

GOOD MORNING : 09/07/17 Farm Direction - VanTrump Report

1 message

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Thu, Sep 7, 2017 at 7:18 AM



"Inaction breeds doubt and fear. Action breeds confidence and courage. If you want to conquer fear, do not sit home and think about it. Go out and get busy." – Dale Carnegie

THURSDAY, SEPTEMBER 07, 2017

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Morning Summary: Stocks are fighting to find stable ground as headlines surrounding North Korea and Hurricanes in the Atlantic continue to brew. North Korea has been fairly quiet after testing a hydrogen bomb over the weekend, even as global leaders continue pushing for harsher sanctions, including cutting off oil supplies to the rouge nation. Hurricane Irma has everyone on the edge of their seats as the largest storm ever recorded in the Atlantic barrels towards Florida and the East Coast. A mandatory evacuation order has been issued for several areas in Florida including downtown Miami and Miami Beach, with Irma forecast to hit by Sunday afternoon. Winds continue at over 185 mph with gust over 220. Experts say hurricane Irma is now larger in size than the entire state of New York. In Washington, President Trump surprised many on Wall Street by endorsing a short-term, 3-month, increase in the nation's debt limit suggested by Democratic leaders, a strategy that many believe puts him at odds with several in his own party — including House Speaker Paul Ryan and Senate Majority Leader Mitch McConnell. The deal also pushes back a September 30 deadline to pass a budget, in a temporary move to avoid a government shutdown. Wall Street investors became a bit unnerved after hearing Federal Reserve Vice Chair Stanley Fischer had announced his resignation and that he will be leaving the central bank in mid-October for "personal reasons". The move was unexpected as his term doesn't expire until 2020. It's been largely rumored that current Fed Chair Janet Yellen will not be reappointed when her term ends in February. Speculation has it that Trump's top economic advisor, Gary Cohn, will be Yellen's replacement. Keep in mind there were already three openings at the Federal Reserve prior to Fischer's resignation, meaning President Trump has a lot of appointing to do in the weeks or months ahead. Today, investors are anxious to hear the European Central Bank's latest policy decision. Since ECB president Mario Draghi earlier this year said "deflation" worries were behind them, investors have been expecting the central bank to begin scaling back its bond-buying program. Earlier this year, they did trim purchases by -20 billion euros but have not made any moves since. EU economic data has continued to improve since, so there are high expectations that the ECB will lay out a plan to phase out the asset purchases altogether. U.S. economic data today includes Weekly Jobless Claims and the final estimate for second-quarter Productivity and Costs. Look for hurricane headlines and talk of North Korean nukes to continue dominating the wires...

U.S. Women Dominate Tennis Tournament: *The US Open women's singles tournament is down to four -- and all of them are American. It's the first time that four American women have reached the semifinals at the US Open since 1981, when Tracy Austin, Chris Evert, Martina Navratilova and Barbara Potter did it. This year's finals will consist of Madison Keys, CoCo Vandeweghe, Sloane Stephens, and the oldest to ever compete in a U.S. Open final, Venus Williams, who seeks her eighth major title at the age of 37.*

China Is Very Concerned About Radioactive Fallout From North Korea: *China is ramping up monitoring for signs of radioactive fallout from North Korea's latest nuclear test, concerned that contamination could provoke a public outcry and force Beijing to harden its approach to Pyongyang, diplomats and analysts say. Chinese government agencies said no radiation has been detected thus far but they will continue to test air, water and soil samples in a network of radiation-monitoring stations that has steadily expanded since 2013 and is due to grow by at least two more stations in the next few months. The slightest risk of a leak is of huge concern, with more than 100 million people living in China's three*

