

GOOD MORNING: 08/25/17 Farm Direction - VanTrump Report

1 message

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

Fri, Aug 25, 2017 at 7:17 AM



"The secret of getting ahead is just getting started." - Mark Twain

FRIDAY, AUGUST 25, 2017

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Morning Summary: "Hurricane Harvey" is gaining most of the media attention this morning with many forecasters thinking it could reach Category-3 status once it makes landfall late-Friday or early-Saturday morning. It was recently upgraded to a Category-2 hurricane and seems to be gaining momentum, now with winds just 1 mph away from being called a "major Cat-3 hurricane". There is talk that several areas in Texas could see 35 inches of rainfall, destructive waves and flood waters that could reach heights of 6-12 feet above ground level, with winds of about 120 mph. After hitting Corpus Christi, the storm is expected to stall over the state for a few days, which could create massive flooding. They are also saying isolated tornadoes are possible across portions of Texas. Workers at 39 different offshore petroleum production platforms and oil rigs in the Gulf of Mexico have been evacuated. Several ports are closed and many counties have issued evacuation notices. Storm preparations have extended clear to New Orleans, where the Federal Emergency Management Agency says they are working to make sure pumps are working in anticipation of 7 to 10 inches of rain. The National Guard is also readying 500,000 sandbags, FEMA said.

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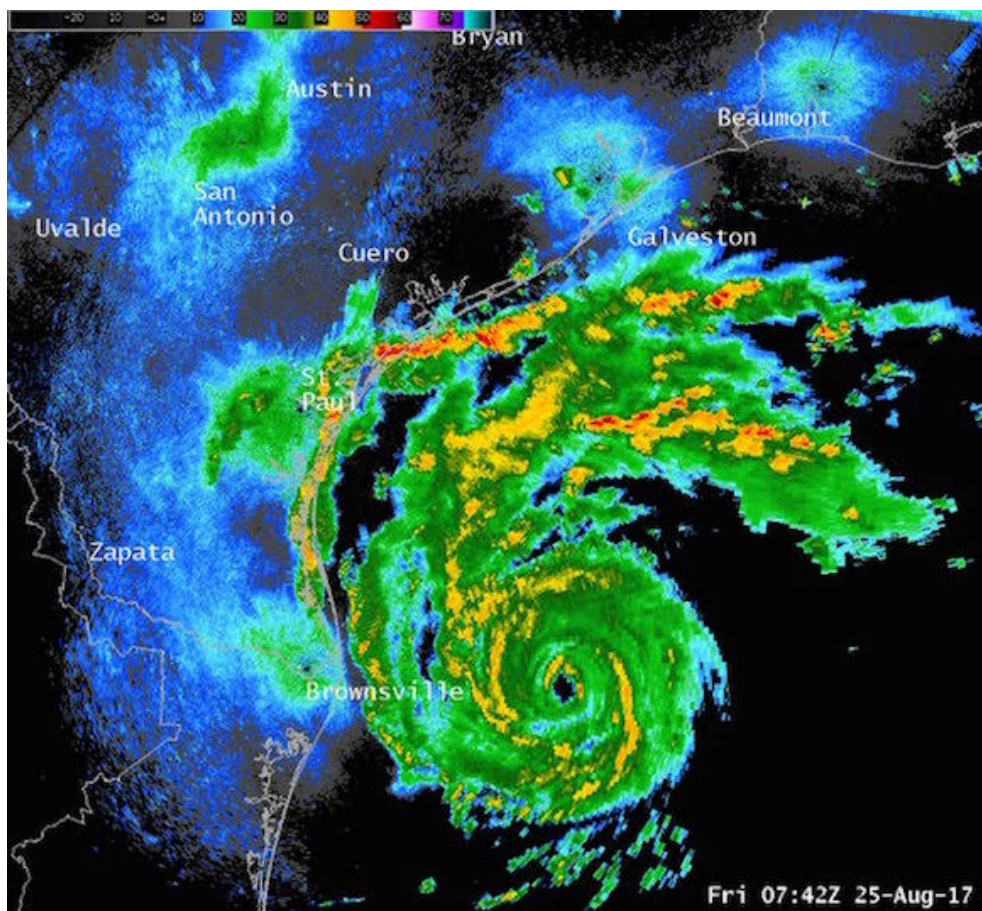


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Investors are anxious to hear from Fed Chair Janet Yellen today, as she will be speaking at the annual Jackson Hole gathering, one which many insiders are speculating could be her last as chair of the Federal Reserve. There is a great deal of talk about Trump choosing not to renominate her, instead naming lead economic advisor Gary Cohn to the post. The topic of Yellen's speech is said to be "financial conditions," which covers a pretty broad range of subjects. The other main-event at Jackson Hole today is a speech scheduled from Mario Draghi, the European Central Bank president. Investors are hoping he provides some hints as to when and how much the ECB may opt to trim its asset purchases. Today's economic data is light, and I suspect the media will be most heavily focused on the hurricane. Turning to next week, the economic data calendar will get a lot busier with the highlights being: Consumer Confidence on Tuesday, Second Quarter GDP on Wednesday, Vehicle Sales, Construction Spending and the August Employment Report on Friday. Next week will also mark the end of Congress' August recess, with lawmakers returning on September 5. Keep in mind there are some critical deadlines coming rather quickly once lawmakers return to Washington. First, Congress needs to get a spending bill of some sort completed by the end of the fiscal year on September 30 in order to avoid a government shutdown. Additionally, the Treasury has called for them to raise the debt ceiling before October to prevent the U.S. from defaulting on its debt. Lots to look forward to... Wishing safety to all those in the path of Hurricane Harvey!

Powerball Winner!!! Mavis Wanczyk, 53, a woman who spent 32 years caring for patients at a Western Massachusetts medical center will be able to retire in style after claiming the \$758.7 million Powerball jackpot. Wanczyk, a Chicopee, Massachusetts, resident and mother of two adult children, said she was leaving work at Mercy Medical Center in Springfield late Wednesday night when she learned, to her shock, she had won. "I couldn't drive anywhere. I couldn't do anything," a smiling Wanczyk told reporters at a news conference at State Lottery headquarters. Even Thursday morning after learning she had won, she said, she thought to herself, "This isn't true. This can't be." But she said she would get over the shock and that she had a low-key celebration planned. At her news conference, Wanczyk told reporters she's always "been OK" financially and plans to use some of her winnings to pay off a car she purchased last year. Wanczyk said the numbers she picked were mostly random and based on birthdays and her lucky number in Keno — four. She chose the lump sum instead of the monthly payments. She'll receive \$480 million, which amounts to about \$336 million after taxes.

Remember we sold out early last year!



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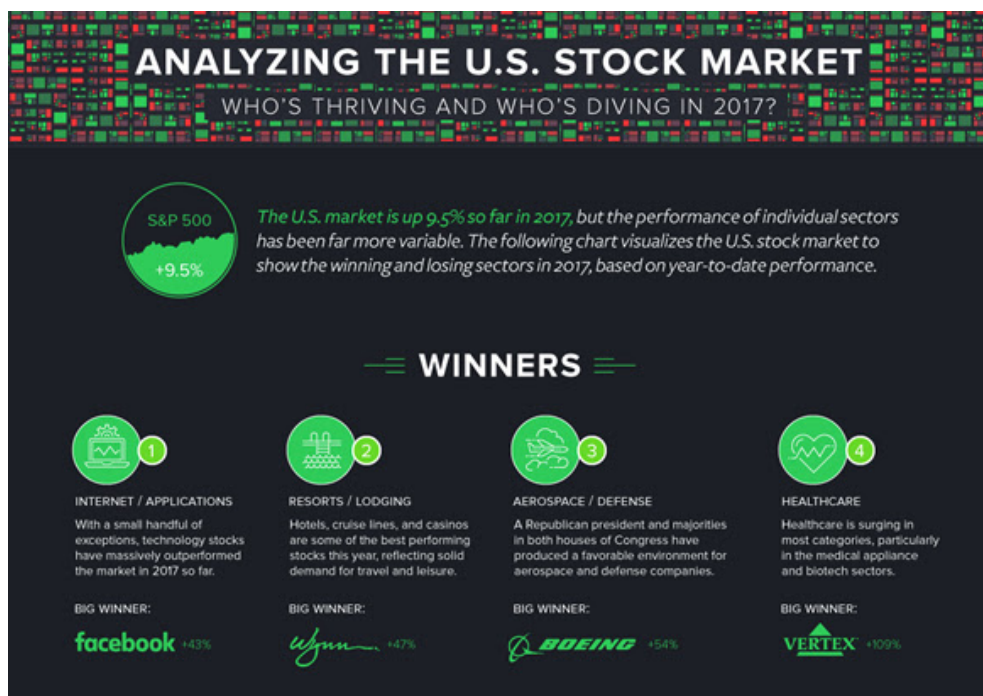
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Fed Official Says A Market Correction Would Not Be Troubling: A sharp drop in asset prices would not necessarily be troubling to the economic outlook, said Dallas Fed President Rob Kaplan on Thursday. Instead, Kaplan told CNBC that he was paying more attention to a buildup of excess debt in the economy and, so far, liabilities are not out of hand. Kaplan also signaled that another interest rate hike this year was not a given, saying he thinks the bank can afford to be "patient" and see if inflation pressures pick up. He said Fed policy may not be as easy as many people think. The longer-run neutral level for short-term interest rates is somewhere in the 2% range rather than the 3% range, he said. In other matters, Kaplan said he believes the Fed should begin the process of reducing its balance sheet, the portfolio of debt it accrued during its stimulus efforts, likely in September. In an earlier interview, Kansas City Fed President Esther George said asset prices may decline once the Fed starts to taper its balance sheet and that the U.S. central bank would have to "wait and see." The aim of the Fed's purchases over the past decade was to boost asset prices, she said, and there could be a "symmetric reaction" once the assets roll off. "It is hard to know because we don't have experience," George said. As for a rate hike, George said she was supportive of another raise this year given the current economic data. (Sources: CNBC, MarketWatch)

