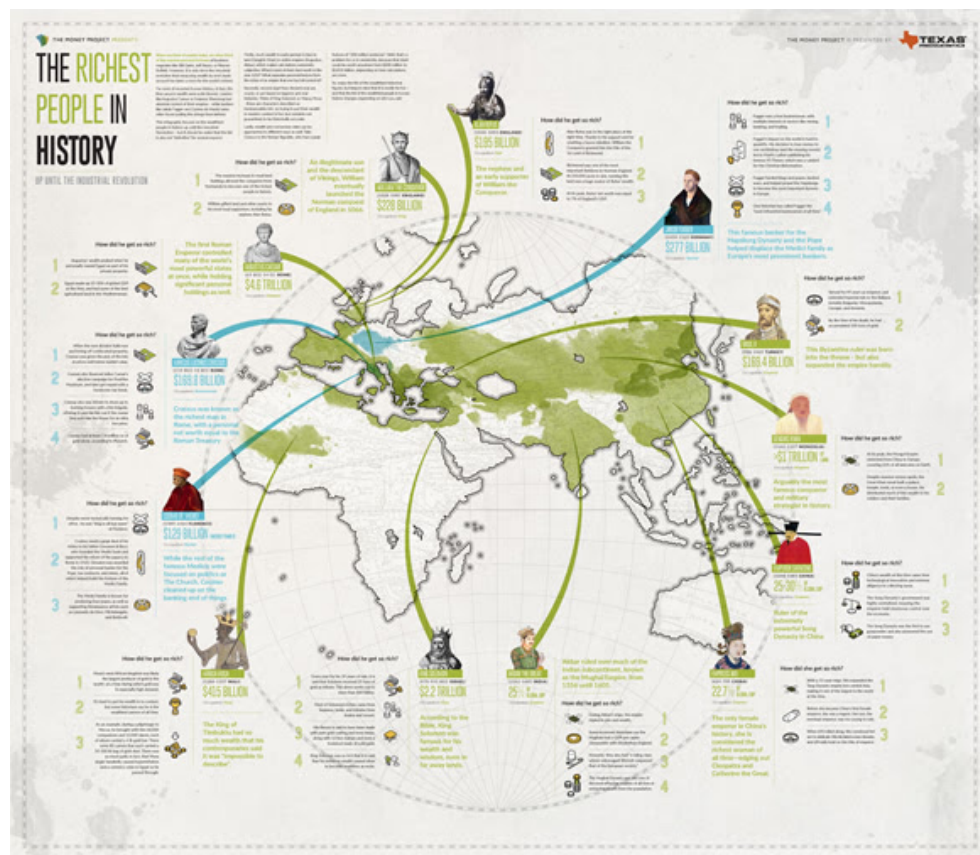
Who's Afraid of the Self-Driving Car? It's been 60 years since the cover of Popular Mechanics magazine gave us the promise of flying cars. But our personal mobility options remain, today and for the foreseeable future, earthbound. Will the promise of self-driving cars be as elusive? In short, no. The dream of taking a road trip in which we pay more attention to a new book or movie than we do to the driving task is well within reach. Still, we're not there yet. And people are just beginning to ask a very important question: How might our nation's roads and highways, and the driving done by we humans ourselves, need to change as autonomous vehicles become more ubiquitous? Read more [HERE](#).

Chinese Satellite Sends 'Hack-Proof' Message: China has successfully sent "hack-proof" messages from a satellite to Earth for the first time. The message was protected by exploiting quantum physics, which says any attempt to eavesdrop on it would make detectable changes. Using satellites avoids some limitations that ground-based systems introduce into quantum communication. The curious laws of the quantum realm dictate that any attempt to measure these key properties irrevocably changes them. By

encoding a key to encrypt data using entangled photons, it becomes possible to send messages confident that they have reached a recipient free of interference. More details about the science are available [HERE](#).

Anti-Tourism Marches Are Spreading Across Europe: With the continent sweltering under a heatwave nicknamed Lucifer, tempers have been boiling over, too, as a wave of anti-tourism protests take place in some of Europe's most popular destinations. Yet, as "tourism-phobia" becomes a feature of the summer, the World Tourism Organisation (UNWTO) has defended the sector, calling on local authorities to do more to manage growth in a sustainable manner. The focal point for much of this has been Spain, which had a record 75.6 million tourists last year, including 17.8 million from the UK. In Barcelona, where tensions have been rising for years over the unchecked surge in visitors and impact of sites such as Airbnb on the local housing market, Arran, the youth wing of the radical CUP (Popular Unity Candidacy), have been filmed slashing the tires of rental bicycles and a tour bus. An Arran spokesperson told the BBC: "Today's model of tourism expels people from their neighborhoods and harms the environment." Read more [HERE](#).

