

GOOD MORNING: 08/18/17 Farm Direction - VanTrump Report

1 message

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

Fri, Aug 18, 2017 at 7:18 AM



"Life becomes hardest when you're closest to success." - Phil Jackson

FRIDAY, AUGUST 18, 2017

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Morning Summary: U.S. stocks are steady this morning, but are coming off one of their worst days in last three months. In my opinion the trade seems like it's looking for anything negative that will help fulfill the wave of "overvalued" prophecies that are floating around in the marketplace. I heard a trader yesterday say, "You never find a Black Swan when everyone is walking around searching, they only appear when no one is looking." In other words, with almost everyone on the edge of their seat looking for the market to stall and pull back aggressively, it probably doesn't happen. There were also some widespread rumors that Gary Cohn was considering leaving his role as director of Trump's National Economic Council, though a White House spokesperson later said the reports were "100% false." A lot of insiders feel the former Goldman Sachs COO is crucial to getting tax-reform and promised infrastructure spending passed. His departure could lead to a serious loss of investor confidence about President Trump being able to meet his agenda goals. Cohn is also viewed as the most likely candidate to replace Fed Chair Janet Yellen when the time comes. Investors were also rattled by a terrorist attack in Barcelona that the Islamic State terrorist group later claimed responsibility for. The U.S. dollar has bounced back a bit, but the index still remains below \$94. Interestingly, being bearish the U.S. dollar is now thought to be the second most crowded trade across markets. Remember, being long the dollar was said to be the most overcrowded trade back from December to April. Today's economic data is very light with just Consumer Sentiment and the Baker-Hughes Rig Count due out. We will also hear from Dallas Fed President Robert Kaplan today. Next week will be a slow one for economic data with the Chicago Fed National Activity Index on Monday; FHFA House Price Index and Richmond Fed Manufacturing on Tuesday; New Home Sales on Wednesday; Existing Home Sales and Kansas City Fed Manufacturing on Thursday; and Durable Goods on Friday. The real highlight of next week is likely to be the 2017 Economic Symposium, "Fostering a Dynamic Global Economy", taking place August 24-26. Better known as "Jackson Hole" for the Wyoming town it is held in, the meeting is hosted by the Kansas City Federal Reserve Bank. Symposium participants include prominent central bankers, finance ministers, academics, and financial market participants from around the world and tends to generate a lot of headlines every year.

Barcelona Terror Attack Leaves 13 Dead, At Least 80 Hurt: A van plowed into a crowd of people in Barcelona, Spain, yesterday, killing 13 and injuring more than 80. A man suspected of driving the van has been arrested and there are reports a second suspect may be in custody as well. Witnesses said the van zigzagged down one of Barcelona's busiest tourist avenues, Las Ramblas, mowing down pedestrians and leaving bodies strewn across the ground. The incident took place at the height of the tourist season in Barcelona, which is one of Europe's top travel destinations with at least 11 million visitors a year. Local authorities said they had found a second van linked to the attack in the small town of Vic. Spanish media had earlier reported that a second van had been hired as a getaway vehicle. Secretary of State Rex Tillerson spoke out on the attack, saying it bears "all the hallmarks of ... yet another terrorist attack". The attack mirrors those in London and Paris, where terrorists drove cars through crowded areas with the aim of inflicting mass casualties. Such attacks have killed more than 100 people in Europe since last July. To terrorists around the world, Tillerson said, we

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December 6, 2017

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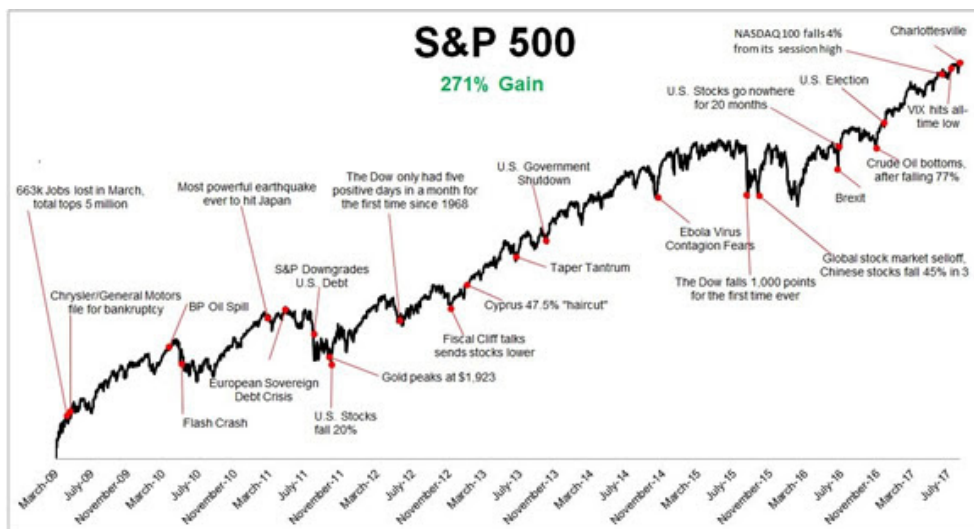
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are "resolved to find you and bring you to justice." Media outlets are reporting that the Islamic State terror group is taking responsibility for the deadly attack.

Fed Officials Eying Inflation, Low Yields and Debt Ceiling Negotiations: In a speech and press conference, Dallas Fed President Robert Kaplan said the Federal Reserve should be "very patient and judicious" as it considers whether to raise interest rates. He reiterated his ongoing concerns about weak inflation ratings and said he wanted to see more evidence that prices would rise to the Fed's +2% target rate in the medium term before he would support another rate hike. Kaplan also said the yield curve on the 10-year Treasury may be sending a warning. "There is no doubt that as the (yield) curve gets flatter and inverted, that is a sign of economic trouble," he said. As for the tightening of the Fed's \$4.5 trillion balance sheet, Kaplan stuck to the Fed's oft repeated line that it would shed bonds "in the near future" and that the unwind would be gradual to minimize market impact. Meanwhile, Minneapolis Fed President Neel Kashkari said on Thursday that the Federal Reserve will take into consideration the state of government efforts to raise the federal debt limit in deciding when to start winding down the central bank's large bond portfolio. At a Rotary Club event in Edina, Minnesota, Kashkari said, "I think we want to keep our eyes open to that process." (Sources: CNBC, Financial Times)

Powerball JackPot Moves Beyond 1/2 Billion! No one picked all six numbers correctly in Wednesday's Powerball drawing, making the minimum jackpot for Saturday's drawing around \$510 million.

U.S. Stocks Have Climbed This "Wall of Worry" For A +271% Gain: Even as tensions heightened between the U.S. and North Korea and violence broke out on the streets of Charlottesville, Va., stocks took the alarming news in stride, continuing to scale the "wall of worry" in defiance of doomsday predictions of an imminent selloff. "It seems like every day the headlines outside of the market get more and more frightening," said Michael Batnick, director of research at Ritholtz Wealth Management, who illustrated the resilience of the market in the chart below. As the graph shows, since stocks bottomed in March 2009, the S&P 500 index has soared 271% (as of Wednesday, 8/16) to multiple records, meandering higher through the European debt crisis, Brexit, and the U.S. presidential election. Batnick had originally published the chart in March but updated it Wednesday given the recent developments. "This year has been the perfect reminder that political volatility does not necessarily translate into the stock market, with this being the quietest year since 1965," he said. Batnick, meanwhile, believes psychology deserves more credit for keeping stocks buoyant. "Rising prices attract buyers and falling prices attract sellers," he said. Click the graphic for a larger view. (Source: MarketWatch)



