

GOOD MORNING: 08/28/17 Farm Direction - VanTrump Report

1 message

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

Mon, Aug 28, 2017 at 7:03 AM



"I have never seen any life transformation that didn't begin with the person in question finally getting tired of their own bullshit." — Elizabeth Gilbert.

MONDAY, AUGUST 28, 2017
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Morning Summary: Stocks remain near their most recent highs despite "Hurricane Harvey" leaving behind a wave of destruction. The weather service said, "The breadth and intensity of this rainfall are beyond anything experienced before. Catastrophic flooding is underway and expected to continue for days." I've heard some areas in Texas are now expected to get close to 50 inches of rainfall. Several sources estimate that more than 9 trillion gallons of rain has already fallen in Eastern Texas. That's more water than two Great Salt Lakes (which is about 75 miles long and 35 miles wide), or the equivalence of the entire Mississippi River running directly into your home town for nine straight days. More than 350,000 in Texas have lost power and the Red Cross is thought to be serving over 150,000 meals per day. Portions of major highways have been submerged and unnavigable. From what I understand a lot of places that didn't think they would flood are now living a nightmare. I included below a few pics that have been floating around amongst traders, some are extremely sad and difficult to imagine. I should also note, gasoline prices are again surging higher this morning and will stay elevated at the pump. Crude oil prices are actually a bit lower as traders realize with U.S. refineries at the Gulf shut down the demand for U.S. oil will be weaker. Economic data will be fairly heavy this week, with a couple of headliners being GDP reported on Wednesday, and the monthly employment report due out on Friday. Let's also keep in mind that many inside the trade will be heading home or out of town early this week since the market is closed Monday for Labor Day. The following week we will start to see more headlines out of Washington as our leaders return from an extended break and try their hand once again at health care, infrastructure spending and tax-reform. Internationally, China will be in the headlines with fresh manufacturing data due out overnight on Wednesday. There is also a slew of economic reports scheduled from Japan and the E.U.

Hurricane Harvey blasted ashore as a Category 4 hurricane just north of Corpus Christi. It brought with it 132-mph winds but was quickly downgraded to a tropical storm. Still, it continued to spawn tornadoes and lightning. A flash flood emergency was declared for sections of Houston, where more than 24 inches of rain fell in 24 hours, the National Weather Service said. One Texas Mayor told citizens that didn't want to "evacuate" to write their names and social security number on their arms to help authorities more easily identify their bodies if they didn't make it...

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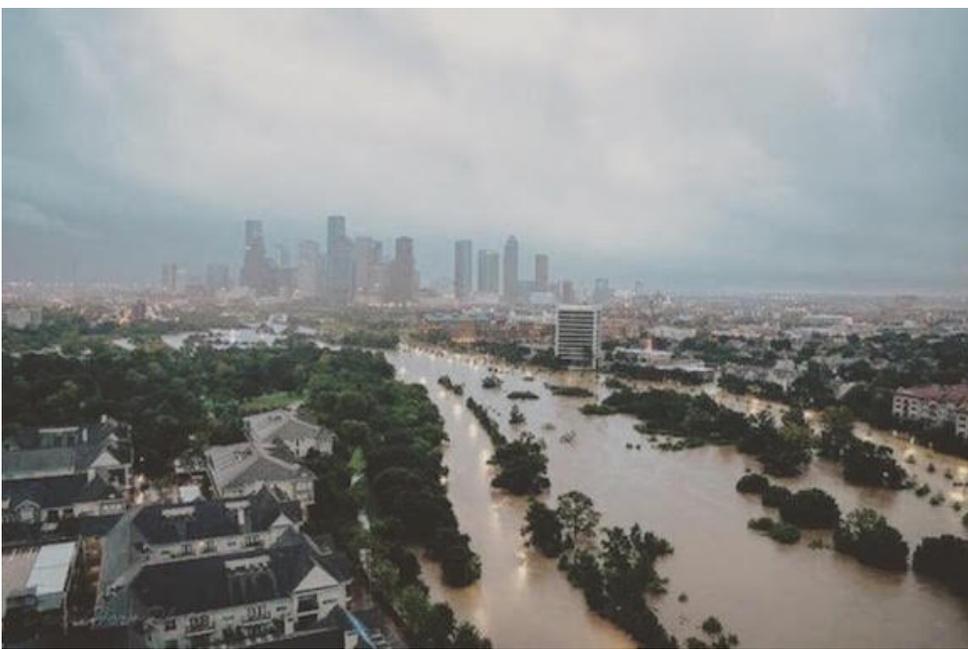


Today In History



1774, Elizabeth Bayley -

Elizabeth Ann Bayley is born in New York City. She went on to found the first Catholic school and the first female apostolic community in the United States. She was also the first American-born saint beatified by the Roman Catholic Church. She was born to physician Richard Bayley, who served as the first health officer of New York City. Her mother, Catherine, was an Episcopal minister's daughter who died before Elizabeth's third birthday. At age 19, Elizabeth married a wealthy shipping magnate, William Magee Seton, with whom she had five children. Seton's health deteriorated after his financial holdings collapsed and he died of tuberculosis in Italy shortly before the couple's 10th anniversary. Elizabeth's eldest daughter followed her father to the grave nine years later. Following these traumas, Elizabeth, who was raised an Episcopalian, received her first Holy Communion and became a Roman Catholic on March 25, 1805. Seton taught in order to support her family and believed in free education for all children, male and female. In pursuit of this goal, she founded the nation's first Catholic school in Baltimore, which had been the capital of the Catholic colony of Maryland. The school, St. Joseph's Academy and Free School, would eventually become part of Mount Saint Mary's University. In 1809, Seton took vows of poverty, chastity and obedience, along with the moniker "Mother Seton." She then founded the Sisters of Charity of St.



Joseph, also in Maryland. Her efforts to establish Catholic institutions in the new United States saw her beatified in 1963, and canonized in 1975. Seton Hall University in New Jersey was named in her honor.



1869, Old West - Convinced they will have a better chance surviving the desert than the raging rapids that lay ahead, three men leave John Wesley

Powell's expedition through the Grand Canyon and scale the cliffs to the plateau above. Though it turned out the men had made a serious mistake, they can hardly be faulted for believing that Powell's plan to float the brutal rapids was suicidal. Powell, a one-armed Civil War veteran and self-trained naturalist, had embarked on his daring descent of the mighty Colorado River three months earlier. Accompanied by 11 men in four wooden boats, he led the expedition through the Grand Canyon and over punishing rapids that many would hesitate to run even with modern rafts. The worst was yet to come. Near the lower end of the canyon, the party heard the roar of giant rapids. Moving to shore, they explored on foot and saw, in the words of one man, "the worst rapids yet." The next day, three of Powell's men left. Convinced that the rapids were impassable, they decided to take their chances crossing the harsh desert lands above the canyon rims. On this day in 1869, Seneca Howland, O.G. Howland, and William H. Dunn said goodbye to Powell and the other men and began the long climb up out of the Grand Canyon. The remaining members of the party steeled themselves, climbed into boats, and pushed off into the wild rapids. Amazingly, all of them survived and the expedition emerged from the canyon the next day. When he reached the nearest settlement, Powell learned that the three men who left had been less fortunate—they encountered a war party of Shivwit Indians and were killed.



