

GOOD MORNING: 09/01/17 Farm Direction - VanTrump Report

1 message

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"Isn't it amazing how much stuff we get done the day before vacation?" ~ Zig Ziglar

FRIDAY, SEPTEMBER 01, 2017

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Morning Summary: Stocks chalk up another winning month, with the Dow and Nasdaq both posting modest gains. Investors were pleased to hear Treasury Secretary Steven Mnuchin say that President Trump's administration has a detailed plan on tax reform and is on track to implement it by year-end. Solid economic data also continues to bolster investor optimism. Of note most recently was Personal Income and Outlays showing consumer spending rose a healthy +0.3% in July. Personal Income was also positive, rising +0.4% after failing to make any gains the month before. Inflation, however, is nowhere to be found, with the core component remaining steady at just +0.1%. In fact, the year-on-year core rate actually fell by 1 tenth to +1.4%, which again draws into question how willing the Fed will be to raise interest rates later this month. Investors are anxious to see the August Employment Report which is due out today. It's expected to show around 185,000 new jobs were created in July with the unemployment rate unchanged at 4.3%. Wage growth will be closely scrutinized as a rising wage would hint at growing inflation pressures, perhaps influencing the Fed on whether to raise rates at their upcoming meeting. Wage growth has fallen this year, standing at just +2.5% last month, down from an annual +2.9% at the end of 2016. Economic data is actually heavy today with other releases including PMI and ISM Manufacturing, Construction Spending, Motor Vehicle Sales and Consumer Sentiment. Remember, markets are closed on Monday for the Labor Day Holiday and the week ahead has quite a bit packed into it. Economic data includes Factory Orders on Tuesday; International Trade, ISM Non-Manufacturing and the Beige Book on Wednesday; Productivity and Costs on Thursday; and Consumer Credit on Friday. There are also several Fed officials scheduled to speak. Congress will be back in Washington next week so we should start to see the political headlines flying again. Lawmakers have a full plate when they return, with top priorities including raising the debt ceiling, passing a spending bill and approving relief efforts for Hurricane Harvey damage. They will also be under pressure to move forward on tax reform, which President Trump has made his top priority. Internationally, central banks in Canada and the EU will both announce their latest monetary policy decisions. Additionally, China will release updated trade and inflation data. Investors will also be following the progress of recovery efforts on the Gulf Coast as refineries and pipelines struggle to get back online. Industry insiders are saying that Motiva's Port Arthur refinery, the largest in the United States, could remain closed for up to two weeks. The Colonial Pipeline was forced to shut down part of its line, which has caused a slowdown in fuel deliveries between Houston and the East Coast. Colonial "hopes" to have everything back online by Sunday. Even if they meet that goal, it could be a week or more before the pipeline is back to its full capacity. We also need to keep a close eye on Hurricane Irma, a tropical storm brewing out in the Atlantic, that within 24-hours turned itself into a CAT-3 Hurricane, with many forecasters predicting it will soon turn into a CAT-4 and eventually a CAT-5. Its path is still very uncertain, but a couple of weather guru's think it could eventually threaten the U.S. East Coast. I suspect the stock market rallies this morning off strong employment numbers, but it will be interesting to see if it can hold the gains into the long holiday weekend with another storm brewing...

Supply Shortage Continues... Demand Strong: After a brief improvement in June, home sales continued their downward slide in July, with buyers signing fewer contracts to purchase existing homes. The Pending Home Sales Index fell -0.8% in July, according to the National Association of Realtors. After last month's decline, the index is now -1.3 percent below a year ago and has fallen on an annual basis in three of the past four months. Lawrence Yun, NAR chief economist, says the staggering inventory woes throughout the country continue

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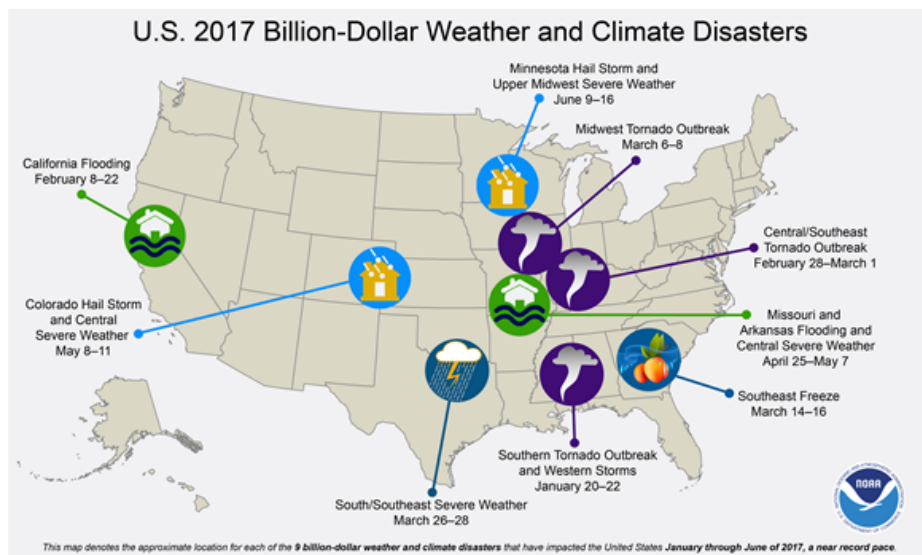


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to stall contract activity. "With the exception of a minimal gain in the West, pending sales were weaker in most areas in July as house hunters saw limited options for sale and highly competitive market conditions," he said. "The housing market remains stuck in a holding pattern with little signs of breaking through. The pace of new listings is not catching up with what's being sold at an astonishingly fast pace." According to Yun, in the past five years, the national median sales price has risen +38 percent, while hourly earnings have increased less than a third of that (+12 percent). This unsustainable trend is putting considerable pressure on affordability in some markets – especially for prospective first-time buyers – and is pricing out some households who would otherwise be looking to buy a home. Despite this growing obstacle, Yun says data and feedback from Realtors continues to confirm that the slowdown in existing sales since spring is the result of a supply problem and not one of diminished demand. (Source: NAR, CNBC)

