

## GOOD MORNING: 08/31/17 Farm Direction - VanTrump Report

1 message

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

Thu, Aug 31, 2017 at 7:10 AM



"When a toxic person can no longer control you, they will try to control how others see you. The misinformation will feel unfair but stay above it, trusting that other people will eventually see the truth, just like you did." – **Unknown**

**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!

**THURSDAY, AUGUST 31, 2017**

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**Morning Summary:** Stocks are again within striking distance of fresh new record highs, despite uncertainties in the Gulf, despite uncertainty in Washington, despite uncertainty surrounding North Korea. Most all indications continue to point to a fairly solid U.S. economy. In fact the economy in the second-quarter actually grew faster than many had been thinking. GDP data released yesterday was revised upward to +3.0% from the previous estimate of +2.6% and much above first-quarter growth of just +1.2%. In a preview of what Friday's Employment Report might show, ADP said 237,000 jobs were created in August. Which is far above the 185,000 the trade was looking for and also higher than July's gain of 201,000. North Korea still remains a wild-card, as President Kim Jong Un said yesterday that the missile fired over Japan was just a "prelude" to containing Guam. Kim has previously threatened to launch missiles near the U.S. territory that also hosts two important U.S. military installations. South Korean President Moon Jae-in and Japanese Prime Minister Shinzo Abe are both calling for increased pressure. President Trump, however, dismissed the idea of negotiating with Kim. He did not specify what sort of action he favors. The trade will obviously continue to keep a close eye on the highly uncertain situation. Also in the spotlight is oil and gas prices in the aftermath of Harvey. The tropical storm pushed further into Louisiana yesterday, dumping more rain and leading to the closure of Motiva's Port Arthur facility, the nation's largest refinery, one that can handle more than 600,000 barrels per day. The second largest, Exxon's Baytown facility, has also suspended operations. In other words about 25% or 4.5 million barrels per day of U.S. refining capacity is now thought to be offline. About the same amount that all of Japan uses on a daily basis. This is in turn putting a lot of downward pressure on oil prices while at the same time driving up gasoline. In fact, gasoline future hit a two-year high yesterday and I've seen reports that project pump prices could climb another 10 to 15 cents over Labor Day weekend. There is currently a flotilla of fuel tankers on the way to the U.S. from Europe. According to brokers, almost 40 cargoes of gasoline have been booked so far this week, with deliveries set for either the Atlantic seaboard or the Gulf Coast, depending on port availabilities. Reports circulating now show average retail gasoline prices up to just over \$2.51 per gallon vs. a \$2.30 per gallon average last year vs. \$2.55 average in early-Sept of 2015 vs. \$3.55 per gallon average in early-Sept of 2014. Today's economic data will include Personal Income and Outlays, Chicago PMI and Pending Home Sales. Remember, today is also the last day of the month and we are coming up on an extended three-day weekend. Meaning big money will be adjusting positions and the typical pre-holiday drop in trading volume could spike volatility.

**Texas Chemical Plant Could Explode:** Arkema SA expects chemicals could catch fire or explode at its heavily flooded plant in Crosby, Texas in the coming days, and has no way to prevent that from happening, the chief executive officer of the company's North America unit said recently. The company evacuated remaining workers on Tuesday and Harris County ordered the evacuation of residents in a 1.5-mile radius of the plant that makes organic chemicals. Richard

# VAN TRUMP CONFERENCE 2017

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Dennis Gartman  
Editor/Publisher  
The Gartman Letter



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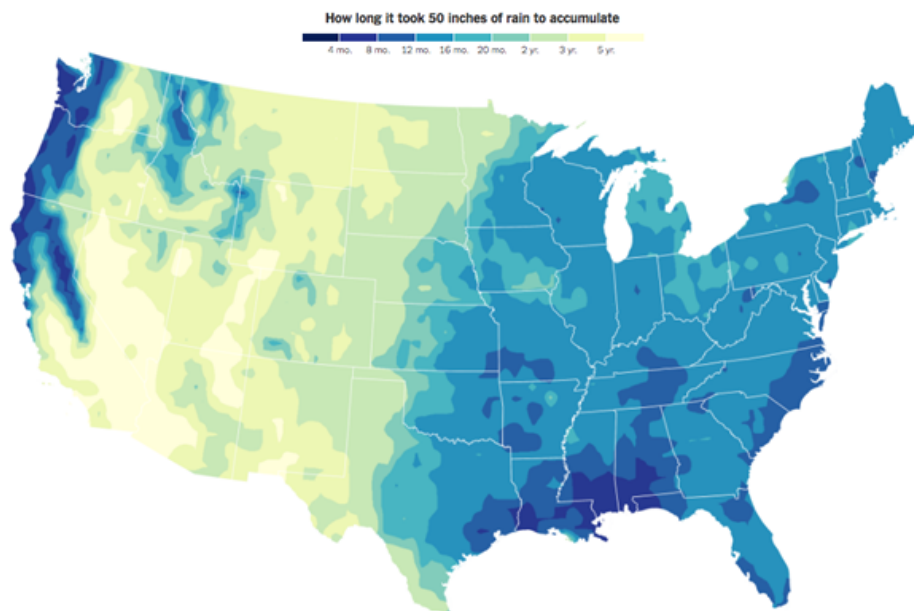
**CLICK HERE**