1968, Vietnam War - At the Democratic National Convention in Chicago, tens of thousands of Vietnam War protesters battle police in the streets, while the Democratic Party falls

apart over an internal disagreement concerning its stance on Vietnam. Over the course of 24 hours, the predominant American line of thought on the Cold War with the Soviet Union was shattered. Since the end of World War II, the U.S. perspective on the Soviet Union and Soviet-style communism was marked by truculent disapproval. Intent on stopping the spread of communism, the United States developed a policy by which it would intervene in the affairs of countries it deemed susceptible to communist influence. In the early 1960s, this policy led to U.S. involvement in the controversial Vietnam War, during which the United States attempted to keep



U.S. Investors Are Fleeing The Stock Market: *Investors are fleeing U.S. stocks in a way they haven't since 2004. For 10 straight weeks a total of \$30 billion has left U.S. stocks, marking the longest streak of outflow since 2004, Bank of America Merrill Lynch said in a report, citing EPFR Global data. Investors turned instead to emerging markets and European and Japanese stocks, which saw \$36 billion in inflows over the last 10 weeks. Breakdown of fund flows pointed to more aversion to risk among investors, and could add to some analysts' worries about deteriorating market internals. The 10-week outflow from U.S. stocks comes despite the S&P 500's nearly +1% gain this quarter and a record high on Aug. 8. The report also pointed out the turn away from U.S. stocks coincided with the late-June surge in the euro against the U.S. dollar to its strongest in nearly a year, after comments from European Central Bank President Mario Draghi suggested higher inflation and tighter monetary policy soon in the euro zone. Major contributors to U.S. stock market gains in the last several months saw significant outflows in the week ended Wednesday, including technology with -\$600 million in outflows; financials at -\$35 million; and consumer goods at -\$1.5 billion, which happens to be the sectors largest outflow ever. (Source: CNBC)*

The Fight between" Mayweather and McGregor" *lasted nine full 3-minute rounds plus 1:05 of the tenth round, totaling 28 minutes 5 seconds. If we assume Mayweather banked \$300 Million, then he made approximately \$178,000 every second, or about \$10,680,000 every minute or just over \$32 million ever round. Keep in mind, reports circulating say Mayweather also banked about \$250 million fighting Pacquiao back in 2015. I should also note, MMA Champion and challenger Conner McGregor didn't do so bad himself. Reports indicate he made \$30 million just for showing up, plus his share of the pay per view earnings, rumored to be another \$70 million, putting his total for this fight much higher than all of his previous prize money combined. Not bad for a guy who just four years ago was down on his luck and living off government funding on Ireland. Congrats to both fighters on making it entertaining. Tough to deny Mayweather being one of the greatest boxers ever.*

Weather forecasts for the first week of September are showing normal to cooler than normal conditions across a large section of the nations row crop growing regions.

South Vietnam from falling under the control of communist North Vietnam. The "Cold War consensus," in U.S. government, however, fractured during the Democratic National Convention in Chicago in 1968. Democratic delegates from across the country were split on the question of Vietnam. A faction led by Eugene McCarthy, a committed anti-war candidate, began to challenge the long-held assumption that the United States should remain in the war. As the debate intensified, fights broke out on the convention floor, and delegates and reporters were beaten and knocked to the ground. Eventually, the delegates on the side of the status quo, championed by then-Vice President Hubert Humphrey, won out, but the events of the convention had seriously weakened the party, which went on to lose the following election. Meanwhile, on the streets of Chicago, several thousand anti-war protesters gathered to show their support for McCarthy and the U.S. withdrawal of troops from Vietnam. Chicago Mayor Richard Daley deployed 12,000 police officers and called in another 15,000 state and federal officers to contain the protesters. The situation then rapidly spiraled out of control, with the policemen severely beating and gassing the demonstrators, as well as newsmen and doctors who had come to help. The ensuing riot, known as the "Battle of Michigan Avenue," was caught on television, and sparked a large-scale change in American society. For the first time, many Americans came out in virulent opposition to the Vietnam War, which they had begun to feel was pointless and wrongheaded.

Upcoming Events

Mon. 9/4 - Labor Day - Markets Closed

Tues. 9/12 - USDA Supply and Demand

Fri. 9/22 - Cattle on Feed

Fri. 9/22 - Cold Storage

Thurs. 9/28 - Quarterly Hogs and Pigs

Fri. 9/29 - Quarterly Stocks

Thurs. 10/2 - USDA Supply and Demand

Fri. 10/20 - Cattle on Feed

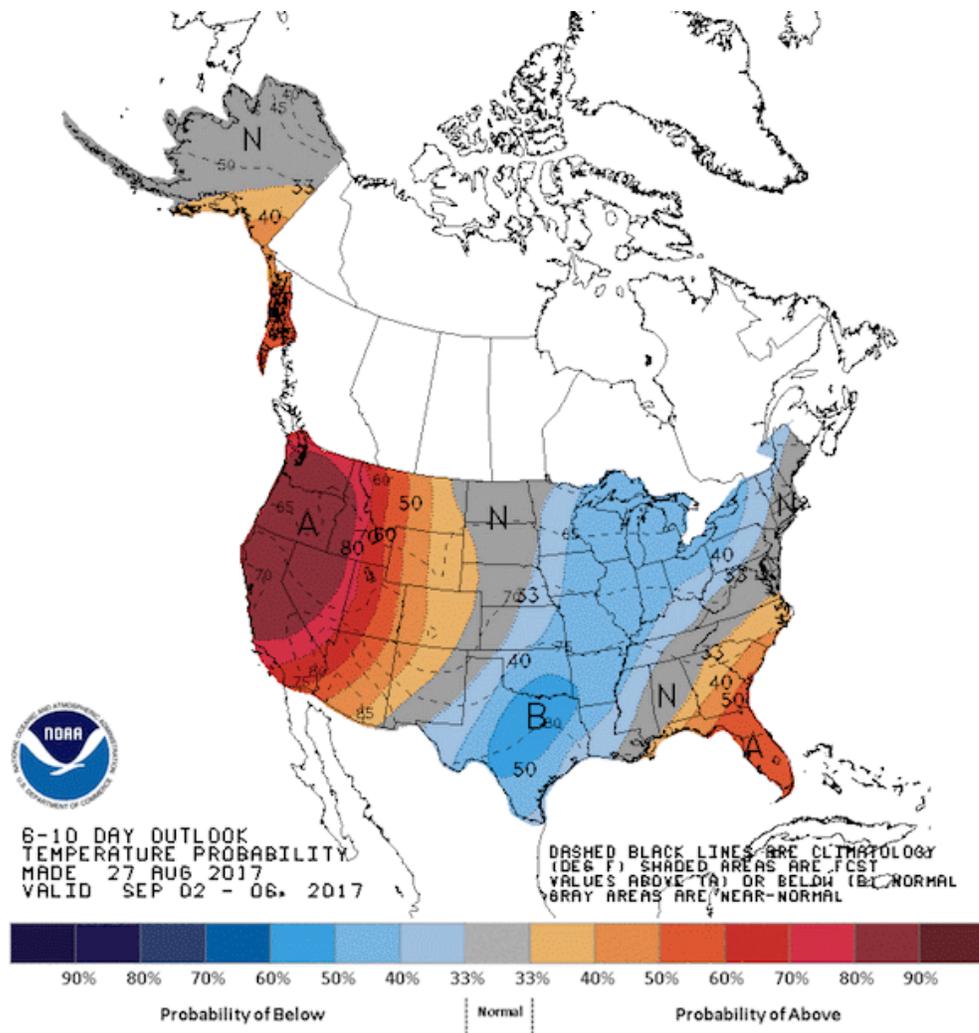
Mon. 10/23 - Cold Storage

Mon. 11/5 - Daylight Saving Time Ends

Thurs. 11/9 - USDA Supply and Demand

Thurs. 11/23 - Thanksgiving - Markets Closed

Meanwhile, below normal rainfall across the Plains and Northwest will contrast with wetter than normal conditions in much of the South and East. The trade continues to wonder what type of impact or shift "Hurricane Harvey" will have on remaining U.S. weather.