Dow Makes An Important Change Today: The owner of the 121-year-old Dow Jones Industrial Average is set to tweak an important component of the blue-chip gauge on Friday: its divisor. The so-called divisor, or in this case multiplier, is the figure used to determine the influence of any of the 30 components that make up the price-weighted Dow industrials. The Dow isn't exactly an average of its components, as its name might imply; instead, the value of the Dow is determined by calculating the sum of the prices of its components using a divisor that factors when a company splits its shares. Stock splits can swing the balance of influence for any one blue-chip component. At present, the divisor is 0.146021281 and because that figure is below 1 it is a multiplier. In other words, \$1 price move in any Dow component translates to a price swing of 6.8483 points. On Friday, that divisor is likely to change for the first time in about two years because of the consummation of a "merger of equals" between Dow Chemical Co. and DuPont & Co. That combination wrapped up yesterday, with shares of the new entity, DowDuPont, trading on the New York Stock Exchange Friday under the ticker symbol "DWD.P." Dow Jones declines to announce what the new divisor will be until today. The last time the divisor was changed was in December 2015, when Dow component Nike completed a 2-for-1 stock split. (Source: MarketWatch)

2017 Has Already Seen Numerous Billion Dollar Disasters: Harvey could wind up being the most expensive natural disaster in American history. Some are now saying it could cost the economy about \$190 billion. In fact AccuWeather now predicts it will total more than Katrina and Sandy combined. The U.S. has sustained 212 weather and climate disasters since 1980 where overall damages/costs reached or exceeded \$1 billion (including CPI adjustment to 2017). The total cost of these 212 events exceeds \$1.2 trillion. As of July 7 of this year (pre-Hurricane Harvey), there had been 9 weather and climate disaster events with losses exceeding \$1 billion each across the United States. These events included 2 flooding events, 1 freeze event, and 6 severe storm events. Overall, these events resulted in the deaths of 57 people and had significant economic effects on the areas impacted. The 1980–2016 annual average is 5.5 events. With Hurricane Harvey expected to cost well over +\$100 billion, 2017 is now tied with 2011 and 2016, both of which saw 10-billion dollar disasters. Click the map for a larger view. (Source: NOAA)



Weather forecasts continue to focus on Tropical Storm Harvey and the next big concern in the Atlantic -- Tropical Storm Irma. While the National Hurricane Center has ceased its coverage of Harvey, we are still watching as remnants of this storm are moving through the Delta and eventually will make their way up the Ohio River Valley

Here are a few of this year's early sponsors



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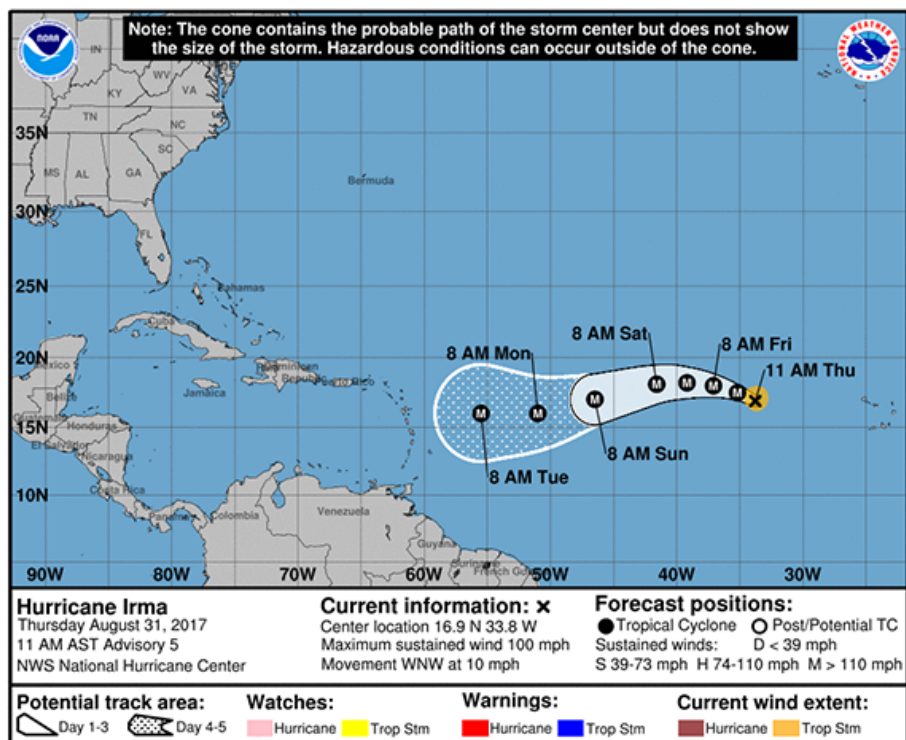


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over the next few days. Some flooding is likely and damage to cotton, rice and soybeans is possible from the excessive rain. In the Corn Belt, generally cool, dry weather prevails. Only 6% of the nation's corn crop had reached full maturity by August 27 compared to the 5 year average of 10%. And only 2% of the corn was mature in Illinois, 12% percentage points behind the average. On the Plains, mostly dry weather continues to promote fieldwork and summer crop maturation. Isolated showers are limited to the northern High Plains, where a late season heat wave is maintaining stress on rangeland and pastures. Looking ahead, lowland flooding in the Gulf Coast region will complicate recovery efforts, especially where high water levels continue to pressure dams and levees and restrict access to heavily damaged farms, neighborhoods and industrial areas. Some computer guidance continues to suggest that showers could return to flood affected areas early next week. Meanwhile, the western and central U.S. will continue to experience mostly dry weather. In addition, late season heat will persist in the Northwest and across the drought stricken northern High Plains, maintaining an elevated wildfire threat. During the weekend, warmth will briefly expand across the north central U.S., including areas of the upper Midwest where crop development is lagging the normal pace.

Tropical Storm Irma Rapidly Intensifies into CAT-3 Hurricane: *Irma has quickly intensified into the fourth hurricane of the 2017 season in the eastern Atlantic Ocean. Satellite imagery showed Irma with a pronounced eye Thursday, and maximum sustained winds had increased from 50 mph to 110 mph in just 24 hours. For the next five days, Irma will move westward and then turn west-southwest on the south side of a ridge of high pressure called the Bermuda high, which is centered in the central Atlantic. We will continue to watch Irma with great interest. There is a potential that the storm will continue a west/southwesterly track longer than suggested and could threaten the U.S. However, again we are forecasting multiple days out and nobody knows which way this hurricane will ultimately go.*