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Dennis Gartman
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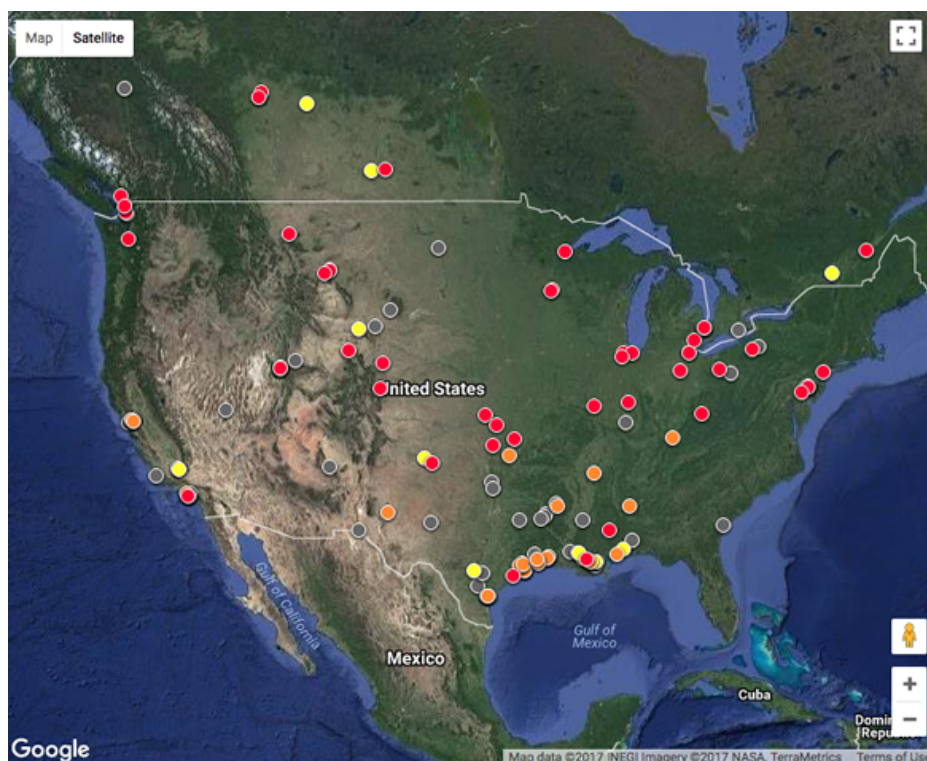
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northeastern provinces bordering or near North Korea. The Punggye-ri test site, where the blast took place, is less than 50 miles from China's border. A key concern for Chinese leaders, according to diplomats and analysts, is that any environmental contamination could quickly turn into a political problem. Chinese authoritarian leaders are sensitive to public opinion and wary of anything that could provoke protests, dent the image of the Communist Party or otherwise diminish their power. China has never publicly reported contamination from North Korean nuclear testing. In private, however, Chinese officials have expressed increasing concern about the environmental impact. (Source: Wall Street Journal)

Impact Of Irma On U.S. Gasoline: Refinery production in the U.S. Gulf is starting to rebound, but the latest tropical weather threat could have a more clear cut impact on demand. Hurricane Irma could slam into Florida by this weekend. The state accounts for about 4% of domestic gasoline demand, among the highest in the U.S. At the same time, the state has little-to-no refining infrastructure. The map below shows the major refineries located in the U.S. There is a very remote chance Irma will travel into the Gulf of Mexico, which would have huge implications for the region's offshore production. However, most weather models have the hurricane shifting north up along the East Coast. Most of Florida's fuel arrives by ship from refineries along the Gulf Coast, so analysts will be monitoring the state of the ports after Irma passes. Homeland Security is working with ports to help them get ships in before Irma hits. Right now the state is witnessing a sharp demand spike as Floridians fuel up ahead of the storm. After the storm, the demand spike is expected to reverse as motorists stay off the roads and businesses close down. That doesn't necessarily mean prices will go down in the Southeast - the region hasn't gotten regular supplies for a week to 10 days now due to the Colonial Pipeline's partial shutdown from Hurricane Harvey. (Sources: OilPrice, Detroit Free Press)