The Richest People in Human History: When we think of wealth today, we often think of the massive personal fortunes of business magnates like Bill Gates, Jeff Bezos, or Warren Buffett. However, it is only since the Industrial Revolution that measuring wealth by one's bank account has been a norm for the world's richest. For most of recorded human history, in fact, the lines around wealth were quite blurred. Leaders like Augustus Caesar or Emperor Shenzong had absolute control of their empires – while bankers like Jakob Fugger and Cosimo de Medici were often found pulling the strings from behind. This infographic from Visual Capitalist focuses on the richest people in history up until the Industrial Revolution. The site notes that while it is certainly fun to speculate on the wealth of people from centuries past, putting together the list was exceptionally difficult and certainly not definitive. A much larger version of the graphic and details about how they compiled the rankings is available [HERE](#).



Families Forever Changed By Dicamba

Below is a just a small portion and sample of a story written by David Koon, titled,

"Farmer vs. Farmer" and recently posted in the [Arkansas Times](#). I believe it's an extremely important article and needs to be read by all in the world of agriculture.

In a house at the edge of a cotton field in Monette, Arkansa the crops stretching away to the edge of the world in all directions, Karen Wallace talked about the husband she has to go on without. According to investigators, on Oct. 27, 2016, Wallace, who farmed 5,000 acres of corn, soybeans and cotton near the Arkansas/Missouri border, arranged by phone to meet Allan Curtis Jones, 26, of Arbyrd, Mo., on West County Road 38 north of the Mississippi County town of Leachville to discuss Wallace's suspicions that the farm where Jones worked was the source of "drifting dicamba" that had damaged some of Wallace's crops. Wallace, believed that at least 40 percent of his soybean crop had been damaged by drifting dicamba since June. He'd filed complaints twice with the Arkansas State Plant Board, the state agency that oversees claims of crop damage, about damage from drifting dicamba and had encouraged other farmers to report their damage as well. According to statements issued by Mississippi County Sheriff Dale Cook at the time of the shooting, Wallace and Jones met outside of Leachville. Jones told investigators that an argument had ensued. In the midst of it, Wallace, grabbed Jones by the arm. At that point, investigators say, Jones pulled away, pulled his pistol, and fired into Wallace's body until the magazine was empty. Wallace, a father of two who'd farmed in Mississippi County since he was a boy, was hit at least four times, and died in the dust on the south shoulder of the county road. Jones soon was arrested on a charge of first-degree murder, and later released on \$150,000 bond. Whether the shooting was self-defense or homicide will be up to a jury. Jones is scheduled to go to trial Sept. 11. Regardless, it's crazy to think everyone involved has had their lives turned upside down because of arguments and debates surrounding dicamba. Mike Wallace was born within three miles of the spot, and started his first crop at 17. Married her at 18. Put her through college so she could realize her own dream of being a teacher. Raised two kids and saw them have children of their own. He was, she said, a man always thinking of the community, the kind of guy who would go around town with his own equipment after rare snowfalls and clear the driveways of elderly folks who'd plowed their lives into the soil of Craighead and Mississippi counties. "He wasn't a farmer that farmed out of the seat of his truck," Karen said. "He was a hands-on farmer. He was in the field daylight until dark. That was just his life." Which is, of course, what makes his death so hard to understand. The day her husband was killed, Wallace said, she'd run an errand in Kennett, Mo. The harvest done, he was leveling ground. Though she knows now that Mike had gotten a number for Allan Curtis Jones from an acquaintance, she said he'd never mentioned the name to her or their son, Bradley, and didn't tell either of them he planned to meet outside of Leachville. "He told me, 'I'll be right back,' " Wallace said, "and that was that. I never talked to him again." As soon as her husband was killed, everybody seemed to know it immediately. Word got back to her quickly. Not knowing what else to do, she and several family members met at the gin in Monette, which is run by Mike's cousin. She called her sister in Jonesboro, pleading with her to get to her daughter, Kimberly, who was attending an event at Arkansas State University. By the time she did, Kimberly had already heard through a post on Facebook. There were over 1,000 people at Mike Wallace's funeral, the line to pay respects stretching out the door of the First Baptist Church and into the parking lot. When he was buried in the little cemetery in Monette, the farmers for miles around brought their tractors, a burbling second line, and ringed the paved lane around the graveyard. "I knew Mike had a lot of friends," Karen said. "But for that many people to pay their respects to Mike was just unbelievable. It was overwhelming." The death has been hard on the whole family. Kerin Hawkins, another Wallace sister, displayed two photos. One is of their mother, Mary, standing in deep cotton with son Mike two weeks before his death. Another shows Mary, at least 30 pounds lighter, surrounded by family at this year's Fourth of July celebration. Farming has changed since Wallace started, Karen Wallace said, and not for the better. "I think we're in a society where we want the easiest way out," she said. "The easiest way, the fastest way, regardless of who it hurts or what happens. But farming is not like that. Farming is hard work. There's work to be done now, and Mike Wallace is not here to do it. "We were raised to be there for each other. If one person was hurting in the family, you were there for them. You were there to back them up. You always had their back. It didn't matter. Mike would have done the same for us. He would be there fighting for us, and we're not going to let him down. Please read the entire article [HERE](#)



Are Smartphones Eroding Our Humanity?