Corn bulls are talking about seasonal lows being posted, shorts covering into the end of the month and ahead of the extended holiday weekend, as well as DP selling pressure drying up, as reasons for yesterdays rally. There's also talk that extended dryness and slow maturity across portions of the corn belt could weigh on yield. In fact a couple of private estimates circulating the past couple of days have the U.S. corn yield estimated at between 165 and 167 bushels per acre, which is well below the current USDA estimate of 169.5 bushels per acre. For most private analyst their new estimates are +4 to +5 bushels higher than the were 30 to 60 days ago. I should also note, there's been several charts floating around the trade the past few days that have overlaid 2015 and 2016 price action on top of 2017, all showing fairly similar patterns with the 2015 and 2016 lows being posted in early-September. That action was followed on the charts by a short-covering rally or rebound in price into mid-October, then perhaps lower again into mid-November. Bottom-line, there's several sources inside the trade that believe crop years with burdensome supply and what appears to be a near trend-line yields coming out of the fields, the market will overreact and post its lows earlier rather than later. Hence, more talk that the big push lower in price might have ran its course,

Today In History



1836, Narcissa Whitman -

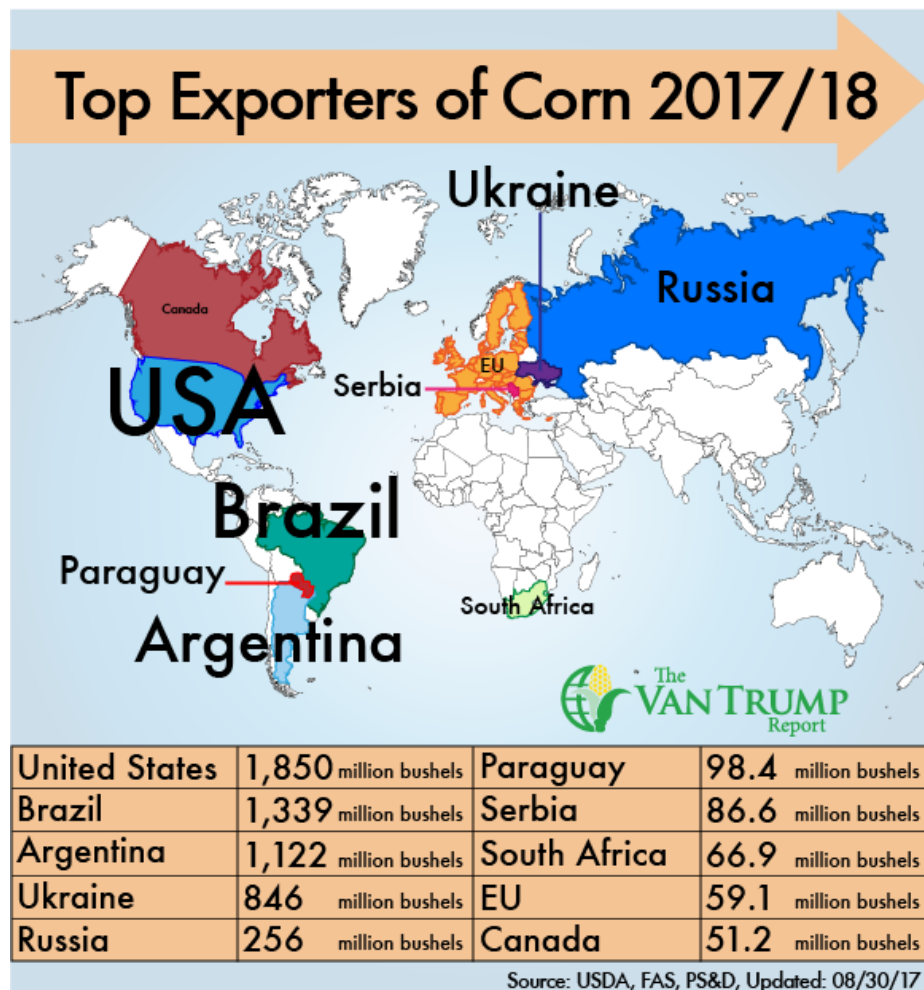
Narcissa Whitman arrives in Walla Walla, Washington, becoming one of the first Anglo women to settle west of the Rocky Mountains. Narcissa and Marcus Whitman, along with their close friends Eliza and Henry Spalding, had departed from New York earlier that year on the long overland journey to the far western edge of the continent. The two couples were missionaries, and Narcissa wrote that they were determined to convert the "benighted ones" living in "the thick darkness of heathenism" to Christianity. That summer when they crossed the continental divide at South Pass, Narcissa and Eliza became the first Anglo-American women in history to travel west of the Rocky Mountains. Toward the end of their difficult 1,800-mile overland journey, the two couples split up, with the Spaldings heading for Idaho while Narcissa and her husband traveled to a settlement near present-day Walla Walla, Washington, where they established a mission for the Cayuse Indians. For 11 years the couples' missionary work went well, and they succeeded in converting many of the Cayuse to Christianity. But in 1847, a devastating measles epidemic swept through the area, killing many of the Cayuse, who had no immunity to the disease, while leaving most of the white people at the mission suspiciously unharmed. Convinced that the missionaries or their god had cursed them with an evil plague, in November of 1847, a band of Cayuse attacked the mission and killed 14 people, including Narcissa and her husband. Narcissa Whitman thus became not only one of the first white women to live in the Far West, but also one of the first white women to die there.



1864, Civil War -

Union Army General William Tecumseh Sherman lays siege to Atlanta, Georgia, a critical Confederate hub, shelling civilians and cutting off supply lines. The Confederates retreated, destroying the city's munitions as they went. On November 15 of that year, Sherman's troops burned much of the city before continuing their march through the South. Sherman's Atlanta campaign was one of the most decisive victories of the Civil War. William Sherman, born May 8, 1820, in Lancaster, Ohio, attended West Point and served in the army before becoming a banker and then president of a military school in Louisiana. When the Civil War broke out in 1861 after 11 Southern slave states seceded from the Union, Sherman joined

at least for the time being. Personally, I'm not holding my breath. I'm still staying extremely patient and keeping all hedges in place. I don't really think anything has changed. Fundamentally we are still going to be flush with supply and battle Brazil step-for-step to win export business. I also believe ethanol could run into a few headwinds later in the year, meaning bullish demand headlines could be limited. From a technical perspective, I still see nearby DEC17 upside resistance in \$3.65 to \$3.75 range. I want a rally just as bad as everyone else, but I'm not 100% sold on this being the turnaround we've all been waiting for? It's going to take a bit more than a head fake to make me a big believer. The weather over the weekend and opening on Monday night will certainly garner my attention.