The Best and Worst Performing Sectors in 2017: Regardless of what you think of it, the second-longest U.S. bull market in modern history continues to rage on. Even this year, which is the eighth anniversary of the lows of the Financial Crisis, has the S&P 500 charging forward with a 9.5% performance year-to-date. That said, it's important to keep in mind that individual sectors that make up the market are not created equally – and while some have been crushing it, others have been taking a beating. This graphic shows a map of stocks in the U.S. market. Divided into different subsectors and colored by performance YTD, it helps give an idea of what has outperformed the market, and which stocks have been left in the dust. Click [HERE](#) to see the full graphic. (Source: Visual Capitalist)



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Today In History



1835, Great Moon Hoax -

The first in a series of six articles announcing the supposed discovery of life on the moon appears in the New York Sun newspaper. Known collectively as "The Great Moon Hoax," the articles were supposedly reprinted from the Edinburgh Journal of Science. The byline was Dr. Andrew Grant, described as a colleague of Sir John Herschel, a famous astronomer of the day. Herschel had in fact traveled to Capetown, South Africa, in January 1834 to set up an observatory with a powerful new telescope. As Grant described it, Herschel had found evidence of life forms on the moon, including such fantastic animals as unicorns, two-legged beavers and furry, winged humanoids resembling bats. The articles also offered vivid description of the moon's geography, complete with massive craters, enormous amethyst crystals, rushing rivers and lush vegetation. The New York Sun, founded in 1833, was one of the new "penny press" papers that appealed to a wider audience with a cheaper price and a more narrative style of journalism. From the day the first moon hoax article was released, sales of the paper shot up considerably. It was exciting stuff, and readers lapped it up. The only problem was that none of it was true. The Edinburgh Journal of Science had stopped publication years earlier, and Grant was a fictional character. The articles were most likely written by Richard Adams Locke, a Sun reporter educated at Cambridge University.



Weather is calling for generally cool temperatures and varying rain across the Midwest through the end of the week. Showers will focus in western and northern areas. Any rain that does occur will be of most benefit to soybeans. Recently dry areas of the eastern Midwest have little rain in the forecast over the next 5 to 7 days. In the southern Plains, conditions are very favorable. Light showers cross the region over the next five days. IN the northern Plains, rain in the forecast over the next 5 to 7 days should bring some benefit for soybeans throughout South Dakota and Minnesota. However, this rain is too little -- too late for filling corn to benefit. Tropical Storm Harvey, currently intensifying in the southern Gulf of Mexico, will reach hurricane strength well before making landfall in southeastern Texas on Saturday. Meanwhile, a broad area of high pressure over the central and eastern U.S. will cause Harvey to stall, raising the possibility of torrential (rainfall 10 - 20 inches possible) over a multi-day period across parts of southern Texas. Heavy rain associated with Harvey will extend into the Delta, though a rather sharp north-south rainfall pattern is expected. No large organized areas of rain are expected elsewhere in the U.S., though moderate to heavy showers are possible in the Four Corners, Corn Belt, and lower Southeast. Furthermore, a stalled front along the southern Atlantic Coast will need to be monitored for possible tropical storm development over the weekend.

Incredible Graphic Showing Harvey Rainfall: *The Rainfall footprint from Hurricane Harvey is going to be undoubtedly massive. Could be unprecedented rain in places. Tracks well into the Ohio Valley into late next week/weekend. Graphic runs Friday Aug. 25 through Sat. Sept. 2.*

Intended as satire, they were designed to poke fun at earlier, serious speculations about extraterrestrial life, particularly those of Reverend Thomas Dick, a popular science writer who claimed in his bestselling books that the moon alone had 4.2 billion inhabitants. Readers were completely taken in by the story, however, and failed to recognize it as satire. The craze over Herschel's supposed discoveries even fooled a committee of Yale University scientists, who traveled to New York in search of the Edinburgh Journal articles. After Sun employees sent them back and forth between the printing and editorial offices, hoping to discourage them, the scientists returned to New Haven without realizing they had been tricked. On September 16, 1835, the Sun admitted the articles had been a hoax.



1896, Bill Doolin - The outlaw Bill Doolin is killed by a posse at Lawson, Oklahoma. Born in Arkansas in 1858, William Doolin was never as hardened

a criminal as some of his companions. He went west in 1881, finding work in Oklahoma at the big ranch of Oscar D. Halsell. Halsell took a liking to the young Arkansan, taught him to write and do simple arithmetic, and eventually made him an informal foreman on the ranch. Doolin worked for several other ranchers in the next decade and he was widely considered trustworthy and capable. By the 1890s, however, Doolin had become at least a part-time thief. For six years, he participated in a variety of bank and train robberies, sometimes in partnership with the infamous Dalton gang. A careful and methodical man, Doolin planned his robberies well. Though he was shot several times, the wounds were never serious. Success inevitably brought increased pressure from law enforcement. In 1895, Doolin and several of his partners went into hiding in New Mexico. Doolin made several offers to surrender in exchange for a light sentence, but his offers were rejected. In January 1896, the famous lawman Bill Tilghman single-handedly captured Doolin at Eureka Springs, Arkansas. The outlaw, who was at the springs to take in the medicinal waters, was caught by surprise, and Tilghman arrested him peacefully. Jailed at Guthrie, Oklahoma, while awaiting trial, Doolin escaped on July 5, 1896. Doolin managed to elude the pursuing posse for nearly two months. When the posse finally caught up with him at Lawson, Oklahoma, Doolin apparently decided he was not going to be captured alive. Badly outnumbered, Doolin drew his gun. A rain of shotgun and rifle fire instantly killed him. He was 38 years old. Doolin was buried in Guthrie, Oklahoma.

