

## GOOD MORNING: 08/30/17 Farm Direction - VanTrump Report

1 message

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

Wed, Aug 30, 2017 at 7:01 AM



"Don't be afraid to go out on a limb. That's where the fruit is." - H. J. Browne

**Just a reminder**, this is the last week to get on board with "early-bird" pricing for our annual conference in Kansas City on December 6th. We've got the best line-up of speakers and analyst we've ever had, which should make for interesting conversation and dialogue with friends, producers and ag executives all across the country. You can learn more by clicking [HERE](#). Lots of great folks involved!

**WEDNESDAY, AUGUST 30, 2017**

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**Morning Summary:** Remnants of Hurricane Harvey remain the top news story as the tropical storm now moves over portions of Louisiana. Meteorologists are warning that flooding poses the biggest risk and could disrupt oil and gas markets even further. Colonial Pipeline, the largest fuel conduit in the U.S., began reporting problems yesterday stemming from pumping station disruptions in Texas. Fuel is still flowing, but the interruptions could lead to shortages on the East Coast. There are also more refineries and fuel hubs connected to the Colonial in Harvey's path through Louisiana. TAC Energy warned yesterday that while fuel supplies in many U.S. regions may not be tight currently, the expectation is that they will become so shortly and could remain that way "for at least a couple of weeks." It is now being estimated that some 20% of overall U.S. refining capacity is now offline or some 3 to 4 million barrels per day. The question now becomes how long will the refineries be offline? Investors seem to have moved past the jitters inspired by North Korea shooting a missile over Japanese air space overnight. President Trump at a press conference warned the rogue regime that "all options are on the table." The UN Security Council held an emergency meeting over the matter yesterday and they will further tighten sanctions. It will be interesting to see how North Korea responds. Traders today will be eager to see the second estimate for U.S. second-quarter GDP. Insiders are looking for a slight improvement to +2.8% from a previous +2.6%. Today also brings ADP's private Employment Report and expected to show +185,000 gained in August. That is right about what Friday's official Employment Report is also expected to reveal. Second-quarter Corporate Profits is due out today as well. It's worth noting that China releases its official Manufacturing PMI overnight tonight.

**Rain Records...** Rainfall during the past 5-days in many areas surrounding Houston is nearing 50 inches, surpassing all other historical U.S. rainfall totals. Suffice to say, this is one of the worst flood disasters in U.S. history, with record-setting river flooding lasting well into next week. By most all estimates, never before has a single rainfall event produced such a deluge anywhere in the U.S.. Interestingly, back in 1979, 43 inches of rainfall reportedly fell in Alvin, Texas on July 25-26, during Tropical Storm Claudette. Globally there's some debate about the most rainfall during any 48-hour period. Cherrapunji, India actually recorded just over 98 inches falling back on June 15-16, 1995. 97 inches of rainfall was recorded on March 15-17, 1952 at Cilaos, Reunion Island, a French territory in the Indian Ocean. Some sources say perhaps an even greater 48-hour total occurred on Reunion Island on February 27-March 1, 1993 when a site identified as Baril 1600 (the 1600 refers to the site's elevation of 1,600 m/6,300') measured just over 118 inches during an intense generalized rainfall event associated with Tropical Depression Hutelle (Source: [WeatherUnderground](#)).

**Apple Stock Continues To Create Millionaires:** Apple traded as high as \$163 per share. That's a new all-time high. It's now up +31,635% since its 1980 IPO. There's a fun story circulating about a couple in California who purchased 100 shares of Apple (then called Apple Computer Inc.) at \$34 a piece in 1998. They never sold any of their \$3,400 investment. Taking into account Apple's stock splits (there was a 2-for-1 split in 2000 and again in 2005, as well as the 7-for-1

# VAN TRUMP CONFERENCE 2017

**December 6, 2017**

## Full MARKET Outlook



On hand will be several leading markets analysts and traders providing their insight and opinions on both short-term and long-term ag prices and outside investment ideas. You do not want to miss this year's event.

## Economic & Ag Forecast



Dennis Gartman  
Editor/Publisher  
The Gartman Letter



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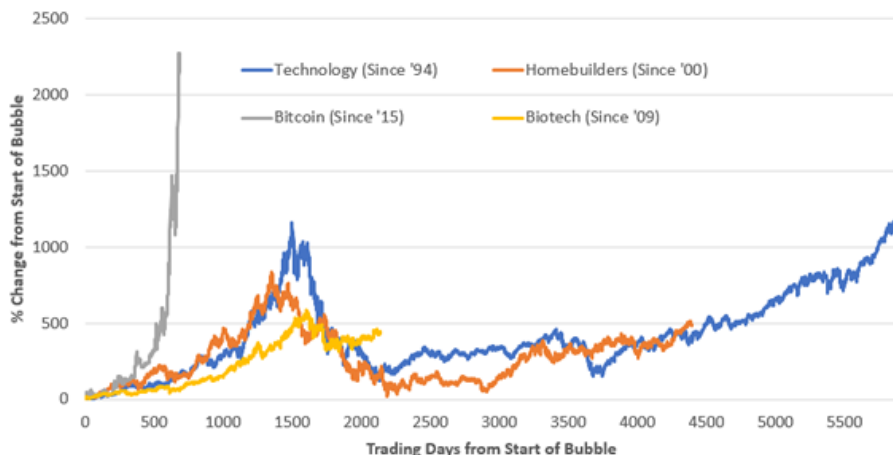
**Remember we sold  
out early last year!**

in 2014), that sole order of 100 shares translates to 2,800 shares today and is valued at \$456,400. I should note, the couple also purchased 500 additional shares in 1999, and have made well over \$1 million in profit. There are thousands of stories just like this surrounding Apple and the wealth they have created.