## Remember we sold out early last year!

Rowe, CEO of the North America unit, told reporters that chemicals on the site will catch fire and explode if they are not properly cooled, and that Arkema expects that to happen within the next six days as temperatures rise. He said the company has no way to prevent that because the plant is swamped by about six feet of water. Rowe did not disclose the volume of chemicals on the site and said it was speculative to predict how much damage the plant could sustain. He said there could be an "intense fire" that would result in significant black smoke but would not pose any "long-term harm or impact." The plant has been without electric service since Sunday. Back-up generators have largely been inundated with water. The Federal Aviation Administration has temporarily barred flights over the area near the plant because of the risk of fire or explosion. (Source: CNBC)

**NATO Sending Three Observers To Russian Military Exercises:** The North Atlantic Treaty Organization announced Wednesday it would send three observers to Russia's Zapad military exercise but said the invitation fell short of Moscow's international obligations. The statement from NATO came as the U.S. took over the Baltic air-policing mission in Lithuania. Russia and Belarus say the Zapad 2017 exercise, which runs from Sept. 14 to Sept. 20 not far from the borders of NATO allies Estonia, Latvia, Lithuania and Poland, will involve less than 13,000 troops. Under international rules, the two should allow wider access to monitors if troop numbers exceed that figure. NATO allies are concerned that Moscow might leave military equipment behind in Belarus when the exercises are over, perhaps to use later should President Vladimir Putin want to send troops quickly across the border, as he did in Georgia in 2008 and Ukraine in 2014. (Sources: Washington Post, Wall Street Journal)

**Hurricane Harvey dropped an unprecedented amount of rain** over parts of the Houston metropolitan area. Most accounts put totals at north of 50 inches. It's a historic amount of precipitation. The National Weather Service characterized the rainfall as "beyond anything experienced." It is hard to comprehend how much rain that is, but here's one way to think about it: Most parts of the country have not received 50 inches of precipitation over the last year. The map below shows how long it has taken to accumulate 50 inches of rain in different areas of the United States. Colors reflect the approximate amount of time. People have tried to convey the scale of Harvey's torrential rains by using the volume of rainfall, not the accumulated precipitation in a specific spot. Harvey might deliver 20 trillion gallons of rain by the time the storm is through. That may be even harder to comprehend, but it's as much as: A cube of water about 2.5 miles high and wide. The biggest waterfall at Niagara Falls, Horseshoe Falls, pouring across Texas for about nine months. Click the map for a larger view. (Source: NYT)



**Weather** saw Tropical Storm Harvey move into the Delta region yesterday. Today, Harvey will track northeastward across the lower Mississippi Valley and Tennessee Valley through today. Forecasts are calling for mainly favorable conditions for filling and maturing corn and soybeans at this time. No significant freeze threats expected for the next few days. Again, Further out, colder weather could possibly lead to some frost under the right conditions, but it isn't expected as of yet. On the Plains, dry weather is favoring fieldwork and summer crop maturation. However, near to slightly below normal temperatures on the southern Plains contrast with a late-season heat wave on the northern High



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Plains. In the South, Harvey made landfall in Louisiana, with maximum sustained winds near 45 mph. Significant flooding has developed along and near the Texas-Louisiana border, where torrential rain continues. Rain has ended in the Houston metro area, but flooding will persist for days or weeks as excess water slowly drains toward the Gulf of Mexico while pressuring and potentially overtopping dams and levees. In addition, some computer guidance suggests that heavy rain could return to southeast Texas early next week, complicating flood recovery efforts. The remnants of Harvey will gradually accelerate northeastward, reaching the central Appalachians by Saturday. Elsewhere, hot, mostly dry weather will persist across the northern High Plains and much of the West, while generally cool weather will continue across the South, East and lower Midwest. During the weekend, late-season warmth will expand eastward across the north-central U.S. aiding immature corn and soybeans in the upper Midwest.

**The USDA's Breakdown of Hurricane Harvey's Impacts on Agriculture:**

*Harvey was the first hurricane to strike the Texas coast since Ike in September 2008; the first major hurricane to cross the U.S. coastline since Wilma traversed southern Florida in October 2005; and the first Category 4 storm to pummel the Texas coast since Carla in September 1961. During the weekend of August 26 - 27, Houston recorded its fifth-wettest and wettest calendar days on record, with respective totals of 8.37 and 16.07 inches. In fact, Houston's daily total on the 27th demolished its former August rainfall record of 15.43 inches set in 1915.*