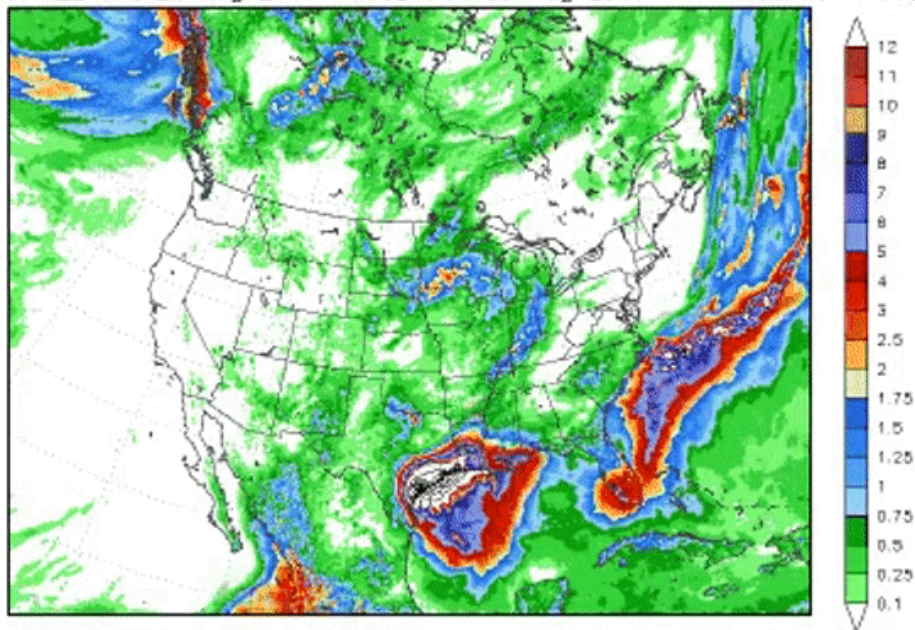
1944, Liberation of Paris - After more than four years of Nazi occupation, Paris is liberated by the French 2nd Armored Division and the U.S. 4th Infantry

138 Hour Total Precipitation (in)

Valid: 12z Thu 24 Aug 2017 - 06z Wed 30 Aug 2017

ECMWF-MAXRES

Hour: 0 - 138



Max: 40.6 in
Min: 0.0 in

StormVistaWxModels.com

Init: 12z Thu 24 Aug 2017
2017-08-24-18:25

Corn remains at the lower end of its recent trading range as the bulls continue to battle a slippery slope created by burdensome old-crop supply. The U.S. yield remains in question but there is no denying the large amount of old-crop supply still in the marketplace. This is obviously creating heavier headwinds than thoughts surrounding a significant new-crop yield drag. There's also a bit of nearby headwind being created on news of Brazil increasing ethanol tariffs on imports coming from the U.S. Technically, the bulls are hoping the new-crop DEC17 contract will still find support at \$3.50 per bushel. Nearby upside resistance now seem to be ratcheted down to between \$3.70 and \$3.80 per bushel. Unfortunately, the DEC18 contract has now slipped below \$4.00 per bushel, which could now become nearby resistance. As for the Pro Farmer Crop Tour, their 25 year anniversary comes to an end with scouts rapping up estimates for both Iowa and Minnesota. The top producing state of Iowa was estimated at 179.79 bushels per acre vs. 188.17 last year vs. the 3-year Tour average of 182.39. The Minnesota crop is forecast to yield 191.54 bushels per acre vs. 182.32 last year vs. the 3-Year average of 181.32. Overall, the Tour seems to have confirmed a lot of what the trade has been thinking. The current USDA yield of 169.5 is a bit overly optimistic, but perhaps not by that much. Nebraska arguably over estimated by the USDA, perhaps Illinois, Iowa and Ohio are as well. On the flip side Minnesota could be a bit underestimated by the USDA. Net-net, the market doesn't seem to be caught offside by the Crop Tour as prices this morning are near "unchanged"



Division. Paris fell to Nazi Germany on June 14, 1940, one month after the German Wehrmacht stormed into France. Eight days later,

France signed an armistice with the Germans, and a puppet French state was set up with its capital at Vichy. Elsewhere, however, General Charles de Gaulle and the Free French kept fighting, and the Resistance sprang up in occupied France to resist Nazi and Vichy rule. The French 2nd Armored Division was formed in London in late 1943 with the express purpose of leading the liberation of Paris during the Allied invasion of France. In August 1944, the division arrived at Normandy under the command of General Jacques-Philippe Leclerc and was attached to General George S. Patton's 3rd U.S. Army. By August 18, Allied forces were near Paris, and workers in the city went on strike as Resistance fighters emerged from hiding and began attacking German forces and fortifications. At his headquarters, Supreme Allied Commander Dwight D. Eisenhower had a dilemma. Allied planners had concluded that the liberation of Paris should be delayed so as to not divert valuable resources away from important operations elsewhere. The city could be encircled and then liberated at a later date. On August 21, Eisenhower met with de Gaulle and told him of his plans to bypass Paris. De Gaulle politely told Eisenhower that if his advance against Paris was not ordered, he would send Leclerc's 2nd Armored Division into the city himself. On August 22, Eisenhower agreed to proceed with the liberation of Paris. The next day, the 2nd Armored Division advanced on the city from the north and the 4th Infantry Division from the south. They ran into heavy German artillery, taking heavy casualties, but on August 24 managed to cross the Seine and reach the Paris suburbs. Later that day, Leclerc ordered his exhausted men forward in a final burst of energy. Just before midnight on August 24, the 2nd Armored Division reached the Hôtel de Ville in the heart of Paris. German resistance melted away during the night. Most of the 20,000 troops surrendered or fled, and those that fought were quickly overcome. On the morning of August 25, the 2nd Armored Division swept clear the western half of Paris while the 4th Infantry Division cleared the eastern part. Paris was liberated.

Upcoming Events

Fri. 8/25 - Cattle on Feed

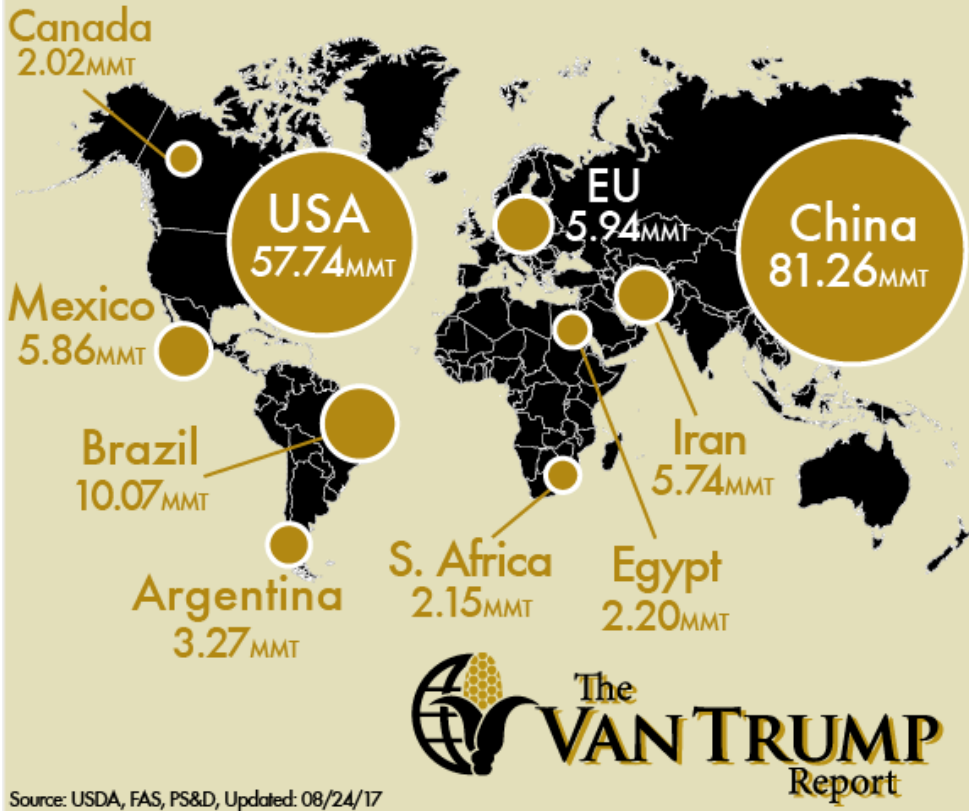
Mon. 9/4 - Labor Day - Markets Closed

Tues. 9/12 - USDA Supply and Demand

Fri. 9/22 - Cattle on Feed

2017/18 Corn Ending Stocks

Global Ending Stocks 200.87 Million Metric Tons



Soybean prices have been pushing up against heavier resistance in the \$9.50 to \$9.75 area, as traders add a bit more risk-premium on reports of lower pod counts and weather related problems down South that could create harvest complications. On the flip side, bears are talking about Hurricane Harvey creating perhaps more widespread improvement for drier locations as the storm moves inland next week bringing along more moisture, and perhaps a needed drink to producers to the North and to the East. The Pro Farmer Crop Tour came to an end with estimates for Iowa and Minnesota. The state of Iowa was estimated to average 1,092.92 pods vs. 1,224.28 last year vs. the 3-year Tour average of 1,205.69. The Minnesota crop was forecast to average 1,019.96 pods vs. 1,107.60 pods last year vs. the 3-Year average of 1,086.12 pods. As both a producer and a spec, I still see the market trapped in nearby \$1.00 trading range. If the weather to the South is more negatively impacted we could test the upper end, otherwise ample global supply will keep a lid on prices.