Weather forecasts continue to call for heavy northwestern Midwest rain to benefit filling row crops. Timely and beneficial rains, except in areas of local flooding and wind or hail damage, have been noted this week for filling corn and soybeans, especially through the northwestern Midwest. But again, rain has bypassed a significant portion of drought-parched Iowa while growing areas in Nebraska, eastern South Dakota and northwest Iowa received more than expected rain and higher coverage. No significant heat stress is expected, although above normal temperatures are expected at times. ON the Plains, most of Montana is experiencing elevated risk of wildfires due to breezy, extremely dry conditions. Other areas of the northern Plains are seeing relief from the punishing spring and summer drought. Meanwhile, showers in the vicinity of a cold

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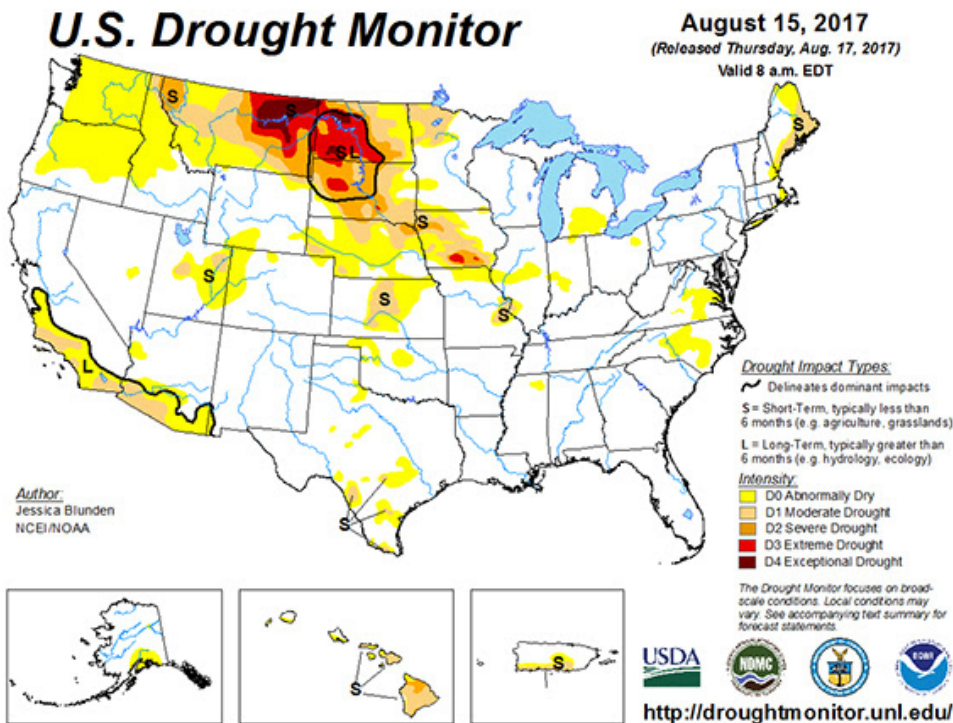
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front stretch across the southeastern Plains. In the South, very warm, humid weather prevails. Locally heavy showers are developing across the mid-South including Arkansas, in conjunction with an approaching cold front. Over the next several days, much of the nation will experience late-summer warmth. Some of the hottest weather will spread from the Pacific Northwest to the High Plains. A cold front cross the Midwest will soon reach the Atlantic Seaboard toward week's end, accompanied by widespread showers and thunderstorms. Another area of rain should develop by early next week across the upper Midwest. Five day rainfall totals could reach 1 to 3 inches in the upper Midwest, along the East Coast and across part of the Deep South.

Drought Expands Despite Rainfall And Cooler Temps:*Drought: This weeks drought monitor reflects the introduction of extreme drought (D3) into south central Iowa and the increase of severe drought (D2). While this past week saw beneficial rain providing some relief to dry areas of Iowa, much of the state has been in a precipitation deficit for about four months. Temperatures were cooler than average for much of the contiguous U.S. this past week, including 4 - 8 degrees F below average across a large part of the Plains and Midwest this past week. Heavy rain was notable across northern Texas and much of Oklahoma, where rainfall was more than 600% of normal for this time of year. The Seasonal Drought Outlook was also released and calls for small improvements to drought areas of Iowa as we move through the fall. Drought persistence is favored, However, for Montana, North Dakota, western South Dakota and northern Minnesota. A wet pattern over the next two weeks will favor drought reduction across the central Plains, Iowa and eastern South Dakota. They also anticipate drought reduction across southern Texas, where September is usually a wet time of year.*



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Today In History



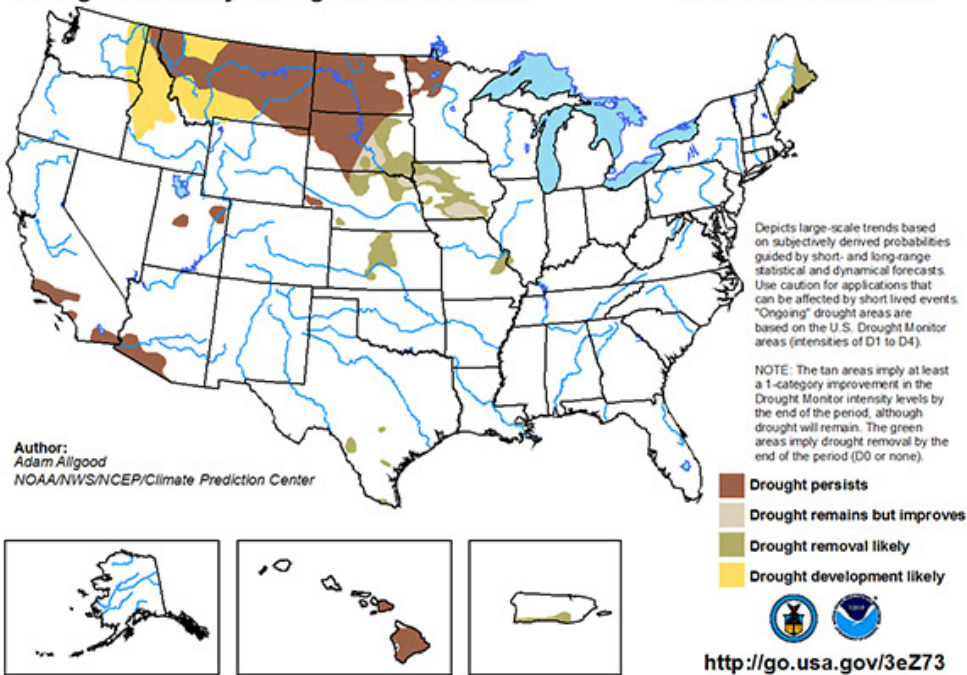
1864, Civil War - Union General Ulysses S. Grant tries to cut a vital Confederate lifeline into Petersburg, Virginia, with an attack on the

Weldon Railroad at Globe Tavern in Virginia. Although the Yankees succeeded in capturing a section of the line, the Confederates simply used wagons to bring supplies from the railhead into the city. Grant's spring campaign against General Robert E. Lee's Army of Northern Virginia ended at Petersburg, 20 miles south of Richmond. In June, Grant ceased frontal assaults, and the two armies settled into trenches for a siege. Grant sought to break the stalemate by severing the Weldon and Petersburg Railroad, which ran south to Weldon, North Carolina. The line was one of two that now supplied Lee's army from other points in the South. Grant's first attack, on June 22, failed. Now Grant attacked with General Gouverneur K. Warren's corps at the Globe Tavern. On August 18, Warren's men succeeded in capturing part of the line. In a battle that raged for the next five days, the Confederates tried to recapture the line, but the Yankees remained in control of a short section around the tavern. Despite control over this area, the Union did not prevent the Weldon line from supplying Lee's army. The Confederates simply stopped their trains one day south of Petersburg and used wagons to haul the cargo around the break. On August 25, a Confederate offensive would return control of the

U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for August 17 - November 30, 2017
Released August 17, 2017



Corn bulls continue to argue that recent rains have disappointed in some important U.S. production areas and that cooler than normal nighttime temps may be taking a bit more off the top-end of the yield. Bears counter the argument by pointing to more than ample old-crop supply still in the marketplace, adequate ending stocks, perhaps increased acres in South America in the next growing cycle, and what could be slightly less enthusiastic demand headlines for the U.S. during the second half of 2017. Next week will start bringing more headlines from the U.S. crop tours, so expect more extreme volatility. Many sources still saying the USDA is overly optimistic, but by how much is a major question? I'm personally starting to think the crop is a bit better than many have been forecasting. Time will tell...

