

GOOD MORNING: 08/16/17 Farm Direction - VanTrump Report

1 message

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

Wed, Aug 16, 2017 at 7:00 AM



"Efforts and courage are not enough without purpose and direction" - John F. Kennedy

WEDNESDAY, AUGUST 16, 2017

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Morning Summary: Stock prices seem to have settled into a range as investors try to sort out the real music versus all the "noise." On a positive note, U.S. economic data is still pointing at a strong level with Retails Sales posting their biggest gain in seven months, Import Prices witnessing a rebound and Builder Sentiment rising a sharp +4 points. At the same time there is increasing anxiety surrounding looming fiscal issues that Congress must deal with when it returns in September. Keep in mind, they will have just 12 legislative days to raise the federal debt ceiling to avoid a government default. In that same timeframe they also need to approve a spending bill in order to avert a government shutdown. Odds makers are a bit uncertain considering they haven't been able to come together on many debates to this point. More geopolitical concerns are being raised, with Iran added to the list as its president threatens that it could abandon its nuclear agreement with global leaders if the U.S. imposes any new sanctions. He insists new sanctions breach the 2015 agreement, and denies that its missile development program is a violation of a U.N. resolution. Things seem a little more calm on the North Korea front, where leader Kim Jong Un has said he will hold off firing missiles near the U.S. territory of Guam as he monitors America's actions. Turning to today's top news, the release of the Federal Reserve's July policy meeting minutes will take the spotlight. Investors will be looking for more clues as to when the central bank may begin winding down its \$4.5 trillion asset portfolio. Analysts will also be looking for more insight as to what Fed officials want to see on the "inflation" front before moving ahead with more interest rate hikes. Minutes from the last meeting showed a pretty strong internal divide, with some contending recent weakness was temporary while others voiced concerns that it was a sign of underlying weakness. Several Fed officials have recently stated that they were not comfortable hiking rates again until inflation picks up. U.S. economic data due out today includes Housing Starts and Atlanta Fed Business Inflation Expectations. I should note, there seems to be more rumors circulating that Supreme Court Justice Anthony Kennedy will retire in 2018. Kennedy was appointed by President Ronald Reagan, but is often sighted by conservatives as leaning to the liberal side. Things could get interesting and debates heated as President Trump will be in position to appoint another member to the Supreme Court. Lets also keep in mind that Ruth Bader Ginsburg is going to be 85 years old and Stephen Brayer 78, both will be the eldest when Kennedy steps down, and both were appointed by Democratic President Bill Clinton. Trump's first appointee, Neil Gorsuch was confirmed on April 7 and sworn in to the the Supreme Court on April 10, 2017.

Warren Buffet Adds To His Big Banking Bet: Warren Buffett's Berkshire Hathaway has invested more money in financial stocks. Berkshire Hathaway reported a 17.5 million share stake in Synchrony Financial, its June quarter 13F filing. The position was worth nearly \$520 million using Monday's closing stock price, and rose more than +4% in midday trading yesterday. Synchrony is the largest provider of private-label credit cards for companies such as Wal-Mart, Amazon and Lowe's. Previously the stock declined -18% this year through Monday compared with the S&P 500's +10% return. Berkshire Hathaway's investment makes it the ninth-largest holder in Synchrony, according to FactSet. Buffett has embraced the financial sector, which many believe is poised for growth after years of historically low interest rates and increased regulation. He also raised Berkshire's holdings in Bank of New York Mellon by 52.2 percent, to

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50.2 million shares in the second quarter. In June, Berkshire announced it would convert warrants it has in Bank of America to 700 million common shares, which will make it the bank's biggest shareholder once that conversion is complete. (Source: CNBC)

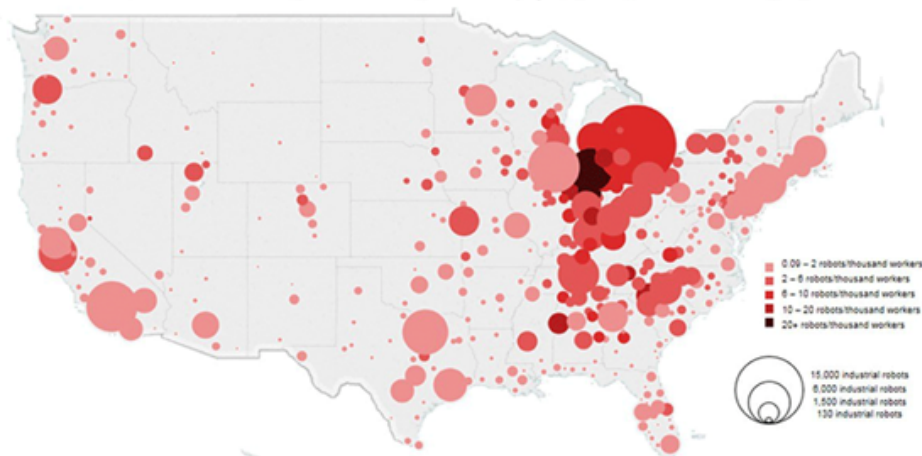
House Tax Chairman Confident On Reforms: The top tax law writer in the U.S. House of Representatives insisted on Tuesday that tax reform will happen this year, despite concerns among some experts that a tax code overhaul could drag into 2018, or even collapse altogether. Republicans are ramping up a nationwide publicity campaign in favor of tax law changes, though they have not decided exactly what those changes will look like. House Ways and Means Committee Chairman Kevin Brady, a Texan, is scheduled to deliver a speech on the issue on Wednesday at former President Ronald Reagan's ranch in Santa Barbara, California. Other committee members will also attend. Ahead of his remarks, Brady told CNBC on Tuesday that the House, Senate and White House are united around a common tax plan, with details being hammered out. Major tax reform last occurred in 1986 as the result of a broadly bipartisan effort that took several years. The tax reform effort will probably take a backseat to the debt ceiling and a spending bill that are at the top of the legislative agenda in September. This will further shrink the amount of time the GOP has to work on their tax measures, but some experts are still hopeful it could slide through. Some have suggested what we may end up getting is something closer to resembling "tax relief" as Republicans competing in 2018's midterm elections feel their voter base is expecting some type of tax legislation to be delivered on. (Sources: Reuters, The Hill)

Where The Robots Are: Fears of an imminent robot takeover of the workplace have gained traction after recent advances on self-driving vehicles and increasingly automated factories. A new report from the Brookings Institution finds robots "are congregating densely in some places but are hardly found in others." This map, from the Brookings report, suggests "industrial robots are by no means everywhere, they are clustered heavily in a short list of Midwestern and Southern manufacturing states, especially the upper Midwest." The findings may have some political implications. Robot counts in red states that voted for President Trump in November is more than twice that seen in the blue states that voted for Hillary Clinton. "This is not to say robots determined the outcome of the 2016 election," says Mark Muro, the author of the report. "However, the red-state robot concentration does suggest that to the extent industrial automation brings difficult labor market transitions and anxiety, it will visit those difficulties most heavily on a particular swath of red-leaning America." (Source: Business Insider)

