

GOOD MORNING: 09/05/17 Farm Direction - VanTrump Report

1 message

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Tue, Sep 5, 2017 at 7:09 AM



"In the long run, men hit only what they aim at." - Henry David Thoreau

TUESDAY, SEPTEMBER 05, 2017

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Morning Summary: U.S. ambassador to UN says North Korea is "begging for war". If you missed the headlines this past weekend, North Korea tested a "nuclear bomb" underground on Sunday and is making preparations to test more ballistic missiles. From what I understand this was North Korea's sixth nuclear test to date and a blatant violation of their current sanctions. The bomb tested underground, was thought to have a power range from 50 kilotonnes to 120 kilotonnes. For reference, a 50 kilotonne device would be about three times the size of the bomb that destroyed Hiroshima in 1945. The U.S. Geological Survey recorded the resulting tremor at 6.3 magnitude. There seems to be a growing agreement inside the trade that the current crisis involving North Korea will soon escalate to full-blown military action. Another important headline to watch this week will be "Hurricane Irma", as a string of Caribbean islands are now under hurricane warnings, including Antigua, Barbuda, Anguilla, Montserrat, St. Kitts, Nevis, Saba, St. Eustatius, St. Martin/Sint Maarten and St. Barts. The storm is currently classified as Category 5 Hurricane and could intensify in the coming days as it moves into warmer waters and could directly affect the British and US Virgin Islands, Puerto Rico, and the Bahamas. It's still too soon to know the impact Irma could have on the continental U.S., where no warnings or watches are currently in effect, but many weather guru's are saying portions of Florida and the Carolina's appear most at risk, with an outside chance the hurricane could actually slip into the Gulf, an area that clearly needs no more rainfall or storm complications. Also making investors a bit more concerned is the fact Hurricane Irma formed in the far eastern Atlantic, near the Cape Verde Islands (now known as the Cabo Verde Islands), before tracking all the way across the Atlantic. The concern is that "Cape Verde storms" have been known to become some of the largest and most intense hurricanes. As for more traditional headlines, three Fed officials are scheduled to speak this week, they include Fed Governor Lael Brainard, Minneapolis Fed President Neel Kashkari and Dallas Fed President Robert Kaplan. Lots also keep in mind that leaders in Washington will be back under the spotlight, as Congress returns following their August recess. They have several urgent issues they will be dealing with right away. The debt ceiling needs to be raised by the end of September to avoid a government shutdown and possible default on U.S. debt. Congress also needs to get a spending bill passed by the end of the month, and there's still the ongoing uncertainty surrounding tax reform.

Cryptocurrencies Slammed after the People's Bank of China outlawed initial coin offerings, with bitcoin falling as low as \$4,164.80 - 15 percent below Friday's close. The manifold restrictions on ICOs imposed by China could affect over 100,000 domestic speculators. Mark Mobius, executive chairman at Templeton Emerging Markets Group, warned that this is only the beginning of government crackdowns on cryptocurrencies. (Source: Bloomberg)

Commodity Bulls Want To Know: Copper prices have surged to fresh new 3-year highs, while the U.S. dollar has recently fallen to multi-month lows and Gold to near a fresh one-year high. Commodity bulls are wondering if this is the start of a renewed bullish run or simply a false breakout to the upside ahead of what could be a slowdown in the Chinese economy? Regardless, investors are certainly starting to take more notice of the recent trends. Continue to pay close attention...

Auto Purchases Fall To A Three-Year Low: Auto sales slumped in August to the worst level in more than three years. According to data tabulated by Autodata, vehicle sales ran at a 16.1 million seasonally adjusted annual rate,

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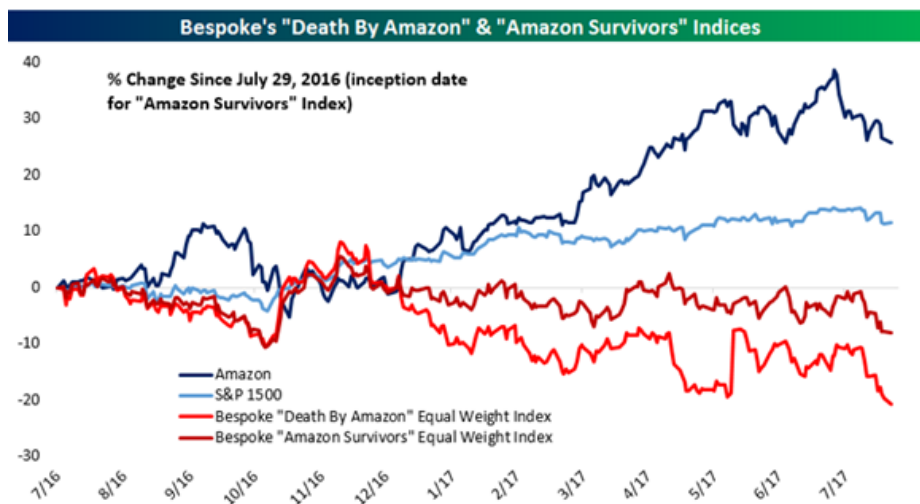


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down from 16.8 million in July and the worst since Feb. 2014. Still, the Big Three Detroit automakers reported better-than-expected August sales and issued optimistic outlooks for demand as residents of the Houston area replace flood-damaged cars and trucks after Hurricane Harvey. General Motors, Ford and Fiat Chrysler posted mixed August U.S. sales, with GM up +7.5% and Ford and Fiat Chrysler down. Japanese automaker Toyota improved sales by nearly +7%, while Honda's sales fell -2.4%. Even though sales were overall down for the month, analysts are focused on the potential for Detroit automakers to cut inventories and stabilize used vehicle prices as residents of Houston, the fourth largest city in the United States, are forced to replace tens of thousands of vehicles after the devastation from Hurricane Harvey. Estimates put the number of vehicles destroyed by the storm between 300,000 to 1 million. Mark LaNeve, Ford's U.S. sales chief, told analysts on Friday that following Hurricane Katrina in 2005 "we saw a very dramatic snapback" in demand. (Source: CNBC)

Gas Prices Spike The Most In A Decade: Gasoline prices jumped to two-year highs Friday as Hurricane Harvey continued to paralyze refineries and pipelines in Texas. The disruptions extended beyond the Gulf Coast, as distribution was changed to cater to places with the worst shortages ahead of the Labor Day weekend. This is bad," said Allison Mac, a petroleum analyst at the price provider GasBuddy. "Last year we issued a press release about the cheapest Labor Day we've seen in 12 years. This year, obviously, that's not the case." According to the AAA, the average national price of a gallon of regular unleaded gasoline was \$2.519 early on Friday, the highest of 2017. It was up about seven cents from \$2.449 the previous day, the biggest single-day jump in 10 years according to Bloomberg. Motiva's Port Arthur refinery, the largest in the US, shut down on Wednesday and will be closed for at least two weeks, Reuters reported. Colonial Pipeline, which owns the largest pipeline for gas distribution in the US, said Thursday that deliveries from the hurricane region would be intermittent. It expected to resume distribution from Houston on Sunday. Earlier last week, the Department of Energy released 500,000 barrels from its Strategic Petroleum Reserve to a Phillips 66 refinery in Louisiana to make up support the shortfall from offline facilities in Texas. Mac said he expects prices will continue to go up for another week or so "but there should be some relief by mid-September." (Sources: Business Insider, MarketWatch)

Introducing The Amazon Survivors Index: Back in February of 2014, Bespoke introduced the "Death By Amazon" Index (DBA), a portfolio of companies culled from retailer indices that they judged as being extremely exposed to Amazon's assault on the traditional retailing business model. The "Death By Amazon" Index has become pretty well-known over the past few years — especially over the last year since it has underperformed the rest of the stock market quite dramatically. While the "Death By Amazon" Index is made up of retail stocks that are most threatened by Amazon.com, what about the rest of the retail sector? Bespoke wanted to know how the retailers that aren't in the "Death By Amazon" Index are doing compared to the DBA, AMZN, and the broad market. In this regards, they've created the Bespoke "Amazon Survivors" Index (ASI), which is composed of companies not included in the "Death By Amazon" Index but still included in the retailing indices they used as their source list for companies. The chart below shows the performance of Amazon, the S&P 1500, and Bespoke's two indices. (Source: Bespoke)