Pro Farmer Crop Tour: Below are some specifics surrounding the upcoming Pro Farmer Crop Tour. This is a great event that has some fantastic people involved. This is actually the 25th year that Farm Journal has hosted the event, so let's just say they've become seasoned pros. During the Crop Tour, a group of more than 100 growers, industry experts and media reporters will scout about 2,000 fields in seven Midwest states during the four-day event, Aug. 21-24. The "Eastern leg" of the tour begins sampling in western Ohio, working its way across Indiana, Illinois, eastern Iowa and then southern Minnesota. The "Western leg" begins in southern South Dakota, then goes across eastern Nebraska, western Iowa and into southern Minnesota. A summary of the Tour's findings will be presented at the Rochester, Minn., Event Center the evening of Aug. 24. Thursday's grand finale also includes a taping for the weekend edition of "U.S. Farm Report" and is followed up with Pro Farmer's national corn and soybean yield predictions and market impact analysis in Friday's Pro Farmer newsletter. Each day's official findings and results from the Midwest Crop Tour will be published online at FarmJournalPro.com and AgWeb.com. Julianne Johnston, Digital Managing Editor, Pro Farmer, will also be tweeting the results via @julijohnston.

railroad to the Rebels; but nearly four months later, Grant would finally succeed in destroying the railroad.



1920, Women's Suffrage -

The 19th Amendment to the Constitution, guaranteeing women the right to vote, is ratified by Tennessee, giving it the two-thirds majority of state ratification necessary to make it the law of the land. The amendment was the culmination of more than 70 years of struggle by woman suffragists. Its two sections read simply: "The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex" and "Congress shall have power to enforce this article by appropriate legislation." America's woman suffrage movement was founded in the mid 19th century by women who had become politically active through their work in the abolitionist and temperance movements. In July 1848, 200 woman suffragists, organized by Elizabeth Cady Stanton and Lucretia Mott, met in Seneca Falls, New York, to discuss women's rights. After approving measures asserting the right of women to educational and employment opportunities, they passed a resolution that declared "it is the duty of the women of this country to secure to themselves their sacred right to the elective franchise." For proclaiming a woman's right to vote, the Seneca Falls Convention was subjected to public ridicule, and some backers of women's rights withdrew their support. However, the resolution marked the beginning of the woman suffrage movement in America. Wyoming became the first state to grant women the right to vote. By the beginning of the 20th century, the role of women in American society was changing drastically: Women were working more, receiving a better education, bearing fewer children, and three more states (Colorado, Utah, and Idaho) had yielded to the demand for female enfranchisement. In 1917, America entered World War I, and women aided the war effort in various capacities, which helped to break down most of the remaining opposition to woman suffrage. By 1918, women had acquired equal suffrage with men in 15 states, and both the Democratic and Republican parties openly endorsed female enfranchisement. In January 1918, the woman suffrage amendment passed the House of Representatives with the necessary two-thirds majority vote. In June 1919, it was approved by the Senate sent to the states for ratification. On August 26, it was formally adopted into the Constitution by proclamation of Secretary of State Bainbridge Colby.

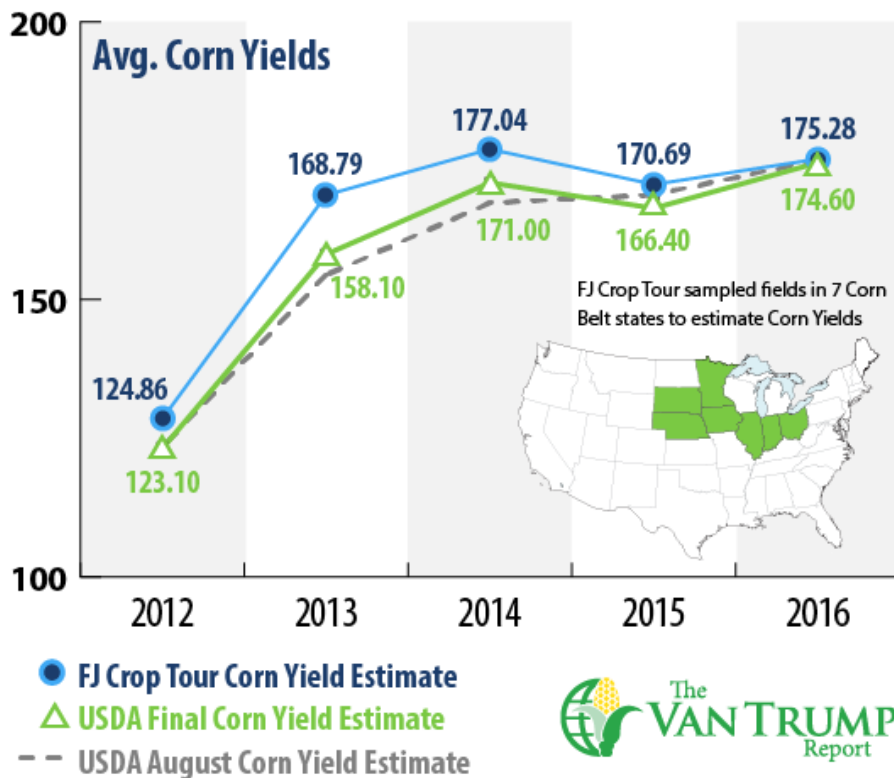
1991, Mikhail Gorbachev - Soviet President Mikhail Gorbachev is placed under house arrest during a coup by high-ranking members of his own government,

Farm Journal MIDWEST CROP TOUR

2017 Tour Route



Farm Journal Crop Tour Yields VS. USDA Final Corn Yields



military and police forces. Since becoming secretary of the Communist Party in 1985 and president of the Union of Soviet Socialist Republics (USSR) in 1988, Gorbachev had pursued comprehensive reforms of the Soviet system. Combining perestroika ("restructuring") of the economy, he greatly improved Soviet relations with Western democracies, particularly the United States. Meanwhile, though, within the USSR, Gorbachev faced powerful critics, including conservative, hard-line politicians and military officials who thought he was driving the Soviet Union toward its downfall and making it a second-rate power. On the other side were even more radical reformers—particularly Boris Yeltsin, president of the most powerful socialist republic, Russia—who complained that Gorbachev was just not working fast enough. The August 1991 coup was carried out by the hard-line elements within Gorbachev's own administration, as well as the heads of the Soviet army and the KGB, or secret police. Detained at his vacation villa in the Crimea, he was placed under house arrest and pressured to give his resignation, which he refused to do. Claiming Gorbachev was ill, the coup leaders, headed by former vice president Gennady Yanayev, declared a state of emergency and attempted to take control of the government. Yeltsin and his backers from the Russian parliament then stepped in, calling on the Russian people to strike and protest the coup. When soldiers tried to arrest Yeltsin, they found the way to the parliamentary building blocked by armed and unarmed civilians. Yeltsin himself climbed aboard a tank and spoke through a megaphone, urging the troops not to turn against the people and condemning the coup as a "new reign of terror." The soldiers backed off, some of them choosing to join the resistance. After thousands took the streets to demonstrate, the coup collapsed after only three days. Gorbachev was released and flown to Moscow, but his regime had been dealt a deadly blow. In December 1991, Gorbachev resigned.