MARKETS | CHART OF THE DAY

Where the robots are

Number and incidence of industrial robots (per thousand workers) by metropolitan statistical area, 2015



Note: Robot incidence reflects private employment only
Source: Brookings analysis of International Federation of Robotics data

B Metropolitan Policy Program
at BROOKINGS

SOURCE: Brookings Institution

BUSINESS INSIDER

Weather in the Corn Belt has most areas experiencing a brief period of dry weather between cold fronts. However, showers and thunderstorms are overspreading the western Corn Belt, providing beneficial moisture for corn and soybeans that have been weathering very dry conditions in recent weeks. In Iowa, for example, topsoil moisture was rated 63% short to very short on August 13, according to USDA. On the Plains,

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unsettled, showery weather prevails. Some of the heaviest rain fell yesterday across the northern Plains, where the boost in soil moisture aided immature crops but arrived too late for most spring-sown small grains. In addition, most of the rain bypassed drought parched Montana. On August 13, South Dakota led in poor to very poor ratings for spring wheat at 75%, sorghum at 38%, corn at 31% and soybeans at 22%. In the South, most areas have abundant to locally excessive moisture for pastures and immature summer crops; on August 13, topsoil moisture was rated 56% surplus in Mississippi, along with 46% in Louisiana and 32% in Alabama. Looking ahead, an active weather pattern will continue across the central and eastern U.S., with multiple disturbances broadly helping to focus showers and thunderstorms. Five day rainfall totals could reach 1 to 3 inches, with locally higher amounts from the Plains eastward. The 6 to 10 day outlook for August 20 - 24 calls for the likelihood of near to above normal temperatures virtually nationwide. Meanwhile, near to below normal rainfall in most areas of the country should contrast with wetter than normal weather in the upper Midwest, lower Southeast, and Pacific Northwest.

Let's Talk About Winter Weather Possibilities: *Neither El Nino nor La Nina is expected through winter. The so-called neutral conditions still offer clues on what winter could bring. This neutral phase can make it more difficult to predict the weather pattern in the months ahead, and there are many other elements to consider. NOAA indicates that the polar jet stream may be shifted farther south and have more of a tendency to allow colder-than-average air into portions of the Midwest and Northeast during a neutral winter. Meanwhile, much of the southern tier of the U.S. may end up with a warmer than average winter overall. Neutral conditions have been factored into this fall's temperature forecast, with most of the Lower 48 likely to see near-to-above average temperatures. The exception is the Pacific Northwest where near-to-slightly-below-average conditions are currently anticipated through fall. Of course, it is important to note that this is just an overall trend of the season from December through February as a whole. Individual cold fronts and low pressure systems will deviate from this at times.*



Corn prices have tumbled by more than -40 cents in the past 30-days as traders continue to digest cooler than normal temps, adequate rainfall in many locations and arguably good finishing weather. The bulls continue to question conditions in several key production areas, but are having a very difficult time convincing the crowd. Lots of producers in Iowa are saying the top-end is off the crop but things are still looking okay. Again, I think there's so much "variability" across the U.S. this year, it just depends on who you talk to and what field you decided to enter that will directly impact your yield argument. I've got some from friends who've been in this business for years and still have their yield estimate sub-165, in fact a couple are still talking a number closer to 160. On the flip side, I've talked to some exports who say the last 30-days of cooperative weather has helped more than most think and have their yield average up in the 167 to 169 range. Anyway you want to slice it, there's still plenty of corn to go around, especially when you factor in all of the old-crop corn that's still in play. I should also note that early inside reports out of Argentina are showing corn acres could jump by + 5 to +10 million this next growing season, meaning early USDA estimates could be underestimated. I still believe the corn market is stuck in a longer-term trading range, with the lower end being in the \$3.40 to \$3.60 area. The market may eventually grind itself lower, but I suspect it will first want to see more solid harvest data and see the main corn belt clear a few more weather hurdles before it attempts to test the strength of the bottom of the barrel. End-users should be paying close attention, as the next -20

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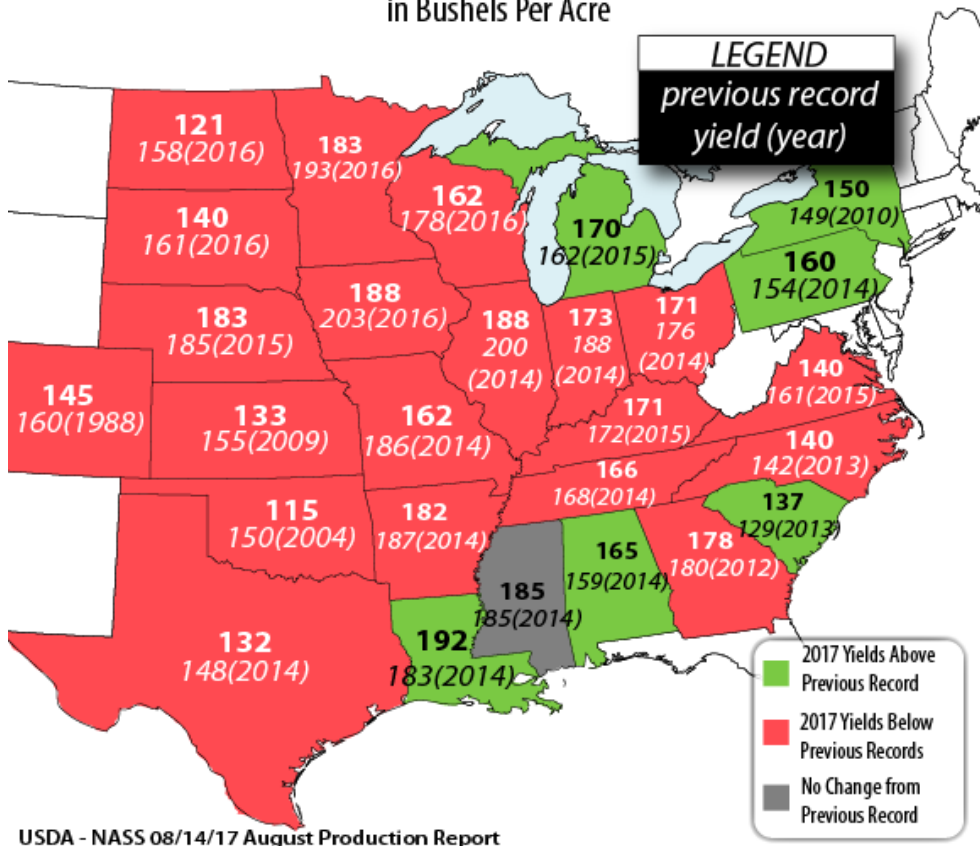
Today In History



1896, Gold Rush - While salmon fishing near the Klondike River in Canada's Yukon Territory on this day in 1896, George Carmack reportedly spots nuggets of gold in a creek bed. His lucky discovery sparks the last great gold rush in the American West. Hoping to cash in on reported gold strikes in Alaska, Carmack had traveled there from California in 1881. After running into a dead end, he headed north into the isolated Yukon Territory, just across the Canadian border. In 1896, another prospector, Robert Henderson, told Carmack of finding gold in a tributary of the Klondike River. Carmack headed to the region with two Native American companions, known as Skookum Jim and Tagish Charlie. On August 16, while camping near Rabbit Creek, Carmack reportedly spotted a nugget of gold jutting out from the creek bank. His two companions later agreed that Skookum Jim-Carmack's brother-in-law-actually made the discovery. Regardless of who spotted the gold first, the three men soon found that the rock near the creek bed was thick with gold deposits. They staked their claim the following day. News of the gold strike spread fast across Canada and the United States, and over the next two years, as many as 50,000 would-be miners arrived in the region. Rabbit Creek was renamed Bonanza, and even more gold was discovered in another Klondike tributary, dubbed Eldorado. "Klondike Fever" reached its height in the United

to -30 cents of downside might present excellent long-term opportunity to lock in demand. As a producer, I will continue to stay patient and wait for better opportunities.