Weather saw Tropical Storm Harvey disrupt fieldwork all throughout southeast and east central areas of the Midwest over the weekend. Favorable conditions for maturing corn and filling soybeans are in place throughout the region ahead of a cool down expected the middle of this week that will slow the rate of progress. We will be keeping

Here are a few of this year's early sponsors



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our eye on the dry conditions and lack of rainfall in portions of Iowa, Nebraska, Minnesota and the Dakota's

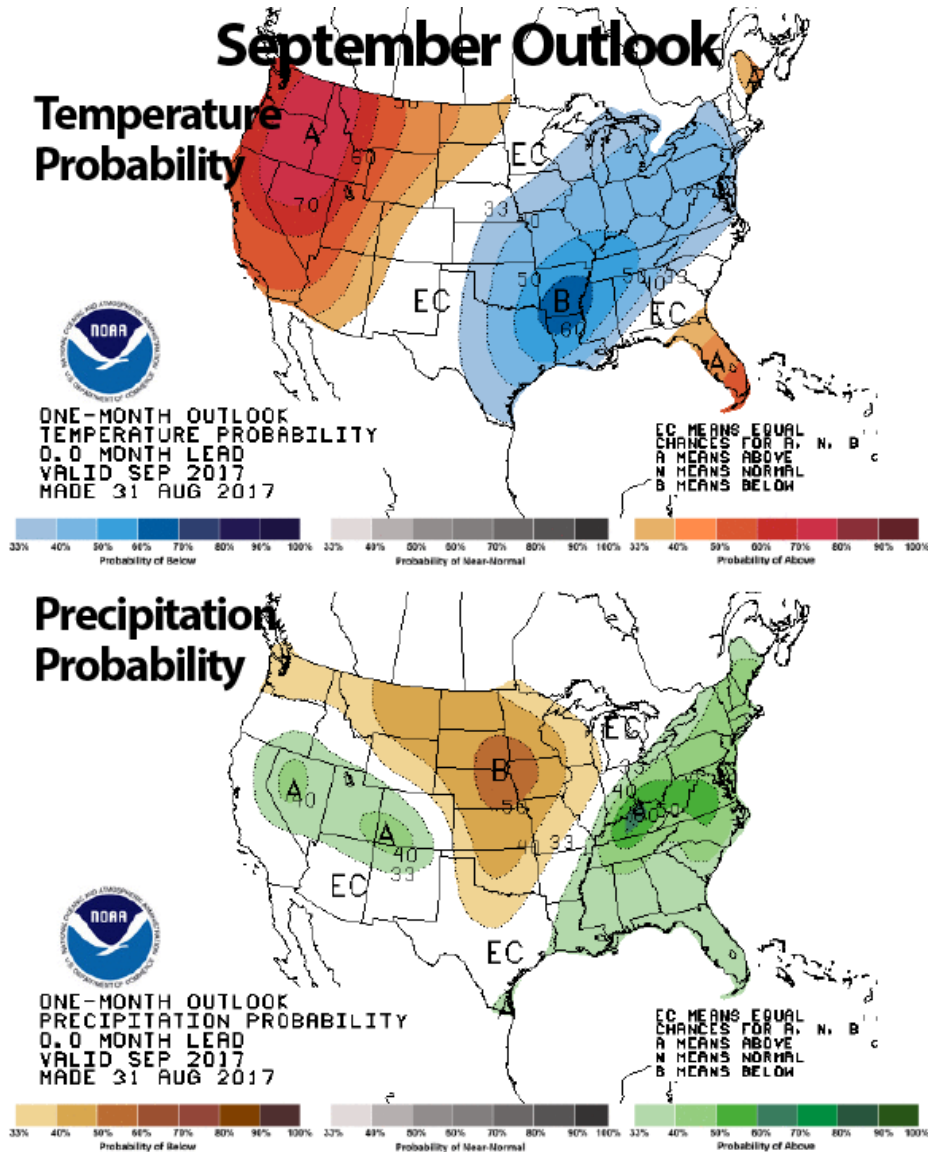
September Outlook is Cool and Dry: The NOAA/CPC has put out their updated outlook for September and it looks quite cool and dry for the final growing days of the Midwest growing season. Nearly the entire Corn Belt looks to finish the final growing stages for corn and soybeans with little to no moisture.



Today in History



1836, Texas - Sam Houston is elected as president of the Republic of Texas, which earned its independence from Mexico in a successful military rebellion. Born in Virginia in 1793, Houston moved with his family to rural Tennessee after his father's death; as a teenager, he ran away and lived for several years with the Cherokee tribe. Houston served in the War of 1812 and was later appointed by the U.S. government to manage the removal of the Cherokee from Tennessee to a reservation in Arkansas Territory. He practiced law in Nashville and from 1823 to 1827 served as a U.S. congressman before being elected governor of Tennessee in 1827. A brief, failed marriage led Houston to resign from office and live again with the Cherokee. Officially adopted by the tribe, he traveled to Washington to protest governmental treatment of Native Americans. In 1832, President Andrew Jackson sent him to Texas (then a Mexican province) to negotiate treaties with local Native Americans for protection of border traders. Houston arrived in Texas during a time of rising tensions between U.S. settlers and Mexican authorities, and soon emerged as a leader among the settlers. In 1835, Texans formed a provisional government, which issued a declaration of independence from Mexico the following year. At that time, Houston was appointed military commander of the Texas army. Though the rebellion suffered a crushing blow at the Alamo in early 1836, Houston was soon able to turn his army's fortunes around. On April 21, he led some 800 Texans in a surprise defeat of 1,500 Mexican soldiers under General Antonio Lopez de Santa Anna at the San Jacinto River. Santa Anna was captured and brought to Houston, where he was forced to sign an armistice that would grant Texas its freedom. After receiving medical treatment for his war wounds in New Orleans, Houston returned to win election as president of the Republic of Texas on September 5. In victory, Houston declared that "Texas will again lift its head and stand among the nations....It ought to do so, for no country upon the globe can compare with it in natural advantages." Houston served as the republic's president until 1838, then again from 1841 to 1844. Despite plans for retirement, Houston helped Texas win admission to the United States in 1845 and was elected as one of the state's first two senators. He served three terms in the Senate and ran successfully for Texas' governorship in 1859. As the



Corn traders are talking about a U.S. harvest that is starting to gain momentum and move north into larger producing areas. The bulls continue to talk about lack of moisture in several locations and trouble early in the growing cycle that has taken the top-end off the yield. The bears on the other hand argue that the mild-August went a long ways to improve overall U.S. crop conditions and harvest data coming out of the fields might actually surprise traders to the upside. In other words, perhaps better yields than producers and agronomist have been forecasting? Meaning perhaps the UDA isn't all that far off with their current forecast of 169.5 bushels per acre. I should note, a private crop forecasting group, who back in mid-June was tossing around a sub-155 yield, is now talking about the very real possibility of a national average yield north of 170 bushels per acre. Supposedly new satellite data is showing increased vegetation in areas that had been lagging until recently. I personally don't see that being the case and still believe we are somewhere between 166 and 168 bushels per acre. We should know more in the coming weeks as the USDA starts to acquire more accurate field data. Don't forget, the next big USDA report is out a week from today, September 12th. After that we will be digesting the Small Grains and Quarterly Stocks report on September 29th. From a technical perspective, nearby downside support seems to be in the \$4.40 to \$4.50 range, with strong upside resistance still in the \$3.70 to \$3.90 range.

Don't Forget To Send In Your Farm Survey's: I know many of us often get frustrated with the USDA's yield and production estimates, but often times the ones complaining the most are the ones not filling out their survey and accurately sending in information to help. Last week the USDA sent out an e-mail as a reminder. I wanted to

take a quick moment to pass along the highlights in hopes of getting a better response on the survey's.

September - During September the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) conducts two surveys critical to small grains producers around the country.

Why It's Important - The results of the surveys (Agricultural Survey - September and the County Agricultural Production Survey) help determine elements of farm payment and risk management programs. Farm programs important to small grains producers rely on farmer-reported NASS data. When enough producers do not respond to surveys, NASS is not able to publish data. Without these data, USDA's Farm Service Agency and Risk Management Agency may not have information on which to base the programs that serve those same producers. Producers can lose out when there is no data to determine accurate rates for loans, disaster payments, crop insurance price elections and more.