Kevin's Song of the Week

WHAT I'M LISTENING TO: ▶

▶ **Garth Brooks** "The Dance"

About the Report

NEXT level THINKING

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

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

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

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

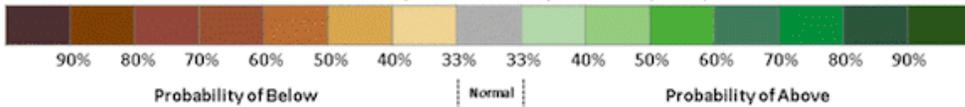
Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's



6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
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newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

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

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

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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.

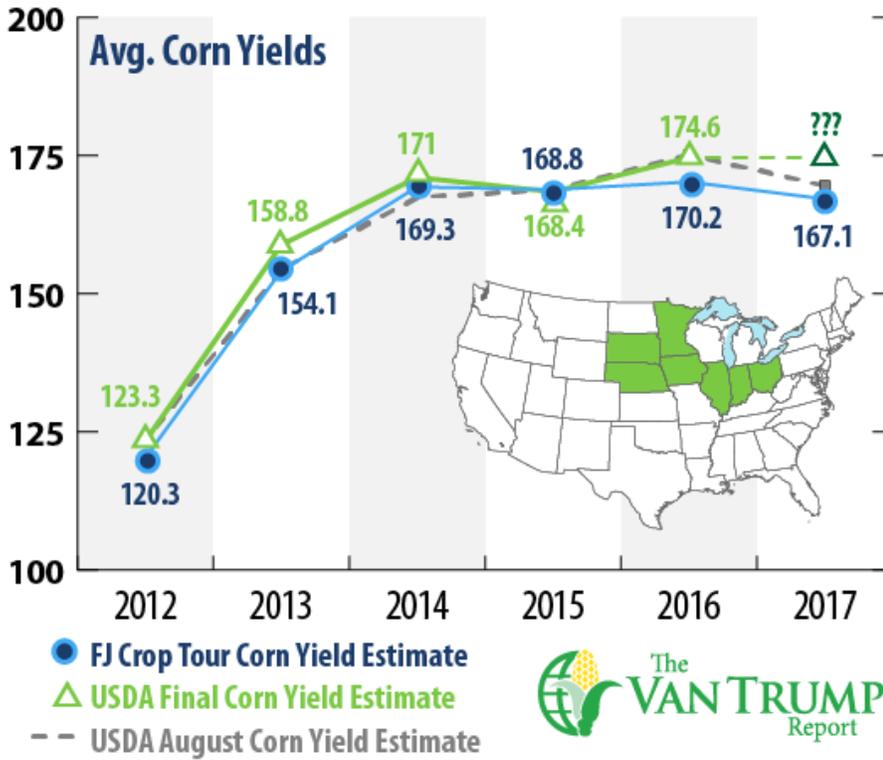
- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

Corn prices are steady this morning but coming off another week of double-digit losses as the trade considers one of the coolest and most moderate August I can remember. In fact, Kansas City just set a record for the wettest August on record. Bears continue to point towards better than expected yields being pulled from harvested fields down South and in big production numbers for many dry land areas. There's also talk of recent moisture helping a large percentage of the crop across the Midwest. The USDA currently has the U.S. crop rated 62% "Good-to-Excellent", but I have to imagine that number could tick higher in the next couple of weeks as the majority of the crop gets the assistance of good weather as heads toward the finish line. I'm certainly not saying there aren't pockets of problems, but for a large percentage the weather has cooperated and many producers are now looking at better than expected yields. I'm not looking for numbers like last year, but an average yield of somewhere between 165 and 168 seems to be what the trade is thinking. The USDA is currently forecasting a 169.5 bushel per acre yield estimate, while the 25th year of the Farm Journal Midwest Crop Tour recently wrapped up and is now forecasting a national average yield of 167.1 bushels per acre and a total crop of 13.953 billion bushels. Like most in the trade, I suspect the USDA may be currently overestimating yields in Nebraska and perhaps Iowa, Illinois and Ohio are a bit high as well. However, the USDA crop estimate for Minnesota might be a bit too conservative. In other words, there's not a lot in the weather or headlines to make the bears nervous about supply. Ending stocks look as if they will remain fairly burdensome both here domestically and globally. As a producer, I'm keeping hedges in place and thinking I will have to wait until after harvest to price any additional new-crop bushels. I have been 100% sold out of old-crop for months. Now playing the waiting game... Below are some yield data facts from the recent Farm Journal Crop Tour and how they tend to stack up against the final USDA numbers. I thought the tour did an excellent job this year and provided us all with a good look and lots of great information and insight. Thanks again to Farm Journal and all who participated.



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

Farm Journal Crop Tour Yields VS. USDA Final Corn Yields



Farm Direction
RECIPES

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



Pepperoni Garlic Knots

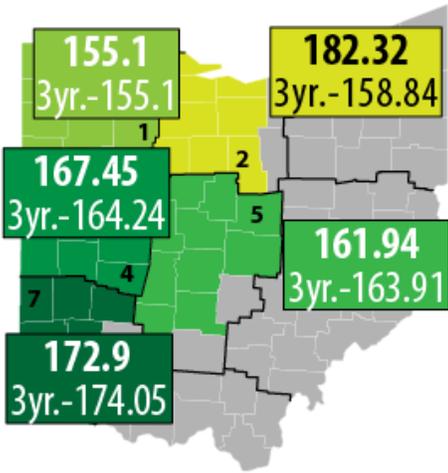
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FARM JOURNAL CROP TOUR RESULTS