**U.S. Boosting Baltic Presence As Russian War Games Approach:** The United States on Tuesday sent extra jet fighters to patrol the skies over Baltic states to reinforce its NATO allies as Russia gears up for major major military drills. Seven US F-15 fighter jets landed at Lithuania's Siauliai military air base, where NATO member Poland ran patrols using four jets over the last four-months. The beefed up contingent arrived two weeks ahead of massive military exercise "Zapad 2017" in neighboring Russia and Belarus. Part of the exercises will take place on Belarus's borders with Lithuania and Poland. Lithuanian intelligence has warned that the "exercise scenario will simulate an armed conflict with NATO" but Moscow on Tuesday insisted they would be "purely defensive." NATO is warning that the maneuvers could serve as a screen for Russia to deploy more military equipment. They also warn that considering NATO's military buildup in the region, the war games heighten the risk of an accident that could spark a serious military conflict. The Russian military said foreign military attachés would be invited to observe exercises on Sept. 18. (Source: AFP, Reuters)

**Is Bitcoin In A Bubble???** Unless you've been living under a rock, you're probably aware that bitcoin and a number of other digital currencies have seen some pretty crazy runs this year. Bitcoin, the best-known digital currency, has surged +358 percent year-to-date. While staggering, lesser-known competitors have seen even bigger gains, such as the more than +4,000 percent increase for ethereum. Bespoke Investment Group contrasted the rise in bitcoin with infamous bubbles such as the tech market in the late nineties. There's almost no comparison. Tech stocks rose just over +1,000 percent over the entire course of their bubble, and bitcoin is already up more than twice that. Click the graph for a larger view. (Source: Bloomberg)

Major Bubbles Since 1990 vs. Bitcoin: Percentage Change



**Weather** continues to center around the heavy rains from Tropical Storm Harvey as well as the mostly favorable conditions for the Midwest. In the Corn Belt, clouds and a few showers linger across eastern corn and soybean production areas. Meanwhile, sunny weather in the western Corn Belt is helping to push crops toward maturity. No significant freeze threats for the next seven days but colder weather beyond that could lead to some frost under the right conditions. On the Plains, dry weather is favoring fieldwork and summer crop maturation. However, cool weather on the southern Plains contrasts with a late-summer heat wave on the already drought stricken northern Plains. Tropical Storm Harvey has begun to drift northeastward, away from Houston, and reach the Tennessee Valley as a weakening, post-tropical disturbance by late in the week. However, additional rainfall of 7 to 13 inches can be expected through mid-week in eastern Texas. Widespread totals of 5 to 15 inches should occur in the central Gulf Coast region, with locally heavy showers eventually reaching as far north as the Ohio River. Meanwhile, a low pressure system near the southern Mid-Atlantic coast which has the potential to become a tropical depression or tropical storm could result in as much as 5 inches of rain along the coast. Elsewhere, hot weather should prevail during the next 5 days across the northern High Plains and much of the West, while generally cool conditions can be expected in the South, East, and lower Midwest. The 6 to 10 day for September 3 - 7 is calling for near to below normal temps across much of the eastern half of the U.S., while warmer than normal weather should cover the southern Atlantic region and the West. Meanwhile, below normal rainfall across the Rockies, Plains, and upper Midwest should contrast with wetter than normal conditions in southern California and east of a line from central Texas to Michigan.



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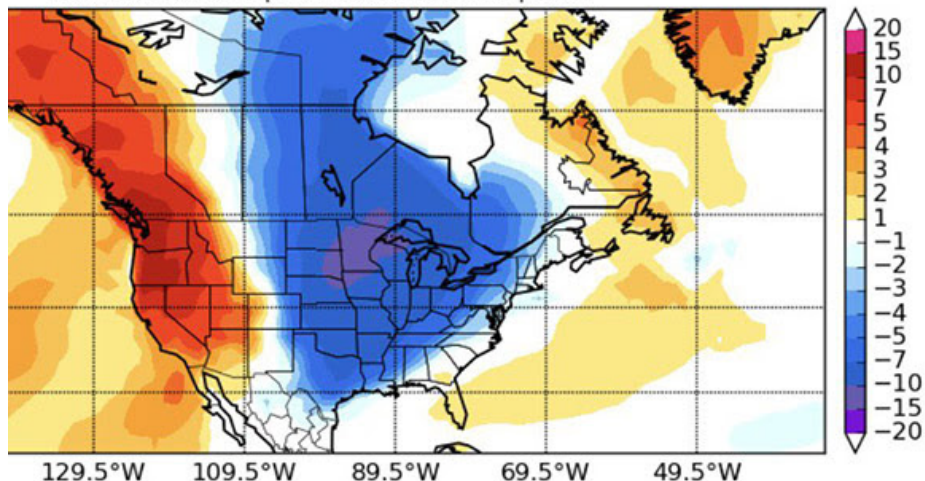
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**Forecasts Showing A Cold Start to September:** *I continue to see medium-to-long range forecasts calling for cold weather as we head into September. We also continue to see a drier trend taking shape for the next two weeks. Furthermore, the European weather models show possible frost as far south as Iowa! These are very early forecasts, but they are signaling something very important that we need to be keeping our eye on. The map below shows temperature anomalies expected in early September. As you can see, we could be looking at 15 degrees cooler than normal weather in the Upper Midwest.*

ECMWF-WEEKLY Week 2 2m Temperature Anomaly (F)  
Cluster 2: 31% (16 members)  
Valid: 00z Mon 04 Sep 2017 to 00z Mon 11 Sep 2017



**Corn** traders are not only watching U.S. weather, but are also closely monitoring deteriorating crude oil prices and a U.S. dollar that has fallen to multi-year lows. The bulls are happy to see another sale of new-crop corn to Mexico for 2017-18 delivery. A lot of people inside the trade were worried that NAFTA renegotiations and further talk of the "wall" would deter Mexican imports of U.S. crops, so far that's not really been the case. Bulls also continue to talk about corn in the top producing states like Illinois and Iowa looking overall worse than they have the past few years. Unfortunately, this type of talk hasn't been enough to stop the bleeding or the funds from adding to their current net-short position. I should also note that I'm already starting to hear of some corn coming out of the fields in Kansas and a few other Midwest locations, most all reporting fairly strong numbers, especially some larger than expected dry-land yields to the South. From a technical perspective, the market continues to post fresh new lows, with many seeing nearby support in the \$3.40 to \$3.45 range. Longer-term, I'm still hearing talk from bears inside the trade that we could eventually test the \$3.00 to \$3.20 range as the harvest continues to move north and numbers continue to surprise to the upside. I'm personally thinking our low could come in the mid to late-September time frame, followed by a possible short-covering rally into early-October and November. As a producer I'm keeping all hedges in place and staying extremely patient longer-term, thinking I will get better prices in late fall or perhaps early-winter. For those who have to make sales in the next 20 to 30-days, our current price might not be all that bad. As a spec I want to stay patient into mid-September, where I will more than likely start to take on an increasingly bullish attitude.