Anonymity - NASS safeguards the privacy of all respondents and publishes only aggregate data, ensuring that no individual operation or producer can be identified.

Report Online - While both surveys are mailed, producers have the option to respond using the secure online questionnaire. Completing your survey online saves you time by allowing you to skip over questions that do not apply to you, by calculating totals automatically, and by providing drop-down menus for common answers. It also saves taxpayer dollars that would otherwise be spent on return postage and data entry. If you have questions or need help with completing the online survey call toll-free [1-800-727-9540](tel:1-800-727-9540) Monday-Friday 8-5pm CST. To access the Online Survey Response Website Click> [AgCounts.USDA.Gov](https://agcounts.usda.gov)

Civil War loomed, Houston argued unsuccessfully against secession, and was deposed from office in March 1861 after refusing to swear allegiance to the Confederacy. He died of pneumonia in 1863.



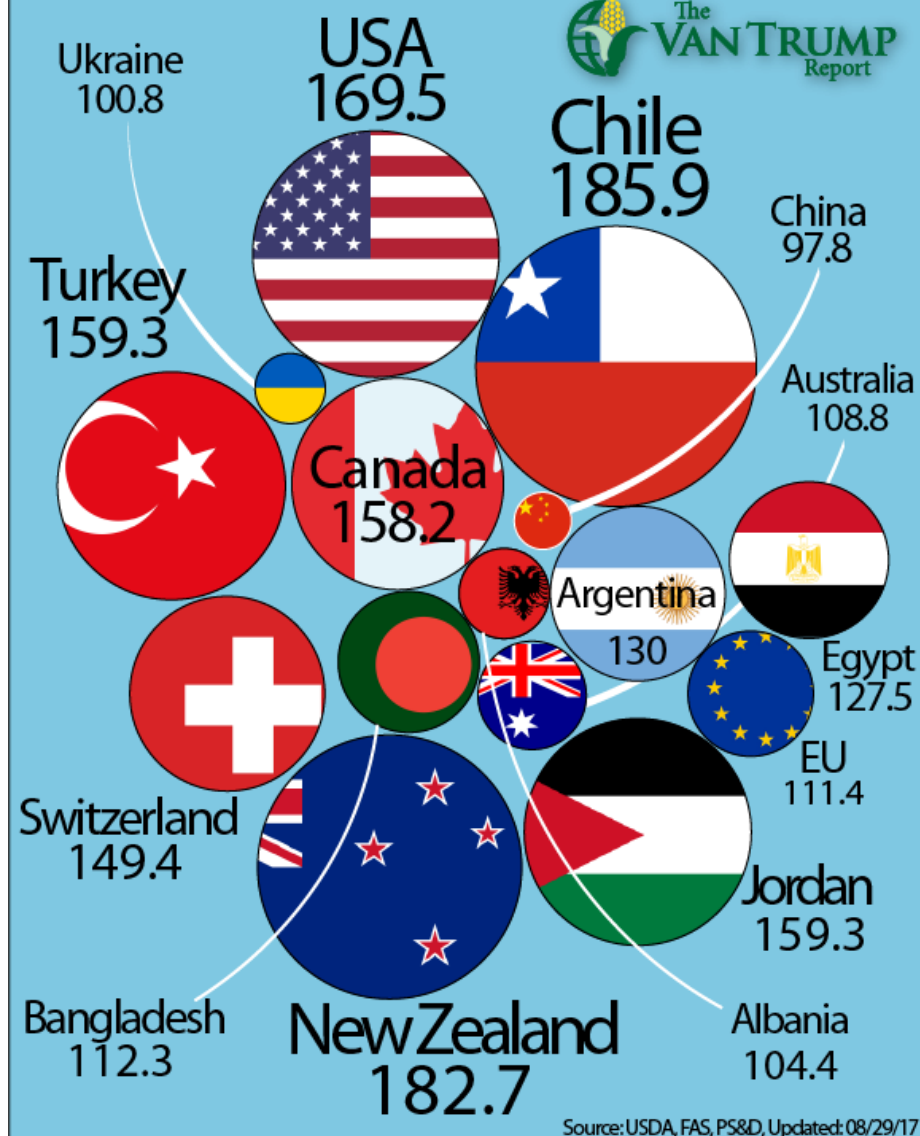
1972, Black September - In the early morning hours of September 5, six members of the Arab terrorist group known as Black September dressed in the Olympic sweat suits of Arab nations and jumped the fence surrounding the Olympic village in Munich, Germany, carrying bags filled with guns. Although guards spotted them, they paid little attention because athletes often jumped the fence during the competition to return to their living quarters. After changing into disguises, the terrorists, toting machine guns, burst into the apartments of 21 Israeli athletes and officials. Yossef Gutfreund, a wrestling referee who valiantly tried to keep the terrorists out, saved Tuvia Sokolovsky, who was able to climb out a window and escape. In another apartment, Moshe Weinberg was shot 12 times but still managed to wound one of the terrorists and save the life of one of his teammates. Created in 1970 by a few survivors of the "ten terrible September days" of fighting against Jordan for a Palestinian homeland, Black September succeeded in taking nine hostages before demanding the release of 234 prisoners-most of whom were Arab terrorists. The demands were categorically refused, but it was eventually agreed that the terrorists and the hostages would be taken to the Furstenfeldbruck airport by helicopter and given a plane. The German government planned an ambush at the airport, stationing sharpshooters around the runway and officers in the airplane. However, the plan quickly disintegrated when the officers in the plane, worried about their lack of preparation, deserted. There weren't nearly enough sharpshooters to effectively take down all of the terrorists either, partly because the Germans didn't realize that two other terrorists had joined the Black September attack. Still, the ambush was carried out. Three terrorists were taken out in the first wave of shots, but the others were able to hide out of range. One threw a grenade into a helicopter where five hostages were still tied up, instantly killing them all. Another terrorist fired his machine gun into another helicopter, killing the remaining hostages. Twenty hours after Black September had begun their attack, a German police official, 5 Palestinian terrorists, and 11 Israeli athletes lay dead. Three of the terrorists who survived were imprisoned but were set free a month later when Arabs hijacked a Lufthansa 727 and demanded their release.



1975, Attempted Assassination - President Gerald R. Ford survives an attempt on his life in Sacramento, California. The

Global Corn Yield 2017/18

(in bushels per acre)



assailant, a petite, red haired, freckle-faced young woman named Lynette Fromme, approached the president while he was walking near the California Capitol and raised a .45 caliber handgun toward him. Before she was able to fire off a shot, Secret Service agents tackled her and wrestled her to the ground. Seventeen days later, another woman, Sarah Jane Moore, a mentally unstable accountant, tried to assassinate Ford while he was in San Francisco. Her attempt was thwarted by a bystander who instinctively grabbed Moore's arm when she raised the gun. Although she fired one shot, it did not find its target. The bystander, a former Marine and Vietnam veteran named Oliver Sipple, was publicly thanked by Ford three days later. Lynette Fromme, nicknamed "Squeaky," was a member of the notorious Charles Manson family, a group of drug-addled groupies who followed cult leader Manson. Manson and other members of his "family" were convicted and sentenced to prison for murdering former actress Sharon Tate and others in 1969. Subsequently, Fromme and other female members of the cult started an order of "nuns" within a new group called the International People's Court of Retribution. This group terrorized corporate executives who headed environmentally destructive businesses. Fromme herself was still so enamored of Manson that she devised the plot to kill President Ford in order to win Manson's approval. Fromme was convicted of attempted murder and was sentenced to life in prison in West Virginia. She escaped in 1979, but was caught within 25 miles of the prison. Strangely, Ford's second would-be assassin, Moore, was imprisoned in the same facility and escaped in 1989. She turned herself in two days later and, like Fromme, was transferred to a higher-security penitentiary. Both women remain incarcerated today. After Fromme's assassination attempt, Ford stoically continued on to the Capitol to speak before the California legislature. The main topic of his speech was crime.