How Do 2017 State Corn Yields Compare to Record Years? in Bushels Per Acre



Soybean bears are pointing to improved conditions in many locations and talk from some producers who are saying this years bean crop might be better than last. That's tough for the bulls to swallow, especially with talk of record planted acres growing even larger. There's still a ton of debate about upcoming U.S. weather, yet it continues to feel like the bears are winning the battle. The cooler than normal temps and adequate widespread rainfall totals are making it tougher and tougher for anyone to argue a national yield sub-46 bushels per acre. As the bigger bullish cards have started coming out of the deck, the bears have felt much more comfortable about raising their bets. From a technical perspective, the market seems bound and determined to pressure the \$9.00 to \$9.20 range on the downside. Keep in mind the trade has already trimmed a -\$1.00 per bushel in price from the highs set fewer than 30 days ago. How much further can we drop? Some insiders are saying if break through major support and close below \$9.00 per bushel in the NOV17 contract the \$8.50 to \$8.44 low could quickly become the next downside target, especially if demand headlines waiver in the second half of the year. I personally believe the trade will begin to pause here for a moment, giving the bears a chance to bank profits, catch their breath, and asses the crop as it gets ready to head into into it's final phase. If we catch some late inning complications, too much rainfall, delayed harvest, early frost, talk of pods shattering, etc... weather premium will quickly be added back into the trade. On the other hand, if weather cooperates and things go smoothly, allowing the yield to be extremely patient. I'm keeping all hedges in place, and looking to be a small longer-term buyer on the next major break. End users might want to step up to the plate and start buying for nearby needs.

States in mid-July 1897 when two steamships arrived from the Yukon in San Francisco and Seattle, bringing a total of more than two tons of gold. Thousands of eager young men bought elaborate "Yukon outfits" (kits assembled by clever marketers containing food, clothing, tools and other necessary equipment) and set out on their way north. Few of these would find what they were looking for, as most of the land in the region had already been claimed. One of the unsuccessful gold-seekers was 21-year-old Jack London, whose short stories based on his Klondike experience became his first book, *The Son of the Wolf* (1900).



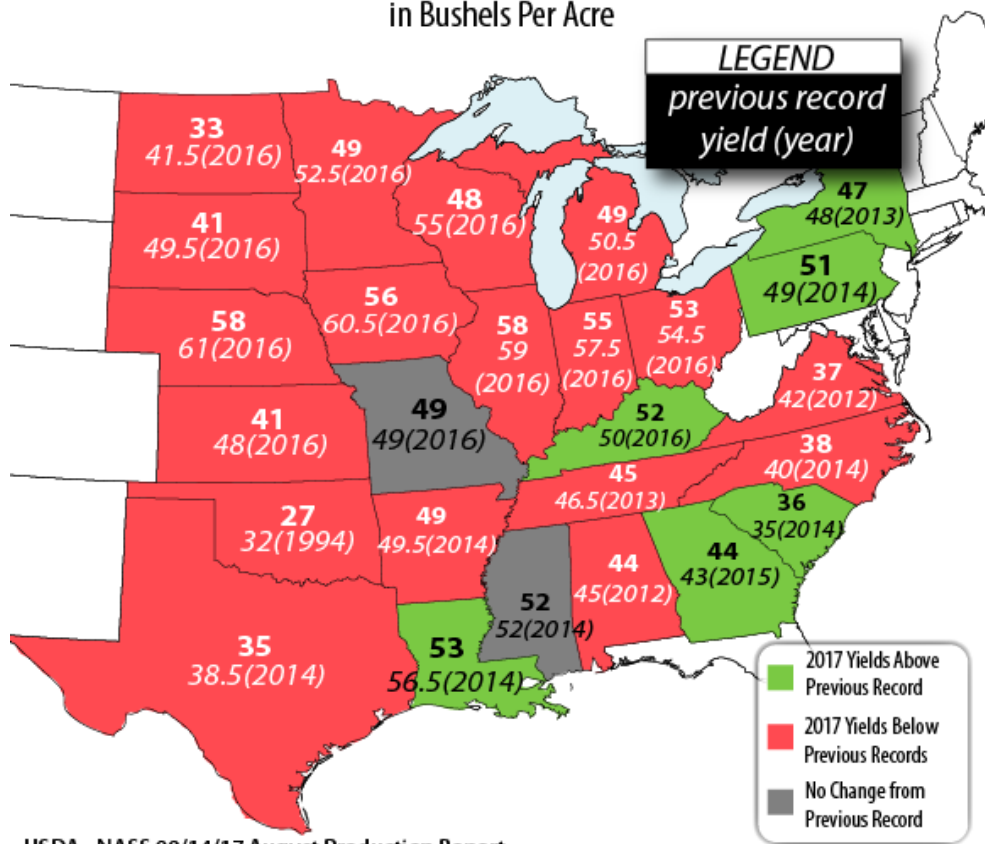
1948, Babe Ruth - Baseball legend George Herman "Babe" Ruth dies from cancer in New York City. For two days following, his body lay in state at the main entrance to Yankee Stadium, and tens of thousands of people stood in line to pay their last respects. He was buried in Hawthorne, New York. Ruth, who had a colorful personality and an unmistakable physical presence, began his major league career in Baltimore in 1914. That same year, he was traded to the Boston Red Sox and during the next five years proved himself to be a formidable left-handed pitcher and batter. In 1919, he was sold to the New York Yankees, where he played outfield to better exploit his phenomenal hitting talents. At a time when baseball was suffering through the disgrace of the Black Sox scandal, Ruth almost single-handedly salvaged the sport's popularity, hitting a record 60 home runs in the 1927 season and leading the Yankees to seven pennants. Yankee Stadium, opened in 1923, came to be known as "the House that Ruth Built." However, the Babe also made headlines by his charitable actions, such as visiting sick children in hospitals. In 1935, he retired from baseball, having hit a record 714 home runs in his career. In 1946, Ruth was diagnosed with throat cancer, but doctors could do little. Early the next year, treatment ended. On June 13, 1948, a uniformed Ruth appeared at Yankee Stadium one last time to retire his number. On August 16, he died of cancer at the age of 53.