Weather forecasts are calling for mostly favorable conditions for filling and maturing corn and soybeans throughout the Midwest. The extended outlook for the next 10 days shows no major rain or damaging cold weather through much of the Midwest, which could lead to some early harvest work. On the Plains, cool weather lingers in most areas. However, warmth is returning to the northern High Plains. On the northern Plains, favorable conditions are in place for filling and maturing corn and soybeans. There is no damaging cold weather expected during the next 10 days. In the South, a few showers are occurring along the Gulf Coast and in the southern Atlantic States. Tropical Storm Katia has formed over the Gulf of Mexico but will remain well south of areas recovering from flooding.

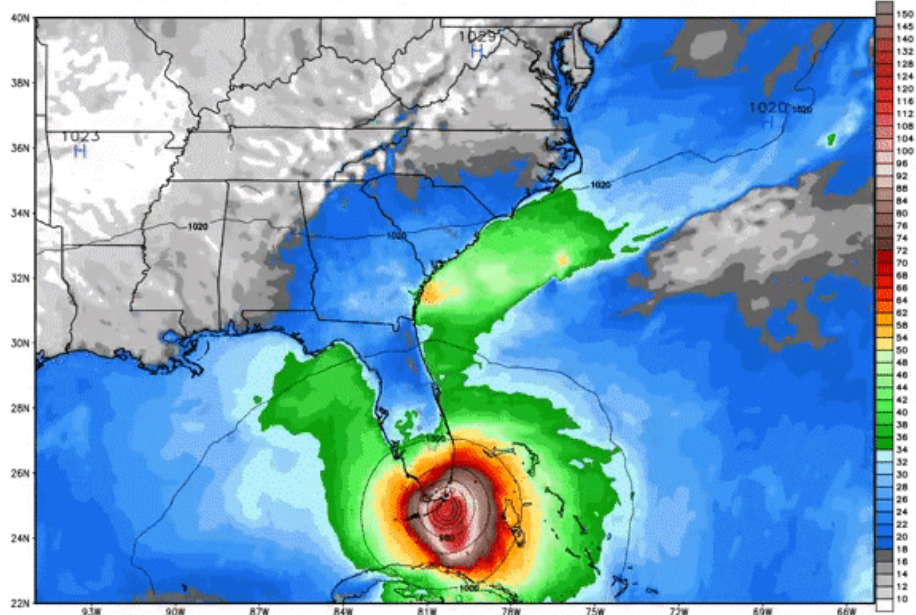
Irma Will Pound 6 Southeast States When It Reaches Land: Expected impacts of massive Irma Hurricane can not be underestimated. Potential wind gusts greater than 140 mph will be in southern Florida by Sunday. Unfortunately, the latest European model is showing a similar guidance to other forecast, predicting a worst-case scenario for Florida's East Coast into the Carolinas. 6 states could be impacted by hurricane force gusts along Irma's path. Again, this