**Today In History**



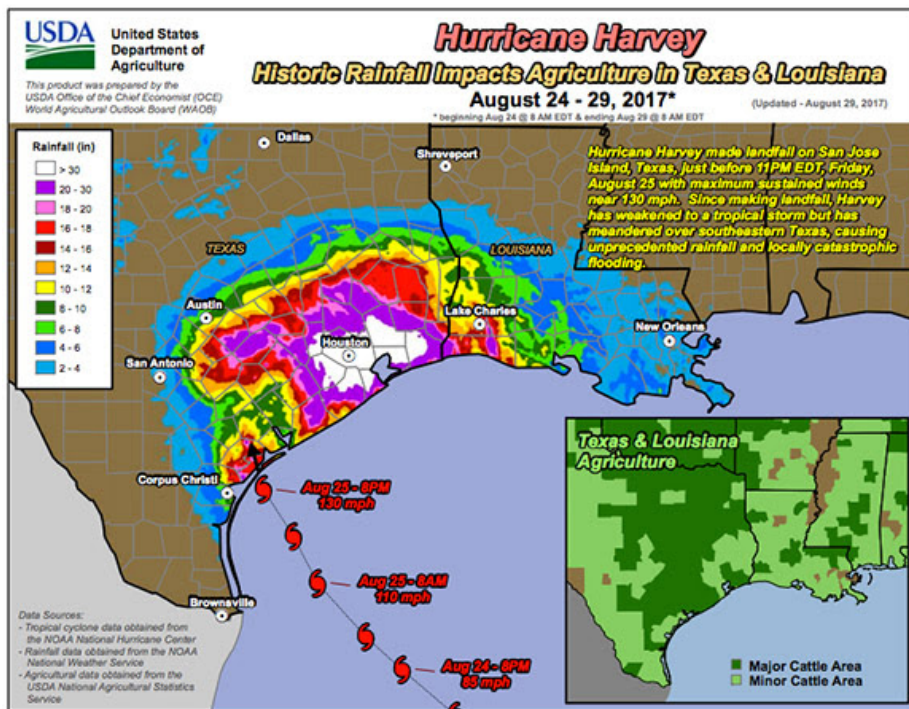
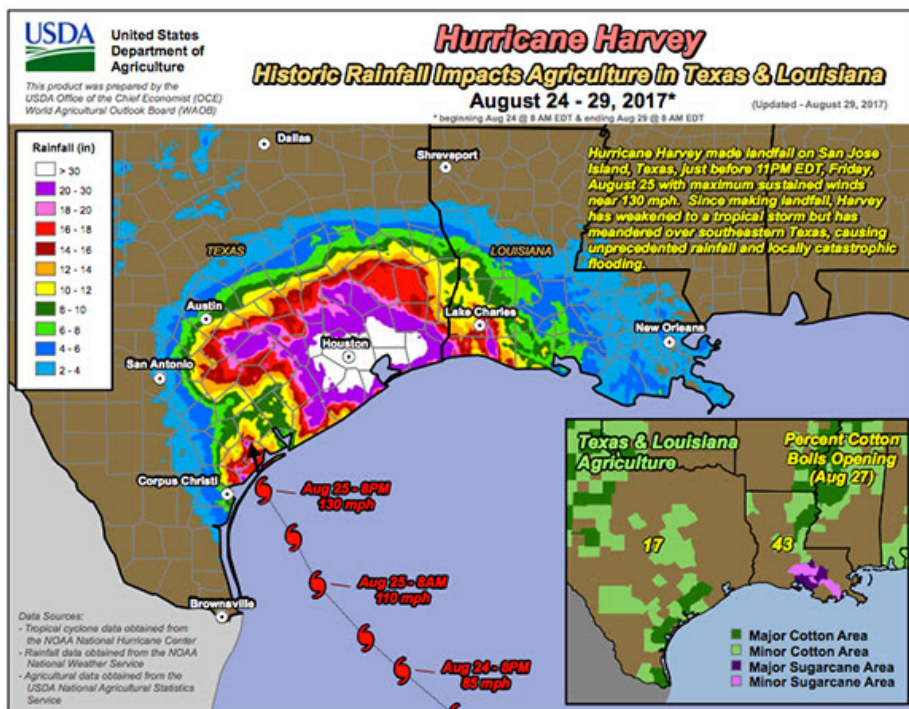
**1886, Earthquake** - An earthquake near Charleston, South Carolina, leaves more than 100 people dead and hundreds of buildings

destroyed. This was the largest recorded earthquake in the history of the southeastern United States. The earthquake was preceded by foreshocks felt in Summerville, South Carolina, on August 27 and 28 but, still, no one was prepared for the strength of the August 31 quake. At 9:51 p.m., the rumbling began, and it was felt as far away as Boston, Chicago and Cuba. There was damage to buildings as far away as Ohio and Alabama. It was Charleston, South Carolina, though, that took the biggest hit from the quake, which is thought to have had a magnitude of about 7.6. Almost all of the buildings in town were seriously damaged. It is estimated that 14,000 chimneys fell from the earthquake. It caused multiple fires and water lines and wells were ruptured. The total damage was in excess of \$5.5 million (about \$112 million in today's money). While there were no apparent surface cracks as a result of this tremor, railroad tracks were bent in all directions in some locations. Acres of land were liquefied. This quake remained a mystery for many years since there were no known underground faults for 60 miles in any direction. However, better science and detection methods eventually uncovered a concealed fault along the coastal plains of Virginia and the Carolinas. Still, a quake of this magnitude remains highly unlikely in this location.



**1935, Neutrality Act** - President Franklin D. Roosevelt signs the Neutrality Act, or Senate Joint Resolution No. 173, which he calls an

"expression of the desire...to avoid any action which might involve [the U.S.] in war." The signing came at a time when newly installed fascist governments in



Corn bulls continue to battle slow bleeding wounds as the bears keep circling the wagons and taking small bites. U.S. weather in big production states has become more of a non-event. Certainly there are areas that could use a good drink, but overall conditions are mostly cooperative. I personally believe there are some areas to the North that are behind in growing degree units and may have a tough time catching up with the cooler than normal forecast, but the trade doesn't seem to be giving that much consideration. I should also note that many of the early harvested fields to the South, especially dry land, seems to be producing better than expected. Ethanol production on the week fell by about -10,000 barrels per day, but is still running about +2% stronger than last year at this juncture. Interestingly, the "ethanol vs gasoline" spread has widened out to its largest level in the past couple of years. I still believe ethanol is going to face stiffer headwinds as we move closer to year end. From a technical perspective, I'm still hearing the bears talk about the possibility of a push down into the \$3.00 to \$3.20 area. The upside seems extremely limited at the moment, especially from a technical viewpoint. As a producer, I'm staying extremely patient, keeping all hedges in place. As an end user, I like the thought of taking small bites on the breaks. As a spec, I like the thought of building a longer-term bullish position, but starting at better valuations. I believe there's eventually more room to the downside into harvest.