#### Today In History



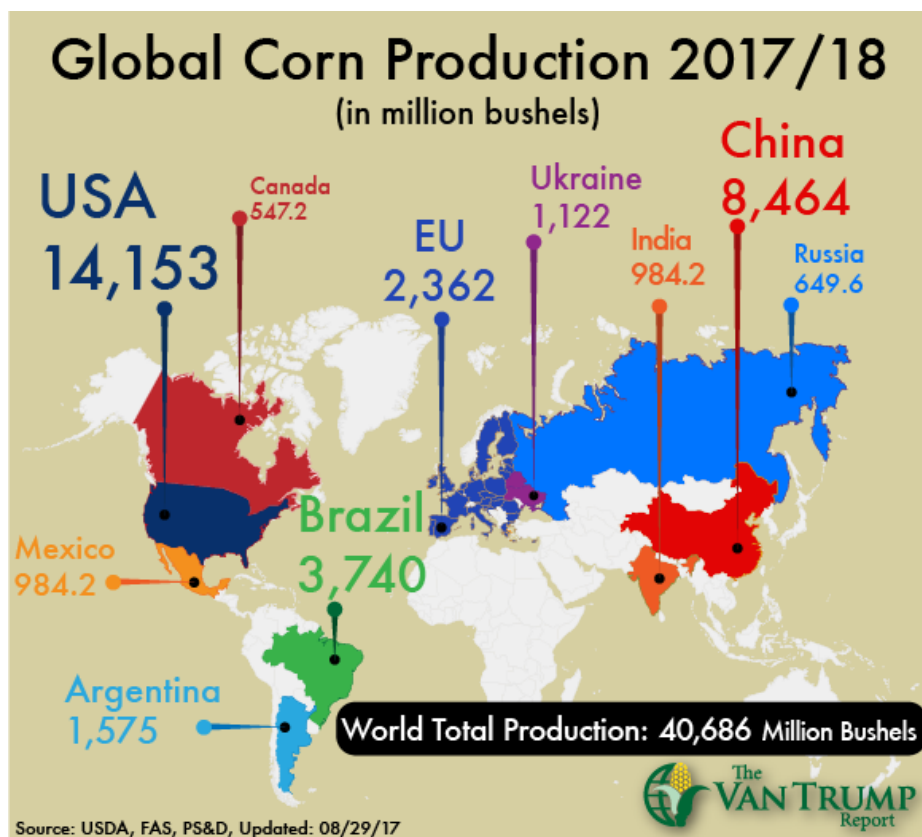
#### 1776, American Revolution

- General George Washington gives the New York Convention three reasons for the American retreat from Long Island. That same day, he rejects British General William Howe's second letter of reconciliation. With Howe and a superior British force having recently landed at Long Island—they handed the Continentals a humiliating defeat at the Battle of Brooklyn Heights on August 27—Washington gave these reasons for his decision to retreat: the need to reunite his forces, the extreme fatigue of his soldiers and the lack of proper shelter from the weather. For his part, Howe had attempted to reconcile with the Patriots before blood was spilled, but had been rejected by Washington because he had failed to use Washington's title of "general" when addressing the letter. Even after beating the Continentals at Brooklyn Heights, Howe looked for a peaceful resolution, allowing Washington and his army to escape by boat to Manhattan and sending yet another letter to Washington through American General John Sullivan. Washington refused to accept the missive, but gave Sullivan permission to deliver it to Congress in Philadelphia. On September 11, Benjamin Franklin, John Adams and other congressional representatives accepted Howe's offer and reopened talks on Staten Island. The negotiations fell through when the British refused to accept American independence as a condition for peace. The British captured New York City on September 15; it would remain in British hands until the end of the war.



#### 1918, Belfort Ruse

- In Belfort, France, a small town near the German border, Colonel Arthur L. Conger of the American Expeditionary Force (AEF) plants a copy of a false operational order for an impending Allied attack in a



wastebasket; as intended, it is later found and removed by a German agent. The Belfort Ruse, as the trick was dubbed, was the result of a suggestion by the French commander in chief, Philippe Petain, who was alarmed by the lack of security surrounding the upcoming Allied offensive near St. Mihiel, France. Planned for September 9, 1918, it was to be the first significant operation of the war under United States command; French troops were set to take part as well. After learning that the plans for the offensive were being talked about in Paris, Petain wrote a personal missive to the American commander in chief, General John J. Pershing, suggesting a ploy to misdirect the Germans as to the details of the upcoming attack. Pershing agreed, and with French assistance the Americans planted the false order in a Belfort hotel, presumably one where the French knew a German agent was on the staff. The Belfort Ruse was designed to trick the German High Command into believing that the thrust of the Allied offensive, which would begin less than two weeks later, on September 12, in the St. Mihiel salient, would instead be launched near Belfort toward the German town of Mulhausen (Mulhouse), just across the border. The extent to which the ruse proved successful is debatable; some German divisions were indeed diverted to the Belfort region, but these troops did not come from St. Mihiel. The German command, aware of the impending attack on the salient, apparently made the decision not to hold it, and to withdraw from the area. This withdrawal was still in progress when the U.S. attacked on September 12, and by September 16 the AEF controlled the area.