Upcoming Events

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

Soybean traders continue to debate U.S. yield. The bears believe the mild August weather could allow some important U.S. production areas to harvest a better soybean crop than last year. Bulls believe the top end has clearly been impacted in some important areas because of weather extremes encountered earlier in the growing cycle. Net-net, this is creating more heated debate surrounding total U.S. yield. Despite the

fact as producers we want prices to move higher, we have to remember, average yields the past three years haven't been below 47.5 bushels per acre: 2014 = 47.5 bpa; 2015 = 48.0 bpa; 2016 = 52.1 bpa; 2017 = ? It's just hard for me to think we are going to see a substantial setback in yield with such a mild-August weather pattern. If August weather would have delivered more widespread heat and less rainfall I would clearly be on board with lower yields, but that just hasn't been the case. Yes, we can argue that some rains have disappointed in some areas, but "disappointed" might be enough to impact the national yield, especially when some areas have enjoyed almost perfect weather in August. I hate to say it, but perhaps 48.0 to 50.0 bushels per acre isn't all that unrealistic, perhaps the USDA is fairly close? From a technical perspective, the market has stabilized above the \$9.00 to \$9.20 area that I've been noting for several weeks. I suspect the trade is pausing to get a better idea about the last half of August weather and some crop tour and harvest data before making its next big move.

Thurs. 10/2 - USDA Supply and Demand

Fri. 10/20 - Cattle on Feed

Mon. 10/23 - Cold Storage

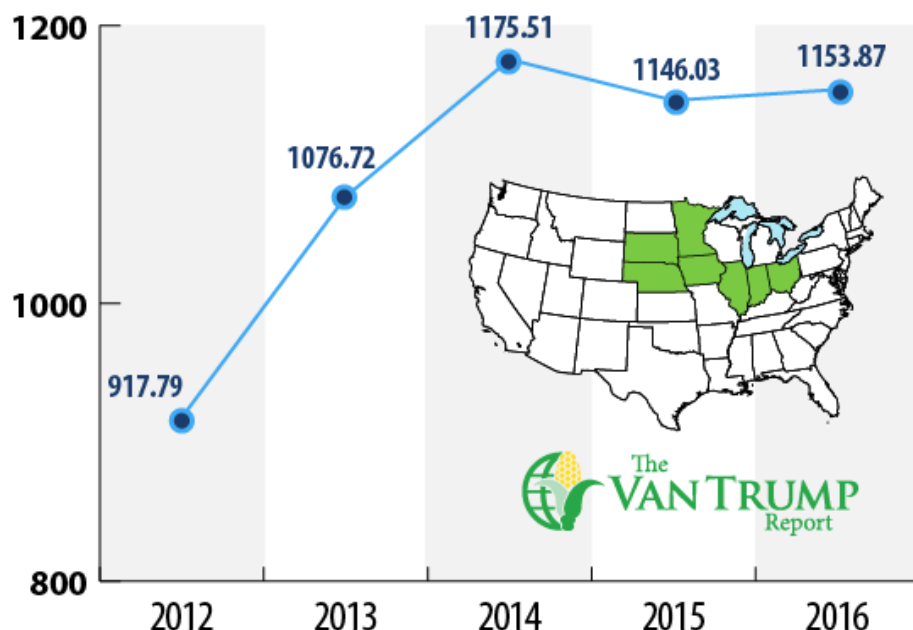
Mon. 11/5 - Daylight Saving Time Ends

Thurs. 11/9 - USDA Supply and Demand

Thurs. 11/23 - Thanksgiving - Markets Closed

Farm Journal Midwest Crop Tour Historical Data

Soybean Avg. Pod Count in 3X3 feet

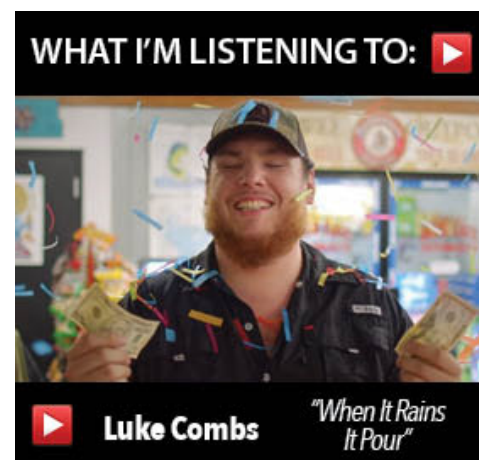


Source: Farm Journal, Historical Midwest Crop Tour Data Report, August 17, 2017

Wheat bears remain up to bat as prices again pressure new contract lows. The bulls continue to talk about a potential lack of global "quality" and production hiccups in parts of the U.S., Canada, Australia and Europe. The bears give it little consideration and continue to point to the current facts, overall global supply remains burdensome and at or near record levels. The bears are also pointing to a bit of recent strength in the U.S. dollar and what seems to be lack of bullish interest in the commodity sector. U.S. weekly export sales were a bit better than the trade had been forecasting, but those headlines had very little if any impact. The market now seems more globally focused as the U.S. winter wheat harvest has been completed and spring wheat harvest has moved past the halfway point. Better than expected Black Sea wheat production continues to garner most of the nearby attention, especially since they are considered one of the world's most important low-cost providers. Bottom-line, there's just not a lot for the bulls to get excited about nearby, and there might not be anything for several more weeks.

EU Egg Contamination Has Affected 17 Countries: *The scope of Europe's contaminated egg scandal continues expanding and has now reached as far as Hong Kong. Farms in four countries — Belgium, the Netherlands, Germany and France — have been blocked from selling eggs after detection of the pesticide fipronil, EU trade and agriculture spokesman Daniel Rosario told reporters Friday. He says contaminated eggs have also been found in at least 11 other EU member states, as well as in Switzerland and Hong Kong. Millions of eggs and egg products have been recalled from European supermarket shelves over concerns about the use of the pesticide. Fipronil is used to kill insects such as mites and is banned from use on animals in the human food chain. It was believed to have been mixed with a pest-control agent that is legal to use around poultry, contaminating their eggs. The insecticide has the potential to damage*

Kevin's Song of the Week



About the Report

the liver, thyroid gland and liver if ingested in large quantities. Health agencies in the EU say affected eggs and egg products showed "the level of contamination does not present a risk for the consumer. Almost all lab tests show that only very low levels of Fipronil — seven to 10 times lower than the maximum permitted — have been detected in eggs from the treated chickens. It's also believed that all affected eggs and other products have already passed through the food chain. Friday's revelation that tainted eggs had also been sent to Hong Kong marks the first time the widening scandal has spread outside Europe. As the contamination seems to now be under control, it's not expected that the affected countries are facing any sort of egg shortage.