OHIO

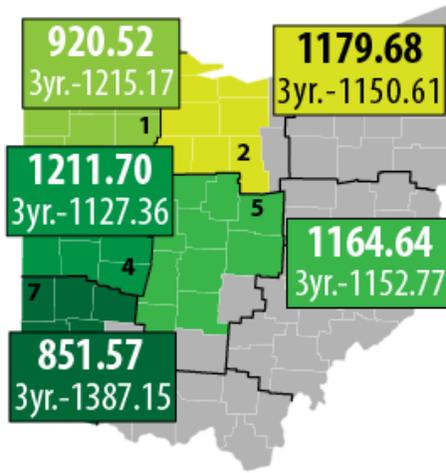


Corn Yields 163 bpa



Yields per bushel

Soybean Yields 53 bpa



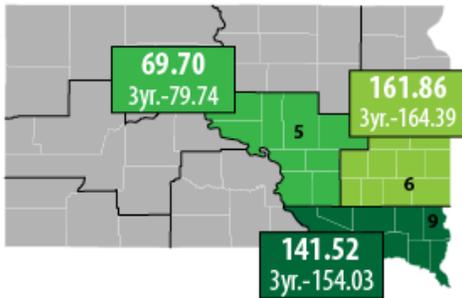
Pod Count in 3 x 3 Square

FARM JOURNAL CROP TOUR RESULTS

SOUTH DAKOTA

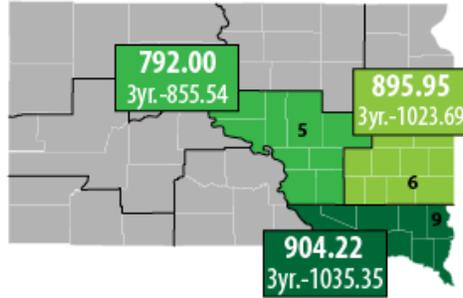
Corn Yields

138 bpa



Soybean Yields

40.5 bpa



Yields per bushel

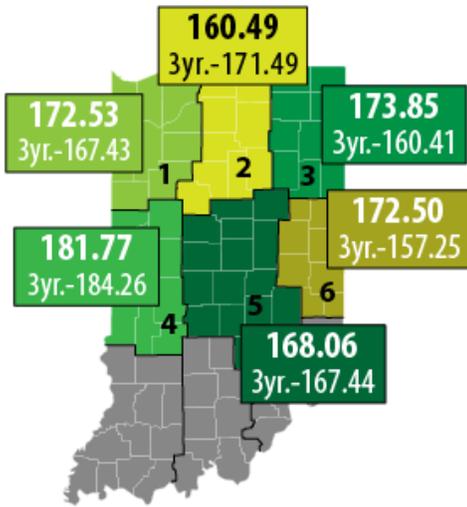
Pod Count in 3 x 3 Square

FARM JOURNAL CROP TOUR RESULTS

INDIANA

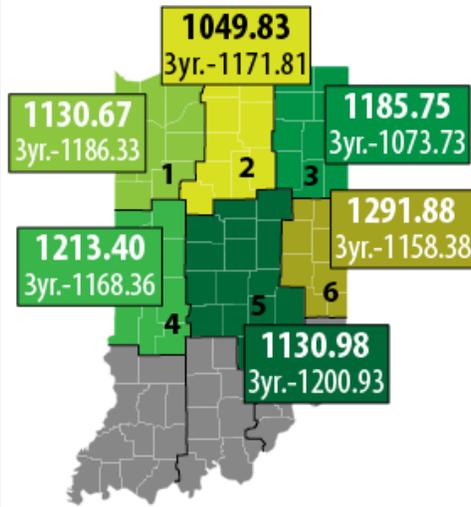


Corn Yields 171 bpa



Yields per bushel

Soybean Yields 54.5 bpa



Pod Count in 3 x 3 Square

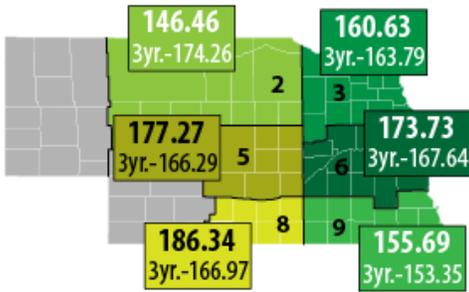
FARM JOURNAL CROP TOUR RESULTS

NEBRASKA



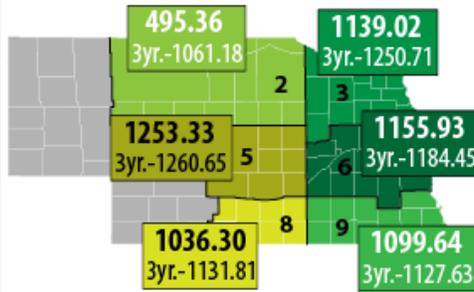
Corn Yields

180.5 bpa



Soybean Yields

56.5 bpa



Yields per bushel

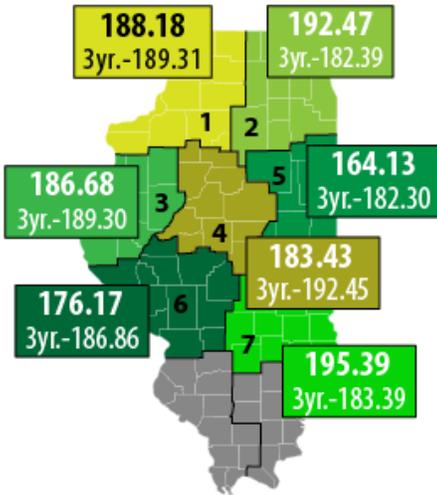
Pod Count in 3 x 3 Square

FARM JOURNAL CROP TOUR RESULTS

ILLINOIS

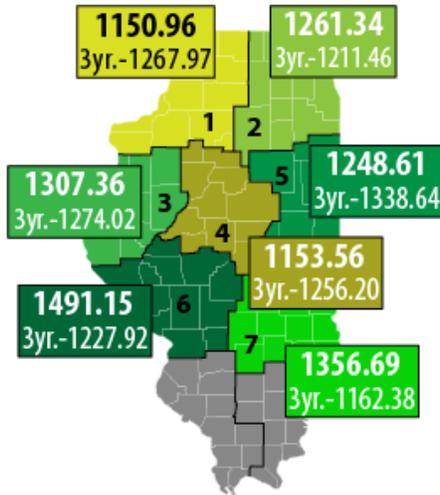


Corn Yields 181 bpa



Yields per bushel

Soybean Yields 55.5 bpa



Pod Count in 3 x 3 Square

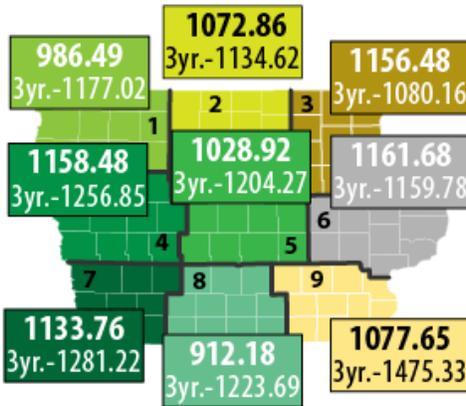
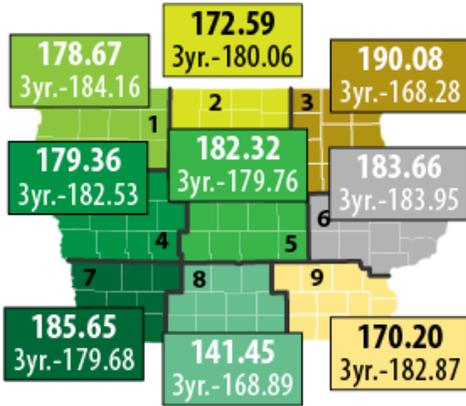
FARM JOURNAL CROP TOUR RESULTS

IOWA



Corn Yields 183 bpa

Soybean Yields 53.5 bpa



Yields per bushel

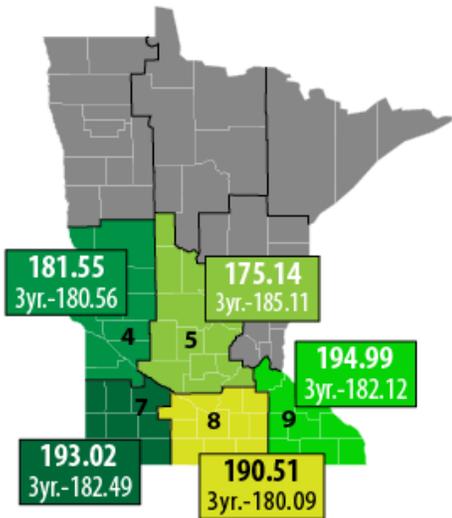
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FARM JOURNAL CROP TOUR RESULTS