1984, John DeLorean - After close to 30 hours of deliberation, a jury of six men and six women unanimously acquits the former automaker John Z. DeLorean of eight counts of drug trafficking in Los Angeles, California. A Detroit native and the son of an autoworker, DeLorean began working for the Packard Motor Company as an engineer in 1952. He rose quickly at Packard and later at General Motors (GM), where he moved in 1956. At GM, he managed both the Pontiac and Chevrolet divisions before becoming a vice president in 1972. DeLorean's flashy style and self-promotional ability

How Do 2017 State Soybean Yields Compare to Record Years?

in Bushels Per Acre



USDA - NASS 08/14/17 August Production Report

Wheat is seeing very little in the way of fresh new headlines. The market has been pressured aggressively to the downside as of late and the bulls have very little new to chew on. Global supplies remain burdensome and strong export competition coming online makes U.S. demand somewhat of a non-event. I continue to hear take of cheaper Russian wheat and Australia getting closer to making sales. The market has temporarily digested the record low U.S. wheat acres and difficult spring wheat growing conditions and needs something new to excite it. With that not happening, prices continue to drift to the downside as bulls move to the sideline and bears resume their bearish global supply and demand wagers. Eventually I have to believe the shortage of spring wheat and "quality" hostage will come home to roost and the bulls will again be running. I also believe there's winter weather headlines ahead and geopolitical uncertainty that makes trying to navigate a short-position extremely difficult. Staying patient, thinking upside potential is larger and easier to navigate longer-term than trying to time the downside.



> Brazil's Soybean Exports Have Already Exceeded All Of 2016's Volume: Brazilian soybean exports so far this year have exceeded volumes for the full year of 2016 as the country harvests a bumper crop, according to preliminary data from the Development Ministry. Up until the second week of August, Brazil, the world's largest exporter of the oilseeds, had sold 53.37 million metric tons, almost +3.5% above exports for the whole of last year. Brazil's soybean export record was registered in 2015, when the country sold 54.3 million metric tons of the oilseed. The new figures show Brazil is on track to break it, with most exports going to China. According to oilseeds industry association Abiove, Brazil is expected to export 64 million metric tons of soybeans this year. The Brazilian government estimates production in the 2016/17 harvest will be 114 million metric tons, an all-time record. (Source: Reuters)

distinguished him in the staid culture of the auto industry, while his ambition and appetite for innovation seemed never to be satisfied: He claimed to hold more than 200 patents and was credited with such developments as the lane-change turn signal, overhead cam-engine and racing stripes. In 1975, DeLorean left GM to found the DeLorean Motor Company and follow his dream of building a high-performance and futuristic but still economical sports car. With funds from the British government, DeLorean opened his car plant near Belfast in Northern Ireland in 1978 to manufacture his eponymous dream car: Officially the DMC-12 but often called simply the DeLorean, it had an angular stainless-steel body, a rear-mounted engine and distinctive "gull-wing" doors that opened upward. After skyrocketing production costs caused the DMC-12's price tag to top \$25,000 (at a time when the average car cost just \$10,000) sales were insufficient to keep the company afloat. Following an investigation into suspected financial irregularities, the British government announced the closing of the DeLorean Motor Company on October 19, 1982. That same day, John DeLorean was arrested and charged with conspiring to obtain and distribute \$24 million worth of cocaine. The prosecution's seemingly airtight case centered on a videotaped conversation about the drug deal between DeLorean and undercover FBI agents. If convicted, DeLorean faced up to 60 years in prison. DeLorean's defense team argued that he had been entrapped, or lured into a situation that made it look like he had committed a crime. On August 6, 1984, the jury issued its surprising acquittal verdict.

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

> Argentine, Indonesian Biodiesel Decision Delayed: The Commerce Department is extending its decision on whether Argentine and Indonesian biofuels suppliers are dumping their product on the U.S. market. The department announced it was extending its deadline for releasing a preliminary determination from August 30 to no later than October 19. The move comes at the request of the National Biodiesel Board Fair Trade Coalition, who are petitioners in the probe as well as a companion subsidy case. A spokesperson for the petitioners said such extensions are standard practice and that extensions were requested for both the antidumping and subsidy cases. No extension for the subsidy case has yet been granted, which keeps it on track for a preliminary decision on August 22.

> FDA Considers Changes For Measuring Antimicrobial Drug Sales: The FDA on Monday announced it was proposing a new way of measuring annual sales data for antimicrobial drugs used in food-animal production - and stakeholders on all sides of the issue aren't sure quite what it means. The agency said it is looking to apply "a food animal biomass denominator" when it crunches annual numbers for antimicrobial drugs sold and distributed for use in animals raised for food production. The Animal Health Institute, which represents the veterinary pharmaceutical industry, said it would be studying the proposal, while health advocates offered some praise on their initial read. "This is a good step and will make it easier to compare U.S. antibiotic use with other countries," said Steven Roach, a senior analyst for Keep Antibiotics Working. "At the same time, this is an intermediate step that is only needed because we do not have species-specific use data." The move comes as the World Organization for Animal Health released a report looking at countries' use of antimicrobial drugs in animals, which showed the Americas have a higher use of antibiotics as growth promoters in animals than any other region. (Source: Politico)

> Austria Added To Contaminated Egg List: Tests show that some imported egg products in Austria have been contaminated with a potentially harmful insecticide, Austria's food safety agency said on Monday, adding to the list of countries affected by an international health scare. Millions of chicken eggs have been pulled from European supermarket shelves as a result of the scare over the use of the insecticide fipronil, and hundreds of thousands of hens may be culled in the Netherlands. (Source: Reuters)

> POET Breaks Ground On Expansion At Ohio Plant: POET Biorefining - in Marion Ohio broke ground Tuesday to expand its production capacity from 70 million gallons per year to 150 million gallons per year. The project will also increase production of dried distillers grains from the current 178,000 tons annually to 360,000 tons. With the groundbreaking, site work has officially begun, and the project's completion is slated for the third quarter of 2018. The \$120 million project will have a profound impact on the local economy, including 225 temporary construction jobs and 18-21 new permanent jobs at the site, according to POET. It also will add new corn demand at a time farmers sorely need support. (Source: Feedstuffs)

> Trade Groups Call On U.S. To Investigate CSX Rail Disruptions: Dozens of U.S. trade groups have asked federal rail regulators to investigate CSX Corp's "chronic service failures," saying problems at No. 3 U.S. railroad have rippled across the North American rail network, according to a letter seen by Reuters. The 44 trade groups, representing chemical and agricultural companies, steel and auto makers, and beer producers and importers, among other companies, told U.S. lawmakers on House and Senate Transportation committees "chronic service failures" could degrade the nation's broader rail network. The shipper groups want Congress to make it easier for them to file complaints and allow other operators to use CSX track during service disruptions, according to their letter. This is the latest challenge to CSX Chief Executive Hunter Harrison's effort to ramp up productivity. The letter comes about two weeks after the Surface Transportation Board notified Harrison of complaints about CSX's service. And an analyst survey last month found shippers have moved freight to rival Norfolk Southern Corp and truckers. (Source: Reuters)