Upcoming Events

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

Soybean traders are discussing "Hurricane Harvey" and "Hurricane Irma" and the impact, if any, they will have on the U.S. harvest and total production. Temps in many locations will be getting extremely cool and moisture will be lacking in several areas. Bulls are also talking about a stronger outlook for "commodities" as copper moves to three year highs and the U.S. dollar weakens. The bears on the other hand, continue to point towards mild-August weather and a record number of acres planted perhaps bringing about record U.S. production. Remember, the latest USDA data showed total U.S. soybean production this year exceeding the record harvest of last year. The number of acres estimated to be planted this year is about +6.1 million more than what was planted last year. Harvested acres this year are currently forecast at 88.7 million vs. 82.7 million last year. This year's average national yield is forecast at 49.4 bushels vs. last year's record yield average of 52.1 bushels per acre. If you add it all up, total U.S. soybean production this year is forecast at 4.381 billion bushels vs. last year's record of 4.307 billion bushels vs. total production of 3.926 billion in 2015; production of 3.927 in 2014; 3.357 billion in 2013; 3.042 in 2012; 3.097 in 2011; 3.331 in 2010. Bottom-line, many inside the trade, including myself, who believed the USDA number was overly optimistic when released in early-August, are now thinking they might be fairly close. With the entire month of August and the start to September being mild, the crop has definitely been given an opportunity to stem its losses and in many areas actually improve. I am keeping an eye on the dry conditions and lack of rainfall in portions of Iowa, Nebraska, Minnesota and the Dakota's, which is obviously an important area for U.S. production and could see more of yield drag if they don't get a substantial drink some time soon. As for today's weekly USDA crop condition estimate, I'm not expecting any significant surprise, I think it could be +1 higher or -1 lower compared to last week.

Globally, not a lot has changed, there are early rumors and talk of soybean acres increasing in Brazil for next season, while Argentina will more than likely go with more corn acres and fewer bean acres. From a technical perspective, prices still appear trapped in a \$1.00 trading range between \$9.00 and \$10.00, give or take 20 cents. The bears believe we could push to \$8.80, while the bulls believe as long as Chinese demand remains robust, another run to \$10.20 is still a possibility. As a producer, the \$9.60 straddles I sold a few months back, collecting +95 cents, have been golden and should greatly help improve my final marketing totals. I have a large percentage of my new-crop production already priced and just a small number of hedges left in place. As a spec, I remain on the sideline, preferring to let some of the fog clear and the market to perhaps breakout in one direction or the other before making my next sizable move. I just feel like I could get chewed up in this range while the market and forecasters try to sort things out.

Thurs. 11/23 - Thanksgiving - Markets Closed

Kevin's Song of the Week

WHAT I'M LISTENING TO:



 **Garth Brooks** "The Dance"

About the Report

NEXT level THINKING

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

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

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

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

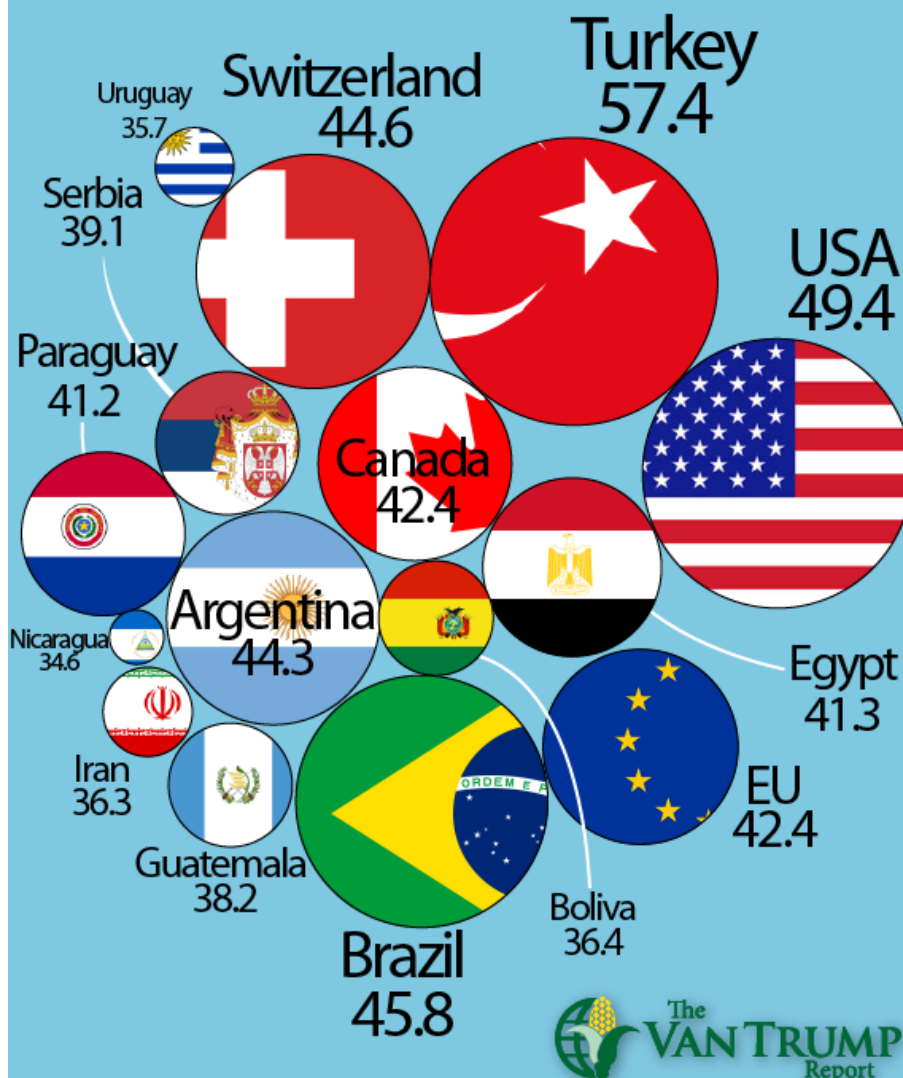
Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's