MINNESOTA

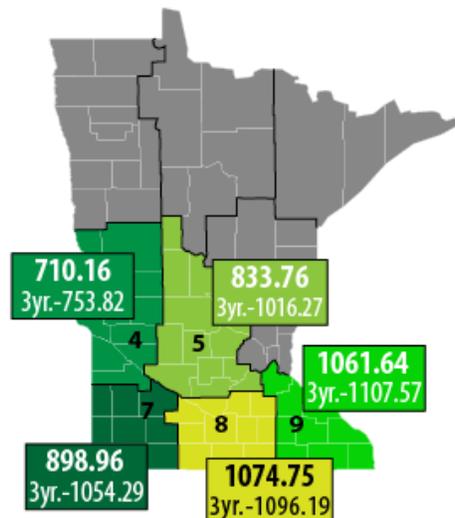


Corn Yields 184 bpa



Yields per bushel

Soybean Yields 48.5 bpa

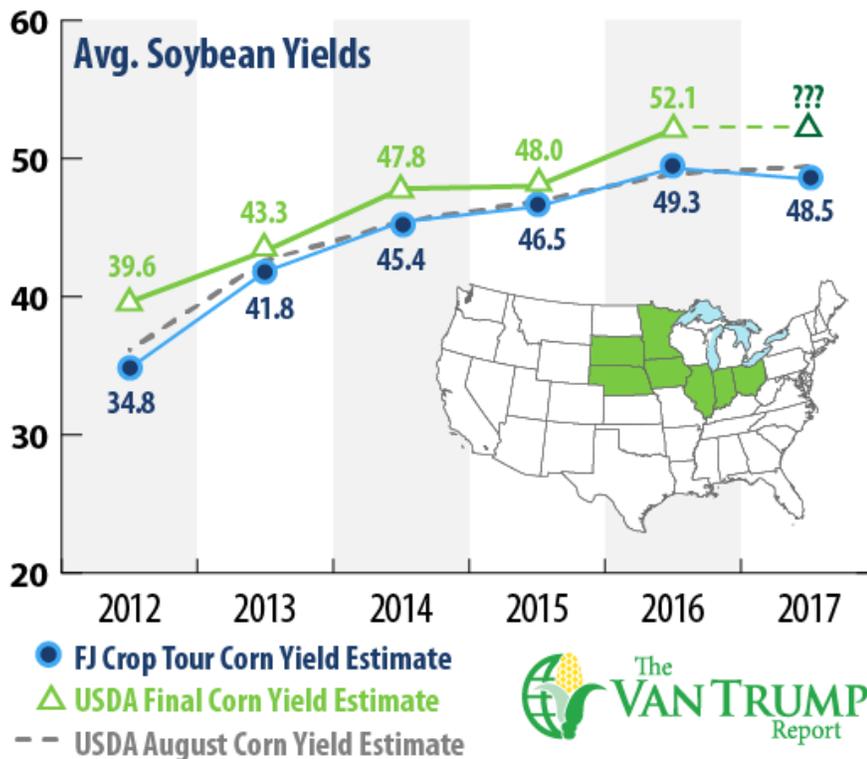


Pod Count in 3 x 3 Square

Soybean bulls continue to talk about weather uncertainties associated with Hurricane Harvey, and how those pattern changes could create late-inning complications for some soybean producers. Depending on how far the rainfall spreads, there is talk that the Delta could experience harvest delays and leave some end-users bidding up for supply. Bulls are also talking about cooler than normal temps causing uncertainty for many late-planted fields to the East. Bulls are also keeping an eye on headlines associated with biodiesel tariffs and how they will ultimately limit imports and increase bean oil demand here at home. Total U.S. production still remains heavily debated. The Farm Journal Midwest Crop Tour wrapped up with a national average yield forecast at 48.5 bushels per acre and total U.S. production estimated at 4.331 billion bushels. Anyway you want to slice it, with fresh new all-time record soybean acres currently in the ground, a yield north of 47 bushels per acre essentially guarantees adequate supply nearby. In my opinion the trade still feels like it wants to pause and gain a bit more certainty about the U.S. crop before taking it's next step. Obviously, weather is going to be a key factor as we move down the home stretch, especially with many late-planted and re-planted soybean fields this season. I still see the market nearby being trapped in a \$1.00 trading range, +50 cents higher to -50 cents lower, unless weather delivers a major unforeseen complication. Keeping an eye on harvest complications down South.



Farm Journal Crop Tour Yields VS. USDA Final Soybean Yields



Wheat traders have been digesting a lot of bearish news out the Black Sea region, where the Russian crop seems to be getting much larger than the trade had previously been anticipating. This is tough for the market to digest considering Russia is most generally a low-cost provider and the world is already sitting on near record global supply. Hence, no real fear of a supply side shortage. Personally, I think there is a supply side shortage story brewing in higher protein "quality" wheat. I'm very uncertain however as to when the market will decide it's time to "trade" that story, so I'm forced to remain an extremely conservative longer-term bull. Less than 60-days ago wheat was clearly in the drivers seat and leading the bullish parade. That role has dramatically changed as there's really not a lot of fresh news in the headlines. The U.S. winter wheat harvest is essentially complete and the Spring Harvest is quickly advancing that direction, soon thought to be 75% harvested. Outside of a possible geopolitical "wild-card", the wheat market acts as if it now wants to be more of a follower. Moving forward, I will be keeping my eye on weather in Australia, the direction of the U.S. dollar, and any USDA updates that might take into account higher abandonment rates and fewer U.S. acres. I think there are still some bullish cards in the deck, just not sure how far down...being very conservative.



> **Philippines Monitoring For Bird Flu In Humans:** *The Philippines started monitoring suspected bird flu cases in humans on Friday after 34 farm workers in two towns north of the capital Manila developed flu-like symptoms after direct exposure to infected fowl. Officials from the Departments of Health and Agriculture said laboratory*

tests in Australia confirmed an outbreak of the deadly H5N6 strain of the bird flu virus. The strain is transmissible to humans, but the mortality rate is low. The Philippines has culled more than 470,000 chickens, ducks and quails in three towns since Aug. 11, a day after the government confirmed the first bird flu outbreak in the country. (Source: Reuters)

> **EU Wheat Exports Unchanged Despite Harvest Upgrade:** The European Union stuck by a lowball, forecast for the bloc's wheat exports this season, despite raising its production forecast, amid growing ideas of competition from Russia's record harvest. The European Commission raised by +800,000 metric tons to 139.4 million metric tons its forecast for soft wheat production in the EU, the top grower of the grain, taking it more than 5 million metric tons above last year's result, which was undermined by late rains. While the commission did not expand on the reasons behind its revisions, the yield upgrade tallies with market ideas of surprisingly strong results for France, where crops were this year tested by summer heat. However, the commission stuck by an estimate of 26.0 million metric tons for EU soft wheat export in 2017-18 nonetheless, seeing the bulk of the extra supplies instead going into year-end inventories. (Source: Agrimoney)