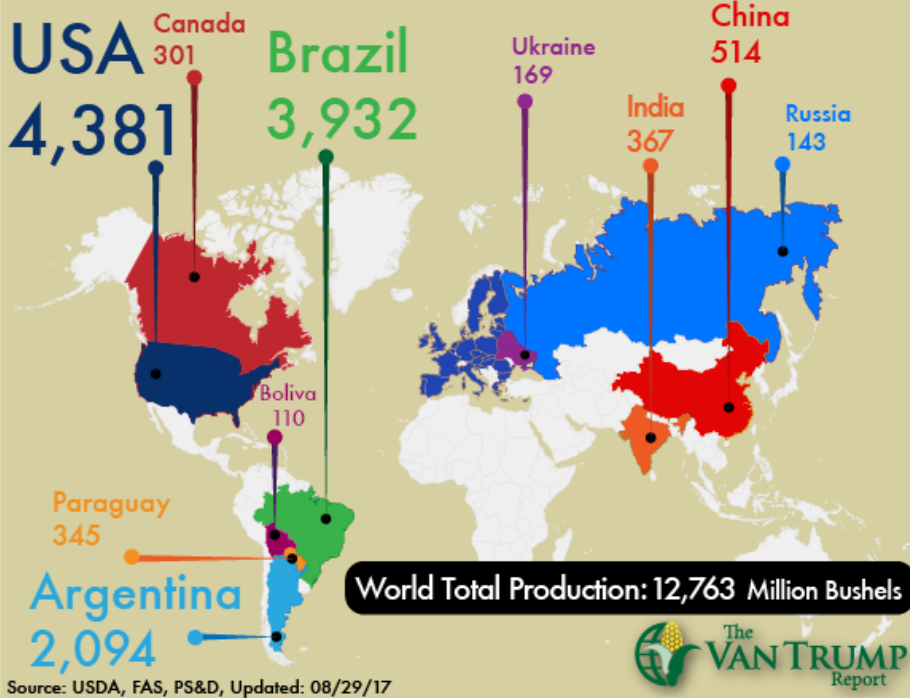
## 1967, Thurgood Marshall -

On this day in 1967, Thurgood Marshall becomes the first African American to be confirmed as a Supreme Court justice. He would remain on the Supreme Court for 24 years before retiring for health reasons, leaving a legacy of upholding the rights of the individual as guaranteed by the U.S. Constitution. After graduating from Lincoln University in 1930, Marshall sought admission to the University of Maryland School of Law, but was turned away because of the school's segregation policy, which effectively forbade blacks from studying with whites. Instead, Marshall attended Howard University Law School, from which he graduated magna cum laude in 1933. (Marshall later successfully sued Maryland School of Law for their unfair admissions policy.) Setting up a private practice in his home state of Maryland, Marshall quickly established a reputation as a lawyer for the "little man." In a year's time, he began working with the Baltimore NAACP (National Association for the Advancement of Colored People), and went on to become the organization's chief counsel by the time he was 32, in 1940. Over the next two decades, Marshall distinguished himself as one of the country's leading advocates for

**Soybean** bulls continue to keep a close eye on U.S. weather. There could be some obvious complications associated with Hurricane Harvey, especially if it shifts forecasts to more of the extreme inside the Delta. Bulls will also be keeping a closer eye on forecast calling for much cooler nights. Obviously any type of frost or freezing condition could create major complications in unharvested or late-planted fields. Keep in mind the average first freeze occurs sometime around September 15 for much of the Rockies and Intermountain West, as well as parts of the northern Plains and Upper Midwest (closer to the international border). Some inland areas of the upper Great Lakes also see their first freeze around September 15. For other areas of the country, the average first freeze generally doesn't happen until mid-October, that's when you will see parts of the northern Southwest, much of the central Plains, parts of the upper and mid-Mississippi Valley, much of the Great Lakes, the northern Ohio Valley and a large swath of the Northeast generally post freezing nighttime temps. It seems like this summer has flown by. It's hard to believe Fall is now upon our doorstep.

# Global Soybean Production 2017/18

(in million bushels)



**Wheat** bulls are talking about extreme rains here in the U.S., but also torrential flooding in portions of Argentina, which is thought to be negatively impacting several million acres of crop ground. There's also continued talk of abandoned spring acres and fewer winter wheat acres actually getting harvested here in the U.S. because of problems associated with viruses and mites. Low farm prices forced many producers to cut back on spraying, one could also argue the problems were caused by weather and an increased amount of volunteer wheat in the fields. Regardless, I just still keep hearing reports of less and less "quality" wheat coming out of the U.S. fields. From a technical perspective, it still seems like SRW and HRW contracts will eventually need to push through heavier resistance in \$4.50 area. The spring wheat contract is looking at heavier upside resistance around \$7.00 per bushel. Which I think will eventually be taken out in the weeks ahead. As you can see from the graphic below, the European Union, China, India and Russia make up the worlds top wheat producers. With none of the top producing countries showing signs of "significant" production failures the trade is left to look at current global supply, which is near record large. We also have to remember, all export shipments out of the Gulf have been canceled.

individual rights, winning 29 of the 32 cases he argued in front of the Supreme Court, all of which challenged in some way the 'separate but equal' doctrine that had been established by the landmark case Plessy v. Ferguson (1896). The high-water mark of Marshall's career as a litigator came in 1954 with his victory in Brown v. Board of Education of Topeka. In that case, Marshall argued that the 'separate but equal' principle was unconstitutional, and designed to keep blacks "as near [slavery] as possible." In 1961, Marshall was appointed by then-President John F. Kennedy to the U.S. Court of Appeals for the Second Circuit, a position he held until 1965, when Kennedy's successor, Lyndon B. Johnson, named him solicitor general. Following the retirement of Justice Tom Clark in 1967, President Johnson appointed Marshall to the Supreme Court, a decision confirmed by the Senate with a 69-11 vote. Over the next 24 years, Justice Marshall came out in favor of abortion rights and against the death penalty, as he continued his tireless commitment to ensuring equitable treatment of individuals—particularly minorities—by state and federal governments.