Here are a few of this year's early sponsors

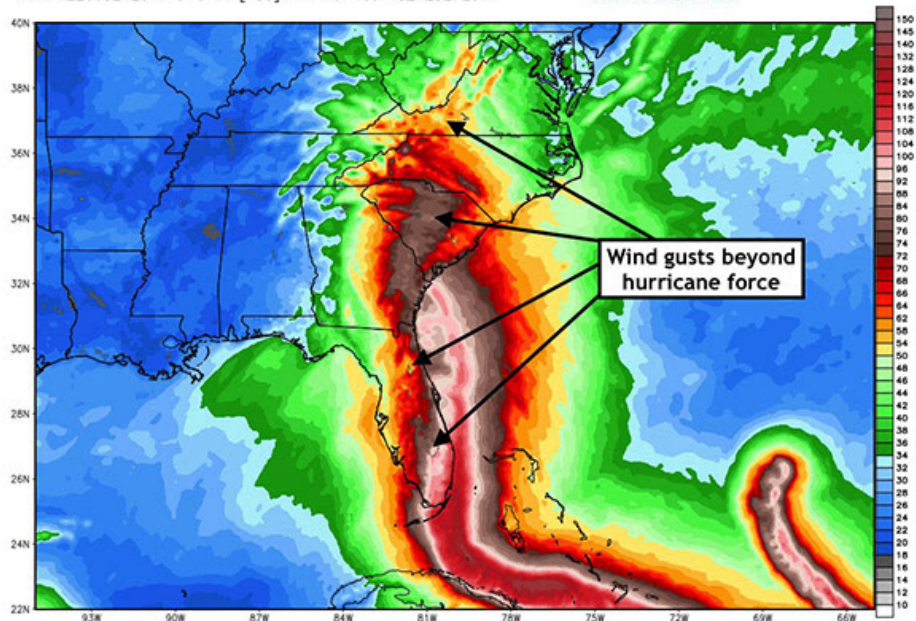


storm impact on land is expected to be very severe. From what I understand, Georgia has never had a CAT 3 hurricane reach land.

ECMWF 10-meter Wind Speed Maximum Gust Last 6-hours [knots]
INIT: 12Z06SEP2017 fx: [096] hr --> Sun 12Z10SEP2017 Wind Max 131.5 knots | SLP Min/Max: 931.1 hPa | 1028.8 hPa



ECMWF Maximum 10-m Gust Wind Speed [knots] Swath
INIT: 12Z06SEP2017 thru fx: [150] hr --> Tue 18Z12SEP2017 MaxWind: 142.7 knots



Today In History



1813, Uncle Sam - The United States gets its nickname, Uncle Sam. The name is linked to Samuel Wilson, a meat packer from

Troy, New York, who supplied barrels of beef to the United States Army during the War of 1812. Wilson (1766-1854) stamped the barrels with "U.S." for United States, but soldiers began referring to the grub as "Uncle Sam's." The local newspaper picked up on the story and Uncle Sam eventually gained widespread acceptance as the nickname for the U.S. federal government. In the late 1860s and 1870s, political cartoonist Thomas Nast (1840-1902) began popularizing the image of Uncle Sam. Nast continued to evolve the image, eventually giving Sam the white beard and stars-and-stripes suit that are associated with the character today. The German-born Nast was also credited with creating the modern image of Santa Claus as well as coming up with the donkey as a symbol for the Democratic Party and the elephant as a symbol for the Republicans. Nast also famously lampooned the corruption of New York City's Tammany Hall in his editorial cartoons and was, in part, responsible for the downfall of Tammany leader William Tweed. Perhaps the most famous image of Uncle Sam was created by artist James Montgomery Flagg (1877-1960). In Flagg's version, Uncle Sam wears a tall top hat and blue jacket and is pointing straight ahead at the viewer. During World War I, this portrait of Sam with the words "I Want You For The U.S. Army" was used as a recruiting poster. The image, which became immensely popular, was first used on the cover of Leslie's Weekly in July 1916 with the title "What Are You Doing for Preparedness?" The poster was widely distributed and has subsequently been re-used numerous times with different captions. In September 1961, the U.S. Congress recognized Samuel Wilson as "the progenitor of America's national symbol of Uncle Sam." Wilson died at age 88 in 1854, and was buried next to his wife Betsey Mann in the Oakwood Cemetery in Troy, New York, the town that calls itself "The Home of Uncle Sam."