> **Brazil Beef Exports To Grow Less Than Expected:** Brazil's beef exports are expected to rise to 1.5 million metric tons in 2017, up +10% from a year ago, according to new estimates from consultancy Agroconsult. The group initially expected beef exports to rise by +20% in 2017 when it began its three-month survey of the industry, analyst Maurício Nogueira said after visiting cattle ranchers and collecting market data in 11 Brazilian states. However, a food safety scandal in the first quarter that disrupted operations of Brazil's largest meatpackers lowered export forecasts. The revised estimates show Brazil failing to rebound from the scandal that led to key markets temporarily banning imports of the country's beef and poultry. Other factors, including a corruption case implicating the family that controls Brazil-based JBS SA, the world's largest meatpacker, also weighed on the industry, said Agroconsult. (Source: Reuters)

> **Russia's Grain Crop Upgraded:** The SovEcon agriculture consultancy said it had raised its forecast for Russia's 2017/18 grain and wheat exports by a modest 400,000 metric tons to 44 million metric tons and 32.4 million metric tons, respectively. Russia, shaping up to be the world's largest wheat exporter in the 2017/18 marketing year, is widely expected to harvest a grain crop this year that beats last year's record. SovEcon raised its forecast for the 2017 grain crop to 127.6 million metric tons from 125.2 million. (Source: Reuters)

> **Argentina Regains Access To China's Soybean Oil Market:** Argentina will again be able to export soybean oil to China. Argentina used to export nearly US\$ 1.4 billion of the product to China. The reason for the decision was not revealed, but insiders say it is part of the commitment made by presidents Xi Jinping and Mauricio Macri during a meeting in May aimed at balancing the bilateral trade balance. (Source: Agrosouth)

> **Argentina Rejects U.S. Biodiesel Ruling:** Argentina's government is investigating all options and reserves the right to take legal action over the United States imposing steep duties on imports of its biodiesel, the foreign ministry said in a statement. The statement said the imposition of duties above 50 percent, announced last Tuesday, does not correspond to any type of methodology acceptable under the rules of the World Trade Organization (WTO). (Source: Reuters)

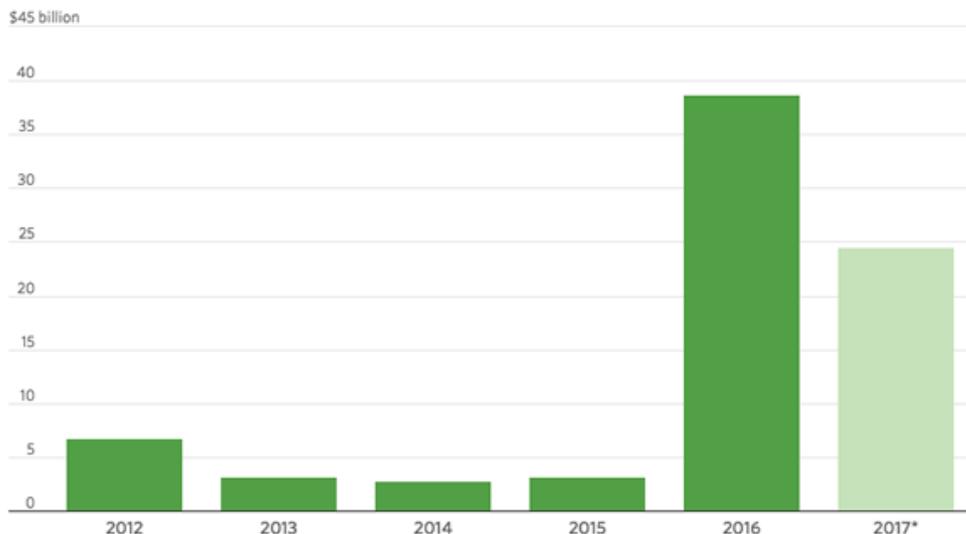
> **POET Expands Production:** POET Biorefining – Marion is expanding its production capacity from 70 million gallons per year to 150 million gallons per year. The project also will increase production of dried distillers grains (DDGS) from the current 178,000 tons annually to 360,000 tons. With the groundbreaking, site work has officially begun, with project completion slated for the third quarter of 2018. This expansion is the largest project in the Marion area since the construction of the original POET Biorefining – Marion in 2008, the company said. The \$120 million project includes 225 temporary construction jobs and 18 to 21 new permanent jobs at the site. It also adds new corn demand. (Source: World Grain)

> **Middle East Debt Has Soared With Sinking Oil Prices:** Local Middle Eastern governments had little reason to look for outside funding for their lavish spending plans when the oil price was above \$100 a barrel between 2011 and 2014. But increased crude from the U.S. and elsewhere sent the price into a long period of decline, culminating in it trading below \$30 a barrel in early 2016. Moody's Investors Service estimates that oil accounts for about 25% of gross domestic product in Gulf Cooperation Council, or GCC, countries and about two-thirds of government revenue. Governments are trying to diversify their economies away from energy by moving into financial services, chemicals and even manufacturing. They can't do this without private investment, though. Around two years ago, these countries began turning to bond markets to raise cash. That included Saudi Arabia's \$17.5 billion bond sale last October. GCC members raised \$38.9 billion from bond sales last year, and a further \$32.5 billion

of new paper is expected to be issued by the end of this year, according to Moody's. (Source: The Wall Street Journal)

Debt Boom

As oil prices have dropped, Middle East bond sales have rocketed.



*Through Aug. 22
Source: Dealogic

THE WALL STREET JOURNAL



Central Ontario - We were late in the ground up here with most corn and beans. Normally by May 20th, we have most of planting complete. This season we were pushed back and as a result, we have lots of variability in our fields. Outside of being pushed back the crops look decent and will well outproduce the 2106 crop. In our area, we were cut back 60%-70% of normal yields last season. We are looking for some help with the markets and our dollar isn't helping things out. Hopefully, weather maintains favorable conditions and we get through harvest with no issues.

Northcentral North Dakota - Our beans could end up good but the corn is looking a bit ugly around here. Things in this area were really bad early on due to the heat and dryness but have since leveled out. Five to six weeks ago we had lots of rain which brought all the grass back to green. I saw something I have never seen, a guy cutting hay for the third time is getting more than he did from the first two cuttings combined. If we can get some good finishing rains we are hoping the beans will get to average.

Northwest Nebraska - Spring was good for us, delivering timely rains. Since then we have had adequate moisture and look to finish off ok. Unfortunately for some only 30 miles from here, there were severe storms, hail, and tornadoes. Crops should produce similar results as 2016 with a normal finish. The big news out here this week was the eclipse. We had folks from all over the world make their way to our neck of the woods. We had neighbors renting their yards and driveways and charging some pretty outrageous prices for extra rooms. No one seemed to complain and fortunately, everyone enjoyed the event without incident.