Places affected by the egg scandal

- Farms shut down due to fipronil use
- Receiving contaminated eggs

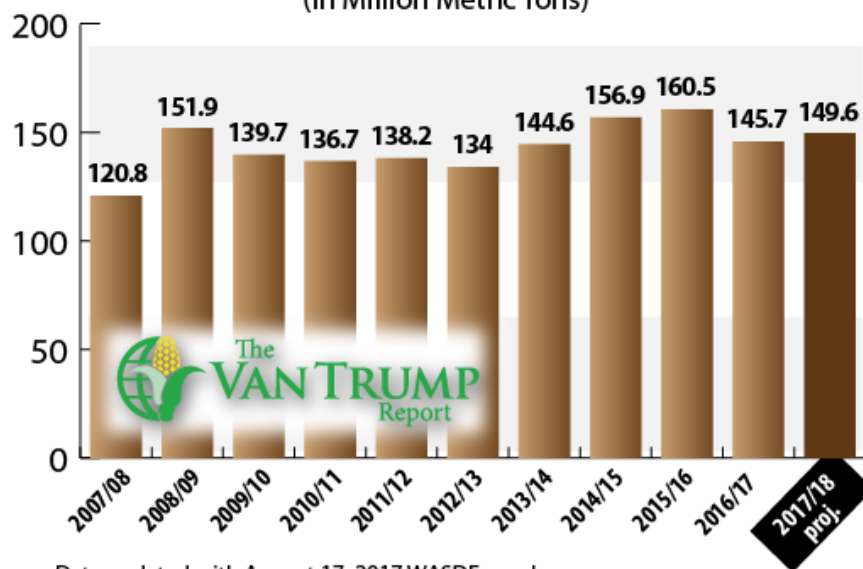


Source: European Commission

BBC

EU Wheat Production

(in Million Metric Tons)



Source: Data updated with August 17, 2017 WASDE numbers



> **Indian Wheat Harvest Sets New Record:** Indian farmers harvested a record

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

98.38 million metric tons of wheat in the crop year to June, up from 97.44 million metric tons estimated in May, data released by farm ministry showed. India, the world's second-biggest grower of staples such as rice and wheat, produced a record 275.68 million metric tons of grains in the 2016/17 crop year against a forecast of 273.38 million metric tons. (Source: Reuters)

> Mercosur Wheat Production Will Drop -2.69% This Season: Brazilian consultancy Trigo & Farinhas has issued a new projection for the total wheat production in the Mercosur market, which includes Argentina, Brazil, Paraguay, and Uruguay. The consultancy expects that Argentina would produce 17.5 million metric tons, which is over +6% higher than in the previous crop, but the crops would be smaller than last year in all other countries: Paraguay (694,000 tons), Brazil (4.9 million tons) and Uruguay (600,000 tons).

> JBS Plant In Louisville Agrees To New Fines: The JBS Louisville pork processing facility has agreed to pay the Louisville Metro Air Pollution Control District \$60,000 in penalties resulting from records-keeping omissions and an inspection that found faulty equipment handling. The plant, in the city's Butchertown neighborhood, submitted a report to district officials in March that showed about 60 required internal inspections were missed, with about half involving equipment reported to have multiple deficiencies. District officials also found faulty equipment during a November 2016 inspection, including some contributing to strong odors, the report said. In January, the Louisville facility paid a fine of \$124,500 to settle odor complaints dating back to 2011. (Source: MeatingPlace)

> Canadian Dairy Producers Take A Stand: Canadian dairy farmers say they will fight any U.S. effort to duplicate in NAFTA the dairy concessions it secured from Ottawa through TPP negotiations. "Not a possibility - as far as we are concerned, we would never agree to that," said Yves Leduc, director of policy and international trade for the Dairy Farmers of Canada. The small amount of dairy access Canada granted the U.S. during the TPP talks - equal to 3.25 percent of Canada's domestic milk production - was balanced out by concessions Ottawa secured in negotiations involving all of the 11 other countries, Leduc said. Those circumstances don't apply to NAFTA, since it's a mere trilateral. "To ask us to open up our market to allow more subsidized goods from the U.S. to enter the Canadian market, the answer is simple: It's no," Leduc told Pro Trade's Adam Behsudi on the sidelines of Wednesday's talks. (Source: Politico)

> Missouri Again Denies 'Grain Belt Express' Project: A multistate transmission line for wind energy from Kansas was again tripped up Wednesday by regulators in Missouri, which for years has been the only one of four states to withhold approval. Many farmers in the state were concerned about Clean Line's potential use of eminent domain. According to the "Block Grain Belt Express-Missouri" web page, a group who opposes the power line, the project would affect nearly 600 landowners in its 200 mile path in Missouri, requiring more than 5,000 acres. Many of these acres are used in for ag production. The 780-mile transmission line would bring power from Kansas wind farms to Missouri, Illinois, Indiana and beyond.

> Warm Atlantic Waters Seen 'Bullish' for Hurricane Season: Not one, but three potential storms threaten to usher in the busiest phase of the Atlantic hurricane season later this month, courtesy of warm ocean temperatures. The season -- which runs from June to November -- has already seen above-average activity this year. Storms with the capacity to cause the most damage are statistically more likely to develop from late August to early October, originating from thunderstorms and low pressure from the Caribbean Sea to the west coast of Africa. "The tropical Atlantic is currently the third warmest for this time of year since 1950, so that's bullish for activity," said Todd Crawford, chief meteorologist at The Weather Company in Andover, Massachusetts. Atlantic storms can wreak havoc with U.S. natural gas and oil production facilities in the Gulf of Mexico, while Florida, the world's largest orange juice producer behind Brazil, is also vulnerable. At the beginning of August, Colorado State University raised its seasonal forecast to 16 named storms from 15 a month before. The National Oceanic and Atmospheric Administration upped its outlook to a range of 14 to 19 from 11 to 17 in May. In the near term, none of these systems threaten the U.S. The same pattern that's been bringing milder weather to the eastern U.S. "effectively steers approaching storms out to sea like Gert," Crawford said. (Source: Bloomberg)

> Court Rules EPA Incorrectly Denied Refiner Exemption From Blending Mandate: A federal court has ruled that the US Environmental Protection Agency incorrectly denied a refiner an exemption from federal blending mandates. A Platts source said that the decision could lead to more exemptions in the future, lowering the demand for RINs. "There might be an expectation that other such cases could win in court," the source said. The 10th US Circuit Court of Appeals on Tuesday ruled that the EPA was too strict in its criteria when it denied an exemption for Sinclair Oil Corp., which operates an 85,000 b/d refinery in Sinclair, Wyoming, and a 25,000 b/d refinery near Casper, Wyoming. The federal Renewable Fuel Standard allows for hardship

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.

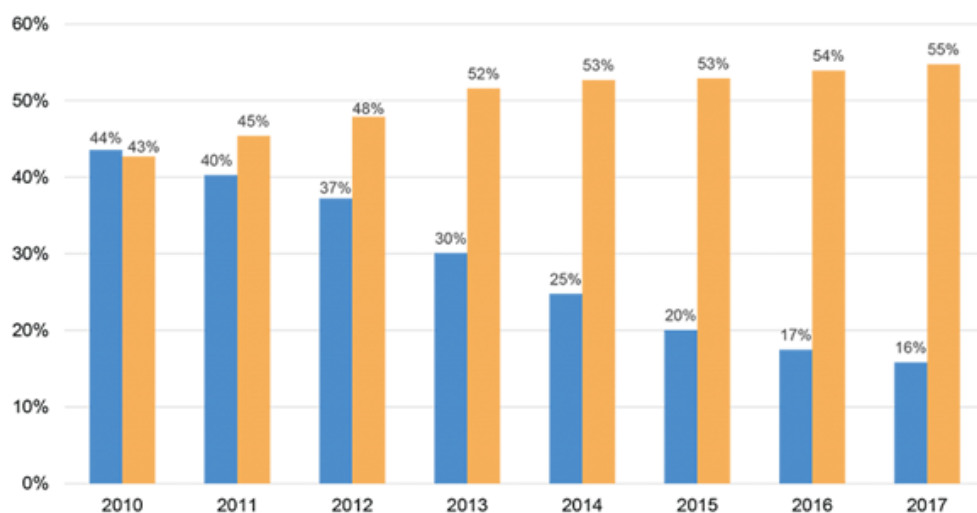
I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.