Soybean bulls are pointing to more weather uncertainty on the horizon as Tropical Storm Irma turns into a full-blown Cat-3 Hurricane in less than 24-hours. As Harvey moves on from southeastern Texas and floodwaters start to recede, meteorologists are now tracking another major storm brewing out in the eastern Atlantic Ocean. Like Harvey and other Atlantic hurricanes, Irma started as a tropical wave off the coast of Africa and began a slow, westward churn across the Atlantic. Irma will spend the next few days traveling toward the eastern Caribbean region. Beyond that, it's still too early to predict exactly where the hurricane will go, but it will certainly impact upcoming U.S. weather. Most weather guru's say the high-pressure system could launch Irma toward any number of targets, including the Bahamas and Bermuda and U.S. states like Florida, North Carolina, and Texas. Soybean traders continue to debate U.S. yields with most estimates now feeling like they are somewhere between 47 and 48 bushels per acre, which is below the current USDA estimate of 49.4 bushels per acre. Weather will continue to be of most importance when we return from the extended holiday break. I still believe we are rangebound between \$9.00 and \$10.00 per bushel.

the Union Army. In the spring of 1864, Sherman became supreme commander of the armies in the West and was ordered to take the city of Atlanta, then a key military supply center and railroad hub for the Confederates. Sherman's Atlanta campaign began on May 4, 1864, and in the first few months his troops engaged in several fierce battles with Confederate soldiers on the outskirts of the city. Finally, on September 1, Sherman's men successfully captured Atlanta and continued to defend it through mid-November against Confederate forces led by John Hood. Before he set off on his famous March to the Sea on November 15, Sherman ordered that Atlanta's military resources, including munitions factories, clothing mills and railway yards, be burned. The fire got out of control and left Atlanta in ruins. The city of Atlanta swiftly recovered from the war and became the capital of Georgia in 1868, first on a temporary basis and then permanently by popular vote in 1877.



1998, Air Bags - The Intermodal Surface Transportation Efficiency Act of 1991 finally goes into effect.

The law required that all cars and light trucks sold in the United States have air bags on both sides of the front seat. Inspired by the inflatable protective covers on Navy torpedoes, an industrial engineering technician from Pennsylvania named John Hetrick patented a design for a "safety cushion assembly for automotive vehicles" in 1953. The next year, Hetrick sent sketches of his device to Ford, General Motors, and Chrysler, but the automakers never responded. Inflatable-safety-cushion technology languished until 1965, when Ralph Nader's book "Unsafe at Any Speed" speculated that seat belts and air bags together could prevent thousands of deaths in car accidents. In 1966, Congress passed the National Traffic and Motor Vehicle Act, which required automakers to put seat belts, but not air bags, in every car they built. Unfortunately, the law did not require people to use their seat belts, and only about 25 percent did. Air bags seemed like the perfect solution to this problem: They could protect drivers and passengers in car crashes whether they chose to buckle up or not. While Ford and GM began to install air bags in some vehicles during the 1970s, some experts began to wonder if they caused more problems than they solved. When air bags inflated, they could hit people of smaller stature—and children in particular—so hard that they could be seriously hurt or even killed. A 1973 study suggested that three-point (lap and shoulder) seat belts were more effective and less risky than air bags anyway. But as air-bag technology improved, automakers began to install them in more and more vehicles, and by the time the 1991 law was passed, they were a fairly common feature in many cars. Still, the law gave carmakers time to overhaul their factories if necessary: It

Top Exporters of Soybeans 2017/18



Brazil	2,352 million bushels	Ukraine	107 million bushels
United States	2,225 million bushels	Uruguay	105 million bushels
Argentina	294 million bushels	Bolivia	14.7 million bushels
Canada	213 million bushels	Russia	12.9 million bushels
Paraguay	202 million bushels	India	8.1 million bushels

Source: USDA, FAS, PS&D, Updated: 08/30/17

did not require passenger cars to have air bags until after September 1, 1997.

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



About the Report

Wheat bulls are pointing to more weather problems and concerns surrounding the Australian crop. Bulls are also happy to see the latest StatCan numbers confirming production problems in Canada. I am also hearing more talk inside the trade that without a rally in price, we might be looking at another year of record low winter wheat acres here in the U.S. Regardless, I continue to believe there will be a longer-term shortage of "quality" wheat and remain an extremely conservative bull. From a technical perspective, I'm still hearing talk of nearby stiff resistance in the \$4.50 to \$4.75 range for SRW and HRW wheat. Spring wheat resistance on the charts looks to be in the \$6.80 to \$7.00 range.

Top Exporters of Wheat 2017/18



Russia	1,157 million bushels	Ukraine	588 million bushels
EU	1,084 million bushels	Argentina	423 million bushels
United States	975 million bushels	Kazakhstan	276 million bushels
Canada	753 million bushels	Turkey	228 million bushels
Australia	698 million bushels	Mexico	51.4 million bushels

Source: USDA, FAS, PS&D, Updated: 08/30/17

Connecting the Dots

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

> **Scam Related To Hurricane Harvey:** Scammers are already targeting victims of Hurricane Harvey. Homeowners and renters are getting robocalls telling them their flood insurance premiums are past due, and in order to have coverage for the hurricane, they must submit payment immediately, the Federal Trade Commission warned. Victims of any disaster, whether it's a hurricane in Texas or a house fire in Allentown, should deal directly with their insurance agent to see what's covered. Never provide any information or payment to someone who calls you unsolicited, because you don't really know who they are. If you can't reach your agent, contact your insurance company. If you have a policy with the National Flood Insurance Program, you can reach that program directly at [800-638-6620](tel:800-638-6620).

> **Brazil Farmers Seen Cutting Corn Acres Significantly:** With crop prices low, Brazilian farmers may be prepared to cut corn production by as much as half this year. In an exclusive interview with Agriculture.com during the first day of the 40th edition of Expointer, a farm show near Porto Alegre (Rio Grande do Sul), Paulo Bertolini, director of the Brazilian Association of Corn Growers, anticipated that in his view, the first crop (the one that is about to be planted in Brazil) would have a surface reduction of nearly 50%. "This always happens. When one harvest does not pay well, most farmers reduce a lot of the surface. During the first crop, it is likely that the prices would be good again. Then, the second corn crop, which we used to call small crop (safrinha), will continue to be bigger than the first crop as a reaction and even because it is only grown in the states with more surface available," Bertolini forecasts. Other reasons mentioned for the smaller corn acres were the higher cost of debt in the country, more indebted farmers, and the high cost to grow corn. (Source: Successful Farming)

> **Canadian Wheat Output Seen At A 6-Year Low:** Canada's all-wheat crop will be the smallest in six years while the canola harvest should fall -7.1% from last year,