## Upcoming Events

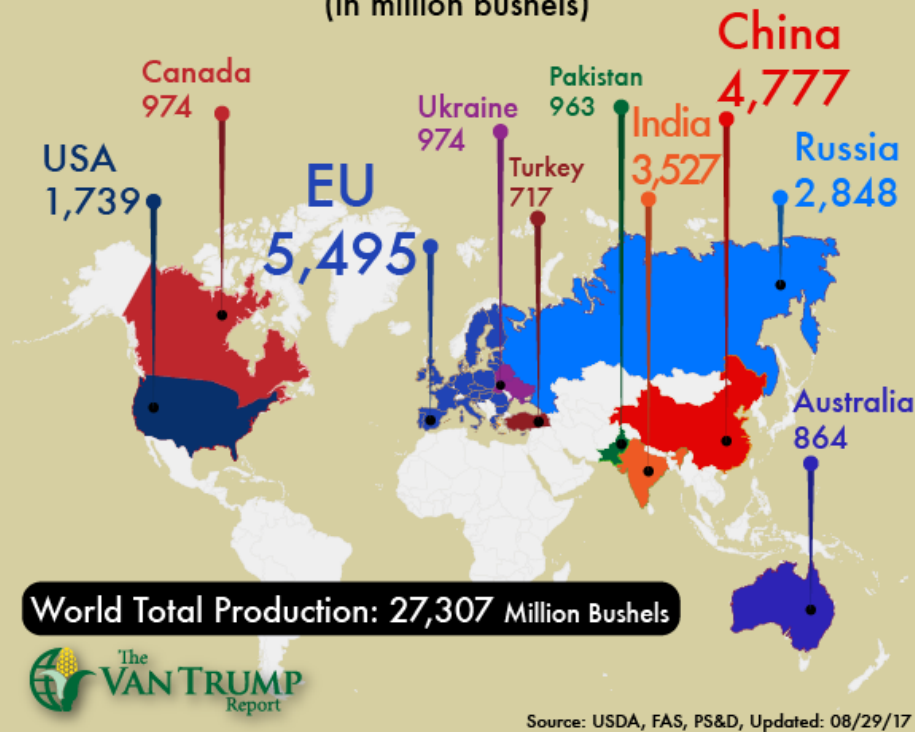
- Mon. 9/4** - Labor Day - Markets Closed
- Tues. 9/12** - USDA Supply and Demand
- Fri. 9/22** - Cattle on Feed
- Fri. 9/22** - Cold Storage
- Thurs. 9/28** - Quarterly Hogs and Pigs
- Fri. 9/29** - Quarterly Stocks
- Thurs. 10/2** - USDA Supply and Demand
- Fri. 10/20** - Cattle on Feed
- Mon. 10/23** - Cold Storage
- Mon. 11/5** - Daylight Saving Time Ends
- Thurs. 11/9** - USDA Supply and Demand
- Thurs. 11/23** - Thanksgiving - Markets Closed

## Kevin's Song of the Week



# Global Wheat Production 2017/18

(in million bushels)



## About the Report



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



**> Texas Cotton Industry May Lose \$150M From Harvey:** While the majority of the cotton crop was harvested along southern Texas coast, modules storing crops in fields have "pretty much been destroyed" by Hurricane Harvey, Sid Miller, state's agriculture commissioner, told Bloomberg in a telephone interview. "If they didn't have the cotton to the gin, they probably lost it, even though it had been harvested." The best estimate to date is \$150 million worth of damage in the coastal plains region.

**> Millions Of Texas Cattle Threatened By Floodwaters:** A deluge of rain from Hurricane Harvey is soaking Texas pastures, leaving some cattle stranded in floodwater in the state that leads the U.S. in beef production. The 54 counties in the state's disaster zone have at least 1.2 million beef cows, according to the latest government statistics, said David Anderson, a livestock economist at Texas A&M University. It's too early to gauge the storm's impact, he said. (Source: Bloomberg)

**> Russian Wheat Prices Falling On Harvest Pressures:** Russian wheat export prices fell for a fourth week, since the 23rd of August, under pressure from a large new crop coming onto the market, analysts said on Monday. Black Sea prices for Russian wheat with 12.5 percent protein content were at \$180 a tonne on a free-on-board (FOB) basis at the end of last week, down \$4 from a week earlier, IKAR agriculture consultancy said in a note. (Source: Reuters)

**> French Wheat Producers Face More Losses:** Following several lean years, French wheat growers could be plunged further into the red in the 2017-18 season if prices continue to slide, their industry association warned on Tuesday. Although the wheat harvest in the European Union's largest grain producer this year ended up around normal levels, at 36.8 million tonnes, some parts of France saw their crop ravaged by a combination of dry autumn weather, late spring frosts and a hot spell in June, wheat growers group AGPB told reporters. In addition, world prices have fallen sharply since the start of the season. AGPB forecasts French grain growers' average income in 2017/2018 will total 2,000 euros (\$2,411) for the season but warned that if prices continued to wane, which it said looked likely, it could fall to between 0 and minus 10,000 euros. (Source: Reuters)

**> New Hope Joins China's Hog Expansion Frenzy:** New Hope Liuhe Co has expanded its hog herd this year, it said on Tuesday, the latest meat producer in the world's top pork consumer to boost output even as a domestic glut grows and prices languish at two-year lows. The news came as the listed unit of China's top animal feed producer New Hope Group said first-half profit fell -20.9% to \$166.8 million as fears about bird flu hurt business. New Hope Liuhe said it will have more hog production going online in the next two years in provinces including Sichuan, Shandong and Jiangsu, after increasing its herd by more than +2.6 million hogs in the first half, according to the filing. Earlier this month, China's top hog farmer Guangdong Wens Foodstuff Group Co Ltd also reported the expansion of its hog herds and processed meat sector as it reported a -75% fall of interim profits. Pork belly prices in China have languished at two-year lows of around \$8 a pound since June as suppliers rushed to cash in on last year's record prices for the meat, a staple form of protein at the heart of Chinese cuisine. (Source: Reuters)

**> Agrium To Acquire Southern States' Ag-Retail Biz:** Agrium Inc. on Aug. 29 signed an agreement between its Crop Production Services Ag-retail business and Southern States Cooperative, Inc., under which Agrium will acquire 20 ag-retail locations in the U.S. states of Florida and Georgia. The transaction also includes Southern States' integrated cotton ginning business in Statesboro, Georgia. Financial terms of the transaction were not disclosed. Agrium produces nitrogen, potash and phosphate fertilizers, and supplies key products and services directly to growers, including crop nutrients, crop protection, seed, as well as agronomic and application services. Southern States Cooperative is a Richmond, Virginia, U.S.-based farm supply retailer and service cooperative. The cooperative provides a range of farm inputs and is owned by more than 200,000 farmer-members. (Source: World Grain)