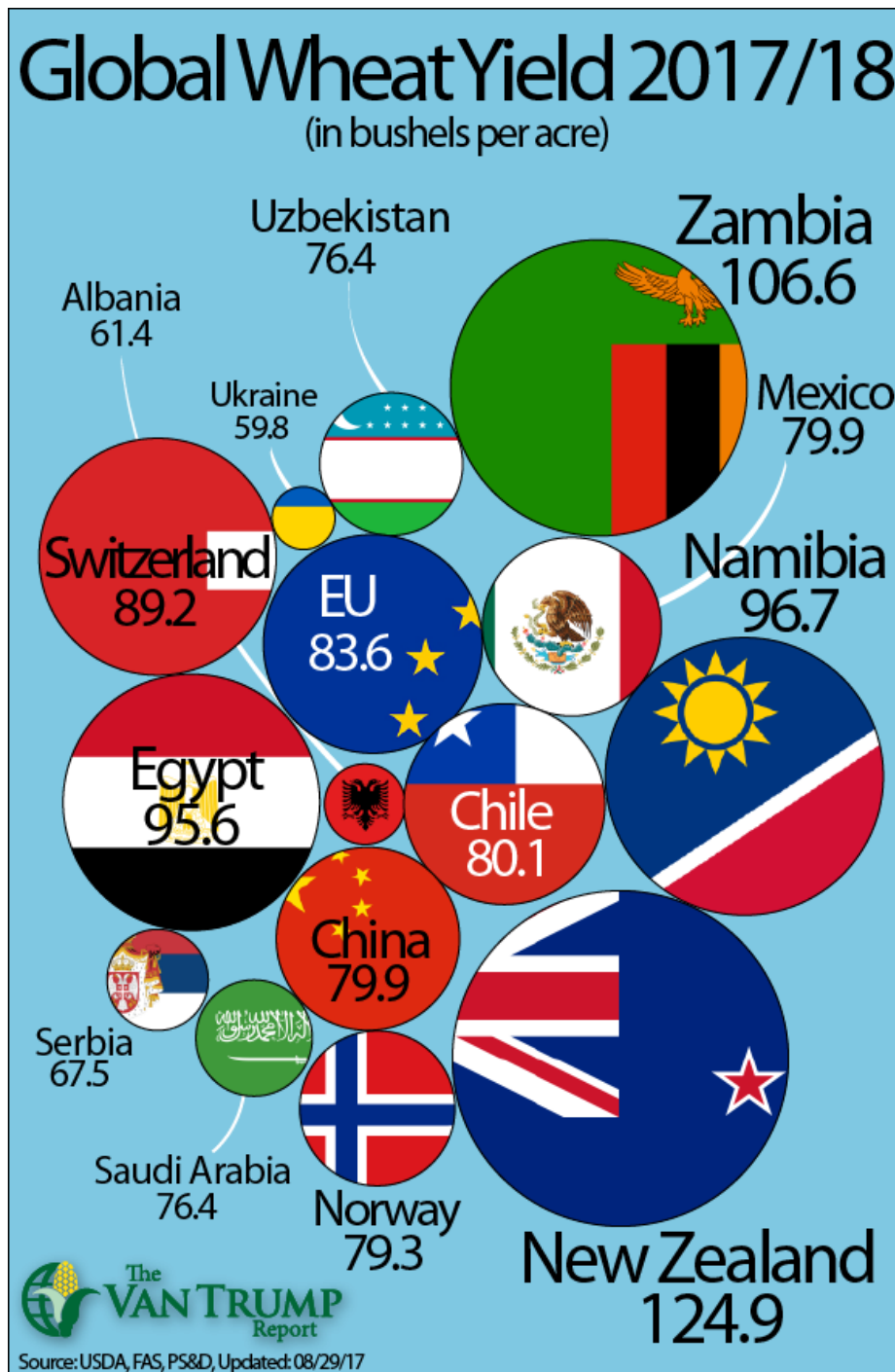
Global Soybean Yield 2017/18

(in bushels per acre)



Wheat bulls continue to battle headlines surrounding record global stocks and more private analyst raising their Russian production estimates. There are now some sources inside the trade who believe the USDA could be 3 to 5 MMTs too conservative with their current Russian estimate of 77.5 MMTs. There's also some early talk inside Russia that they will be planting more wheat acres in the weeks ahead. This has the bears believing there will soon be more cheap wheat available in the global marketplace. The bulls continue to point towards problems in Australia, Canada, as well as portions of Europe, India and Argentina. I personally see more upside potential than downside risk, but I've also been saying that for the past 50 cents of downside pressure, and I'm also talking my own position. As both a producer and a spec, I remain a longer-term conservative bull in this marketplace. There are no fresh or new headlines to report. I continue to

watch the global weather patterns and geopolitical uncertainties as potential bullish windfalls.



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

A.M., FDIC

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

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

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My Own Personal Truisms

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

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

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

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

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

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

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

I never initiate a "short" position in a market that I am "bullish" longer-term,



> U.S. Soybean Crush Higher In July: Soybeans crushed for crude oil was 4.67 million tons (156 million bushels) in July 2017, compared to 4.45 million tons (148 million bushels) in June 2017 and 4.60 million tons (153 million bushels) in July 2016. Crude oil produced was 1.80 billion pounds up 4 percent from June 2017 and up 1 percent from July 2016. Soybean once refined oil production at 1.50 billion pounds during July 2017 increased 10 percent from June 2017 and increased 4 percent from July 2016.

> Argentine Wheat Crop Forecast Left Unchanged, Despite Rain: Rains have left much of Argentina's wheat fields with excess moisture, but not enough to warrant crop writedowns, the Buenos Aires grains exchange said. The exchange says 34% of Argentina's newly-sown wheat crop was on land containing "excess moisture" thanks to rains which forecasters expected to return to parts of the wheat belt. However, the exchange stood nonetheless by an estimate for Argentine wheat area of 13.22 million acres, a rise of 617,760 acres year on year. While parts of Buenos Aires, Santa Fe and La Pampa had indeed lost crop potential to flooding over the slowing period, this had been accounted for in a downgrade that the exchange made earlier in the sowing window to its initial seedings estimate. The losses had been offset in part by improved expectations for northern growing areas, which had enjoyed "good weather conditions". (Source: Agrimoney)

> Southern Brazil Farmers Can Start Planting Soybeans Soon: Farmers in the state of Parana in southern Brazil may start planting their 2017/18 soybean crop on September 11, if the planting conditions are suitable. Recent rains in the state have improved the soil moisture, but some additional rains will be needed before early planting is assured. The long range forecast are calling for the possibility of rain during the second week of September. The state government of Parana is conducting a one-year experiment to see if it is feasible to start planting soybeans earlier than normal. For a number of years, farmers in Parana were not allowed to start planting soybeans until September 16th, but the start date was moved forward this growing season by 5 days. (Source: Soybean & Corn Advisor)

> EU Doubles Import Duty For Corn, Sorghum, Rye: The E.U. doubled the import duty for maize (corn), sorghum and rye to \$13.10 per metric ton, up from \$6.68 per metric ton set on Aug. 8. The change was needed, the E.U. said, because of the weaker U.S. dollar and the lower price for U.S. corn. The August tariff was the first since Nov. 8, 2014, and was triggered by a global record harvest expected for 2016-17, which resulted in a large supply and lower prices. This revised tariff, triggered by an automatic mechanism that calculates import duties, will avoid putting European producers at a disadvantage, E.U. officials said. (Source: World Grain)

> Vietnam Lifts Suspension Of DDGS Imports: Vietnam announced it will lift its suspension of U.S. distiller's dried grains with solubles (DDGS) imports and ease fumigation requirements for U.S. corn and wheat imports. In the previous marketing year (September 2015 thru June 2016), an estimated 756,733 metric tons of DDGS worth \$161,130,059 were sent to Vietnam. The current marketing year from September 2016 until June 2017 saw a decrease of 35% to 490,914 metric tons for an estimated \$94,278,978, according to USDA export data.

> Agencies Press EPA To Revise Biofuels Volumes: Two U.S.-based agencies are asking the Environmental Protection Agency (EPA) to increase its proposed levels for advanced, cellulosic and total biofuels in the 2018 Renewable Fuels Standard (RFS) in comments filed with the agency on Aug. 31. The National Corn Growers Association (NCGA) said it would like the EPA to maintain the proposed amount of conventional ethanol and to raise the amount of cellulosic, advanced, and total biofuels. The National Biodiesel Board (NBB) also called for higher volumes of advanced biofuels and biomass-based diesel in its comments to the EPA. The NBB suggests the proposal's volumes be changed more in line with congressional intent. In its comments, the NBB calls on the EPA to increase the advanced biofuel volume for 2018 to at least 4.75 billion gallons and the biomass-based diesel volume for 2019 to at least 2.5 billion gallons. Doing so is necessary to effectuate Congress's intent to "create incentives to increase renewable fuel supplies and overcome constraints in the market" and to respect the EPA's methodology from its own past rules, the NBB said. (Source: World Grain)

> CSX Rail Service Will Be Topic Of Upcoming Hearing: The Surface Transportation Board will hold a listening session on Sept. 12, 2017, regarding CSX Transportation rail service issues. The Board will direct CSX to appear at the listening session, and the agency encourages impacted shippers and other railroads to appear as well. Shippers, railroads, and other stakeholders are requested to file with the Board a notice of intent to participate, identifying the party and the proposed speaker, no later than Sept. 7, 2017. The session will be open for public observation. Since mid-July, the Board has been closely monitoring CSX's performance after widespread service problems resulted from CSX's implementation of changes to its operating plan.

> Pricey Back To School: Earlier this year, a report found that raising a child can cost up to \$233,000, proof that kids don't come cheap. The end of summer creates another financial headache for parents as children start stocking up on expensive supplies before their return to school. Deloitte is estimating that this year, U.S. back to school spending will hit \$27 billion. The average bill per child will be \$501, slightly higher than last year's \$488. Broken down by category, school supplies will be in the highest demand, with 98 percent of those surveyed spending an average of \$104 on items such as books, backpacks and lunch boxes. 97 percent of parents will buy clothing and accessories like shoes and gym clothes with average spending \$284. 18 percent of U.S. parents plan on buying their child an electronic gadget, with average spending substantially higher at \$254. Computers and hardware will have the highest average

nor do I initiate a "long" position in a market I am "bearish" longer-term.