Europe were beginning to beat the drums of war. In a public statement that day, Roosevelt said that the new law would require American vessels to obtain a license to carry arms, would restrict Americans from sailing on ships from hostile nations and would impose an embargo on the sale of arms to "belligerent" nations. Most observers understood "belligerent" to imply Germany under its new leader, Adolf Hitler, and Italy under Benito Mussolini. It also provided the strongest language yet warning other countries that the U.S. would increase its patrol of foreign submarines lurking in American waters. This was seen as a response to Hitler's March 1935 announcement that Germany would no longer honor the terms of the Treaty of Versailles, which prohibited Germany from rebuilding her military; he had then immediately stepped up the country's submarine production. Although the legislation stated that the U.S. intended to stay out of foreign wars, Roosevelt insisted that the country could not foresee future situations in which the U.S. might have to amend its neutral stance. Noting that "history is filled with unforeseeable situations that call for some flexibility of action," Roosevelt contended that the law would not prevent the U.S. from cooperating with other "similarly minded Governments to promote peace." In other words, he left plenty of room for America to change its mind regarding the sale of arms to friendly countries and gave it the right to exercise options to protect her own safety. This came to pass in March 1941, when the passing of the Lend-Lease Act increased America's military exports to the British in order to help them fight off Hitler's advance toward England.



**1955, Sunmobile** - William G. Cobb of the General Motors Corp. (GM) demonstrates his 15-inch-long "Sunmobile," the world's first solar-powered

automobile, at the General Motors Powerama auto show held in Chicago, Illinois. Cobb's Sunmobile introduced, however briefly, the field of photovoltaics—the process by which the sun's rays are converted into electricity when exposed to certain surfaces—into the gasoline-drenched automotive industry. When sunlight hit 12 photoelectric cells made of selenium (a nonmetal substance with conducting properties) built into the Sunmobile, an electric current was produced that in turn powered a tiny motor. The motor turned the vehicle's driveshaft, which was connected to its rear axle by a pulley. Visitors to the month-long, \$7 million Powerama marveled at some 250 free exhibits spread over 1 million square feet of space on the shores of Lake Michigan. In addition to Cobb's futuristic mini-automobile, Powerama visitors were treated to an impressive display of GM's diesel-fueled empire, from oil wells and cotton gins to submarines and other military equipment. Today, more than a half-century after Cobb debuted the



**Soybean** bears continue to talk about record U.S. acres, an extremely mild August, and a nearby forecast for the first half of September that also looks very cooperative. Bulls are talking about potential harvest problems in the Delta and areas to the South. There's also talk of concerns of a potential early frost in several key production areas to the north. I think some of the bullish banter could be a bit of a stretch, as record planted acres, combined with some of the most mild-August weather we've seen in years, may lead to another large U.S. crop and somewhat burdensome supply. In other words, there's no real story for the bulls to run with.



**Wheat** price remain lackluster, but with First Notice Day (FND) for September contracts beginning today, there some talk that bullish liquidation may taper off. In other words, many of the bulls may have been holding on not wanting to liquidate, but because FND and their not wanting to risk taking delivery, have finally had to throw in the towel. Meaning perhaps we've seen the worst of bullish liquidation that has been coming on top of the bearish global fundamentals.



Sunmobile, a mass-produced solar car has yet to hit the market anywhere in the world.

#### 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

#### Kevln's Song of the Week



#### About the Report



**> Texas Ports Looking To Reopen By Next Week:** Port Corpus Christi's communications director, Patricia Cardenas, says that the nation's fourth-busiest seaport is "most likely" going to resume normal operations by Monday, Sept. 4. The main issue at Port Corpus Christi is not the condition of port facilities but rather the safe navigability of channel areas, according to Cardenas, who added that Corpus Christi refineries are looking to resume operations as soon as possible as well. "The impact on the port infrastructure was really minimal," Cardenas said. However, port officials are awaiting word from the U.S. Coast Guard that U.S. Army Corps of Engineers hydrographic surveys show it is safe to reopen channel areas. Similar reports come from Port Houston, the No. 1 U.S. foreign tonnage port. There are reports of silting in Houston channel areas, and resumption of operations there, as at other ports, depends upon Coast Guard go-ahead based upon Corps of Engineers surveys.

**> Soybeans Are Losing Their Appeal To U.S. Producers:** After boosting soybean acreage to new all-time highs in 2016 and 2017, growers may be ready to take a breather on beans, according to Farm Futures' first survey of 2018 planting intentions. Farmers surveyed by the magazine revealed hopes to boost corn and wheat while cutting back on soybeans, cotton and sorghum. Initial planting intentions for corn came in at 92.8 million acres, up +2.1% from the 90.9 million acres seeded this spring. To make room for that corn, growers said they will cut back on soybeans, with intentions to plant 86.1 million acres, down almost -4% from the 89.5 million acres planted in 2017. Soybeans also could lose ground to wheat, a crop fighting to prove that it has put in a long-term bottom. After 2017 saw the fewest wheat acres seeded since the end of World War I, farmers are ready to return to that crop a little. The Farm Futures survey found that growers want to boost wheat seedings by +2.5 million acres to 48.1 million, a +5.4% increase over 2017. Nearly 90% of that increase would come in winter wheat seeded this fall. (Source: Feedstuffs)

**> Brazil Police Advance Corruption Probe Into Meatpackers, Dairy Firms:** Brazilian federal police on Wednesday advanced a probe into alleged inspection bribes involving officials from the Agriculture Ministry, meatpackers and dairy companies in northern and northeastern Brazil. In a statement, police said they were serving 11 arrest warrants, 28 search-and-seizure warrants and bringing in 12 people for questioning as part of the probe. Police unveiled the investigation in May, citing meatpacker Minerva SA as one of the companies targeted. (Source: Reuters)

**> Texas Cotton Hammered By Harvey:** Texas cotton farmers were likely to have an excellent year before Harvey came along as crops were rated the best quality since 2010 for the last week in August. According to Texas' Agriculture Commissioner, Harvey has likely caused about \$150 million of devastation to the industry. The extent of damage is still being assessed and crop ratings are likely to fall in the coming weeks as the government gets updated information.