Fri. 9/22 - Cold Storage

Thurs. 9/28 - Quarterly Hogs and Pigs

Fri. 9/29 - Quarterly Stocks

Thurs. 10/2 - USDA Supply and Demand

Fri. 10/20 - Cattle on Feed

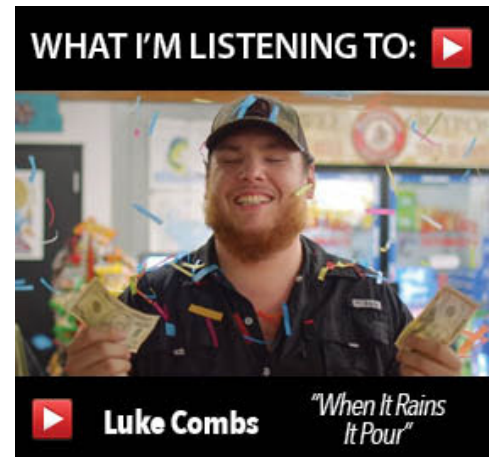
Mon. 10/23 - Cold Storage

Mon. 11/5 - Daylight Saving Time Ends

Thurs. 11/9 - USDA Supply and Demand

Thurs. 11/23 - Thanksgiving - Markets Closed

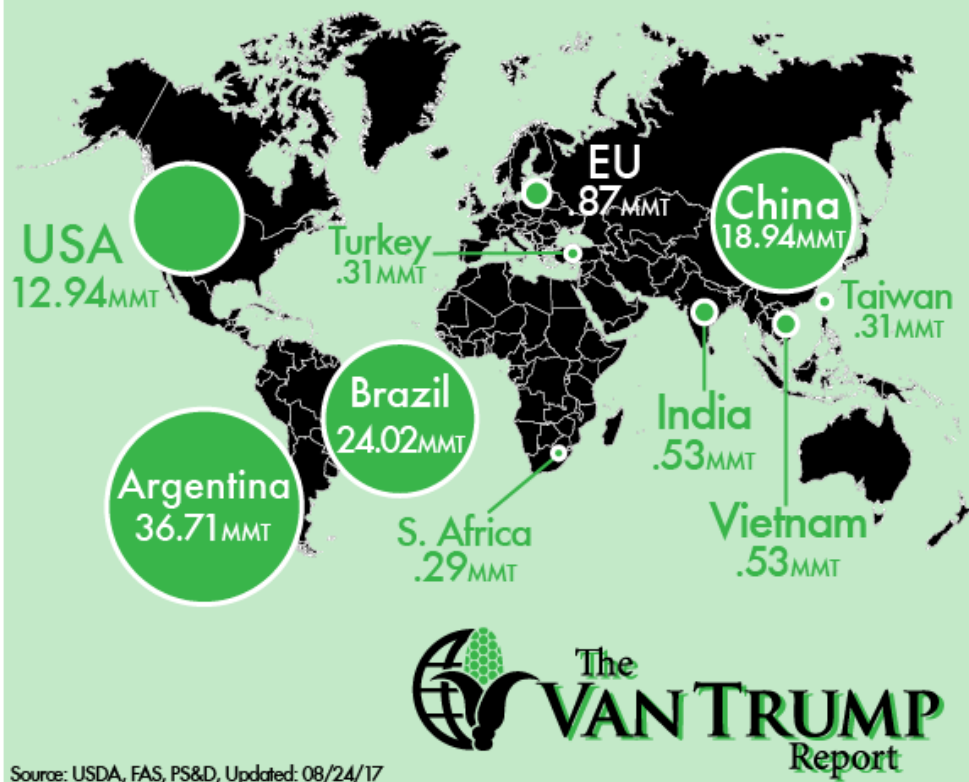
Kevin's Song of the Week



About the Report

2017/18 Soybean Ending Stocks

Global Ending Stocks 97.78 Million Metric Tons



Wheat bulls continue to talk about a longer-term story brewing in regard to "quality". Several believe "demand" will ultimately move prices back to higher levels, but it might take a few more months to come to fruition. The bears seem to have a strangle hold on the market with continued headlines about burdensome global supply and strong production coming from several of the worlds low-cost providers, particularly Russia, where production estimates continue to creep higher, with most now +3 to +5 MMTs larger than the current USDA estimate. It's worth noting, The International Grains Council (IGC) yesterday, raised its world wheat forecast by +10 MMTs to 742 million but is still below its previous seasons forecast of 754 million. Bottom-line however, we are still swimming in burdensome global ending stocks. Staying a patient bull...

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

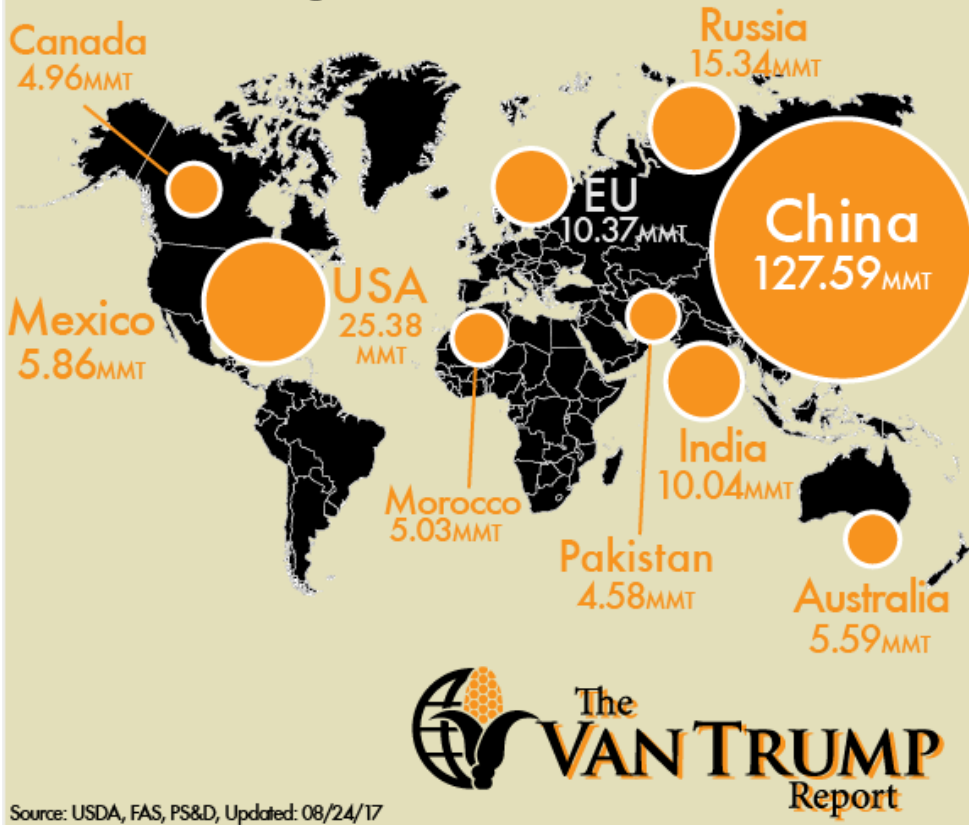
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis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

2017/18 Wheat Ending Stocks

Global Ending Stocks 264.69 Million Metric Tons



Cattle On Feed Report is due out today after the close. Most in the trade seem to be looking for "All" cattle on feed as of August 1st at around 10.65 million head or about +4% to +5% above last year. "Placements" are thought to be +6% higher and "Marketings" about +5% higher. In other words most seem to be looking for family bearish numbers.



> **ICG Global Updates:** With grains consumption climbing, total inventories are forecast to fall for the first time in five years, according to the International Grains Council. In its latest monthly forecast of supply, production and inventories, global grains consumption is predicted to hit a record high of 2.089 billion metric tons in the 2017-18 crop year, thanks to continued low prices. This is expected to drive down stocks for the first time since 2012-13. World grain production is seen at 2.049 billion metric tons, an upgrade of 11 million from their last report. Wheat stocks are forecast to rise to a record high. IGC lifted its 2017-18 ending stocks estimate by 7 million metric tons to 248 million. The group notes that for wheat, record opening stocks will more than compensate for the smaller harvest, boosting overall supplies to a new peak. For grains as a whole, the IGC forecast that "exports from the Black Sea region could surpass 90 million metric tons for the first time, accounting for one-quarter of global trade. One potential sticking point is whether infrastructure in the likes of Russia is capable of coping with the huge volumes, with the council noting "speculation among market participants about possible logistical constraints". - The IGC cut its forecast for global corn production in 2017/18 by -3 million tons to 1.017 billion, reflecting lower crop forecasts for the European Union and China; The IGC put global soybean production in 2017/18 at 347 million tons, up from a previous forecast of 345 million tons but still below the prior season's record high of 351 million tons.