> Amazon Begins Offering "Instant Pickup" Points: Amazon.com Inc is rolling out pickup points in the United States where shoppers can retrieve items immediately after ordering them, shortening delivery times from hours to minutes, the company said on Tuesday. Shoppers on Amazon's mobile app can select from several hundred fast-selling items at each site, from snacks and drinks to phone chargers. Amazon employees in a back room then load orders into lockers within two minutes, and customers receive bar codes to access them. The world's largest online retailer has launched 'Instant Pickup' points around five college campuses, such as the University of California at Berkeley, it said. Amazon has plans to open more sites by the end of the year including one in Chicago's Lincoln Park neighborhood. (Source: Reuters)

> How Big Are The Next Big Things In Tech? Over the past few years, many things have been touted as "the next big thing" in the tech industry. Be it smartwatches, virtual reality headsets or smart home devices - what they all have in common is the fact that they haven't made an impact the way that smartphones did when they first

Thurs. 11/9 - USDA Supply and Demand

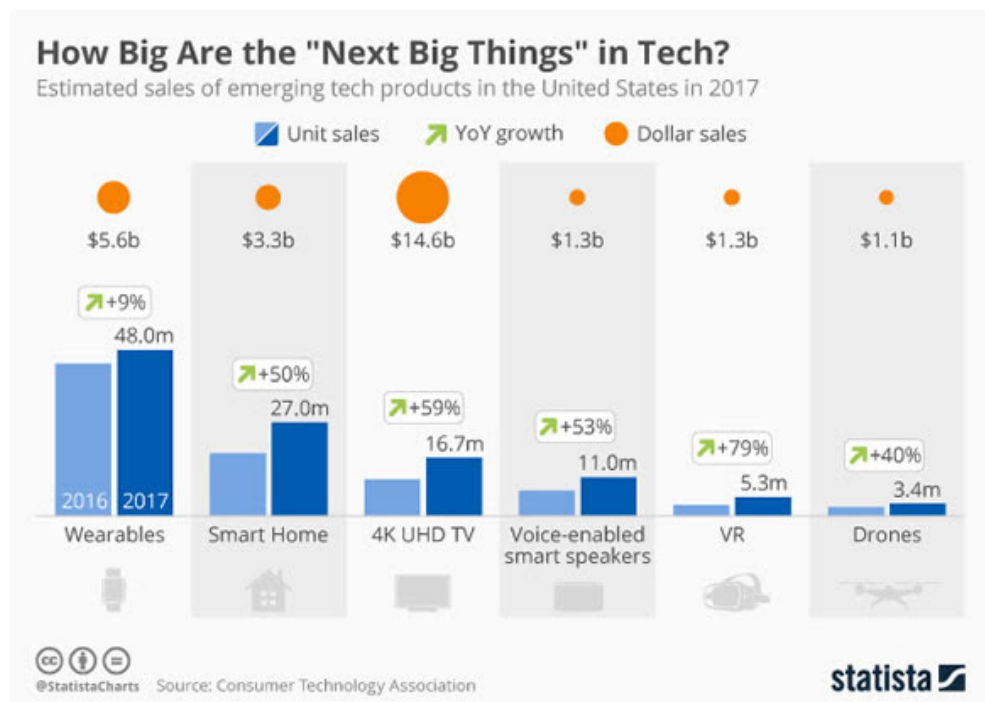
Thurs. 11/23 - Thanksgiving - Markets Closed

Kevlin's Song of the Week



About the Report

came around a decade ago. That doesn't mean that some of these technologies aren't popular however. So how big exactly are these next big things today? And which one is maybe closest to becoming as ubiquitous as smartphones have become. The following chart, based on a recent forecast published by the Consumer Technology Association, shows that wearables, smart home devices and 4K TVs have already become multi-billion dollar sellers in the United States while drones and VR headsets are still in the earlier stages of the adoption curve. (Source: [Statista](#))



Southwest Missouri - Our corn crop has struggled all year. We were wet early and then got a little cold right after planting that slowed the crop way down. We saw an emergence that was very sporadic the produced a stand that was pretty thin. As we did start to add some growth, the corn just looked sick after it put on some height. Since early on we have not gotten much rain ever since. The crop has hung in there but will be half of what we will normally produce. We have sandier soils and some hills which have really shown stress over the past two months. The beans look great. They went in later so didn't sit in the cold wet soils. They didn't get a lot of rain but got moisture when it needed it. We might see yields be better than last year but that will depend on the rains over the next two weeks.

Northeast South Dakota - Our silks are not turning brown yet which puts it way behind. Where the corn received rain it is tall and looks good but as they say, that can be deceiving. Lately, the weather hasn't been conducive to growing with temps being so low for this time of year. There are lots of acres from here to the state line in dire need of moisture. The corn that is lacking water is shedding its leaves and pretty bad and our beans are hurting with lots of curled leaves and big brown spots. We can't confirm the cause for sure.

Northwest Iowa - We just received a very nice 2" rain last night that really wasn't in the forecast and unexpected. We had a couple pop up showers last week that that added to the moisture tables but we have been fortunate to catch some pretty good rains. The crops all look pretty good for us but you go ten miles south things look drastically different. They have not gotten any of the rains that we have seen. I think that we will have yields that will be similar to 2015, which weren't record but decent. The hillsides are taking a hit each time we warm up or see the rains not come. My estimate for this crop will be just over 200bpa and the beans should be nearly 60bpa. From what I am hearing, the guys to the south battling drought like conditions will have yields 10% to 20% below their normal APH.

NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

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

A.M., FDIC

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

CROSSING WIRES

A place to share intelligent thoughts...

Why We Should Invest In Broadband Infrastructure And Adoption: The long-term economic benefits of providing broadband access to every rural community exceed the cost of building that infrastructure. And it isn't even close. Broadband applications are becoming more and more important for residents, businesses, and government as the digital age continues to unfold. About 12.1 million households (10.4 percent) lack access to 25/3 fixed broadband in the U.S. This in turn is generating a missed opportunity of \$22.5 billion dollars per year or \$219 billion over fifteen years assuming full coverage and adoption. In non-metropolitan counties, about 6.2 million households (35.4 percent) lack access to 25/3 fixed broadband. These rural residents are missing out on \$11.6 billion per year in economic benefits or \$113 billion over fifteen years assuming full coverage and adoption. On the other hand, the most conservative of scenarios, which assumes full access but only 20 percent adoption, would generate an impact of \$4.5 billion per year or \$43.8 billion over fifteen years in the U.S. In non-metropolitan counties, this same scenario would yield \$2.3 billion annually or \$22.7 billion over fifteen years. Read more [HERE](#).