IBM Partners With Food Giants To Trace Food Contamination: *IBM has been joined by a group of global food giants including the likes of Nestle, Unilever and Walmart in an effort to reduce food contamination by using blockchain. The corporation announced that it would enable global food businesses to use its blockchain network to trace the source of contaminated produce. IBM said that the problem of consumer health suffering at the hands of toxic food could be solved using its distributed ledger technology, which maintains a digital record of transactions rather than a physical one. It would enable food suppliers to source information about the origin, condition and movement of food, and to trace contaminated produce in mere seconds. Read more [HERE](#).*

Can Anything Stop Rural Decline? *The disappearance of towns and cities across rural Japan is not necessarily a problem in itself. Civilizations change; towns that were once population hubs become smaller and turn into ghost towns, and then fields. The problem is getting from here to there. Other regions of the world will soon have to face these challenges, too. Just about every developed country is aging and urbanizing, though Japan is doing so the fastest. Its solutions to combating this decline may be significant for the rest of the world. So, too, may its failures. Read more [HERE](#).*

Will New AI Technology Be Game Changer For NFL Concussion Lawsuit: *A new method uses artificial intelligence to accurately detect brain damage caused by concussions years after the trauma happened. Until now, the only way to prove the presence of brain damage caused by concussion years after it occurred was through post-mortem examination. A means of diagnosing concussion in living patients, however, remained elusive. Using the data, the computers were able to detect concussion with up to 90-percent accuracy. See more details on this latest concussion technology [HERE](#).*

Happiness - 10 Questions To Ask: *Could you squeeze more happiness from your dollars? Humble Dollar blogger, Jonathan Clements, poses 10 questions to ponder. Check it out [HERE](#).*

Every Eclipse Happening In Your Lifetime: *The total solar eclipse on August 21 was the first that was visible from the contiguous United States in almost a century. Over the next 100 years, there will be 69 total solar eclipses visible from somewhere on the planet, but only a few will be visible from North America. On average, a total solar eclipse can be visible from somewhere on Earth every 1.5 years. A total eclipse will only be visible along the path of totality, which is about 60 to 70 miles wide at any given point. The farther you are from this path, the less noticeable the eclipse will be. The next time a total solar eclipse will traverse the U.S. coast to coast will be in 2045. Read more [HERE](#).*

2017 eclipse

Sooner Later

🖱️ Drag the globe to explore the eclipse paths.



Using Big Data To Make Better Seeds Faster

I came across a great article that gives insight into the relatively new interdisciplinary process where biologists, agronomists, and mathematicians come together to innovate plant science. All across the Corn Belt, thousands of small point-and-click digital cameras will be enclosed in waterproof cases, mounted on poles and attached to solar-powered battery chargers. They will take pictures every ten minutes as the plants grow; all part of a plan to create better seeds. This is specifically happening at the Plant Sciences Institute at Iowa State University where greenhouses and traditional wet labs are in use, but the time-honored tradition of cross-breeding plants again and again to get the best traits is no longer the primary way the science is done. Now, scientists are harnessing the power of Big Data in an effort to make the process more focused and faster. That means plant breeders can potentially bring more different new seeds, maximized for different environments. More productive seeds ultimately lead to more food for the world's growing population as well as providing growers more choices for a positive impact on their bottom line. Once scientists sequenced the human genome about 20 years ago, plant breeders adapted that breakthrough to mapping plant genetics. The technology was directly transferable to crop plants and the research possibilities exploded. However, biologists needed ways to handle huge amounts of information. In addition to biologists and chemists, people with expertise in computation science and engineering were also needed to handle that much data. Now, engineers create sensors and other physical tools to gather information. Computational scientists write code that pulls out the useful info from all the data. And then the biologists can study the results and design focused experiments about whatever trait they'd like to embellish. Seed-giant Syngenta has an entire group dedicated to computational science and with the greatest of ease can search through tens of millions of data points to find -- for example -- how a certain soybean seed, in a specific place in North America, with a specific soil type can perform in average temperatures. Ultimately, advances in technology have always brought changes to our food system and now more and more start ups are using the power of the computer to compete with

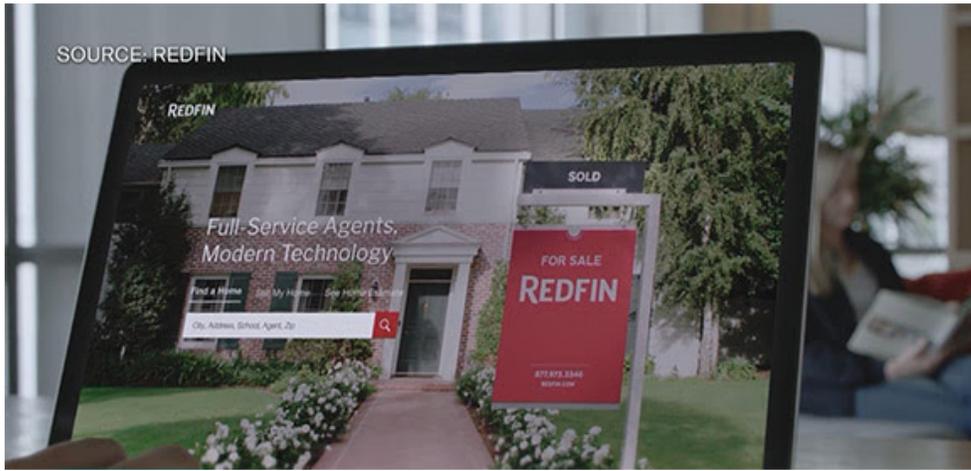
the big companies who have massive research budgets. In that pursuit, Big Data is the latest interdisciplinary approach that is attracting top talent to the Ag space. In the near future, I suspect we begin seeing more producers using their "big data" in order to help move innovations forward as we seek to sustainably be the low-cost providers. (Source: Harvest Public Media)



How Redfin Is Disrupting The Home Buying Market

Redfin is bringing disruptive technology to the home buying experience. According to its recent IPO filing, the company states that "The residential industry is highly fragmented, with an estimated 2,000,000 active licensed agents and over 86,000 real estate brokerages in the United States, many operating through franchises or as small local brokerages." As we say in the business world, where there is fragmentation there is opportunity. I suspect this is what Redfin is focusing on. The companies online competition consists of Zillow and Trulia whose business model is to profit from the online advertising they sell. Redfin will differentiate themselves by having their own "salaried agents" who work for massively reduced commissions. From what I understand, Redfin agents charge only 1.5% to list or sell your property. They also refund a portion of the buyers commission if you use them to purchase a property. As it turns out, despite not receiving any commissions and working for a salary, Redfin agents actually make twice the industry average. As you can imagine, they are not having a problem recruiting. Supposedly the company is massively reducing real-estate fees to the end user by pairing their own agents with proprietary technology to create a service that is faster, better, and costs less. I'm told they will meet customers through their listing search website and mobile application, reducing the marketing costs that traditionally keep fees high. To put this in context, consider how automation and technology forever changed the traditional stock brokerage firms. Companies changed that industry by drastically cutting fees and commissions while automating many facets of the investing process that had typically been handled by a highly paid broker or financial advisor. CEO Glenn Kelman compared Redfin's home visualization platform to Google's Street View for inside a home. He said he wants the company to feel like "the Apple of real estate" in a world of Radio Shacks. He also compared the company to Uber or Lyft, as a platform that helps consumers connect with realtors instantly. The companies growth has been impressive, as revenue in 2016 jumped +43% to \$267.2 million from \$187.3 million a year earlier. While many say this is huge win for customers, I'd be a bit more hesitant as an investor in the company, which recently went public, offering stock under the symbol "RDFN". I've learned that "scaling" in an industry as fragmented and localized as the real estate market can take years to achieve, and high costs and execution risks can be massive. I love the concept and believe Redfin is bringing an innovative approach and a ton of "transparency" to the industry. I've also read reports that estimate total real estate commissions last year were about \$75 billion, meaning there's huge potential. But I still like the thought of being conservative and cautious, especially when you are one of the first men through the door. In other words with Redfin being one of the first major players to make this move, they will be blazing their own trail at the front of the pack. Yes, it's nice to be first, but at the same time you might also be the one who gets the bloodiest. It has all the winning tools... great proof of concept, disruptive technology in a fragmented space, and leverages transparency, but I'm going to stay patient and cautious in regard to jumping in with both feet. Disclosure: I currently have no position in Redfin stock or

vested interest in the company. I will continue to closely monitor the story from the sideline. (Source: CNBC, SeekingAlpha)