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.

> **Brazil Approves U.S. Ethanol Tariff:** Brazilian Minister of Agriculture, Livestock and Supply Blairo Maggi said that CAMEX, Brazil's Chamber of Foreign Trade, has approved a recommendation to impose a 20 percent tariff on U.S. ethanol imports after a 600-million-liter tariff rate quota, according to the Renewable Fuels Association. Local media are reporting this TRQ would be in place for two years. Brazilian ethanol imports reached 1.29 billion liters in the first half of the year alone, a 330 percent increase compared to the same period a year earlier. The move ends an agreement between the world's two largest ethanol producers, Brazil and the United States, to keep global ethanol trade free of taxes to boost the industry. The measure enters into force after publication in the official gazette, which should happen in coming days. Ethanol market participants and trade groups have decried the decision. (Sources: Reuters, Ethanol Producer)

> **High Pork Belly, Beef Trim Prices Dent Hormel Earnings:** Record-high pork belly and beef trim prices overshadowed a record pre-tax earnings performance and dragged on overall third-quarter results for Hormel Foods Corp., the company said. Hormel lowered its full-year guidance to \$1.54-\$1.58 per share from the low end of a \$1.65-\$1.71 range, as company officials expect continued pressure particularly on its refrigerated foods units from high commodity costs. Meanwhile, price increases meant to help mitigate that pressure won't take effect fully until late fourth quarter. Hormel President and CEO Jim Snee said that since April, the price of pork bellies more than doubled and is now trading at about \$2 per pound on the combination of soaring bacon demand and steady hog supplies. Meanwhile, beef trim prices have decreased recently but remain at elevated levels. Net earnings in the quarter fell to \$182.51 million, or 34 cents per share, down from \$195.65 million, or 36 cents per share, in last year's third quarter. Sales for the quarter decreased -4%, to \$2.21 billion, compared with \$2.30 billion in the year-earlier period, on a -9% decrease in volume. (Source: MeatingPlace)

> **Bird Flu Spreads At South African Chicken Farms:** Bird flu is spreading in South Africa with Astral Foods Ltd. reporting that the disease has infected more chickens at a farm in Mpumalanga, prompting the company to put the operation under quarantine. Astral's attempts failed to isolate the highly pathogenic strain H5N8 found in one shed at its Welbedacht breeding facility near Standerton earlier this month and has now spread to other parts of the farm, the Pretoria-based company said in a statement Thursday. The disease, which affected two of Astral's operations, has cost \$3.8 million so far, it said. Some 16 outbreaks have been detected across the country, the Department of Agriculture Forestry and Fisheries said. (Source: Bloomberg)

> **China's Appetite For Beef Grows:** China, the world's top meat market, is loosening longstanding restrictions on beef imports from major suppliers to feed the appetite of the country's growing middle class for steaks and ribs. Over the past few decades, Beijing banned imports of beef from European countries and the United States during outbreaks of mad cow disease. Worries about the disease are subsiding following more stringent inspections on foreign arrivals, while Chinese people are seeking healthier sources of protein and adopting more Western eating habits. Beef is now the fastest-growing meat in China, outstripping stagnant demand for more widely eaten pork as consumers look to reduce fat in their diets. Beef demand is expected to rise past 8 million metric tons this year, according to estimates by the U.S. Department of Agriculture, but domestic production is not rising at the same pace, hovering around 7 million metric tons. After years of lobbying, the United States succeeded in getting the curbs lifted in June, ending a 14-year ban triggered by a case of mad-cow disease in Washington state. China also gave the greenlight for beef from South Africa and Ireland earlier this year, and on Tuesday said it is considering bringing in beef from Namibia.

> **McDonald's Lays Out Plan To Phase Out Antibiotics:** McDonald's Corp. said on Wednesday that it would expand across its global chicken supply an effort to curb the use of antibiotics critical to human medicine as it outlined a policy to guide its work. The fast food giant, which has locations in 119 countries, is requiring its poultry suppliers to begin phasing out the use of the drugs categorized as "highest priority" in the World Health Organization's four categories. Those antibiotics will be gone from McDonald's products in Brazil, Canada, Japan, South Korea, Europe and the United States by January 2018. By the end of the following year, Australia and Russia will stop using the drugs. Suppliers in other markets will have to comply by January 2027. The company is working on similar plans for its beef, dairy and egg products, though there isn't a set timeline yet. (Source: Politico)

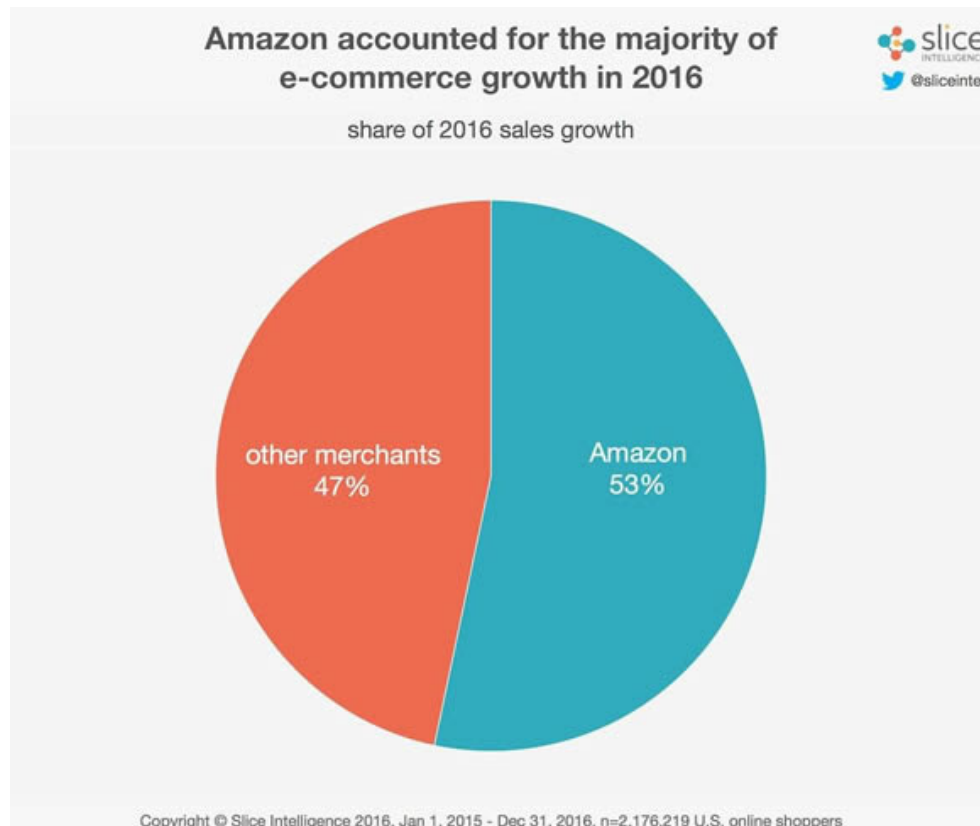
> **U.S. Steel Executives Appeal Directly To Trump:** American steel industry executives have appealed directly to President Donald Trump for immediate import restrictions in a letter seen by Reuters, as a U.S. Commerce Department steel national security probe languishes and steel imports surge back to 2015 levels. Senior executives from 25 U.S. steel and steel-related companies sent the letter to Trump late on Wednesday saying the industry was suffering the consequences of government inaction but this could change with his "bold leadership" and "America First" vision. "The need for action is urgent. Since the 232 investigation was announced in April, imports



have continued to surge," the executives said in the letter. The Commerce Department has delayed the release of its recommendations from a "Section 232" investigation into whether steel imports pose a threat to national security, which could lead to Trump imposing broad quotas or tariffs on steel imports. The American Iron and Steel Institute (AISI), an industry trade group, on Wednesday reported that total steel imports through July this year were up 22 percent from the same period a year ago, with imports taking 28 percent of the U.S. market. (Source: Reuters)