exemptions for smaller refiners with a capacity of 75,000 b/d or less if blending requirements threatened to shut the plants. The appeals court said a refinery should not have to be on the brink of closing to receive an exemption. A spokesman for the EPA says the agency is reviewing the rule. (Source: Platts)

> New Home Prices Are Holding Back Home Sales: Rising new home prices across the nation have eroded new home sales under \$200K and contributed to lackluster new home sales volumes. As shown below, new homes priced under \$200K comprised nearly half of the market (44%) in 2010, compared to only 16% of the market today. During the same period, the share of new homes priced from \$200K to \$400K has grown from 43% to 55%, and the share of new homes priced above \$400K has risen from 13% of the market to 29%. Partially due to very high new home pricing, both in absolute numbers and in relation to comparably sized resale homes, new home sales volumes remain well below previous peaks in the mid-1980s, late 1990s, and mid-2000s. More than half (55%) of non-home owning adults cite affordability as the main reason they do not currently own a home, compared to only 22% who cite the need for flexibility as the main reason they do not own. Even with historically low mortgage rates, affordability has become a huge problem. (Source: Real Estate Consulting)

New Homes Sold by Sales Price

Percentage of total sales, rolling 12-month average ■ Under \$200K ■ \$200K to \$400K



Sources: U.S. Census Bureau, John Burns Real Estate Consulting, LLC (Data: 1Q-17, Pub: Jul-17)

Farm Direction
RECIPES

★ FAMILY ★
FAVORITES
-SENT IN BY OUR READERS-

Avocado-Pesto
Pasta Salad w/
Fresh Corn

CLICK TO SEE RECIPE



Southwest Iowa - We have started to run the pivots more regularly. We had been fortunate to catch some timely rains but the beans have been needing some moisture. I think most of our beans are setting pods and filling. Our dryland beans will normally make 45bpa to 55bpa and with the start that we have had for the crop, I think we will make close to 50bpa this year. The irrigated beans look very good too and I think that we will make close to 60bpa this year. It seemed liked there were two windows to get planting done this year. We were able to get a majority of corn planted early in the first week of April. The guys that waited were well into May to plant. The hill ground seems to be a little short on moisture, showing a little stress but the bottoms look good and should have good yields. I think that we will average between 180bpa and 200bpa, which is close to our normal APH.

Western Washington - We have had some really different weather up here since late winter and early spring. We had extreme temps and moisture all over the board. I believe our winter wheat will be above average. We have had better yields in the past but the quality is much better this year. Last year we had many fields make over 100bpa on our winter wheat but this year we will around 80bpa to 85bpa. The test weights are a little off but we are not seeing any falling numbers which is huge. The dark northern spring wheat, which I grew more of this year will be off by 5bpa to 10bpa lower than last year. Prices have been stable with some decent premium for quality. We still have a normal rotation that includes summer fallow.

Western Indiana - We are needing a rain at this point in time. We came in to August with the moisture levels fully loaded, getting almost 9" in July, but have seen some signs of only receiving .8" so far this month. The planting this year was all over the board and we probably had to replant 40% of our corn. We planted initially in late April and then was shut out until mid to end of May, with some done in early June. We did not have nearly the acres of beans to replant. I planted corn populations right at 35,000 but seeing maturity in the 26,000 range. Things will not be terrible here but we will yields lower than last year. I know three or four weeks ago guys were less optimistic on yields but that has changed and if the weather finishes up good, yields will benefit.



Brazil Farmers Run Out Of Space As Bumper Crops Pile Up: At a warehouse in the heart of Brazil's agriculture sector, farmer Rafael Bilibio watches truck after truck line up to unload corn onto the ground outside the huge storage bins. His own corn, ready for unloading from a 50-tonne truck that has just pulled in, is destined to join the pile that has reached 65-feet high, as the bins remain stuffed with soybeans collected earlier this year in Mato Grosso state. Brazil is seeing these stockpiles on a crop that historically has been an afterthought. Known as Brazil's second corn - once planted as a cheap way of resting the soil from soybeans - this year's harvest has been so big, and prices so low, that farmers have no choice but to leave it exposed to the elements. Read more [HERE](#).

This Platform Allows You To Lend And Borrow Anything: Launched late last year in London, the startup has gained early traction among professionals needing short-term rentals of creative gear - like drones, cameras or DJ equipment. But the platform is also filled with weirder goods - like a tuxedo, camper van or popcorn machine. Items are priced per day, with the option to offer discounts if someone rents your item for a longer period of time. But Fat Lama stands out because all items are fully-insured for lenders, and renters can rent with just a debit card and no cash deposit required. Essentially the platform wants to let you do things you otherwise wouldn't, because it may be impractical to buy an expensive physical good if you only need to use it once. See the CEO's vision of needing anything [HERE](#).

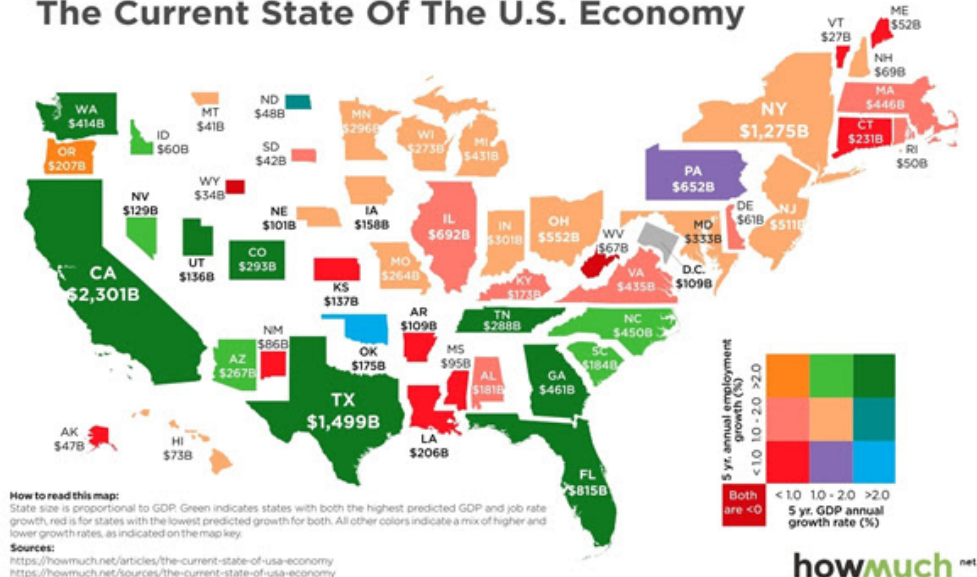
Traits Of A Sports Team Captain And How You Can Benefit From Them: Superstar athletes, brilliant coaches, a shrewd front office - all three are components of excellent professional sports teams. What you may not have given as much thought to is the role of captain, the player-leader of the team. Not only is this role also vital, it is the single most important factor for a team's success, argues Wall Street Journal editor Sam Walker in his book "The Captain Class." "The most crucial ingredient in a team that achieves and sustains historic greatness is the character of the player who leads it," Walker wrote. See these traits and how the leaders serve as models, teachers, and support to their teammates [HERE](#).

Inside the Lab That's Quantifying Happiness: In Mississippi, people tweet about cake and cookies an awful lot; in Colorado, it's noodles. In Mississippi, the most-tweeted activity is eating; in Colorado, it's running, skiing, hiking, snowboarding, and biking, in that order. In other words, the two states fall on opposite ends of the behavior spectrum. And then there's this: Mississippi has the worst rate of diabetes and heart disease in the country and Colorado has the best. Mississippi has the second-highest percentage of obesity; Colorado has the lowest. Mississippi has the worst life expectancy in the country; Colorado is near the top. Perhaps we are being more honest on social media than we think. And perhaps social media has more to tell us about the state of the country than we realize. That's the proposition of Peter Dodds and Chris Danforth, who co-direct the University of Vermont's Computational Story Lab. Read more [HERE](#).