Statistics Canada's first crop production report of the year estimated. Canola production looked set to reach 18.2 million metric tons, down from a revised 2016 estimate of 19.6 million metric tons, and below the average trade estimate of 18.6 million metric tons. Analysts, however, noted that the figures were based on a farmer survey conducted from July 19 to Aug. 1, and conditions had improved since then. Statscan estimated Canada's all-wheat harvest at 25.5 million metric tons, the smallest since 2011. The 2017 figure was down -19.5% from last year's 31.7 million metric tons and below the average trade expectation of 26.2 million metric tons. The government put production of durum wheat at 3.9 million metric tons, below the average trade estimate of 4.9 million metric tons. (Source: Reuters)

> Egypt Extends Higher Moisture Limit On Wheat By Nine Months: Egypt, the world's largest wheat buyer, will allow wheat shipments with a moisture level of up to 13.5% for an extra nine months, the trade ministry said on Thursday, extending a higher limit that was set to expire. The higher moisture limit applies to all origins but has in the past favored French wheat as it can struggle to meet the 13 percent ceiling. Egypt's state-buyer GASC raised the moisture limit to 13.5 percent from 13 percent in February for nine months. The trade ministry said the higher moisture limit, which Egypt has applied on and off in recent years, is intended to promote competition among different origins at its state tenders. The new nine-month period is effective from Oct. 3, a ministry statement said. (Source: Reuters)

> Russia Expanding Its Grip On Wheat Exports: Russia, the world's biggest wheat exporter, is about to grab even more customers in the fast-growing economies of Asia - a region that normally gets most of its imported grain from somewhere else. That's because droughts are eroding production in Australia, the U.S. and Canada. Those are the dominant suppliers of wheat to Asia, which accounts for about a third of global imports. While shipments of wheat from Russia already were expected to exceed those of any other country, very little usually ends up in Asia, where imports have almost doubled in a decade. But this season, Australian production will plunge the most in a decade, American farmers will have their smallest harvest since 2002, and Canada's crop will shrink for the third time in four years. The U.S. had been the world's top exporter for decades but was supplanted by Russia in 2015-16 before regaining the title last season. The USDA forecasts Russia will be back on top in the 12-month marketing season that began July 1, with exports jumping 13 percent from a year earlier to 31.5 million tons, almost three times what they were in 2012-13. (Source: Bloomberg)

> French Wheat Quality Trimmed: The latest survey of the quality of French soft wheat crops showed slightly lower protein levels than last week and are now at the same level as last year, farm office FranceAgriMer said. The report, with technical institute Arvalis, was carried out on samples gathered by Aug. 28 and included most of the last-harvested regions. About 94% of the expected samples from growing regions have now been tested.

> Argentine Soy Prices Hit By U.S. Biodiesel Tariffs: Argentina's oilseed industry chamber said that local prices for soy oil and soybeans will likely decline as a result of the U.S. decision last week to slap high tariffs on imports of Argentine biodiesel. In 2016, 1.5 million tonnes of soybean oil was used to manufacture biodiesel shipped to the United States, representing 7.5 million tonnes of soybeans, the CIARA chamber said in a statement. (Source: Reuters)

> Louis Dreyfus Trader Exodus Leaves Hole in Grain Business: A group resignation of Louis Dreyfus Co.'s grain traders, which sparked a crisis forcing top executives to end a trip in Asia and fly back to Geneva, will leave a significant hole in one of its most important businesses. While the company has quickly moved to replace former global head of grains, David Ohayon, it will take time to fill the positions in the lower ranks. At least five other traders in the business left on Tuesday, including the regional head of grains for Europe and the Black Sea, according to people familiar with the matter. The departures were due partly to disagreements over trading strategy, said one person with direct knowledge. Dreyfus wants to focus on trading of its physical grain assets, rather than proprietary buying and selling of paper contracts, the person said. The 166-year-old trading house run by billionaire Margarita Louis-Dreyfus has long been a top-tier player in global grains, particularly in countries part of the former Soviet Union. The company is the sixth-largest exporter of Russian wheat, and one of the top 10 movers of Ukrainian grains. The departures come at a time when some of the largest agriculture trading houses are struggling to generate profits from their bread-and-butter business: buying and selling wheat, corn, and other foodstuffs around the world. (Source: Bloomberg)

> The Wall: More than 200 companies are believed to have submitted designs for the proposed border wall, but the Trump administration has selected only four private firms to build initial prototypes. They include Caddell Construction, Fisher Sand & Gravel, Texas Sterling Construction and W.G. Yates & Sons. The models will be 30 feet tall, about 30 feet wide and will be tested in San Diego. (Source: SeekingAlpha)

> Life-Size Ferrari F1 Car Is Made Of 350,000 Lego Bricks: Building life-sized models made completely from Lego bricks is all the rage for car companies right now, and it seems Ferrari's Formula One team is getting in on the action. Lego's official

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..."

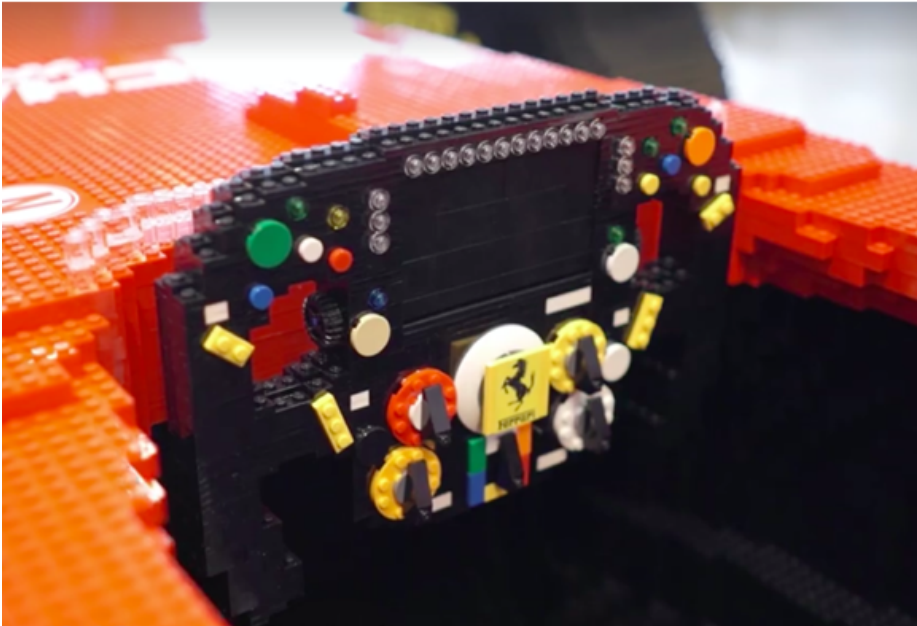
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.