> U.S. Energy Department Study Calls For Boost To Coal, Nuclear Power: A U.S. Energy Department report calls for incentives to boost coal-fired and nuclear power plants following a slew of closures that it said undermined reliable sources of electricity. The findings of the study drew praise from the coal and nuclear industries and a mixed reaction from renewable energy groups - some of which said the report's recommendations could help them too. Energy Secretary Rick Perry commissioned the grid study in April to evaluate whether "regulatory burdens" imposed by past administrations, including that of former President Barack Obama, had hurt the grid by forcing shutdowns of baseload plants, which provide nonstop power, like those fired by coal and nuclear fuel. Obama introduced regulations intended to slash emissions of carbon dioxide, which are blamed for climate change. This accelerated the retirement of coal-fired power plants and bolstered the nascent solar and wind sectors, which depend heavily on weather conditions for their power output. The department recommended giving baseload plants pricing advantages for their power, as well as making it easier and cheaper to get permits to build more such projects. (Source: Reuters)

> Amazon Drives More Than Half Of U.S. E-Commerce Growth: According to market research firm Slice Intelligence, Amazon accounted for 53% of online sales growth in the US last year, leaving all of its competitors to fight for the remaining 47% of the pie. That means for every new dollar American consumers spent online, Amazon took 53 cents of it. In total, Amazon took 43% of ALL the revenue generated online in the US market last year, Slice estimates. This isn't the first time Amazon drove the majority of US online sales growth. In 2015, Macquarie estimated 51% of e-commerce sales growth came from Amazon, a huge jump from the previous two years, when it accounted for 33% and 36% of the growth, respectively. (Source: Business Insider)



Northwest Missouri - Spending the day cleaning out the barns in prep for harvest. We still need to get rid of our last 15% of old corn. We were fortunate the earlier this week when heavy storms dumped 6"-8" of rain in the area. We got just enough to keep things going and avoided the deluge. The corn is in good shape overall. We did push hard to get things in the ground and there are some areas showing stress. It was wetter than we would have liked to plant in but waiting wasn't a good option either. We won't match last season's excellent yields but will be above averages. We are looking for one more good rain to finish the beans off.

Central Nebraska - We are in an area called "the valley" and look to have a strong corn crop this year. Our irrigated land has great soil and we are expecting 250bpa this year. The dryland corn we are hoping to see 190bpa. The cool nights that we have been experiencing are great for finishing the corn. The lower temps allow the corn not to work so hard and the ears will add starch leading to better test weights. The beans are above average but will not reach the 2016 numbers which were in the upper 70's to low 80's.

Northwest Illinois - Things look pretty good at this point for our area. The weather has been all over the place since planting with rains, cool temps, then no rain but overall the crop has not been under much stress. The corn will not be as good as last year when we made 235bpa for our whole farm average. We have an APH of 200bpa but I think that this year we will make around 210bpa which we can live with. We have been corn on corn for a long time and just got back to growing beans in the last few years. We will try to have a 50/50 rotation. Not growing beans for awhile is why I think we are seeing these high yields. We have the potential to get back to 85bpa which we made last year but it will take some late rains. Our normal bean yields are between 70bpa and 75bpa and I think that we can make close to 85bpa again.



Negative Cash Rent Farmland Returns Since 2014 Reduced Farmer Net Incomes: [From Gary Schnitkey, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign:](#) In recent years, many farmers have had positive incomes. However, cash rented farmland may not have been contributing to those positive net incomes. At average cash rent levels, cash rented farmland has reduced farmer net incomes in 2014 and 2015. Often, positive returns from owned and share rented farmland offset negative returns from cash rented farmland. In this paper, returns to owned, share rented, and cash rented farmland are quantified after background information is presented.

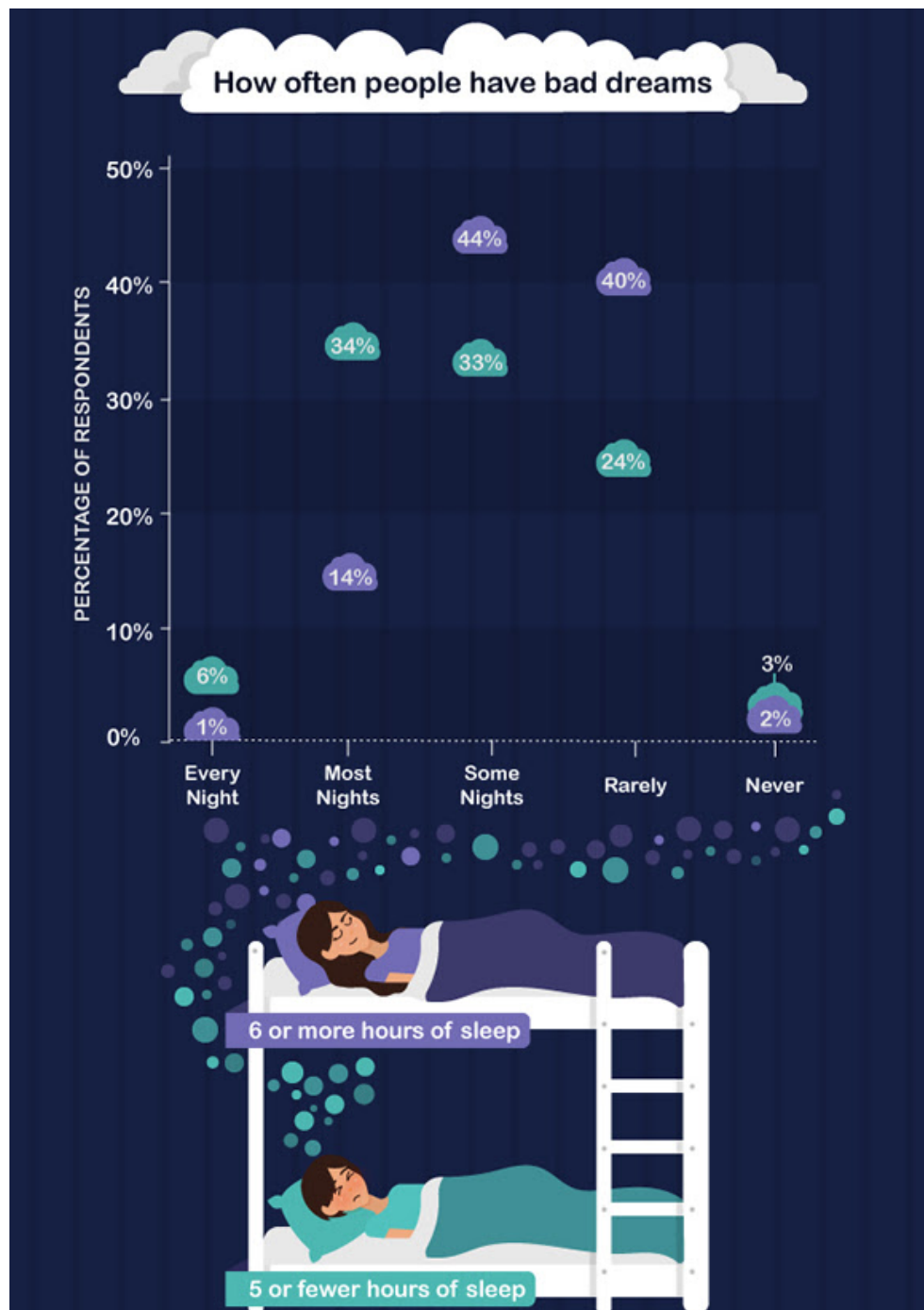
Gates and Branson Invest In Startup That Grows 'Meat' Without Slaughtering Animals: Memphis Meats, which produces beef, chicken and duck directly from animal cells without raising and slaughtering livestock or poultry, raised \$17 million from investors including Cargill, Gates and billionaire Richard Branson, according to a statement Tuesday on the San Francisco-based startup's website. The fundraising round was led by venture-capital firm DFJ, which has previously backed several social-minded retail startups. Read more at [Bloomberg](#).

Fake Polls Are A Real Problem: Is Kid Rock leading the U.S. Senate race in Michigan? A story like that is essentially designed to go viral, and that's exactly what happened when Delphi Analytica released a poll fielded from July 14 to July 18. Republican Kid Rock earned 30 percent to Sen. Debbie Stabenow's 26 percent. A sitting U.S. senator was losing to a man who sang the lyric, "If I was president of the good ol' USA, you know I'd turn our churches into strip clubs and watch the whole world pray." The result was so amazing that the poll was quickly spread around the political sections of the internet. Websites like Daily Caller, Political Wire and Twitchy all wrote about it. Texas Gov. Greg Abbott tweeted it out. And finally, Kid Rock himself shared an article from Gateway Pundit about the poll. There was just one problem: Nobody knew if the poll was real. Read more [HERE](#).