Where The Economic Recovery Has Taken Hold In The U.S., And Where It Hasn't: The U.S. economy has finally regained its pre-recession levels of employment and Gross Domestic Product (GDP). What does that mean? More people are getting hired, and they're spending their paychecks. That's all good, but it's no secret the economy has undergone an uneven recovery since the Great Recession. The below map illustrates how the recovery stacks up in different parts of the country. The map shows you the economic performance of the U.S. in three different ways. The size of the state correlates to the size of the local economy—the bigger the state on the map, the more

significant its economic output. Check out a more details and a larger version of the map at cost cost-estimating website [HowMuch](https://howmuch.net).

The Current State Of The U.S. Economy



What You Need To Know About The Astronomical Event Of The Century

On Monday, August 21, 2017, American's will witness a full solar eclipse as the New Moon comes between the Sun and the Earth. The so-called Great American Eclipse will only reach what's known as "totality" in certain states, starting in Oregon and moving slightly diagonally east, ending in South Carolina. In the surrounding areas, which includes all of the U.S. and Canada, the eclipse will be partial. Yaquina Head Lighthouse in Newport, Oregon, will be the first location in the continental U.S. to see totality. The partial phase of the eclipse will begin there at 9:04 a.m. local time and totality will occur at 10:15 a.m. From here, the Moon's central shadow will move inland. The maximum point of the eclipse will take place near Hopkinsville, Kentucky, at 1:20 p.m. local time. Totality will last for 2 minutes and 40 seconds. It's been a long time since Americans have been able to experience such an event. This is the first total eclipse of the Sun visible from the contiguous United States (excluding Alaska and Hawaii) since February 26, 1979. The last time a total eclipse was visible from coast to coast was on June 8, 1918. The next total solar eclipse visible from North America won't occur until April 8, 2024. The big time gap between the occurrences makes it seem like total solar eclipses are rare, but they actually happen about every 18 months. They just aren't visible to any given spot on Earth very often. The most detailed map I've found for the path of the Monday's event comes from GreatAmericanEclipse.com and can be viewed [HERE](#). Time Magazine has put together an interactive guide that will show exactly how the eclipse will look from anywhere in the U.S., available [HERE](#). Approximately 12.25 million people live inside the path of totality. It's estimated that as many as 7.4 million people will travel into those areas on eclipse day. Below are more tips on how to watch the eclipse and some other interesting facts about the astronomical event:

What Happens: During a total solar eclipse, the skies darken suddenly and the air gets noticeably colder, dropping by about -10°F at totality, says Fred Espenak, a famed eclipse expert and retired NASA astrophysicist. He notes that it doesn't become pitch-black outside - the sky looks more like it would in the evening, about 30 minutes before sunset. Birds and animals will often go silent.

Shadow bands: About 1 minute before totality, moving wavy lines of alternating light and dark can be seen on the ground and along walls. These shadow bands are the result of Earth's turbulent atmosphere refracting the last rays of sunlight.

Diamond ring: Seen about 10 to 15 seconds before and after totality, the solar corona (the outer atmosphere of the sun) becomes visible; seen together with a single jewel of light from the sun, this creates a diamond ring effect.

Baily's beads: About 5 seconds before totality, Baily's beads appear. They are little bead-like blobs of light at the edge of the Moon. They are created because gaps in the mountains and valleys on the Moon's surface allow sunlight to pass through in some places but not others.

Totality and Maximum Eclipse: Once the Moon completely covers the disk of the Sun, only the Sun's corona is visible. The corona is the outermost part of the sun's atmosphere which is made up of a jacket of gases. The corona is usually hidden by the bright light of the sun's surface. During a total solar eclipse, the moon blocks out the bright light of the sun and the glowing white corona can then be seen surrounding the eclipsed sun.

The Sun's chromosphere: A lower layer of the Sun's atmosphere, the chromosphere, gives out a reddish glow which can only be seen for a few seconds after totality sets in. The phenomena experienced before totality then begin to repeat in reverse order and the corona fades.

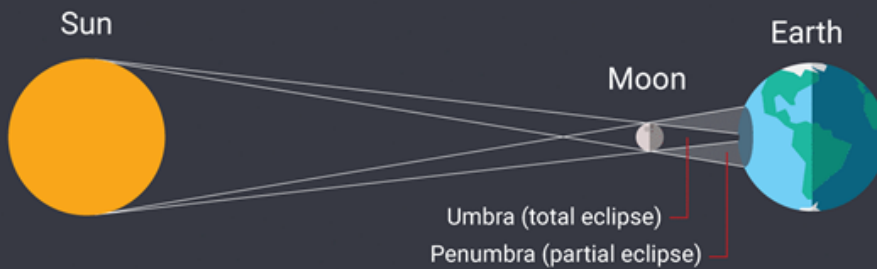
How To View: The safest way to view the eclipse is while wearing a pair of protective safety glasses. During totality it is safe to view it with your naked eye, but you run the risk of accidentally exposing your eyes to damaging light if you miss-time this. Looking directly at the sun without proper protection can cause serious injury and even blindness. Proper eyewear has special-purpose solar filters that are not found on even the darkest of standard sunglasses. The American Astronomical Society has a list of reputable vendors and manufacturers [HERE](#).

Cameras And Telescopes Are Not Safe Alternatives: Similarly, do not look at the sun through a camera, a telescope, binoculars, or any other optical device while using your eclipse glasses or hand-held solar viewer — the concentrated solar rays are thought to damage the filter and enter your eye(s), causing serious injury. Seek expert advice from an astronomer before using a solar filter with a camera, a telescope, binoculars, or any other optical device. Note that solar filters must be attached to the front of any telescope, binoculars, camera lens, or other optics.

Pinhole Projectors: An alternative method for safe viewing of the partially eclipsed sun is pinhole projection. You simply pass sunlight through a small opening (for example, a hole punched in an index card) and project an image of the Sun onto a nearby surface (for example, another card, a wall, or the ground). You don't need any special equipment either! Just cross the outstretched, slightly open fingers of one hand over the outstretched, slightly open fingers of the other. Then, with your back to the Sun, look at your hands' shadow on the ground. The little spaces between your fingers will project a grid of small images on the ground.

Thousands Of Scientists Will Be Observing: Scientists plan to use the eclipse to help solve one of the sun's most perplexing mysteries — namely, why the corona is millions of degrees hotter than its 10,000-degree Fahrenheit surface. Because totality only lasts about two minutes in any one location, scientists will be in position across the country to capture images and data. A citizen science effort backed by the National Science Foundation, NASA, and other organizations will photograph the corona using 60 identical telescopes stationed at regular intervals along the path of totality in an effort to produce a 90-minute movie of the Sun's corona. Other measurements and observances will be made from various probes and satellites in space. (Sources: Space, NASA, Time, Great American Eclipse)

A Handy Guide to Total Solar Eclipses



Total Solar Eclipses happen when the Moon passes between the Sun & the Earth and casts the darkest part of its shadow (Umbra) on Earth. Places where the Penumbra falls see a Partial Solar Eclipse.

Phases of the Eclipse



First Contact
Edge of the Moon starts to overlap the edge of the Sun. The eclipse begins.



Second Contact
The Moon covers the entire disk of the Sun. Total eclipse begins.



Totality
Max phase of a Total Solar Eclipse. The Sun is completely covered.