**> Russian Wheat Exports Too Slow To Meet Expectations:** Russia's wheat exports have begun the season too slowly to reach the heady levels expected of them, Agritel cautioned. Russia's grain exports have started 2017-18, which began last month, a little faster than last season, reaching 5.7 million metric tons as of August 21. However, the pace of exports "seems weak compared to the country's export availabilities", said Agritel, with Russia expecting, another, record grain harvest. For wheat in particular - for which shipments reached 512,000 metric tons last week - the "export pace is staying too slow" for shipments to reach the 31.5 million metric tons figure that the USDA has forecasts for the season. The relatively slow start to 2017-18, with exports running well behind the more than 600,000 metric tons a week needed to meet the USDA target, reflects in part a late harvest, which delayed the availability of grain for shipment, Agritel said. Russia's wheat exports in July, at 1.40 million metric tons, fell -9.9% year on year. (Source: Agrimoney)

**> Egypt Will Decide Fate Of Romanian Wheat Cargo After Eid Holiday:** Egypt will issue a decision on a Romanian wheat shipment after the Eid al-Adha holiday, which ends on Sept. 4, judicial sources told Reuters. Egypt's agriculture quarantine service rejected a 63,000 metric ton Romanian wheat shipment due to the presence of poppy seeds last week and transferred the case to the public prosecutor. The public prosecutor is looking likely to reject and re-export the cargo, which was purchased by state grain buyer GASC, a judicial source told Reuters last week. If re-exported, the cargo would be the first GASC wheat purchase to be turned away from an Egyptian port since a French wheat cargo sold by Bunge was rejected for containing the common grain fungus ergot in late 2015. Traders say any rejection of a wheat cargo purchased by GASC could again make global wheat suppliers hesitant to do business with Egypt after a near year-

## NEXT level THINKING



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

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

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

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

Kevin Van Trump

### What Others Are Saying

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

A.M., FDIC

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

long row over import requirements last year that led many of them to boycott state tenders.

**> Congress To Begin Flood Insurance Debate As Texas Claims Pour In:** Congress will soon be asked to renew the National Flood Insurance Program, which expires at the end of September. While a simple extension of the program has wide bipartisan support, some lawmakers are calling for broad reform. The program had received 35,000 claims from Texas by midday on Wednesday, according to Roy Wright, its administrator, who described it as a "very fast" pace. Republicans advocating changes to the program want private companies to write the policies, which they say would result in premium prices that more accurately reflect risks. Additionally, they want the U.S. government to stop charging the program interest, with the savings to be used for flood mitigation. The NFIP has been reauthorized 17 times since it was created in 1968, with the last time occurring in 2012. It has been allowed to lapse just four times. (Source: Reuters)

**> China's Ag Bank Reigns In Bad Loans:** Agricultural Bank of China Ltd., the nation's third-largest lender, posted a +4.8% increase in second-quarter profit as it curbed bad loans. Net income for the three months through June rose to 52.9 billion yuan (\$8 billion) from 50.46 billion yuan a year earlier, according to quarterly figures derived from first-half earnings Agricultural Bank reported. China's economic recovery has helped fuel loan growth at the four biggest banks, which together control about a third of the nation's \$36 trillion of banking assets. (Source: Bloomberg)

**> Investors No Longer Impressed By The Biggest Driver Of Market Gains?** The stock market is becoming a victim of its own success. Even when companies turn in impressive earnings reports, that strength isn't translating to higher stock prices. In the second quarter, a company beating expectations saw just a +0.3% share-price gain over the following three days, according to data compiled by Morgan Stanley. The picture was even worse for companies that beat sales forecasts. Their stock remained flat over that period. It's only when companies missed on earnings that investors seemed to snap to attention. Those falling short of profit estimates slipped -2.1% over the subsequent three days, while missing on revenue cost them a -0.9% decline, according to Morgan Stanley data. "Investors appear to be taking the recent earnings success of stocks for granted," Brian Hayes, the head of equity quantitative research at Morgan Stanley, wrote in a client note. It's possible that investors have simply been spoiled by the stock market's recent run of earnings success, with the S&P 500 expanding profits for five straight quarters, the longest such streak in more than two years. Another explanation is that investors are getting worried about valuations that are at their highest since the dot-com bubble, making them reluctant to add to positions as they look for a reason to sell. Either way, it's bad news for the stock market, which has historically used earnings growth as its primary source of share gains. (Source: Business Insider)

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..."

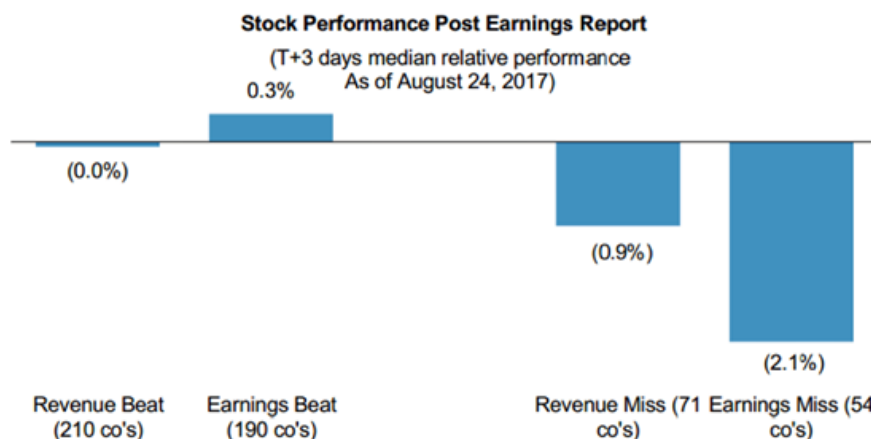
I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

- 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.