The Last American Baseball-Glove Maker Stands Alone: Baseball gloves, like many other things, aren't really made in America anymore. In the 1960s, production shifted to Asia and never came back. It might be America's favorite pastime, and few things are more personal to baseball-lovers than their first glove — the smell, the feel, the memory of childhood summers. But most gloves are stitched together thousands of miles away by people who couldn't afford a ticket at Fenway Park. One company didn't get the memo. Since the Great Depression, Nokona has been making gloves in a small town outside Dallas with a long history of producing boots and whips for cowboys. There's a livestock-feed store next door to the factory, which offers \$5 tours for visitors who want to see how the "last American ball glove" is made. You can watch employees weave the webbing by hand, feed the laces through the holes with needles, and pound the pocket into shape with a rounded hammer. The American flag gets stitched into the hide — and that, they say at Nokona, is more than just a business matter. Read more [HERE](#).

Ashes to Ashes, Dust to ... Interactive Biodegradable Funerary Urns? Earlier this summer, a modest little startup in Barcelona, Spain, unveiled its newest product — a biodegradable, Internet-connected funeral urn that turns the ashes of departed loved ones into an indoor tree. Just mix the cremains with soil and seedlings, and the digital-age urn will automatically water and care for your memorial sapling, sending constant updates to an app on your smartphone. At first glance, the concept seems gimmicky — evidently, we're running out of ideas for smart appliances. But the Bios Incube system can also be seen as the latest example of a gradual transformation in modern culture. Read more [HERE](#).

This Futuristic Building Will Be Home To 23,000 Trees To Eliminate Pollution: A twisting, smog-eating tower is nearly finished in Taipei, Taiwan. The skyscraper's facade, roof, and balconies will contain 23,000 trees and shrubs — nearly the same amount found in New York's Central Park. Inside, it will hold 40 luxury condos. The plants are projected to absorb 130 tons of carbon dioxide per year — the equivalent of about 27 cars. Plants will also grow inside to the tower's hallways, which will have glass flooring. See more details and pictures of this spectacular building [HERE](#).

Lightning Is Zapping Far Fewer Americans: Lightning — once one of nature's biggest killers — is claiming far fewer lives in the United States, mostly because we've learned to get out of the way. In the 1940s, when there were fewer people, lightning killed more than 300 people annually. So far this year, 13 people have died after being struck, on pace for a record low of 17 deaths. Taking the growing population into account, the lightning death rate has shrunk more than forty-fold since record-keeping began in 1940. Lightning strikes have not changed — they hit about the same amount as they used to, said Pennsylvania State University meteorology professor Paul Markowski. The difference is that fewer of us are outside during bad weather. If we're not huddled indoors, we're often in cars. Vehicles with metal roofs — not convertibles — are safe from lightning, experts say. Read more [HERE](#).

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..."

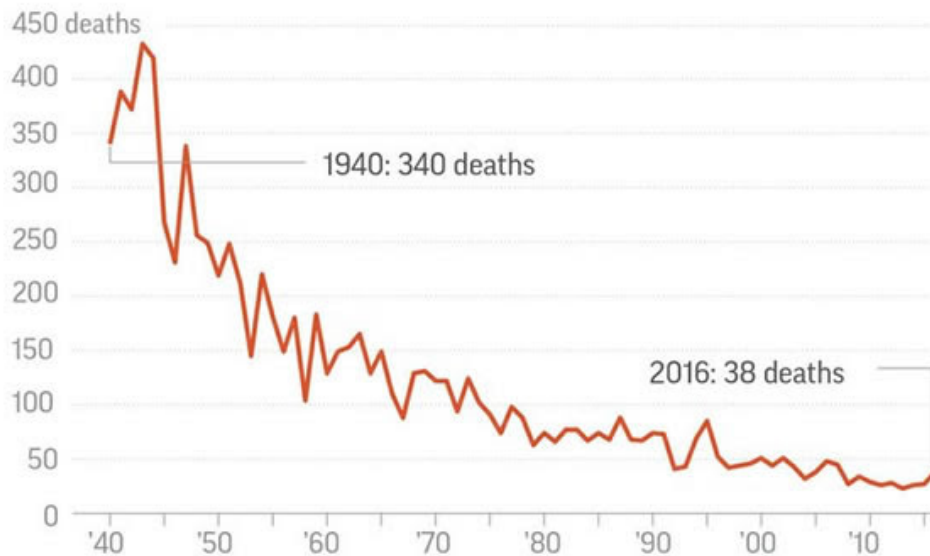
I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

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

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.

Drop in U.S. Lightning Deaths

Deaths from lightning strikes have declined in the U.S. since 1940. So far this year, 13 people have died after being struck, on pace for a record low of 17 deaths.



Biotech Crops Move Into Their Third Decade Seeking Increased Adoption Rates

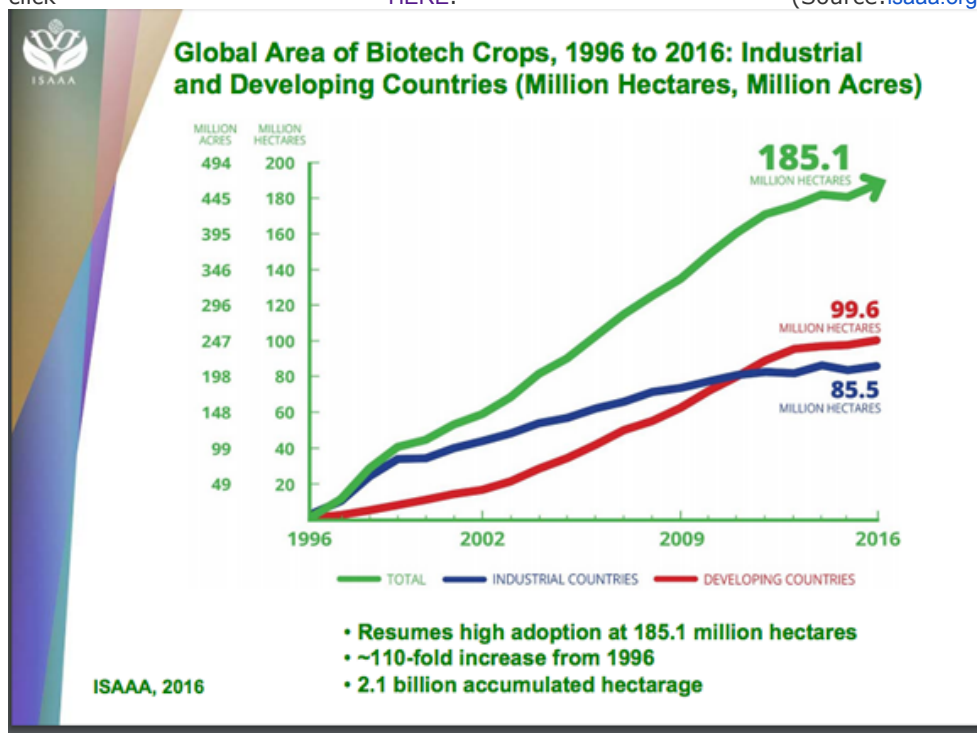
Biotech crops have changed the face of production agriculture over the last 21 years. During this period, increasing crop productivity through the use of biotech has played a part in raising farm incomes, saving 429 million acres from destructive cultivation, reducing herbicide use by 19%, reducing CO2 emissions to the equivalent of removing 12 million cars from the road for a year and assisted in alleviating hunger throughout the world. Even with these encouraging numbers, adoption rates continue to move slower than some would like. Data gathered by the International Service for the Acquisition of Agri-biotech Applications (ISAAA) in its 2016 annual executive summary on the stage of biotech/GM crops around the globe sheds light on biotech's journey and the challenges it faces. I'm told in 2016 that the number of acres across the globe adopting biotech crops rose only 3% from 443 million acres to 457 million. As more solutions are needed to cope with the future demand brought about from feeding livestock around the world to tackling the next bug or disease issue, biotech will be turned to for answers. One obstacle that will need to be overcome is the heavy hand of regulation that keeps the product out of the countries that need them the most. I have to believe as food security issues become more prevalent, the developing countries in dire need will undoubtedly turn to science based technologies and allow adoption. Most would agree, the only way that smaller poor farmers will be able to survive and contribute to the doubling of food production in order to meet future global needs is through the adoption of this modern technology. Biotech crops are entering their third decade of planting and commercialization and there will be game changing innovations that are projected to revolutionize the development of new crops and traits. According to industry sources, we can expect to see the increasing adoption and appreciation by farmers of stacked traits, the advent of biotech crops and traits that not only cater to farmers' agricultural needs but more so the preference and nutritional needs of consumers; and the increased utilization of innovative tools of gene discovery and their subsequent use in crop improvement and varietal development. Not only that but I'm told that innovative molecular biology tools are continuously being developed and tapped to discover new genes that would make food available, accessible and nutritious. Going forward, biotech crops are here to stay, but I believe it will take a continuous dialogue among all stakeholders where facts, benefits and safety can be discussed before greater understanding and adoption will take. To see the full report