Facebook page uploaded a video today of its team constructing a 1:1 scale model of the 2017 Scuderia Ferrari SF70H Formula One race car driven by Kimi Raikkonen and Sebastian Vettel in this year's championship. According to the video's description, the build process took no less than 750 hours to complete and used 349,911 individual bricks. The car looks extremely life-like, with accurately designed brake ducts, aero pieces, and sponsor stickers. Even the steering wheel is built with immaculate detail. It's only when you get up close do you realize how un-aerodynamic the body actually is. The video features a bunch of different time-lapse angles showing the build process start to finish. Check it out [HERE](#).



Southwest Iowa - We are sitting on the western edge of the drought map. This season has actually been worse than 2012 for us. After mid-May rains, we haven't seen anything but .2' inches a few times until recently when we received 2.5" over a seven day period. The corn will probably get some increased test weight out of the moisture and yields will most likely get to our APH of 160. The beans definitely benefitted more by the rains as they always do with later moisture. We neglected to move some old crop during the July rally as our cash price was \$3.53 and the news was all bullish with the drought conditions at the time.

Central Illinois - We've had some rain helping out the immediate area here but the variability in the region is high. I've heard guys say yields will range from 135bpa to 170 or so. The field by our house is in great shape and should produce 200+bpa. Interestingly, we have farmland 15 miles down the road and best we will get there is 180. The difference there is the later replant that went in when it was cooler and wet.

Farm Direction
RECIPES
★ **FAMILY FAVORITES** ★
-SENT IN BY OUR READERS-



Pepperoni Garlic Knots

CLICK TO SEE RECIPE

We have had a terrible time with weeds as it was dry in June and the residual on the chemicals had no moisture to activate them. It was so dry that I actually cultivated the beans near the house.

Central Missouri - We have had it pretty good in my area of Missouri. We had a little bit of a break between start and finish of getting the beans in the ground as we were halted by some rains. Unless we have something crazy occur like SDS, the beans should be one of my best crops. The corn is doing great as well, being helped by having only one day where the temps reached 98 degrees. Weeds are totally under control and we haven't had any dicamba issues where I'm at. We are getting equipment ready for harvest and working on a few wheat claims at my day job as an agent.



What Does It Cost To Start A New Farm? The average age of an American farmer is now 58.3—a number that's been increasing for three decades. About 40% of farmers are 65 and over. And fewer younger people are entering the profession than ever before. The last census from the U.S. Department of Agriculture shows the number of "new farmers" (defined as being on the job less than 10 years) fell by about 20% between 2007 and 2012. While many young people are attracted to working the land and giving up dizzy-making urban lives, they're also likely put off by prohibitively high startup costs. That's according to Shawn Williamson, an accountant in St. Louis, Missouri, who recently carried out an in-depth analysis of what it would cost to set up a farm from nothing. Check out the details [HERE](#).

Dads Are Three And A Half Years Older Than They Were In The 1970s: A new Stanford University study finds that middle-aged dads are becoming more common. Stanford's School of Medicine analyzed nearly 170 million American births from 1972 to 2015 and found the average age of dads of newborns grew by three and a half years over the 44-year period, from 27.4 years to 30.9 years. The study, published Wednesday in the journal Human Reproduction, also found the percentage of newborns born to dads north of 40 more than doubled from 4.1% to 8.9%. Dads over 50 account for 0.9% of babies today, up from 0.5% four decades ago. Read more [HERE](#).

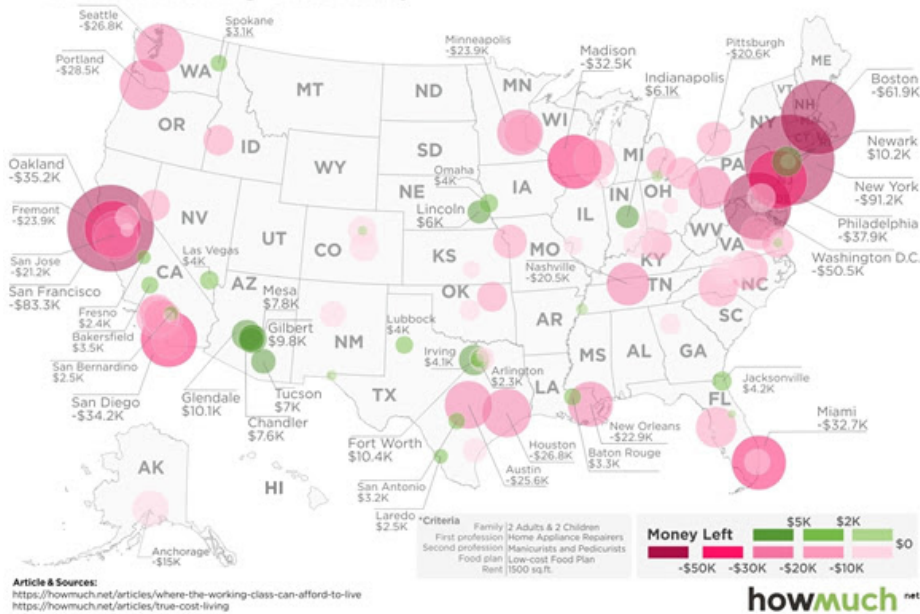
More Support Of The Positive Effects Of Being Bilingual: It was once believed that trying to learn more than one language at a time would be too confusing for small children. "Once upon a time, we also believed that the world was flat," says Dr Mariano Sigman, neuroscientist and author of a new book about the mysteries of the brain. Sigman claims that babies who grow up bilingual have brain functions that are superior to those of monolingual children, because they have better "cognitive control". See more details of this recent study [HERE](#).

NFL Star JJ Watt Raises \$10 Million In Aid For Houston Residents: Watt's fundraiser (youcaring.com/JJWatt) has become a social media phenomenon. His initial goal had been to raise \$200,000, with Watt kicking in \$100,000 himself to get things started. But then it grew. Quickly. Exponentially. Beyond anything that Watt anticipated. Watt would confirm on Twitter that his fundraiser to aid flood victims in Houston and its surrounding areas had passed \$9 million. Late Wednesday, a \$1 million check from Wal-Mart would arrive via Ellen DeGeneres's talk show, pushing the total past \$8.5 million. See more about the NFL star [HERE](#).