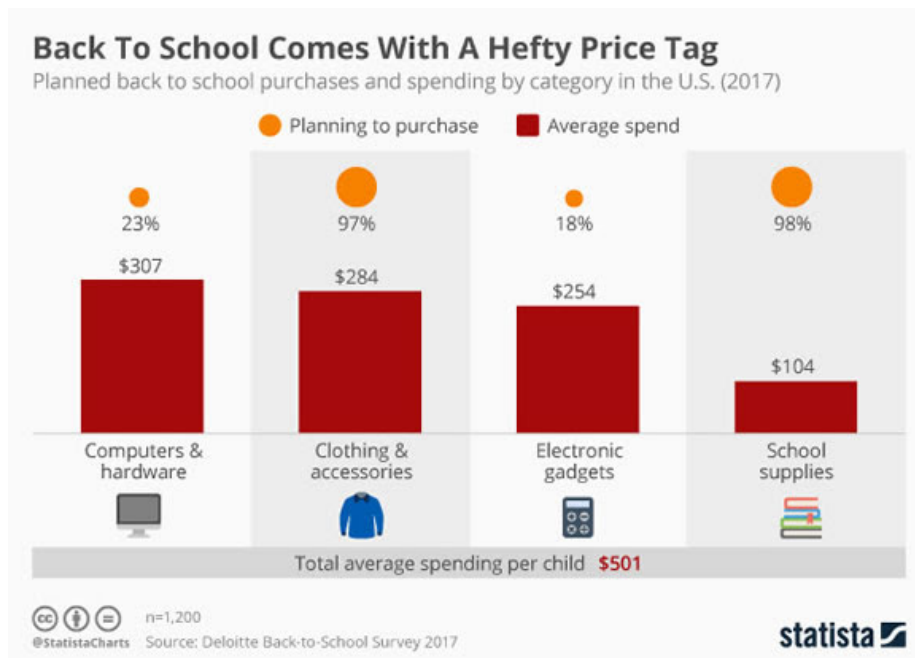
Farm Direction
RECIPES
★ **FAMILY** ★
FAVORITES
-SENT IN BY OUR READERS-



Strawberry Pretzel Salad

CLICK TO SEE RECIPE

spend at \$307, though less than a quarter of parents plan such a purchase this year.
(Source: [Statista](#))



Southeast Nebraska - I'm a little disappointed with this year's crop but it could definitely be worse. During pollination, we had a stretch of 15 days where the temperatures were at 105 degrees. Originally, I was hoping for 200+bpa but now expect to be 50 short of that. In one field where I tried some new hybrids, I did fourteen checks to see how things were going. The range there was from 117 to 199. I wasn't expecting that much variability. I am considering being a dealer for them but want to see how the crop works through the combine first.

Southeast Washington - We are all no-till, dry land wheat up here and finished up our HRW harvest a few weeks ago. APH is 30bpa but we were able to make 47bpa this year where we only receive 6-8" of rain a year. Right now things are very dry as we wait for moisture to put the seed in the ground. We would probably be done had we received any moisture recently. If we do not get any rain by October first, we will go with dust seeding. We practice fallow rotation up here as not doing so only produces two crappy yields. I sold less like everyone else during July as I thought things would continue up based on weather forecasts.

Western Mississippi - We dodged a little bit of a bullet this week on the rains from the hurricane as they were calling for 6" to 8" but we only got about 2". We really didn't need any rain. There were a lot of guys that got into the fields a little early to shell some corn because of the forecast. Guys were afraid if they didn't get things out of the field that they would rut their fields up or not be able to get in them after the rains. The moisture levels were much higher, into the mid to high 20% range, meaning they will need to dry down more than usual but most thought it was worth it. The soybeans are still green around here so not quite ready to cut. The bean crop looks pretty good but most have just started to drop leaves. I think that you will see a lot of 70bpa beans around here and guys can do alright at that production level. The cotton has been good all year but this rain happened at a bad time as it has just started to open up when it hit.



Concerns Of Propane Availability During A Wet Harvest: *Concerns Of Propane Availability During A Wet Harvest: Prospects of a wet fall are raising concerns about propane availability. CHS director of propane marketing Dennis St. Aubin told Brownfield in July inventories are slightly below normal, mostly because of increased export business. "Production has not been lagging behind anything we've seen in the prior two or three years, where we have had ample supplies of propane. But this particular year, the opportunity for propane gallons to leave to other markets has been expedited the last six months." He says propane prices have remained fairly steady, but are vulnerable to demand spikes resulting from wet harvest conditions. "With the time-frame we're working with and inventories we're dealing with, we're anticipating market prices are going to become a little bit stronger as we head towards fall. So we encourage customers to fill tanks early and make sure the inventory is in the tank." Listen to the full interview [HERE](#).*

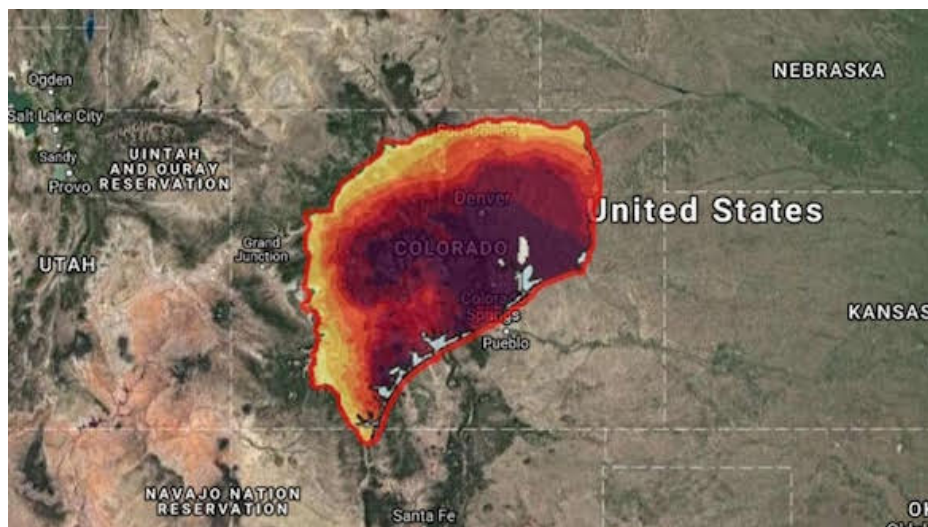
"Gluten-free" water shows how ridiculous food labeling has become: *The food labeling craze coupled with banner headlines about the dangers of gluten, genetically modified organisms (GMOs), and hormones are leading to increasingly absurd results. For example, you can now buy "premium" water that's not only free of GMOs and gluten but certified kosher and organic. Never mind that not a single drop of water anywhere contains either property or is altered in any way by those designations. While some labels provide useful information that is not readily detectable by consumers, others contain misleading claims that exploit a knowledge gap with consumers and take advantage of their willingness to pay a premium for so-called process labels. For example, details on a product's country of origin are helpful; labeling a bottle of water "gluten free" and "non-GMO" much less so. Read more at [QUARTZ](#)*

How Fed Ex Plans To Get Through Any Potential Disasters: *Dave Lusk is senior manager of global operations for FedEx. At least, that's what his business card says. On the grounds of a FedEx facility, he's known as the "master of disaster." He's the guy at the center of contingency planning and triage whenever something goes wrong anywhere FedEx services, which is to say pretty much anywhere in the world. About fifteen minutes before our appointed meeting time, Lusk sends an email apologizing and saying that he will be a half hour late—a big storm is brewing in the Northeast. I didn't think to check my email. And so, a few minutes after that message, he also sent a text. Read More [HERE](#).*

What's Taking Out Some Of Tennis' Best Players: *The best tennis players in the world are roaming the courts of the Billie Jean King National Tennis Center for the U.S. Open this week. But the men's entry list has some gaping holes, with five of the top 11 ranked players withdrawing from the tournament due to injury. The sport is nearing the ninth month of a grueling season, so injuries among the athletes—many of whom are nearing 30—may not seem that surprising. But the conspicuous absences of players like Andy Murray, Novak Djokovic, and Kei Nishikori are impossible to ignore, and draw attention to the frequency of certain types of chronic, overuse injuries in tennis—which researchers say are exacerbated by the demands and style of the modern tennis game. Read more [HERE](#).*

Iconic American Brand Cadillac Flourishing In China: *Of all the world's booming premium-car companies, the biggest surge is happening for a brand many American buyers long passed by. Cadillac sales are growing at the fastest clip since the Reagan administration. The buyers are half a world away, in a place where it's supposed to be hard for U.S. companies to sell. Cadillacs are a symbol of American grandeur. A calendar of vintage Caddys pinned to the wall of his boyhood bedroom inspired his recent purchase, a \$120,000 metallic-black Cadillac CT6 with night-vision mode and an air ionizer. In the U.S., the average age of Cadillac buyers hovers around 60, in China, it is the mid-30s, with more details [HERE](#).*

Maps Show What Harvey's Impact Would Look Like In Other States: *Harvey's impact on Houston and Southeast Texas will be felt for years to come — but what would the weather system look like in other regions of the country? Check out these maps that show the system superimposed over some other states [HERE](#).*



When Should You Expect Your First Freeze???