Farm Direction
RECIPES

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

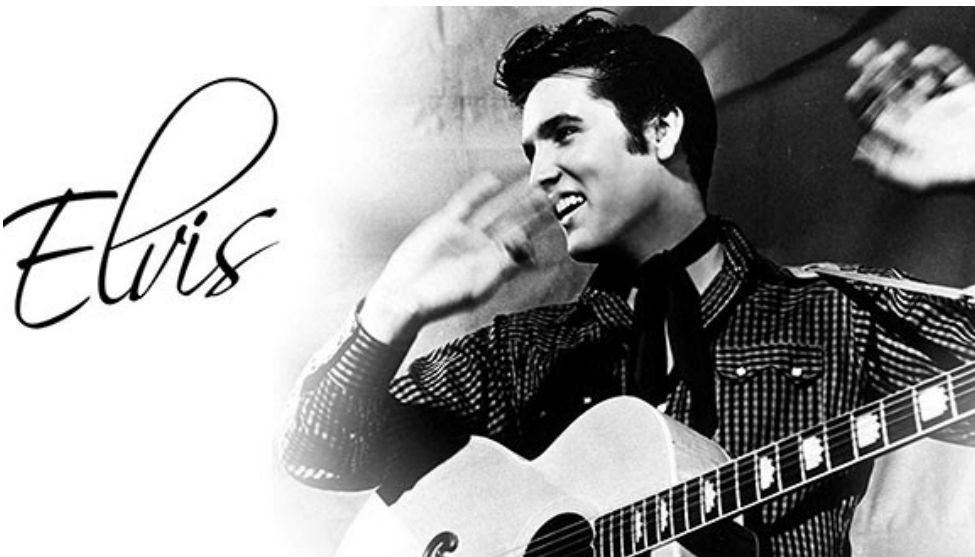
**Avocado-Pesto
Pasta Salad w/
Fresh Corn**

[CLICK TO SEE RECIPE](#)



40 Years Ago... "The King" Passes

Arguably one of the most popular American performers in history, Elvis Presley's fame has endured 40 years after his death. Fans from across the globe have been flocking to his Graceland home to commemorate the anniversary. On August 16, 1977, the world was shocked at news reporting the 'King of Rock 'n' Roll' had been found dead. The cause of death was reported as a heart attack, but the 42 year old star's struggles with drugs and obesity were already a matter of great speculation. Rumors about pills playing a role in his death began immediately and it was later confirmed by lab tests that multiple pharmaceuticals were found in his system. That revelation led to a huge controversy over whether the coroner's office was involved in a cover-up, perhaps trying to protect Presley's main physician. Dr. Nichopoulos was eventually cleared of any criminal liability despite evidence showing he had prescribed more than 10,000 doses of narcotics to Elvis in the first eight months of 1977. Mounting pressure to revise the singer's cause of death continued though, and the coroners office eventually relaunched an investigation in 1994, but it only confirmed the initial findings. Insisting on another investigation over a decade later might seem a bit excessive, but you have to understand how hugely popular Elvis was. Hundreds of fans called the White House insisting the government declare a nation day of mourning. That did not happen, but President Jimmy Carter did deliver a statement praising his influence on American pop culture. Thousands of fans descended on Graceland in the days following his death, causing massive traffic jams and at times even stampedes as fans tried to rush to the front of the crowd. At one point, there were estimated to be as many as 5,000 fans gathered in front of Graceland. Records sold out at an unprecedented clip - in one day, over 250,000 copies of his last album, "Moody Blue", were sold. His death was even harder to swallow for some, who completely refused to believe it even happened. There are numerous conspiracy theories. Some contend he faked his death so he could live in peace and out of the spotlight. The so-called "Alivers" cite such things as his middle name being misspelled on his gravestone, saying it's a "sign" from the King letting everyone know he's still alive. Other supposed 'evidence' include a purported life insurance policy that was never cashed, claims that his voice was recorded in a phone call to his godmother years later and the very bizarre claim that he was really a secret agent and went into witness protection. Of course, there have also been numerous 'elvis sightings', though none of these have ever been credibly corroborated. With today marking the 40th anniversary of the entertainer's death, Graceland is expecting to draw the greatest crowd in its 35 year history. This year's event spans nine-days, running through Saturday, August 19. You can check out the full schedule of activities and various ceremonies [HERE](#).



Another One Worth Passing Along

As I get older I often find myself getting into heated debates with friends who are "non-believers". As you can imagine this often leads to hard feelings and a few ruffled feathers. I don't want to get into any major theological discussions here in the report, but I thought this was a very interesting e-mail. I passed it along several years ago, but it has once again crossed my desk and certainly worth sharing. I encourage everyone to pass along to friends and family.

Jesus Christ "One Solitary Life,"

He was born in an obscure village the child of a peasant woman.

He grew up in another obscure village where he worked in a carpenter shop until he was thirty when public opinion turned against him.

He never wrote a book. He never held an office. He never went to college. He never visited a big city. He never travelled more than two hundred miles from the place where he was born.

He did none of the things usually associated with greatness. He had no credentials but himself.

He was only thirty three.

His friends ran away. One of them denied him. He was turned over to his enemies. And went through the mockery of a trial.