### MARKETS | CHART OF THE DAY

**Exhibit 3: Asymmetric Response to Earnings Surprises: Earnings and Revenue Misses Are Punished, while Beats Have only Modest Outperformance (Earnings) or Slight Underperformance (Revenue)**



Source: Thomson Reuters, Morgan Stanley Research, Note: Performance data includes Median performance for 487 Cos as of August 24th, 2017. S&P 500 Index.

SOURCE: Morgan Stanley

BUSINESS INSIDER

# FROM THE FIELD

**Northwest Iowa** - Things are looking good up here. We have had plenty of rain since August 8th, fortunately, it came in 2" increments. It will make for a great 4th cutting of our hay. We had our best oat crop ever with yields between 132bpa and 160bpa. Our normal yields are 120 or so and I'm not sure what to attribute this year's gains to. We got the corn and beans in late as it was wet up here during planting. The corn went in well but the beans got planted in muddier than desired conditions. I'm sitting on more old corn than I want to. I was just getting ready to pull the trigger during the July rally when it just fell short of my target. We just haven't seen any help from our basis this summer. There has been plenty of dicamba issues this way and I also received some damage but not sure what if any the damage will amount to.

**Southeast South Dakota** - Things are just on the dry side right now but definitely not an issue. The beans went in well but didn't want to emerge in a timely manner. Following recent rains of over an inch in early August they took off. The corn looked good all along as it was helped by our wet winter keeping our sub soil moisture in good shape. We lost some power here recently with lightning strikes that not only shut some of our house down, but unfortunately killed a few of our cattle as well. We were able to remove most of the remaining corn stock in July and would have pulled the trigger on all of it, but everyone said August was going to be hot and prices would continue moving up. How did that work out for us!!

**Southcentral Montana** - We run sugar beets, malt barley, corn and a feed lot. We are irrigated so yields are pretty consistent but we still haven't had any rain here since May. That has led to the wildfires that are currently burning in our state. They are not real close but our skies are dirty all day as a result. The malt barley has been harvested and the crop makes its way to a Coors location. They may even sell some of the extra to local micro-breweries. We have about 700 cattle on feed and are getting ready to cut some silage next week.

## Farm Direction RECIPES

### ★ FAMILY ★ FAVORITES

-SENT IN BY OUR READERS-



Pepperoni Garlic  
Knots

CLICK TO SEE RECIPE

## CROSSING WIRES

A place to share intelligent thoughts...

**Early Planting In Argentina May Be Delayed By Excess Moisture:** As spring planting approaches in Argentina, farmers in central Argentina continue to struggle with localized flooding and excess water. In the humid Pampas region of central Argentina, as much as 25% of the region has been impacted by excess moisture. The province of Buenos Aires appears to have been hardest hit, but the problems also extend into La Pampa, Cordoba, and Santa Fe. The Rural Association of Buenos Aires and La Pampa (Carbap) used satellite imagery to estimate the amount of land under water or saturated. They estimated that as much as 51.89 million acres could be impacted and that as much as 13.59 million acres may be under water. They are estimating that as much as 6.18 million acres may stay too wet to start spring planting at the normal time. Read more [HERE](#).

**Soy-Based Tires Make Debut This Month:** Tires made of rubber containing soybean oil will be available from Goodyear for more than three-quarters of passenger vehicles. This looks to be a good year to find new uses for soybean oil as U.S. farmers are on pace to produce the largest crop on record. "When we started working with Goodyear more than six years ago, it was just an idea to find uses for soy oil in rubber products," Motter said. "Now, we have a tire that shows what soy can do on the road." See what Goodyear researchers are saying about this new tire [HERE](#).

**Technology Is Not Ruining Your Kids:** Many of us worry what technology is doing to our kids. A cascade of reports show that their addiction to iAnything is diminishing empathy, increasing bullying, robbing them of time to play, and just be. So we parents set timers, lock away devices and drone on about the importance of actual real-live human interaction. And then we check our phones. Sherry Turkle, a professor in the program in Science, Technology and Society at M.I.T. and the author, most recently, of *Reclaiming Conversation: The Power of Talk in a Digital Age*, turned the tables by imploring parents to take control and model better behavior. That means exercising some self-control. Read more [HERE](#).