The Massive Storm Ripping Through The Gulf Coast: In what could become the first major natural disaster of the Trump presidency, meteorologists are sounding the alarm for potentially historic rainfall over the next several days in parts of Texas and Louisiana. This is the kind of storm you drop everything to pay attention to. The National Weather Service posted a hurricane and storm surge watch for most of the

Texas coastline, and the governors of Texas and Louisiana have begun to assemble emergency response teams. Hurricane hunter aircraft are monitoring the development of the storm. Conditions in the Gulf of Mexico are nearly ideal for strengthening Tropical Depression Harvey, which was expected to reach hurricane status Thursday night or Friday. The National Hurricane Center expects Harvey to stall out once it reaches the Texas coastline on Friday, and experts are worried about what might happen next. The official NHC forecast calls for the possibility of more than 20 inches of rain in isolated parts of Texas and Louisiana by next Wednesday, but some individual weather models predict twice that. Read more [HERE](#).

The Stuff Dreams Are Made Of: Remembered or not, dreams occur in everybody's sleep for roughly two hours each night. From the ones that feel indistinguishable from reality to the dreams that mentally vanish before you even open your eyes, the habit of dreaming is universal. Amerisleep surveyed over 1,000 people across the country to understand what they dream about and how they interpret their visions. They also made sure to ask about sleeping habits and just how much significance they attribute to a dream. Curious how you fall in with the crowd when it comes to interpreting your night time imaginations? Find out [HERE](#).

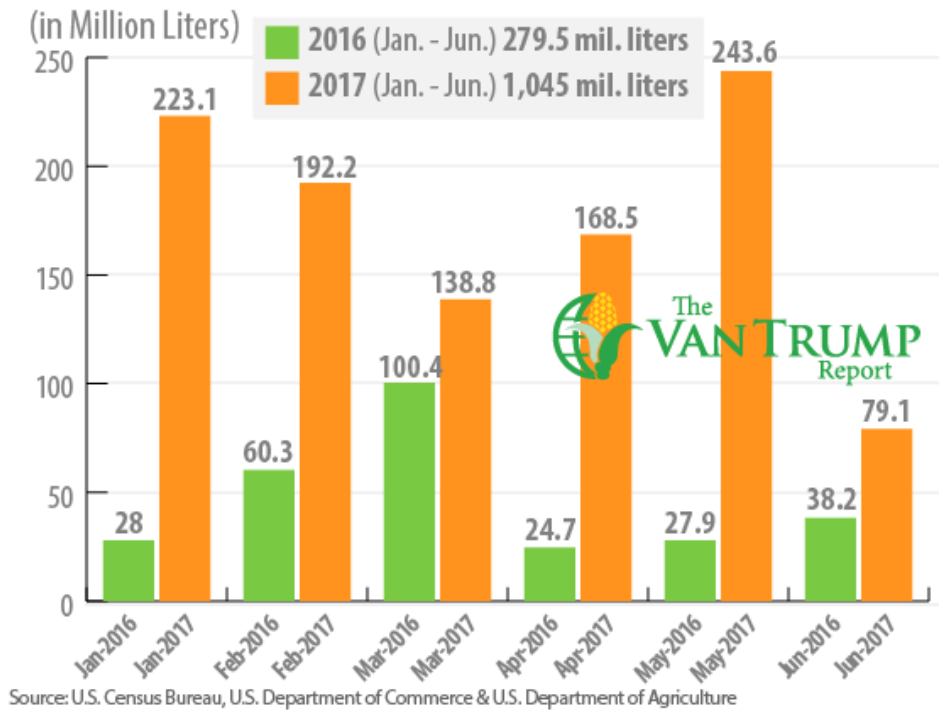




Brazil Approves First-Ever Tax on U.S. Ethanol Imports, Also Opens First Corn-Only Ethanol Plant

Brazil's government on Wednesday approved taxing ethanol imports for the first time ever. The Brazilian government said they made the move to protect local producers from shipments coming from the U.S. From what has been reported, Brazil's Ag Ministry and foreign trade chamber, approved a 20% tax on ethanol imports, which will be levied only after a tax-free quota of 600 million liters per year is surpassed. Brazilian ethanol imports reached over 340 million gallons in the first half of the year alone, a +330% increase compared to the same period a year earlier. In fact, during the past 12 months, many experts believe Brazil as a nation has consumed over 6.6 billion gallons of ethanol. The move to tax imports ends an agreement between the world's two largest ethanol producers, Brazil and the U.S., to keep global ethanol trade free of taxes and to help boost the industry. There are some inside Brazil who say the move may have happened in order to help producers in the sugar cane space. There's a lot of "old money" invested in Brazilian sugar cane production and massive U.S. imports have been causing major problems. I should also point out that Brazil just recently opened its first ever large scale corn-only ethanol plant. FS Bioenergia, is a world-class \$115 million corn-only facility located in Lucas do Rio Verde, in the state of Mato Grosso. Reports circulating show that FS Bioenergia will annually process 22 million bushels of corn and produce more than +60 million gallons of corn ethanol. It will also produce 6,200 tons of corn oil and 170,000 tons of valuable feed rations for Brazil's growing livestock industry. By 2018, FS Bioenergia's second phase of operations will increase corn processing and ethanol production twofold. I've also heard from very good sources there are several more corn-only ethanol plants already in the process of being built and several more that have been approved by the government. In other words, perhaps the Brazilian government is making a play to protect their new investments. I just wonder if this is the first step of many leading to a further reduction in U.S. exports. Regardless of Brazil's reason, many insiders suspect this move will add to trade tensions between the two agricultural powerhouses. Remember, the U.S. government back in June banned imports of Brazilian fresh beef over food quality issues. Here at home the U.S. seems to have a surplus of ethanol due to restriction in traditional export markets such as China and Europe. The U.S. Renewable Fuels Association (RFA), U.S. Grains Council (USGC) and Growth Energy recently released a joint statement saying, "This action goes against Brazil's longstanding view that ethanol tariffs are inappropriate and will effectively close off an open and bilateral trading relationship that benefits all sides." (Source: Reuters; WallacesFarmer; Bloomberg)

U.S. Monthly Ethanol Exports to Brazil



"Brain Training"... Why Speed Matters

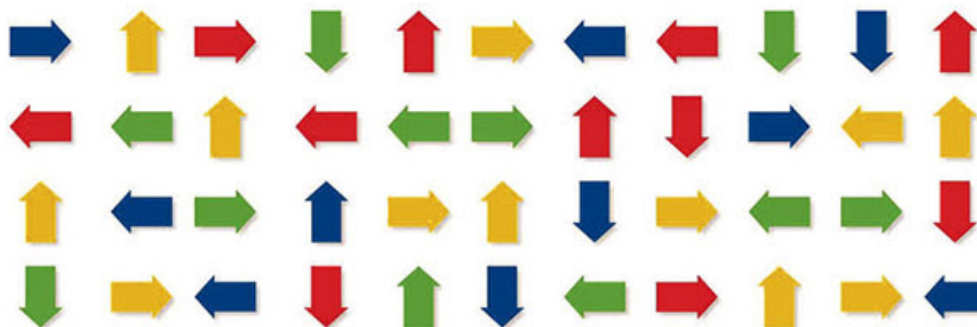
Improving the human brain has become an extremely lucrative business. So-called "brain training" courses are raking in millions from consumers that hope to preserve the nimbleness of their minds, and maybe even stave off certain diseases, such as Alzheimers. The problem with these training courses, however, is that the science doesn't necessarily back up all their claims. In fact, the FTC went after a company called Lumosity a couple of years ago, ultimately fining them \$2 million dollars for unfounded claims that their program could help users retain mental acuity. Technically, these types of exercises are called "cognitive training," and to understand why claims made by some companies simply aren't true, you have to understand cognitive functions. Cognitive functions refer to patterns of brain activity involved in acquiring, processing, storing, and using information. Some examples of cognitive functions include attention, memory, visual perception, reading comprehension, and language production. The output of a cognitive function can be affected by many factors, some of which are known and some unknown. Cognitive impairments could be temporary or permanent. Alcohol consumption, for example, could affect cognition for a brief amount of time. Cognitive training is the deliberate "exercise" or "triggering" of those functions. The idea is that by using them, they will get stronger, just as any other muscle in the human body. The problem with the workouts that Lumosity and many other brain training companies offer is that all they really improve is a person's ability to play those games. They have failed to demonstrate any improvements in a persons ability to concentrate or perform better in the real world. A group of Australian scientists recently took a deep dive into the available training programs that can be found online in an effort to help better educate consumers on what they were really getting. In their study of 18 different programs, they only found one specific kind to actually be effective - brain training that is focused on improving processing speed-the speed and accuracy with which the brain processes information. When neurologists and neuroscientists talk about the processing speed of the brain, they're referring to the rate at which a human can take in a new piece of information, reach a judgment about it, and formulate a response. Based on this definition, the key to improving processing speed lies in making stronger connections in the brain, which allow brain signals to travel at higher speeds. Though most of this type of hardwiring of the brain occurs during childhood, you can still take action to sustain and even potential improve your brain's processing speed. Two training programs - Mahncke's BrainHQ and competitor Cognifit - have programs that focus on this aspect. Their challenges specifically help your brain achieve something known as neuroplasticity. By challenging your brain to resolve things, one's mind will eventually form new neuropathways, which can then be called upon to help in real life. Below are few simply tips that also have been proven to help... (Sources: Psychology Today, Fast Company; WikiHow)