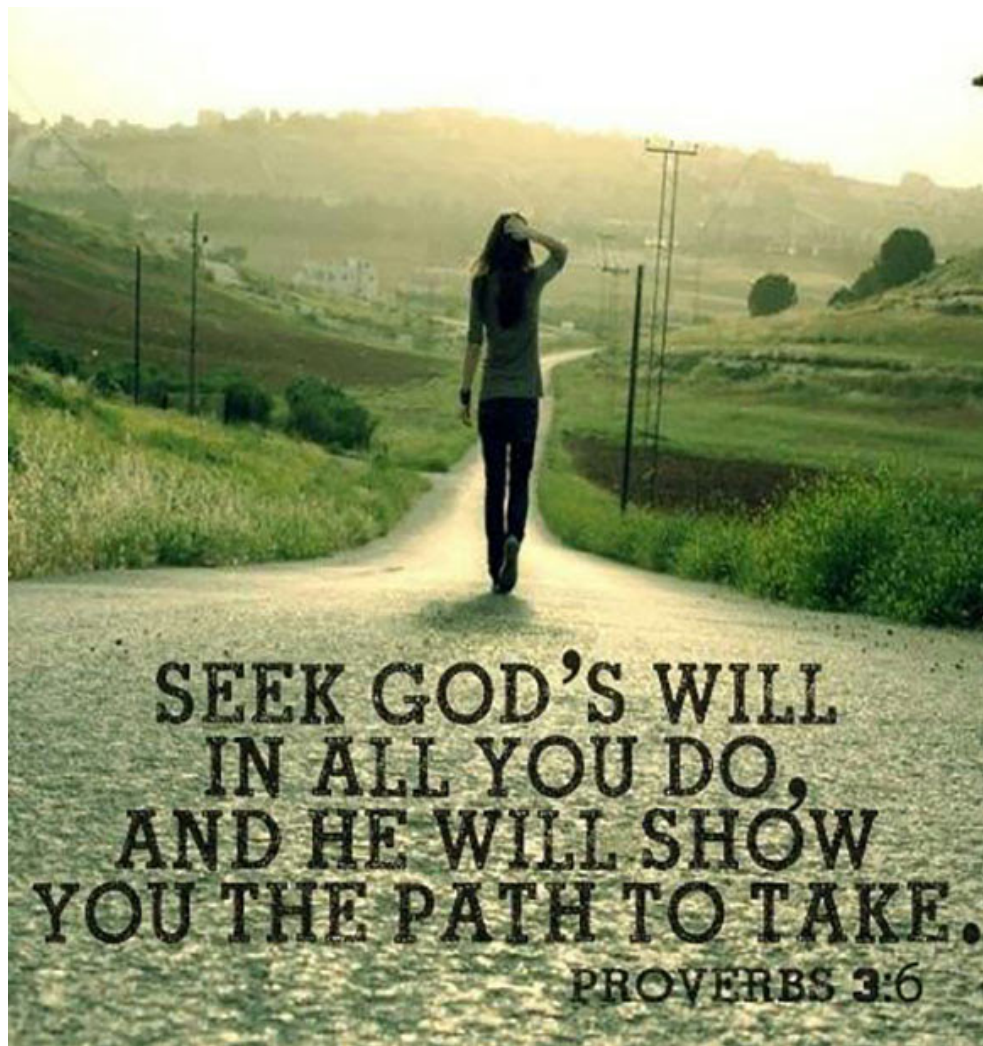
He was nailed to a cross between two thieves. While dying, his executioners gambled for his clothing, which was the only property he had on earth.

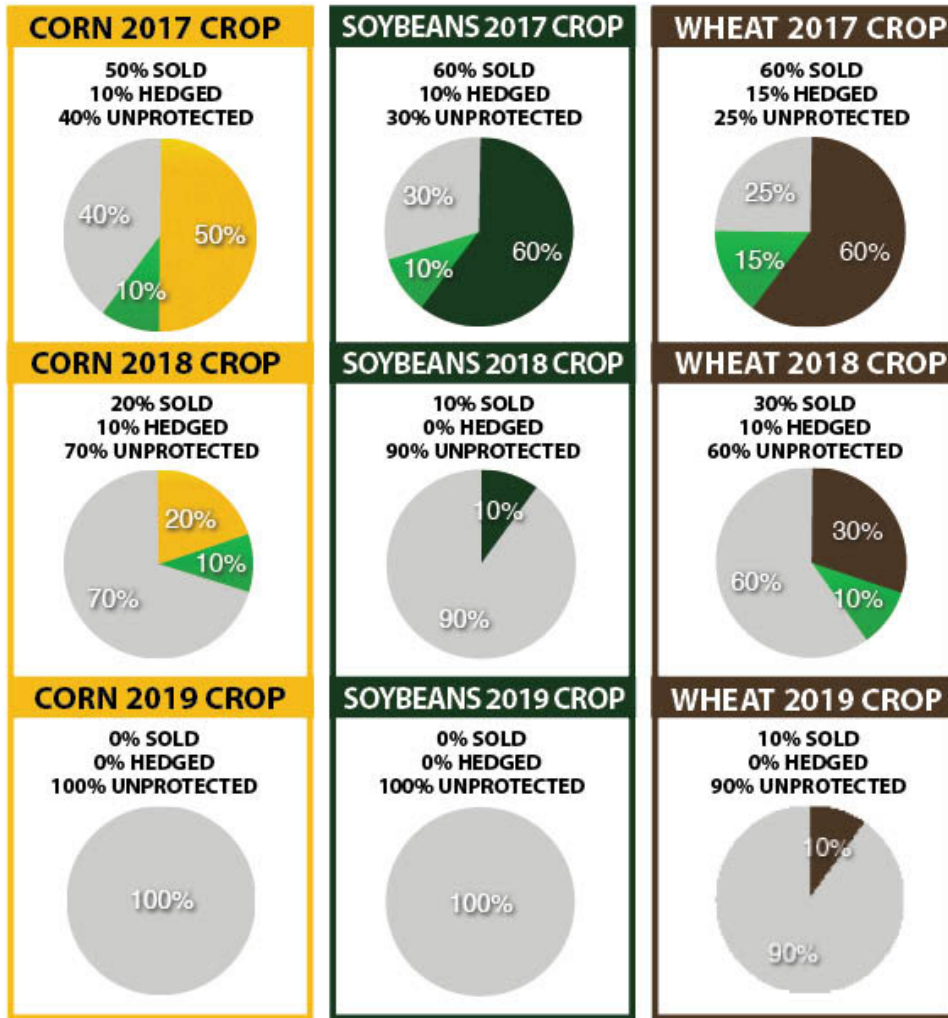
When he was dead he was laid in a borrowed grave through the pity of a friend.

Twenty centuries have come and gone and today Jesus is the most highly debated and central figure of the human race.

All the armies that have ever marched. All the navy's that have ever sailed. All the parliaments that have ever been elected. All the kings that ever reigned... Have not affected the life of mankind on earth as much as this one solitary life.

Tough not to be a believer...





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