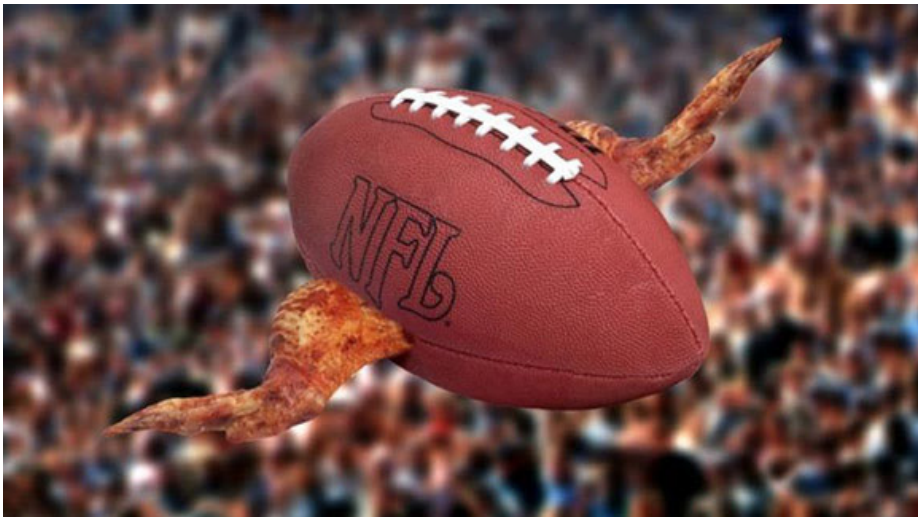
**Is Over Diagnosis The Next Big Problem In Healthcare:** Over-diagnosis occurs when someone is diagnosed with a disease that wouldn't harm them, or when treatment does more harm than good. It happens because healthy people are often tested or screened to find the early signs of disease, and because diagnostic technology can see ever-smaller abnormalities. The problem is that early detection of disease is a double-edged sword. While it can be life-saving, for some people the "abnormalities" that are diagnosed and treated would never have caused harm if left alone. See the top five over diagnosed conditions and how researchers are gaining more insight to understand this new problem [HERE](#).

**The World's 50 Most Valuable Sports Teams:** Every team's general manager starts off with the same goal: to build a franchise that contends for championships year in and year out. However, with the nature of the business being what it is, the odds are stacked against any team trying to achieve this. Out of close to 30 teams in most leagues, only one franchise can come out on top with a championship. And with unprecedented parity in most major leagues, every management decision is a crucial one. One smart draft choice or trade can put a team in a position to win, but a single mistake can also make a team a perennial bottom dweller. The chart below, using data from Forbes, is a hat tip to the teams that are lucky enough to count themselves among the most valuable in the world. Visual Capitalist also looks at how the list has changed over time, and what happens to the valuations of franchises that are fortunate to be contenders on an ongoing basis. Check out the details and a larger version of the graphic [HERE](#).



### **America Is Running Out of Chicken Wings... And it's Football Season!!!**

Football fans need to start looking for a new appetizer to enjoy as they watch their favorite teams this fall. As it turns out, after months of consistently high demand along with aggressive promotions by restaurants, supplies of chicken wings, apparently won't be able to meet the need. It seems we are literally eating ourselves out of our favorite food. As wholesale prices have risen by 20% this year, restaurants know they risk alienating patrons with higher menu pricing or doing away with their most popular promotions. Interestingly though, menu prices have actually fallen over the last twelve months for an order of wings at a full-service restaurant by 18% while at the same time wholesale prices restaurants pay have risen by 20%. Experiencing the pain firsthand is Buffalo Wild Wing's, whose cost rose to a historic high for the second quarter, yet its earnings tumbled 60% while they chose to maintain their menu prices. At the same time, commercial freezer stocks of chicken wings for July fell to more than a third below year-earlier levels according to the USDA. And on top of that, I also understand that Americans ate more wings at home as the sale of frozen chicken wings rose 12% last year with demand never letting up per usual as we head into summer. All this adds up to no stock in the freezers. Typically, prices fall in the off-season giving chicken-wing wholesalers the ability to restock -- but this year prices never did. And restaurant promotion kept demand high right through the summer. With no inventory, the only options for restaurants seem to be the use of boneless wings and chicken tenders. I suspect this will be a tough decision for some retailers whose weekly promotions of wings are truly one of the few bright spots they currently enjoy as traffic patterns have been declining lately. The story to watch here will be how each restaurant goes about trying to maintain capacity without their staple offering. Personally, I enjoy a crispy skinned tender anyway but I imagine we will see some very creative marketing from industry leaders like Buffalo Wild Wing's as they seek to maintain their market share. (Source: Bloomberg,WSJ)



### **Airport Security Screening Undergoes Another Big Change, What It Means...**

The Transportation Security Administration (TSA) just announced new changes to security screening, a reaction to what they say is evidence that terrorists are getting better at hiding explosives. All airline passengers must now remove "all electronics larger than a cell phone" from carry-on bags and place them in their own separate bin for X-ray screening with nothing on top or below," similar to how laptops have been screened for years. According to acting administrator Huban Gowadia, the following electronics will now need to be pulled out of your carry-on: laptops, tablets, e-readers and handheld game consoles. The agency has been testing this policy at 10 U.S. airports since March. Apparently it has proven successful and the TSA will roll the new rules out nationwide over the next weeks and months. The new screening policy does not apply to TSA Pre-Check customers. Security experts agree that the added security measure is reasonable as the clutter in bags often makes it difficult to spot suspicious objects. By placing electronics in a separate bin, the goal is for officers to get a better look at each device — and the possible threats inside. John Kelly, secretary of Homeland Security, said intelligence suggests terrorists have found better ways to hide explosives in electronics. Rather than play whack-a-mole with each new threat, Kelly said he is raising the baseline for aviation security worldwide. TSA plans to station extra officers in front of X-ray machines to alert travelers to the new rules as well as help instruct them on how best to arrange their devices for screening. Remember, the guideline applies to all passengers no matter whether that are flying to or from the United States. In March, US aviation security officials barred electronics larger than cellphones in carry-on bags of direct flights to the US from nine airlines at 10 airports overseas. (Sources: Delta, Mashable)



## College Football Season Is Officially Underway

A couple of games have already been played but the party really gets started today with 15 games on the schedule, then another 8 more games on Friday, then a wave of games on Saturday. Below are some highlights and things to consider:

### **Tonight's Big Games**

*Ohio State vs. Indiana*  
*Tulsa vs. Oklahoma State*  
*Florida A&M vs. Arkansas*