**> Large Part Of Louis Dreyfus's Grains Team Leaves Company:** A large part of Louis Dreyfus Company's European grains trading team, including Global Head of Grains David Ohayon, has left the company, trade sources said on Tuesday. No one was available at Dreyfus for comment. Several sources also said Cesar Soares, Regional Head of Grains for Europe and Black Sea, and senior trader Pascal Durouchoux had left. (Source: Reuters)

**> U.S. Foodservice Traffic Dips For A Sixth Consecutive Quarter:** Customer visits to U.S. restaurants and foodservice outlets remained negative in the quarter ending June resulting in six consecutive quarters of weak traffic performance, reports The NPD Group. The U.S. foodservice industry has not experienced six quarters in a row of no traffic growth since the recession of 2008-09. The average check at foodservice outlets rose by +2.6% — the largest increase in several years — reflecting higher menu prices. The slowdown in restaurant and foodservice visits is most prevalent at midscale/family dining and casual dining concepts. Midscale registered a 4% decline in traffic in the quarter compared to same quarter year ago. Casual dining visits dropped by 3% in the quarter, according to NPD's CREST, which daily tracks all aspects of how consumers use restaurants. Visits also softened for quick service restaurants (QSR), which represent the lion's share (83%) of industry traffic and has been the only driver of industry traffic growth for several years. QSR customer visits were flat in the quarter compared to last year but a steeper decline was offset by traffic growth at QSR hamburger and fast casual restaurants. (Source: Feedstuffs)

**> Harvey Prompts Weather Service To Add New Colors To Rainfall Maps:** Hurricane Harvey's rainfall is, quite literally, off the charts. The US National Weather Service needed to add two colors to its flood maps—a dark purple hue to represent "20 to 30" inches (51-76 cm) rainfall, and a lighter purple to indicate "greater than 30 inches." Prior to Harvey, which has been dumping rain on Texas since the night of Aug. 25, the NWS maps stopped at "greater than 15 inches" designation, marked by a dark mauve. The agency called Harvey's rainfall "unprecedented." Parts of southeastern Texas have already received more than 30 inches of rain, with some areas forecast to get as much as 50 inches by the time Harvey, which has now weakened to a tropical storm, ends this week. That record rainfall is thanks to an unusual situation. Hurricanes usually suck water up from the ocean and release it over land. But Harvey has already dropped so much water in Texas that the flooded area is acting like a small ocean; the storm is "pulling that water back up into itself and dumping it again as more rain," according to Scientific American. (Source: Quartz)

influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

**A.M., FDIC**

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

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

[More Testimonials](#)

#### My Own Personal Truisms

"Not To Trade, is often considered a good trading decision..."

"First Rule of HOLES: When you are in one stop digging..."

"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."

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

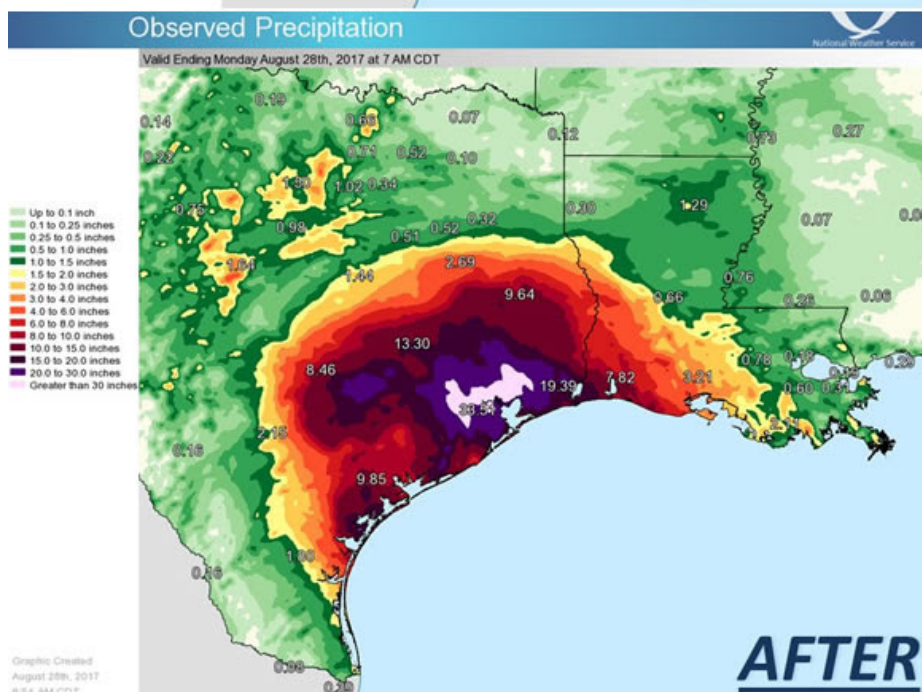
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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

- 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.





**Central Indiana** - It has been a weather year that has brought many extremes from being wet all spring and a good part of winter, to now being some what dry. Because of all the early rain, the crops did not root in well, which has made them more susceptible to stress as things have gotten dry. For our soybeans, a month ago I would have said we would make 60bpa but as we've dried out, I would say we will be closer to 50bpa. The weather has been cool and dry for the last month. This spring it seemed to rain every other day. The beans are a week to 10 days behind and just now starting to turn. The corn this year does not look too bad. I have some really great looking fields and some really bad fields. I think they have the Indiana yield at 165bpa which I think is a good number. There is definitely a ton of variability. We have been doing cover crops for about five years, which has been great, especially during a wet year like this one. We have had some 5" to 8" rains that would normally cause some major erosion but we have not had any. We will plant wheat into our corn stocks and plant oats into the bean



stubble. We add drainage tile each year and coupled with the cover crops, they have been very beneficial for our farms.

**Eastern Nebraska** - We are almost all irrigated on our farms, growing corn and soybeans. I have heard about a lot of problems in Nebraska and around the country but we are looking pretty good. The corn should be better than last year, after experiencing quite a bit of wind damage. I would say that our corn crop actually looks excellent at this time. We grow a lot of seed corn and the numbers should be good there. There will be many fields with major variability because of the planting windows, with one early in April and the other later in May. The beans should be in line with last years yields. The weather has been very good for production and we haven't seen any stress this year. I am hearing that because of grain prices guys have not spent the money on pushing their production higher, which could make things worse when we look at final production numbers.