As I sit here in early-September and work on this story, the calendar still says "summer" for another week or so, and the next few days high temps are suppose to be 90+ degrees all across the Midwest. However, the first freeze of the season may be here before you know it. In fact, parts of the northern Rockies have already had their first freeze, as well as accumulating snow. With this in mind, I think it's interesting to look at when the first freeze typically occur all across the nation. Keep in mind, that these are average dates. Different weather conditions each year can make the first freeze occur earlier or later (sometimes much earlier or later) than what is shown in a given region.

September 15: *The average first freeze occurs sometimes around Sept. 15 for much of the Rockies and Intermountain West, as well as parts of the northern Plains and upper Midwest (closer to the international border). Some inland areas of the upper Great Lakes also see their first freeze around Sept. 15.*

October 1: *A large swath of the West and Midwest sees their first freeze sometime near October 1. This includes much of the Great Basin, northern Plains, upper Midwest and parts of the upper Great Lakes. Most of the Adirondacks and Catskills in New York experience 32 degree temperatures around October 1, along with the Appalachians from west-central Pennsylvania down into eastern West Virginia. The majority of New England also gets its first freeze around October 1, on average.*

October 15: *A large area of the country averages the first freeze in mid-October. Parts of the northern Southwest, much of the central Plains, parts of the upper and mid-Mississippi Valley, much of the Great Lakes, the northern Ohio Valley and a large swath of the Northeast generally reach 32 degrees around Oct. 15. The Great Smoky Mountains in eastern Tennessee and western North Carolina also have their first freeze near Oct. 15, as well as the Shenandoah Valley of western Virginia and much of West Virginia.*

November 1: *Parts of the Southwest, southern Plains, mid-Mississippi and Ohio Valleys, and mid-Atlantic don't see their first freeze, on average, until Nov. 1. The major cities along the Interstate 95 corridor, from New York City to Philadelphia, Baltimore and Washington D.C., are included in not seeing 32-degree temperatures until about Nov. 1. This is due to the urban heat island effect, keeping cities warmer than their suburbs overnight.*

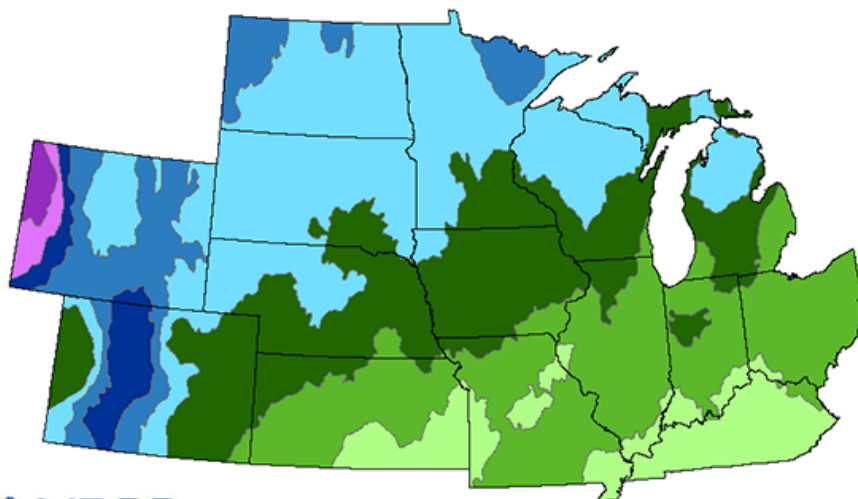
November 15: *Parts of Southern California, the Southwest, southern Plains, lower Mississippi Valley and Southeast don't see their first freeze until November 15 on average. The southernmost portions of these regions may not see 32-degree temperatures at all, such as southeastern Texas, Louisiana, southern Mississippi and Alabama, the coastal Carolinas, southern Georgia and all of Florida.*

Fall Freeze

Median Date Of 32°F Freeze

Based on 1981-2010 Average

Aug 10 or Earlier Sep 1 - 10 Oct 1 - 10 Nov 1 - 10
 Aug 11 - 20 Sep 11 - 20 Oct 11 - 20 Nov 11 - 20
 Aug 21 - 31 Sep 21 - 30 Oct 21 - 31 Nov 21 or Later

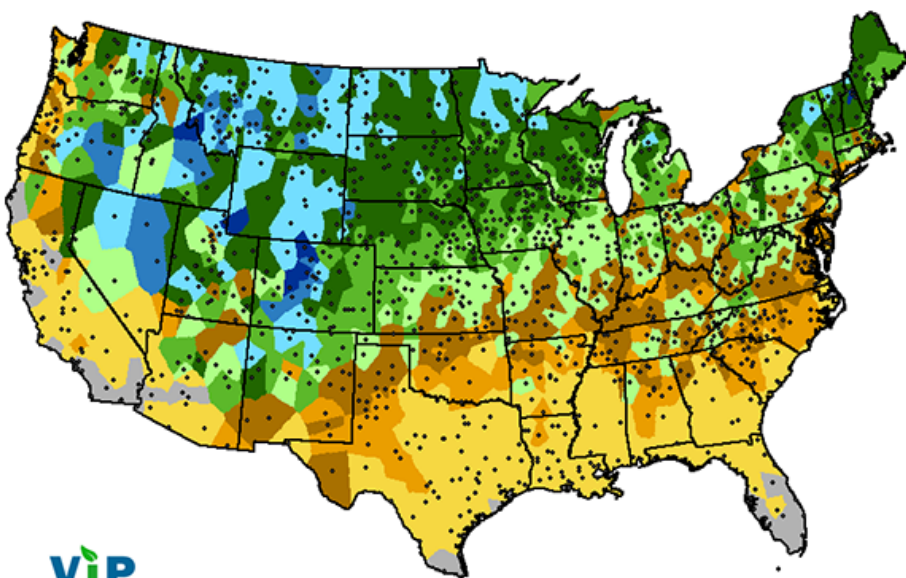


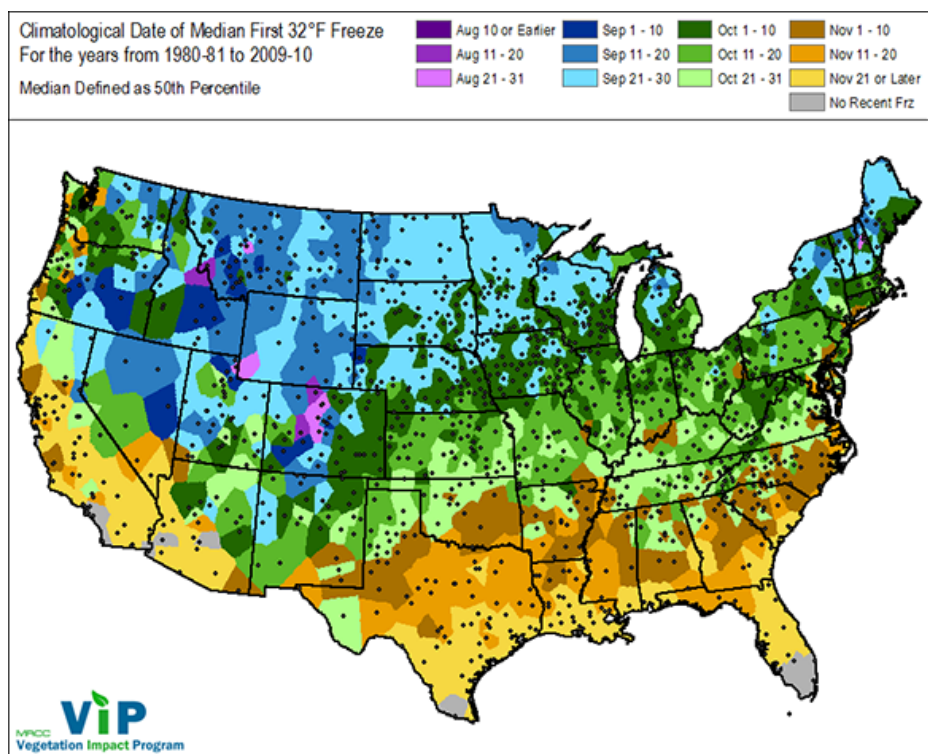
Climatological Date of Median First 28°F Freeze