### **Friday's Big Games**

*Colorado State vs. Colorado*  
*Utah State vs. Wisconsin*  
*Washington vs. Rutgers*

### **Saturday's Big Games**

*No. 1 Alabama (-7) vs. No. 3 Florida State -- biggest home opener game of all time possibly. First time two top three teams have played to open the season.*  
*No. 11 Michigan (-3.5) vs. No. 17 Florida*  
*No. 21 Virginia Tech (-4.5) vs. No. 22 West Virginia*

### **Monday Night**

*We will also have some Monday night college football action in Week 1, when Tennessee takes on Georgia Tech at 7 p.m. CST on ABC. That game will be played at the new Mercedes-Benz Stadium in Atlanta.*

### **Heisman Contenders**

*Lamar Jackson (QB Louisville) predicted to win the Heisman for the second year in a row. Runner ups- Sam Darnold (USC QB), Baker Mayfield (Oklahoma QB), and Saquon Barkley (Penn State RB).*

### **Predicted Conference Winners**

*ACC (1 team in Top-25) - Florida State*  
*Big 12 (5 teams in Top-25) - Oklahoma State*  
*Big Ten (4 teams in Top-25) - Ohio State*  
*Pac 12 (4 teams in Top-25) - USC*  
*SEC (6 teams in Top-25) - Alabama*

### **Ranked Top-25 To Start The Season**

- 1 Alabama*
- 2 Ohio State*
- 3 Florida State*
- 4 USC*
- 5 Clemson*
- 6 Penn State*
- 7 Oklahoma*
- 8 Washington*
- 9 Wisconsin*
- 10 Oklahoma St.*
- 11 Michigan*
- 12 Auburn*
- 13 LSU*
- 14 Stanford*
- 15 Georgia*
- 16 Louisville*
- 17 Florida*
- 18 Miami (FL)*
- 19 South Florida*

20 Kansas St.  
21 Virginia Tech  
22 West Virginia  
23 Texas  
24 Washington St.  
25 Tennessee

#### **Teams Thought To Be Overrated**

*Many say Michigan, Texas and LSU*

#### **Teams Thought To Be Underrated**

*Many say Northwestern, Stanford and Auburn*

#### **Top 4 Predicted for Playoffs**

*USC, Ohio State, Florida State, Alabama (some have Clemson)*

*Championship Prediction- Most have Ohio State and Alabama*

#### **A Few Of the Biggest Games of Season**

*Alabama vs. Florida State (Sept. 2)*

*Clemson vs. Louisville (Sept. 16)*

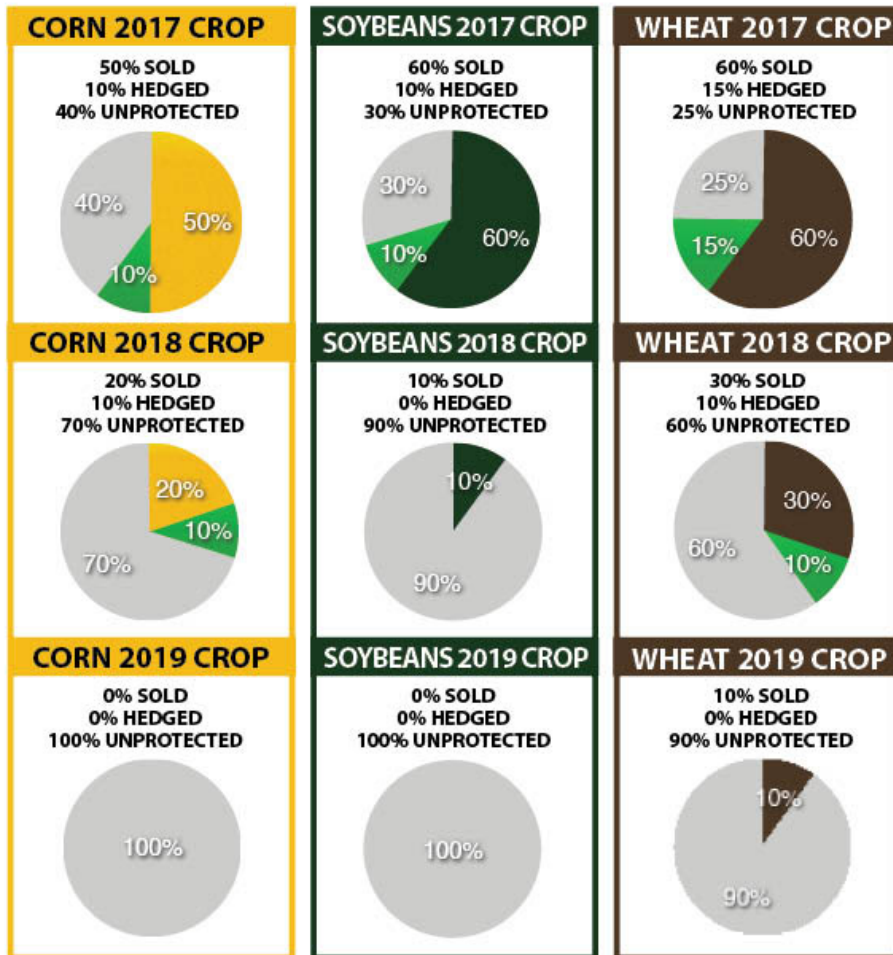
*Penn State vs. Ohio State (Oct. 28)*

*Oklahoma vs. Oklahoma State (Nov. 4)*

*Ohio State vs Michigan (Nov. 25)*



**CASH SALES & HEDGING TOTALS**



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