**North central Illinois** - We have been corn on corn now for almost fifteen years. When it is all said and done corn has penciled better and for our operation, it seems to make us more efficient. This year's corn crop is behind. We were able to get some of the corn in the ground in April but then I didn't get finished planting until Memorial Day. I do not think that I will have better yields than last year. In 2016, it was my best production year ever, with my whole farm average yield at 217bpa. I would like to think it was because I was a smarter, better farmer but I think it was all mother nature. The rains were about perfect all year. I actually had backed off some of my split applications, not side dressing or top dressing. This year will be pretty good but we went in later and rains haven't been quite as good. As much as I like to think we are doing things right, I always have to remember that Mother Nature always bats last.



**Organic Farmers Sprouting Up Across Iowa:** Organic farming is growing in Iowa almost as fast as the bane of chemical-free farmers — weeds. While pigweed and lambsquarter can double in size in a few sunny days, the number of organic producers and processors in Iowa has increased 31 percent in the past five years. "We are not even close to meeting market demand, and we don't have to spend much time marketing," said Andrew Dunham, who with his wife Melissa operates Grinnell Heritage Farm, one of the state's largest producers of organic vegetables and fruit. Iowa ranks sixth among the 50 states in the number of organic producers and processors with 939 this year, up from 717 in 2012. Read more [HERE](#).

**How To Deal With A \$759 Million Lottery Jackpot:** On Wednesday night, Chicopee, Massachusetts, resident Mavis Wanczyk won the \$759 million Powerball jackpot. Her first act was to call into work to say she wouldn't be coming in the next day. Or ever again. Before she starts celebrating beating those 292.2 million-to-1 odds, there are a few things Wanczyk needs to consider about her good fortune. If she learns these lessons quickly, then she and her heirs will be much happier and more satisfied with their lives. Check them out [HERE](#).

**Presidential Pardons: Requests For Clemency Are Way Up As Controversy Swirls:** Was President Trump's pardon of former Sheriff Joe Arpaio, issued on a Friday night as a deadly hurricane barreled toward the Gulf Coast, unprecedented? Or just unpopular? Presidents have virtually unlimited power to grant clemency to individuals at any point in the legal process, even before they are charged with a crime. As Article II of the Constitution spells out, the president can "grant Reprieves and Pardons for Offenses against the United States, except in Cases of Impeachment." The vast majority of pardons are given to people far from the public spotlight who have served all or most of their sentences. The president, however, can also unilaterally decide to grant a pardon without a petition or consulting any other member of the administration. See how the numbers have skyrocketed [HERE](#).

**This Virtual Reality Game Will Help Detect Alzheimer's:** Sea Quest Hero is more than just the usual computer game. It has been billed as the "largest dementia study in history". Playing the game for just two minutes, the website said, generates the same amount of data scientists would take five hours to collect in similar lab-based research. "We know keeping your brain fit and active, like keeping your body fit and active, is good and is helping to reduce your risk of dementia or slowing its progression down if you have it," he said. See how this VR game works and can be implemented to help dementia sufferers [HERE](#).

**How Fire Ants Take Advantage Of Hurricane Floods:** In addition to debris and alligators, Texans escaping Hurricane Harvey's floodwaters must watch out for floating

balls of fire ants. And the problem won't go away after the waters subside. The red imported fire ant evolved in South American floodplains, but has since taken the southern U.S. by storm—both literally and figuratively. The species adapted to float, and takes advantage of the habitat created by floods. So they often arrive and thrive in the wake of human disasters. Read more [HERE](#) and check out this [VIDEO](#) for more information about the floating nightmare.



### Why Are Food Allergies Skyrocketing?

An examination of health insurance claims indicates that the number of severe allergic reactions to food are skyrocketing, having climbed almost +400% in the last ten years. Nonprofit health organization FAIR Health looked at private insurance claims that involved anaphylactic shock, a severe allergic reaction that can lead to death. FAIR found that between 2007 to 2016, the number of claims citing an anaphylactic reaction to food rose by +377%, with peanuts being the number one culprit. In fact, they were responsible for over one-quarter of the claims. That is followed by an array of other tree nuts, like walnuts, which account for about 18%, followed by eggs, shellfish and dairy. It's estimated that around 8% of children have some sort of food allergy, and 40% of them have a history of severe reactions such as anaphylaxis. It's not just kids that have these issues though, as 35% of the claims that FAIR found were people over 18. Food allergies can develop at any age, even for foods that a person has safely eaten their entire life. There are several theories as to why allergy rates have increased so dramatically. One is the fact that for many years, the medical community warned parents to avoid exposing their young children to foods considered "highly allergenic." But the number of kids experiencing adverse reactions didn't get better, they just kept increasing. Experts have since reversed that advice and now recommend parents introduce the foods by the time a child is six months old. It's too early to tell if this strategy might reverse the trend. Other theories for why food allergies have increased include the rising rates of C-sections, which is believed to affect the microbiome of babies; increased antibiotic use; and an increasingly sterile environment thanks to an overabundance of antimicrobial products. Some scientists believe that our society's current obsession with cleanliness — both in the form of overuse of antibacterial cleaning products, as well as an exceedingly sanitized lifestyle that keeps us isolated from most sources of germs that can make us ill — has caused our immune systems to become hypersensitive to foreign assaults of all kinds, whether harmful or beneficial. And because younger generations have been raised in such relatively sterile and clean environments, these researchers argue, their immune systems have not been challenged sufficiently to respond to bacteria and viruses, leading them to mistakenly overreact to common proteins such as those found in foods and grasses or dust. That results in allergies. Hugh Sampson, director of the Jaffe Food Allergy Institute at the Icahn School of Medicine at Mount Sinai in New York City, says those things can all change the good bacteria found in our intestinal tract and alter the normal function of our immune systems. I personally think there could be some type of link to "birth control". As more and more mothers have been on extended forms of newly designed birth control, kids are seeming to have more and more problems with allergies, concussions, autism, etc... Bottom-line, I don't think it's the changes in the food, I thinking it's the changes that have taken place in the womb and in the home. (Sources: The Wall Street Journal, Science Alert)