For the years from 1980-81 to 2009-10

Median Defined as 50th Percentile

Aug 10 or Earlier Sep 1 - 10 Oct 1 - 10 Nov 1 - 10
 Aug 11 - 20 Sep 11 - 20 Oct 11 - 20 Nov 11 - 20
 Aug 21 - 31 Sep 21 - 30 Oct 21 - 31 Nov 21 or Later
 No Recent Frz

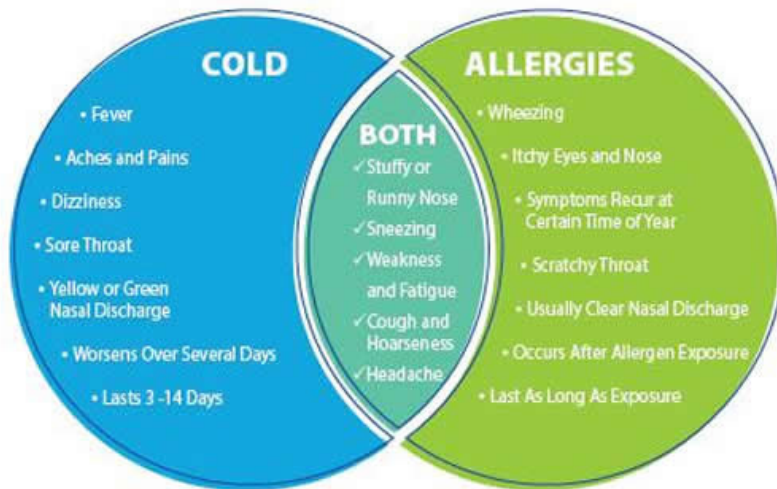




Is It A Cold Or Allergies?

Sniffing and sneezing lately? Don't be too quick to assume you have a cold. Most people think of Spring as the allergy-prone time of year, but Autumn can be just as bad, if not worse. One of the main sinus offenders this time of year is ragweed pollen, an allergen that almost no human on the planet is immune to. People that have no other known allergies - seasonal or otherwise - quite often mistakenly believe they're experiencing the first cold or flu of the season. If it is indeed a ragweed allergy, they are suffering needlessly and possibly wasting money on medication that is not going to be effective. Like all allergies, ragweed pollen can trigger a hostile response from a person's immune system. In the case of an allergic reaction to something, the cells are responding to a false alarm, mounting an attack on what it has mistakenly identified as a harmful foreign substance. The immune system overreacts to the allergen by producing Immunoglobulin E (IgE) antibodies. These antibodies travel to cells that release histamine and other chemicals, causing common allergy symptoms like sneezing, itchy eyes, nasal congestion and even hives. Severe allergies can lead to chronic sinus problems and even asthma attacks. The best way to avoid having any sort of adverse reaction is to avoid things that one is allergic to. That's easier said than done in the case of ragweed, unfortunately. A single ragweed plant can produce around one billion grains of pollen per season. The grains are light and easily floated through the air on even the lightest breeze. Ragweed pollen has been detected as far as 400 miles out to sea and up to two miles up into the atmosphere. The height of the season runs from about mid-August through September in most parts of the country. In areas where the late summer/early fall weather has been hot and dry, the season can stretch out to as late as mid-October. To determine if your fall cold is actually an allergy, you might want to visit your doctor and request they run an allergy test. You can alternatively see if you feel better taking an over-the-counter antihistamine like Claritin, Benadryl or Zyrtec. These medications only prevent your immune cells from producing the histamines that are causing the miserable symptoms, so if you start feeling better, you're most likely suffering from seasonal allergies. (Sources: WebMD, Huffington Post, Family Doc)

COLD vs. ALLERGIES



CHI St. Luke's Health

St. Luke's Medical Group

Cool To See Someone Turn It All Around

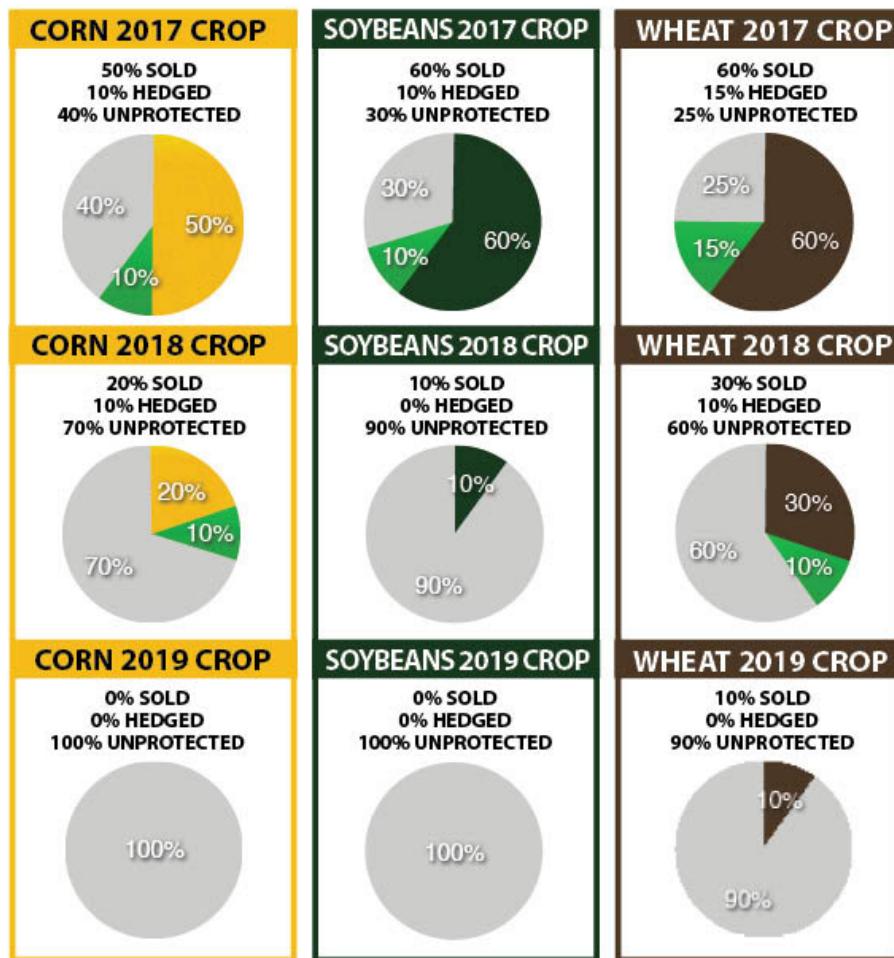
Coss Marte's story begins similarly to many who grow up in a rough neighborhood. He started selling drugs at the age of 12 and by age 19 was running a multimillion dollar marijuana and cocaine business on Manhattans Lower East Side, employing over 20 people and making over \$2 million a year. After the Feds ended his party in 2009 he was sentenced to seven years in prison. While incarcerated Marte began to reflect on where he was and how he wanted to change. He read the Bible from cover to cover and his entire perspective on life began to change. He started to believe his purpose in life was to "give back" rather than to destroy the people and things around him. Watch his story [HERE](#) to see how the entrepreneur dealt with being an ex-con determined to change his ways, attitudes and roadblocks he encountered and a venture capital firm willing to take a chance on his mission to give back through the world of fitness. Great story of personal success and change!







CASH SALES & HEDGING TOTALS



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