Where The Working Class Can (Not) Afford To Live: The national conversation in the U.S. is focused squarely on improving the lives of people in the working class. The debate revolves around exactly how to do that. Politicians and pundits have all sorts of ideas, from efforts to save jobs, create tax cuts, subsidize housing, and provide universal healthcare. Thing is, people don't even agree on how to define the working class, much less how their living conditions stack up across the country. Cost estimation site HowMuch created a data visualization to illustrate this complex situation. Each bubble represents a city. The color corresponds to the amount of money a typical working-class family would have left over at the end of the year after paying for their living costs, like housing, food and transportation. The darker the shade of red, the worse off you are. The darker the shade of green, the better off you are. The size of the bubble also fits on a sliding scale—large and dark red means the city is totally unaffordable. Bigger dark green bubbles likewise indicate a city where the working class can get by. More details and a larger version of the below map are available [HERE](#).

Where The Working Class Can (Not) Afford to Live

Illustrating How Much Money is Left at the End of the Year for a Typical American Working-Class Family*



Why Wheat Rallies Remain Limited

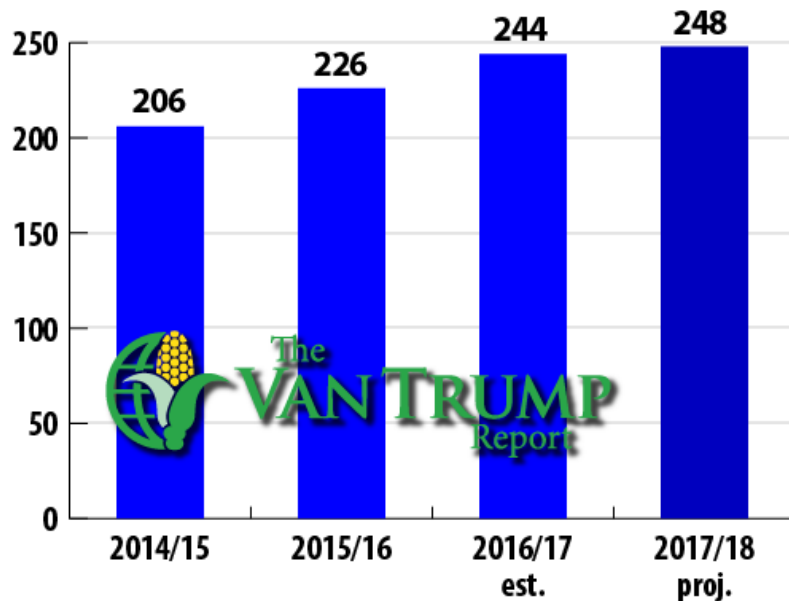
They say a picture is worth a thousand words... I think the graphic I included below, quickly and easily sums up the traditional bearish fundamental headwinds facing the wheat market. In fact just last week, the International Grains Council (IGC) lifted its forecast for world wheat stocks to a record high as it reversed a downgrade to its global grains harvest estimate, signaling a more favorable outlook for Black Sea production. The group lifted their forecast for world wheat inventories by about +7 million metric tons to 248 million at the close of 2017/18, ditching earlier expectations of a decline from the all-time high of 244 million metric tons recorded for the end of last season. The upgrade to the wheat harvest estimates reflected increased estimates for crops in the Black Sea, with the IGC flagging in particular raised hopes for Russia, where wheat and barley harvest have exceeded most all expectations. Many sources are now saying exports from the Black Sea region could surpass 90 million metric tons for the first time, accounting for one-quarter of all global trade. The kicker is they are also most generally one of the worlds lowest cost providers. Meaning more inexpensive wheat will be available in the marketplace. One potential sticking point is whether Russia's infrastructure is capable of coping with the huge volumes. There's also some concern surrounding a possible geopolitical hiccup involving Russia, which could certainly upset the flow of wheat. Bottom-line, until something actually happens, the bears are in control trading the real facts, which show record global supply.

Global Wheat Ending Stocks Hit Record

updated with August 24, 2017 - International Grains Council Grain Market Report

Wheat Ending Stocks

(in Million Metric Tons)



Startup Cryogenically Preserves Your Stem Cells

A startup company called Forever Labs wants to preserve your young stem cells, possibly allowing you to live longer. Stem cells are unique to every individual and can be used to fight disease, and have the potential to be used in anti-aging therapies in development. But as we age the number and quality of our stem cells diminishes. Forever Labs says their mission is to ensure that everyone has access to their "young" stem cells later in life, as every person is their own ideal cell donor. They accomplish this by harvesting, growing and cryogenically banking bone marrow stem cells. The procedure runs \$2,500, plus a \$250 annual storage fee - or a flat \$7,000 for lifetime storage. The company actually has FDA approval for their banking service and offer it in seven states currently. Forever Labs was co-founded by Mark Katakowski, who has spent the last decade and a half studying stem cells. The company is also backed by a team of Ivy League-trained scientists that also have decades of experience. Katakowski refers to what the company is doing with longevity as a service, the goal being to eventually take your banked cells and modify them to reverse the biological clock. And who knows what else might be possible. There are hundreds of clinical trials currently looking at various applications for these cells. Stem cells, sometimes called the body's "master cells," are the precursor cells that develop into blood, brain, bones and all of your organs. The FDA has actually only approved the use of one stem cell product for use in specified disease treatments. Hemacord is a cord blood-derived product manufactured by the New York Blood Center and is used to treat disorders affecting the body's blood-forming system. Umbilical cord blood is collected from a placenta with the birth mother's consent. Cord blood cells are then isolated, processed, and frozen and stored in a cord blood bank for future use. There are many other stem cell products that are undergoing investigational studies, but the FDA has yet to approve any but Hemacord. If you'd like more information about Forever Labs and their services, check out their website [HERE](#). (Sources: TechCrunch, FDA)



Happy Labor Day Weekend!