Improve Oxygen Intake: *What we think of as the brain's processing speed is actually the ways in which electrical signals travel across axons, which are essentially the wiring connecting different parts of the brain. The*

white matter of the brain is made up of all of this wiring, and it is fed by blood vessels, meaning that vascular problems such as diabetes, high blood pressure, smoking can all starve the axons of much-needed oxygen and glucose. Therefore, working to improve our endurance and aerobic activity is the number one suggestion by most neurologists to sustain axons and even potentially improve processing speeds. A regular cardio routine has also been linked to an increase in the birth of new neurons in the hippocampus, which is a part of the brain important to learning and processing.

Eat The Right Foods: Along with the right amount of exercise, diet is also extremely important. You can additionally focus on specific foods linked to brain health, such as: Avocados, which are great at assisting in the prevention of vascular conditions and improving healthy blood flow essential for a healthy brain. Blueberries are packed with antioxidants, which means they protect the brain from oxidative stress and may reduce the effects of age-related conditions. Wild salmon is known for continue large doses of Omega-3 essential fatty acids, such as DHA, which are essential for brain function. Deep-water fish such as salmon, sardines, and herring are thought to be great for the brain. Nuts and seeds, especially walnuts, are a great source of vitamin E, which helps to fight cognitive decline as we age. Beets, have proven to also increase blood flow to the brain. A lot more people are eating beets in their salads or drinking beet juice.

Get Good Sleep: The brain forms new pathways while you sleep, and studies have shown that getting the right amount of sleep helps with learning, problem-solving skills, and memory. Sleep also plays a role in the body's repair of the heart and blood vessels, which fuel the white matter of the brain, and also help clean the blood. Sleep deficiency, even losing just 1-2 hours across several nights—can have an effect on reaction time and processing time, with studies showing that people take longer much to finish tasks. Long-term sleep deficiency has also been linked to vascular problems such as heart disease, and high blood pressure, all of which can lead to depriving axons in the brain of oxygen and glucose. I know for many this is hard to believe, but the National Institutes of Health recommend that adults need to get approximately seven-to-eight hours of sleep every night and that teenagers get closer to nine hours.



FOLLOW THE ARROWS AND FEEL THE BURN

LearningRx uses this exercise to try to sharpen attention, working memory and visual manipulation skills. Here are the main steps: 1. Starting with the top row, and moving left to right through all four rows, call out the color of each arrow. 2. Call out the direction of each arrow in 40 seconds, then try

to reduce your time to 20. 3. Call out the color of the up and down arrows and direction of the left and right arrows. 4. Call out the direction of each arrow as if the reds and greens are rotated a quarter turn clockwise and the yellows and blues are rotated a quarter turn counterclockwise.

Celebrating Our 25 Year Anniversary!

As many of you know, my wife Michelle and I have been together since High School. This past week we celebrated our 25th wedding anniversary. I couldn't have imagined doing this dance without her! Below are a couple of throwback pics of us together in high school in the mid-80's. One is a Prom pic and one from our football Homecoming. It's crazy to think about how fast time flies. Hope everyone has a great weekend and spend a little extra time with that someone you love. I've read and been told many marriage tips through the years. The folks at Your Tango have published some of the best submitted. You can see "The 50 Best Marriage Tips Of All Time" by Clicking [HERE...](#)

The fine art of dating: Setting aside a romantic evening on a regular basis can rekindle the magic of a long-term relationship. It doesn't have to be fancy, just special time for the two of you to remember how and why you first fell in love. - John Sovec, LMFT

Avoid the "Roommate Syndrome": *In order to keep the spark alive and avoid "roommate syndrome," couples have to understand the notion of spending "time" together versus creating "sacred" time together. Spending time at social events, time with family and doing "chores" together does not count as sacred time. Instead, carve out special time to not only be intimate, but also ensure that you continue to share new experiences together such as hiking, exploring someplace new, or arranging a staycation in your own city.* - Marni Battista, CPC

More Touching: *Research consistently shows that touching more creates a stronger bond by releasing oxytocin. Hold hands, rub shoulders, hug, kiss, give high-fives or even fist-bumps or bottom pats. When you give a quick hug or kiss, try to lengthen it to at least 5 or 10 seconds for more effective results!* - Lori Lowe, MA

Agreeing to Disagree: *No two people agree on everything, and that's okay, but it's important to be okay with each other's differences.* - Lee Bowers, LP, PhD

Mars vs. Venus: *For men, it's important to understand that women want to be listened to. Men don't need to solve or fix everything; listening itself is an exceptional gift. For women, it's important to understand that men need time for themselves. By giving him space to pull away and not taking it personally, you allow him to reconnect with his desire for you and his commitment to the relationship.* - MarsVenus Coaching, Life Coach

Be More Perceptive & Less Delusional: *Boredom in the bedroom, lack of conversations, resentment are all symptoms that need to be treated just as you would symptoms for a chronic illness that seemingly has no cure. Throw at it every possible remedy you've got, no matter how alternative or weird it seems. Chances are one or more of them will actually work and your marriage will get stronger and stronger.* - Alisa Bowman, Relationship Coach

Choose Your Words Carefully: *Never begin a sentence with the word 'you'. Instead start with the word "I" and then share your feelings instead of your thoughts. This is not as easy as it sounds because we all disguise a lot of thoughts as feelings, as in "I feel like you are avoiding me." Genuine feelings are sad, angry, happy, lonely, frustrated, etc ... and sharing your core feelings creates better communication, and more connection and compassion.* - Veronica Monet, ACS, CAM

An Improved You: *Love your marriage by first taking care of yourself. So many of my patients say the reason their marriage fell apart is that they became depressed and disinterested in their partner. If you keep working on you, your marriage will stay fresh and vital. Start today by adding a new wedding vow to your list: Promise to take care of yourself so you will continue to age with grace and confidence by your partner's side.* - Mary Jo Rapini, LPC

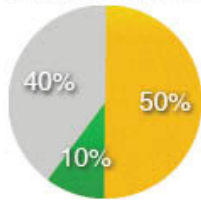




CASH SALES & HEDGING TOTALS

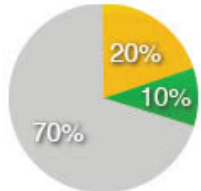
CORN 2017 CROP

50% SOLD
10% HEDGED
40% UNPROTECTED



CORN 2018 CROP

20% SOLD
10% HEDGED
70% UNPROTECTED



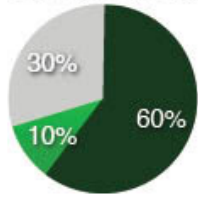
CORN 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



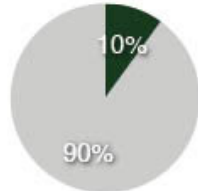
SOYBEANS 2017 CROP

60% SOLD
10% HEDGED
30% UNPROTECTED



SOYBEANS 2018 CROP

10% SOLD
0% HEDGED
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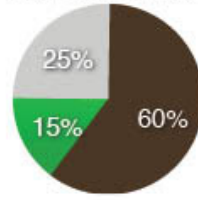
SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



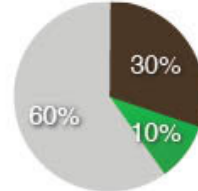
WHEAT 2017 CROP

60% SOLD
15% HEDGED
25% UNPROTECTED



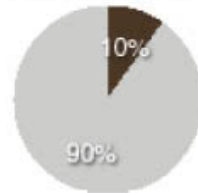
WHEAT 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



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