Smartphones may be one of the most disruptive innovations of our lifetime and some of that disruption seems to be showing up in unexpected and disturbing areas. The gadgets have indisputably changed the way we communicate, consume entertainment and even how we shop, but there are serious concerns that they may be eroding our ability to relate and interact with one another. More than three-quarters of Americans now own a smartphone, which we spent an average of five hours a day on in 2016. That is nearly double the amount of time from 2013. When Apple introduced the iPhone, some 10 years ago, co-founder and then-CEO Steve Jobs promised a "revolutionary mobile phone." What started out as a "work tool" quickly became an entertainment device as platforms like YouTube, Angry Birds, Facebook and various social media sites were introduced. Unfortunately many are starting to believe all of this "connectedness" is having a troubling effect on our humanity, making us less aware of the personal and physical world around us. In March, the Governors Highway Safety Association projected an +11% bump in the number of pedestrians killed on roadways in 2016 compared to the previous year, the steepest year-over-year increase since they started keeping record. The report cites the "sharp rise" in smartphone use as a potential factor. Hawaii recently enacted a law that will fine "smartphone zombies," or pedestrians so distracted by their screens they are oblivious when crossing the street. New Jersey is considering a similar measure. We are not just less aware of the things around us, but the people as well. Smartphones affect how we connect with others, and some troubling new research shows that's especially true when it comes to parenting. A small study published this year from the University of Michigan Medical School and Illinois State University dubbed this "technoference," where the use of gadgets like phones by parents — say, checking an email or a text — can affect the interactions with their children, leading to issues ranging from anxiety to disruptive behavior. Another recent study suggests that smartphones and social media are behind a sharp rise in teenage depression and even suicide. The study from San Diego State psychology professor Jean Twenge found that teenagers today go out less with friends, are much less interested in driving and report feeling lonely more often. All in all, smartphones are a technology still in their infancy, and some experts suggest that we humans are still learning how to use it. As with numerous other things in our lives, moderation of our digital consumption is probably the healthiest approach. In her book, "The Power of Off," Nancy Colier explains that without open spaces and downtime, the nervous system never shuts down, which wears us out and greatly stresses our bodies. "It's connections to other human beings — real-life connections, not digital ones — that nourish our needs and make us feel like we count! Our presence, our full attention is the most important thing we can give each other." I hate it when I'm at a restaurant with my family and I look over and see another family all on there smart phones and not talking with one another. It's sad to see what is happening around us and how it is slowly isolating individuals and further disrupting our family bond. Put the phones away when you're all together!!! (Sources: USAToday, NY Times, PCWorld)



The Coolest Cat You May Not Know... "Magnus Walker"

You may not know the name Magnus Walker, but you certainly will want to hear his story. His journey of passion and faith has taken him through many doors he never intended. After dropping out of school at 15 he lived on the dole until 19 years old. When the reality of needing to do something finally sunk deep enough, he traveled to the U.S. His only plan at that time was to work as a camp counselor on the east coast. His life has been on a fast track ever since, but the last few years have pushed things into overdrive as he's become a huge business success, from fast cars to fashion, he's making it happen. Watch Magnus share his story that landed him on the stage of a TedTalk at UCLA. The first few minutes may be a bit slow but as he gets into his life journey, there are many great lessons that are worth your time. Click [HERE](#). (Source CNBC)

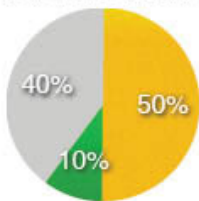




CASH SALES & HEDGING TOTALS

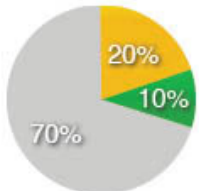
CORN 2017 CROP

50% SOLD
10% HEDGED
40% UNPROTECTED



CORN 2018 CROP

20% SOLD
10% HEDGED
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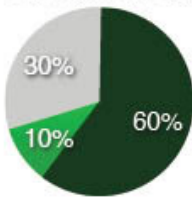
CORN 2019 CROP

0% SOLD
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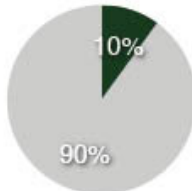
SOYBEANS 2017 CROP

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SOYBEANS 2018 CROP

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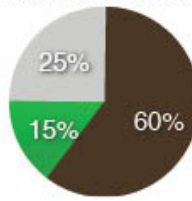
SOYBEANS 2019 CROP

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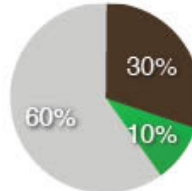
WHEAT 2017 CROP

60% SOLD
15% HEDGED
25% UNPROTECTED



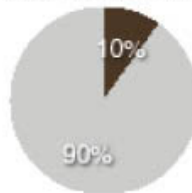
WHEAT 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



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