Labor Day weekend is upon us and a good portion of Americans are lucky enough to have the next three days off work. Many will be gathering with family and friends for BBQs, or making a final trip to the lake. There are sporting events to binge on and home improvement projects to tackle. Amid our own family traditions, the true purpose of Labor Day may not be readily apparent, but it is just as its name implies - a day to recognize those who "labor". As the United States Department of Labor explains it, Labor Day is "dedicated to the social and economic achievements of American workers." The national U.S. holiday is always celebrated on the first Monday of September and traditionally marks the end of Summer. Stemming from labor disputes that began in 1870, a parade was held in Toronto in 1872 to support striking workers that were protesting 58 hour work weeks. The event turned into an annual tradition that is now Canada's public Labour Day holiday. Different trade groups and unions in the U.S. began recognizing various days to celebrate labor too, but it was not made an official holiday until 1894. The move came after the tragic Pullman Strike of 1894. In response to financial reverses related to the economic depression that began in 1893, the Pullman Palace Car Company, a manufacturer of railroad cars, cut the already low wages of its workers by about 25 percent but did not introduce corresponding reductions in rents and other charges at its company town near Chicago, where most Pullman workers lived. As a result, many workers and their families faced starvation. When a delegation of workers tried to present their grievances about low wages, poor living conditions, and 16-hour workdays directly to the company's president, George M. Pullman, he refused to meet with them and ordered them fired. The delegation then voted to strike, and Pullman workers walked off the job on May 11, 1894. By June 30, 125,000 workers on 29 railroads had quit work rather than handle Pullman cars in support of the workers. Unfortunately, clashes between workers, law enforcement and company and government officials often led to violence. President Grover Cleveland decided to step in and sent federal troops to Chicago on July 3. This infuriated the strikers and riots soon broke out. On July 7 national guardsmen, after having been assaulted, fired into a mob, killing, what some reports say was 30 people and wounding many others. Cleveland supported the creation of the national Labor Day holiday in an attempt to shore up support among trade unions following the tragedy. Below are some more interesting facts about the holiday: (Sources: Britannica, U.S. DoL, CNBC)

The Unions - In 1983, the union membership rate was estimated at 20.1% in the US. As of 2016, the union membership rate has fallen to just 10.7%. The number of wage and salary workers belonging to unions, was reported at 14.6 million in 2016, which declined by -240,000 from 2015. New York has the highest rate of union workers among the states, with 23.6%, while South Carolina has the lowest at just 1.6%.

Food: Labor Day is of course synonymous with food! On average, these holiday meals of bbq, coleslaw, burgers and chips will add up to 1,800 calories, about triple a normal weeknight meal. Labor Day is tied with the Fourth of July as the second highest beef consumption holiday, falling behind number one, Memorial Day. Hot Dog season officially ends on Labor Day. Didn't know there was an official hot dog season? Yes, it's a real thing that begins on Memorial Day, during which time Americans consume over 7 billion hot dogs every year!

Lakes: America's many lakes are always a top holiday weekend destination for families. There are thousands upon thousands of US lakes, covering approximately 39.9 million acres! Our lakes and reservoirs actually provide the country with approximately 70% of its fresh water supply.

Chores: *Labor Day weekend is all about actual labor for many homeowners. Nearly 60% of Americans do some sort of house work, and 40% do yard work!*

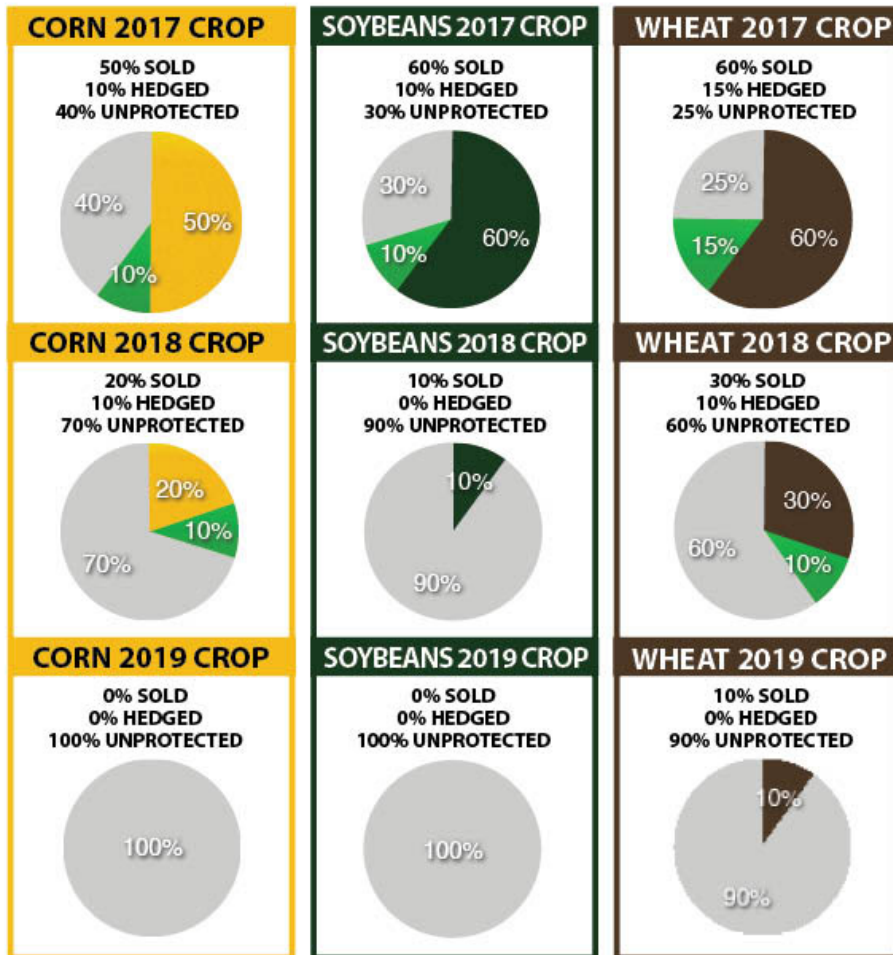
Vacations: *A new report by the airline industry estimates the number of people taking a trip for some or all of Labor Day weekend will jump +5 percent compared from last year, which was an all-time record. Overall, an estimated 16.1 million people are expected to fly between Wednesday, Aug. 30 and Tuesday, Sept. 5, according to Airlines For America.*

Fashion: *No White After Labor Day - Historians say the expression "no white after Labor Day" comes from when the upper class would return from their summer vacations and stow away their lightweight, white summer clothes as they returned back to school and work. Hence fashion moguls say never wear white after Labor Day.*

Big Sales: *Median Labor Day weekend spending was again higher last year and economists expect to see a slight increase again this year. Retailers are cleaning off their seasonal shelves and historically some of the best deals of the year can be found on patio furniture, grills, mattresses and televisions.*

Be Safe: *Remember, Labor Day weekend is one of the most dangerous weekends on U.S. highways, so be safe out there and have a great holiday!*





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