### Uruguay Becomes The First Nation To Commercialize The Pot Industry

Pharmacies in Uruguay are now able to sell marijuana to recreational users thanks to a law that makes them the first country in the world to legalize and regulate the drug. The South American nation actually passed the law back in 2013, but it's taken them nearly four years to sort out the details and implement the new policies. The move is regarded as an ambitious social experiment and is being closely watched by the international community. It's true that several other countries - and some U.S. states - have relaxed their approach to marijuana in the last few years, but Uruguay is the only one that has tackled full legalization at a national level. The central government has total control over the production, distribution and commercialization of recreational marijuana. Just two companies, Symbiosis and Iccorp, are authorized to produce and distribute the drug, and the new policy requires that all of their marijuana activities be very closely monitored. There are 16 pharmacies in the country that are authorized to sell the drug. What's more, citizens that want to buy marijuana have to register with the government. Using fingerprint recognition, consumers can buy up to 40 grams (1.41oz) monthly for their personal use. This is part of a move to keep foreigners from purchasing the pot and trying to take it out of the country. The marijuana is sold in five-gram (0.81 oz) sealed packets for about \$6.50 each. The initial legislation to legalize pot occurred under the presidency of Jose "Pepe" Mujica, a leftist gorilla that had long been opposed to the U.S. war on drugs. He also wished to use the policy to fight crime by undercutting drug dealers on price, effectively creating a state monopoly and steering drug trafficking and its related crimes away from Uruguay entirely. Interestingly, 62% of Uruguayan citizens still stand opposed to the new policy, with many feeling that pharmacies should not be the distributors. Pharmacists themselves are concerned that they may become the target of drug cartels, or even smokers that try to steal the drug. Interestingly, only about 5,000 of Uruguay's estimated 160,000 cannabis consumers have signed up to be registered buyers. Regardless of your personal position, listening to all of the problems in Uruguay makes me think the U.S. government is still a long ways away from any type of full national approval.





### "Sailing, takes me away to where I've always heard it could be..."

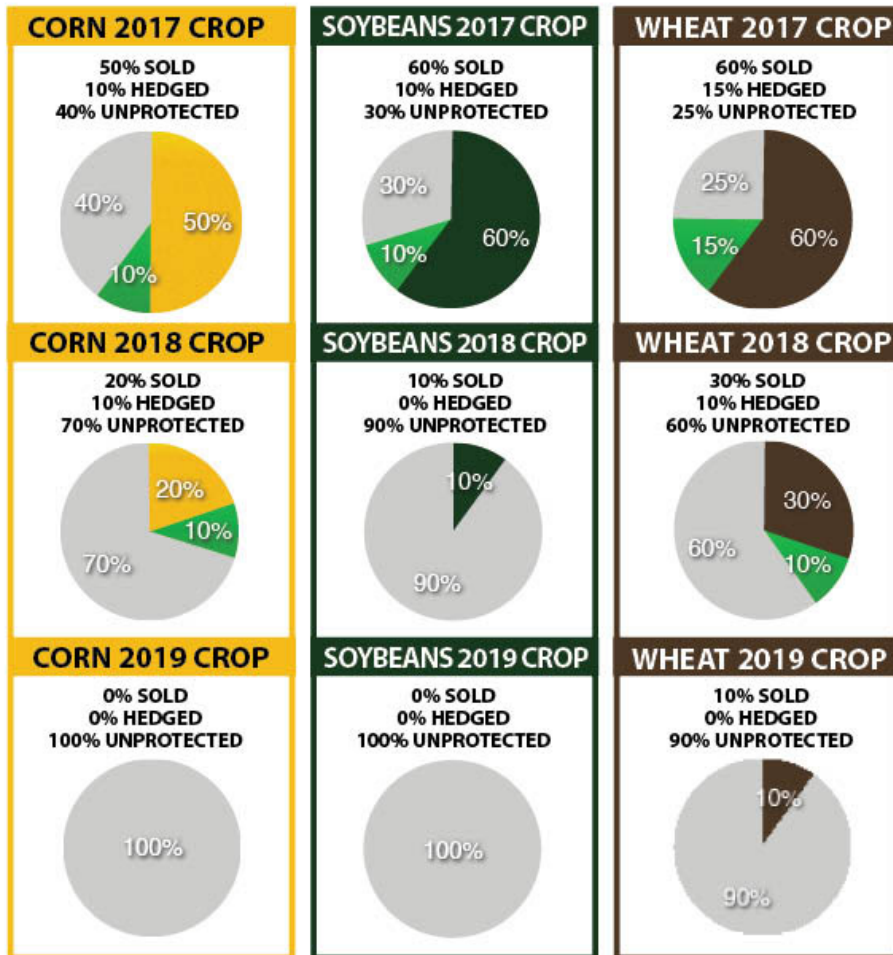
Christopher Cross's #1 hit song "Sailing" climbed to the top of the Billboard charts on this day back in 1980. The song knocked Olivia Newton Johns, "Magic" from the top spot and was later toppled by Queens, "Another One Bites The Dust". It's not so much Christopher Cross or the song Sailing that intrigues so many historians, but rather the fact Crosses career seemed to mark the end of an era, when adult contemporary music on the radio was soon replaced by an iconic MTV and a wave of music videos. In fact it was in early August of 1981 that MTV, the first 24-hour video music channel, launched onto our television sets and literally changed our lives with the birth of the music video. The first video ever played on the network was quite ironic — "Video Killed The Radio Star" by The Buggles. Interestingly, this was a about the exact same time Cross's next #1 single was released, "Arthur's Theme (Best You Can Do)", which was the main theme for the 1981 hit film Arthur starring Dudley Moore and Liza Minnelli. The song actually won the Oscar for Best Original Song in 1981. I hate to sound cheesy or sentimental, but I always love hearing both songs, as they were a couple of Mom's favorites. When I hear them they tend to sooth my soul and bring a happy bit of peace. I think it's important to take a moment from time-to-time to remember our past. I encourage those of you who can remember these songs to click the youtube music links below and allow yourself to recall some of those awesome memories. Just a little break from the daily grind...

Click >>> [Sailing](#)



Click>>> [Arthur - Best You Can Do](#)





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