The Art of Retiring Early and Living In An Exotic Location

My wife and I took a trip last week for our anniversary and ran into a few interesting people. One couple told us they hit 40 years old and decide to "reverse retire". Meaning they had watched their parents work hard and save their entire lives for retirement, only to get towards the end of the race and stumble under financial pressure and health complications. Choosing not to play the game in a traditional manner, they both quit their jobs, sold everything they owned up in Boston, purchased a sail boat and loaded up the kids. They explored and sailed in the Atlantic down the entire East Coast, then into the Gulf of Mexico and down into the Caribbean, homeschooling and teaching the kids along the way. They said it was a absolutely the best move they ever made! We meet another couple who had a similar story. She was 48, he was 52, both worked in the agriculture space, but decide to sell the family farm a few years back. With the proceeds from the farm and all of their belongings they purchased a sail boat and headed to the Bahamas, a place they had visited and talked about one day living. They stayed in the Bahamas for about eight months then decided it wasn't for them. They pulled up anchor and sailed to the British Virgin Islands. They absolutely loved it! But being hard working farm folks they got bored. The couple sold the sail boat and purchased an 80 foot Catamaran. They told my wife and I, their new boat comfortably sleeps 10 people and they get paid \$25,000 a week to tour people around the British Virgin Islands. They work six months out of the year, him driving and being captain of the boat, with her cooking meals, snacks and making frozen cocktails for their guest. They other six months, essentially during hurricane season, they dock the boat and use the money to travel the world. Both couples seemed extremely happy and it was nice to kickback and hear their stories. They said making the jump was much easier than they had originally thought and that it they would definitely do it again. I also thought it was interesting to hear both couples say they wouldn't rule out moving back to the states, but with an entirely different purpose and reason. Below are few exotic locations that seem to attract those looking for a more permeant change of scenery. Keep in mind it's a good idea to select a location that makes getting a long-term visa simple and not expensive and won't mean giving up your U.S. citizenship. It's also good to look for communities where populations of ex-Americans already exist, that way you can establish friendships where language is not a barrier. Finally, experts say gravitating towards locations where the daily costs of living is lower than the U.S. can help improve your quality of life, freeing up more money for adventures. The folks at International Living have identified a few additional countries that meet a lot of the criteria above and offer some beautiful settings. (Source: International Living)

Belize: Belize is the sort of place you can be Jacques Cousteau in the morning—diving on the Meso-American Reef—and Indiana Jones in the afternoon—exploring a Maya cave in the jungles. But for many expats, the best thing about this small Caribbean country of fewer than 375,000 people is relaxing in a hammock under a coconut palm with a frosty beer. Worries are few and taxes are low. You are as little as two hours away from home if you live in the southern half of the U.S. Keep in mind one consideration before choosing Belize, you must live there for a year before applying for permanent residence unless you meet the requirements for their "Qualified Retired Persons" program. That means you are over 45 and have a monthly income of at least \$2,000 from a pension or annuity. I'm told there are areas of Belize you can live comfortably for \$1,400 to \$2,000 a month.

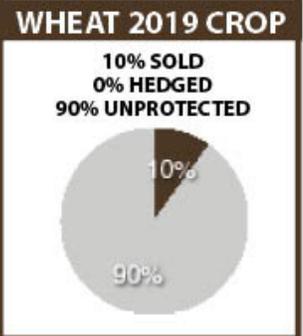
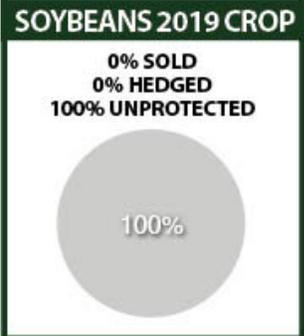
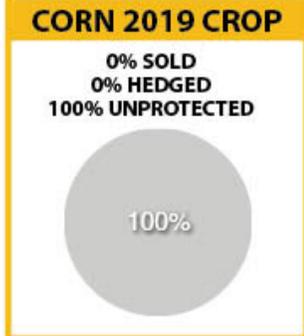
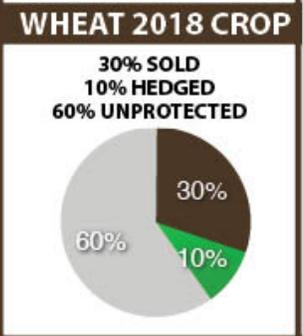
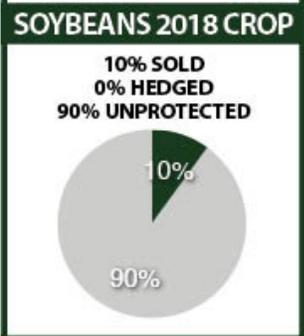
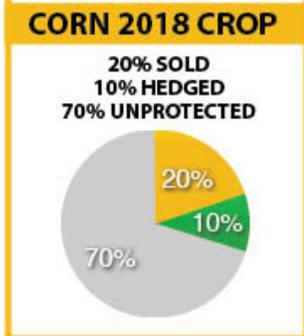
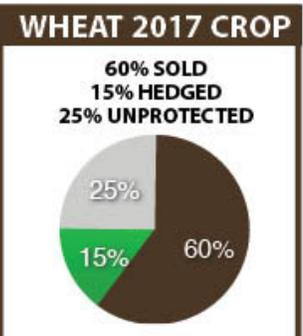
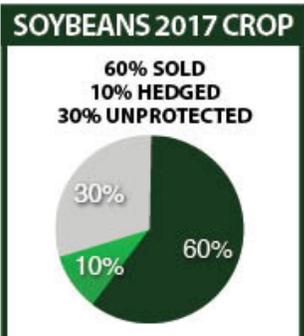
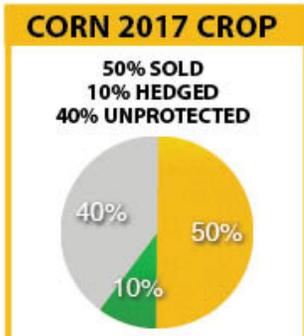
Costa Rica: Costa Rica has been pulling in American expats for more than 30 years. It's affordable and world-class healthcare is a big plus, but it's the

country's famed "pura vida" lifestyle that really draws folks. This is such a way of life that the Costa Ricans don't even have an army. The capital San José is just a two-and-a-half hour flight from Miami, and five hours from New York. I'm told you can only get a retirement visa from Costa Rica, which will cover your spouse and you can qualify if your monthly income is at least \$1,000. As I understand it, a couple can live there comfortably on \$2,000-\$3,000 a month. The good news is that price includes housing, transportation, medical care, food and entertainment. Definitely something to consider.

Roatan: Okay, so Roatán isn't a country, but this island 35 miles off the coast of Honduras is a contender for the best Caribbean island to escape the U.S. Think sugar-sand beaches, inviting bays, and a lush mountainous interior. The island's infrastructure is great, you'll find plenty of home comforts, an international dining scene, and a large expat community. Rotan has an international airport with direct flights from popular southern U.S. cities which can have you home in a couple hours if needed. Getting residence is easy. You can get a retirement visa, for example, by showing an income of \$1,500 per month, and that allows you a one-time chance to import household goods duty free. I'm told if you don't want to purchase a home, there are rentals with glorious views for only \$1,200 a month.



CASH SALES & HEDGING TOTALS



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