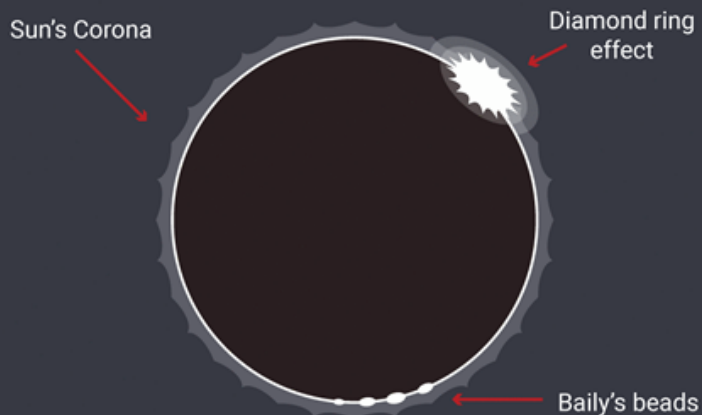


Third Contact
The Moon starts moving away. Parts of the Sun's disk reappear.



Fourth Contact
The Moon stops covering the Sun. The eclipse ends.

Awesome Totality



There are some phenomena that can only be seen during totality.

John White, governor of the Roanoke Island colony in North Carolina returned on this day in 1590 from a supply-run to England to find his entire settlement abandoned. There were no signs of a battle, struggle or death for the 117 residents who settled there three years earlier. To this day the fate of the Lost Colony on Roanoke is one of the most enduring mysteries in our nations history. As you can imagine, theories about the disappearance of the colony are not in short supply and range from the logical to the absurd. There were very few facts to go on, and that's what keeps the search for answers alive today. Returning to England for supplies and more help in dealing with the settlement, White's arrival back to the Roanoke would take nearly three years as the war with Spain required all ships be enlisted in battle. As I understand it, before White left the colonists, he instructed them to mark a post or tree with a Maltese Cross indicating that they had left under distress. According to reports, there was no Maltese Cross but there was the word "CROATOAN" carved into the Palisade that had been built around the settlement as well as the letters "CRO" carved into a nearby tree. White took the letters to mean that the colonists had moved to the Croatoan Island some 50 miles away. That wasn't the case. Two pieces of evidence have recently come to life, giving historians and archaeologists fuel to keep pressing on in their search for answers. A paper map stored at the British Museum in London which hung in a frame for decades until researchers realized that a small patch placed at the west end of the Albemarle Sound was covering an important landmark. Placing the map on a light table and exposing it to infrared light revealed a fort symbol where archaeologists had excavated between the mouths of the Chowan and Roanoke rivers. The clue added to the belief the colonists headed inland on their own as archaeologists had already found ceramic pieces from the 16th century in that area. In 1998, a discovery electrified archaeologists and historians when a ring that was thought to belong to the Roanoke colonists was found. Archaeologist Mark Holton from the University of Bristol in the UK says that the ring is similar to other British examples which could have been kept as heirlooms and passed down. Horton is currently digging at the Hatteras site where many artifacts have been uncovered leading experts to believe there was some type of gathering between the Croatoans and the early settlers. Considering all the facts, including no signs of struggle or forced departure, along with the artifacts found at the inland dig sites, it seems hard not to imagine that the early settlers moved inland and perhaps even began to live with the Natives. Keep in mind though, that later settlements from Jamestown in the early 1600's sent out multiple search parties and came up empty each time. On top of that, though many in the area today claim a shared bloodline from the settlers who may have moved inland to live with the Croatoans, DNA tests have never backed that up, leaving this as a deep mystery amongst the original settlers of our nation. If you're looking to dig a bit deeper, you can explore what others think may have happened by Clicking [HERE](#). (Source: Smithsonian, WIKI, History.com, pilotonline, [ourstate.com](#))





Back to School Day: A letter to my first-grader

With lots of kids going back to school, I wanted to take a moment and acknowledge all of the Moms and Dads who have had to wipe the tears away. Our kids are off to college, so once again Michelle and I are empty nesting. We've learned to adjust, and yes it seems to get a bit easier, but it's still just not the same around the house. There's just something about the pitter patter of bare feet running through the house, the dogs barking and chasing after them, the girls screaming as the boys torment. I miss the balls bouncing off the walls, the bicycles banging up against the cars, the spills at dinner, the go carts and mini bikes always breaking down, finding my tools in the yard, the pool balls being lost, the dogs being dressed up, the scraps, cuts, broken bones, bee stings, etc. It sounds crazy, but we miss a lot of the things we never would have thought. In any regard, to those who have little ones, enjoy every minute of it. Submerge yourself in the craziness and let it soak deep into your pores, there's nothing better in life... Below is a short letter I received the other day from a great friend. Hope you enjoy, have a great weekend, and spend some extra time with the kids this weekend. (Source: [Reno Gazette-Journal](#))

To my first-grader:

When you were in preschool, your teacher asked me to write on a piece of paper what I hoped for you that school year.

There are so many things I hope for my daughter, but I was stuck.

I sat there, frazzled on how I could write everything I wanted for my daughter on a little index card.

On this first day of school for thousands of Washoe County School District students, what I want for my daughter is what I want for everyone.

I want my daughter to be kind.

Be kind to classmates who are like you and — most importantly — different from you. Make friends with people who make you smile, laugh and get angry. Be kind to the kids who are mean to you.

Be kind to yourself.

Be kind to your little brother — you don't see it, but he wants to be just like you.

Be kind to your teacher, your principal and the lunch lady.

Be kind to your grandparents, who won't be around forever and love you so much.

Be kind to your aunt because you are a lot like her.

Be kind to your dad because someday you will want to go on a date.

And be kind to me because while I'm rejoicing that I don't have to remember what summer camp you are attending today, I am also suffering

from major mom guilt.

It's too soon for summer to be over. I didn't do enough.

I only have 10 more summers before you are a high school senior.

It won't be long before I'm picking you up to move into a college dormitory and yet, somehow, I can barely accept that today you start first grade. I'm not ready for you to grow up.

Last year I cried on your first day of kindergarten. I sobbed at your kindergarten graduation.

I'm crying now thinking about your first day of school. On Monday, I am not wearing mascara.

And while I want so much from your education, what I wanted years ago, still remains the same as you start another school year.

I hope you always have the confidence to be kind.

Love,

The mom of a 2029 Washoe County School District graduate

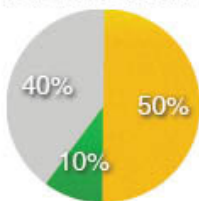
in a world
where you can
be anything,
BE KIND.

- Unknown

CASH SALES & HEDGING TOTALS

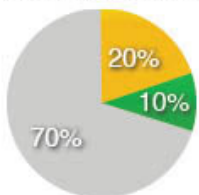
CORN 2017 CROP

50% SOLD
10% HEDGED
40% UNPROTECTED



CORN 2018 CROP

20% SOLD
10% HEDGED
70% UNPROTECTED



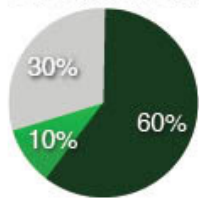
CORN 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



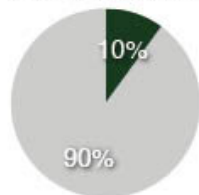
SOYBEANS 2017 CROP

60% SOLD
10% HEDGED
30% UNPROTECTED



SOYBEANS 2018 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



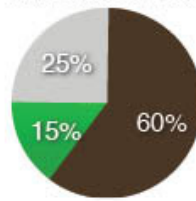
SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



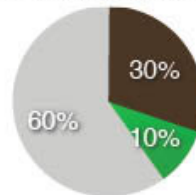
WHEAT 2017 CROP

60% SOLD
15% HEDGED
25% UNPROTECTED



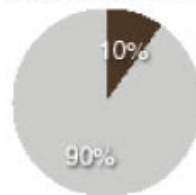
WHEAT 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



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