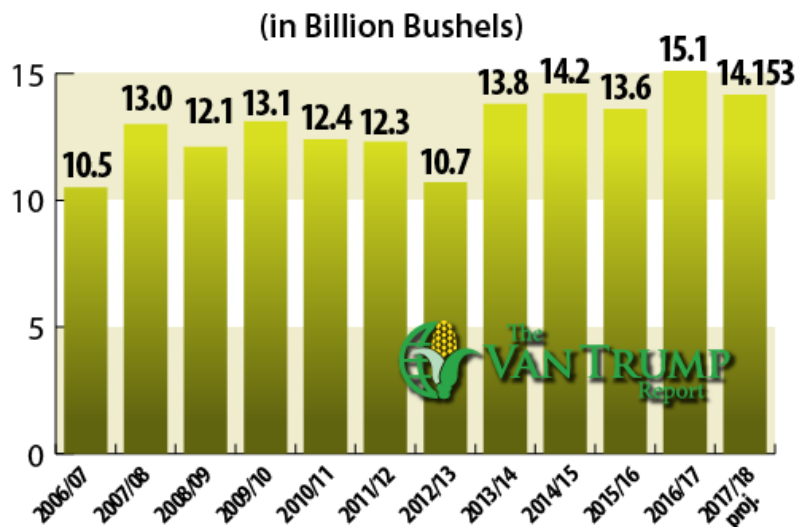
1940, The Blitz - 300 German bombers raid London, in the first of 57 consecutive nights of bombing. This bombing "blitzkrieg" (lightning war)

would continue until May 1941. After the successful occupation of France, it was only a matter of time before the Germans turned their sights across the Channel to

Corn traders have little new to trade in the headlines. I could certainly argue less than ideal conditions for some producers in portions of big producing states like Iowa and Illinois, and of course the Dakota's, but it feels like the market already has that baked into the price. Bulls argue that early yields out of southern Illinois are a bit of a disappointment, while the bears argue that day land yields and overall yields to the South were much larger than the market has forecast. Net-net, the market and most in the trade seem to be in agreement that the current USDA yield of 169.5 is a bit too optimistic. Most all of the talk seems to be circulating more in the 166 to 168 range. As for South America, the bulls are talking about fewer acres being planted in Brazil, but on the flip side more acres will probably be planted in Argentina, so no real game-changer. Technically, we still appear trapped in a trading range, with what looks to be stiffer resistance on the charts up between \$3.70 and \$3.90 per bushel. On the political front, we continue to hear talk of NAFTA renegotiations, but Mexico continues to purchase U.S. corn. In fact the latest data shows we exported almost 200 million bushels of corn to Mexico back in July. In other words, Mexico doesn't seem to be boycotting U.S. corn. There's really very little new to report. The USDA report on Tuesday is being highly anticipated and will set the stage through harvest. I suspect

little in the way of major price movement until then. Stay tuned... I will continue to monitor U.S. yield updates out of the fields.

U.S. Corn Production



Source: updated with August 10, 2017 WASDE data

Soybean bulls are hoping some of the recent weather extremes might make the current USDA yield estimate of 49.4 bushels per acre a bit overly optimistic, with a more probable number being more like 48.0 bushels per acre, which obviously makes the balance sheet much more interesting. I'm personally a little hesitant in taking on this ideology, as I was burnt thinking that way going into the last USDA report. Remember most all inside the trade were thinking the USDA was going to lower their yield from 48.0 bushels per acre, but instead they raised it to 49.4 bushels per acre. From my perspective, the weather from early-August to early-September, for the most part, has been awful cooperative. I guess our saving grace could be farmer-surveys and more accurate testing and analysis out of the fields. All I'm saying is, I felt extremely confident last month that the yield was going to be sup-48 bushels per acre based on weather heading into August being somewhat suspect. Since then the weather hasn't been horrific, in fact it's been an extremely mild-August, so it's hard to talk myself into again thinking the same way and expecting different results. Yes, I personally think the yield could be 48 bushels, but I also understand the market tends to trade the USDA estimate, not necessarily what private analyst think or believe to be true. As a producer, I will be using any bullish surprise in the next few sessions as a chance to reduce more longer-term risk. Despite starting to run into heavier technical resistance, I still think there's a chance we could pop to the upside on strong Chinese buying and some weather late-inning weather complications. Make sure you have price targets and strategies in place as the gains could evaporate more quickly than they appeared.

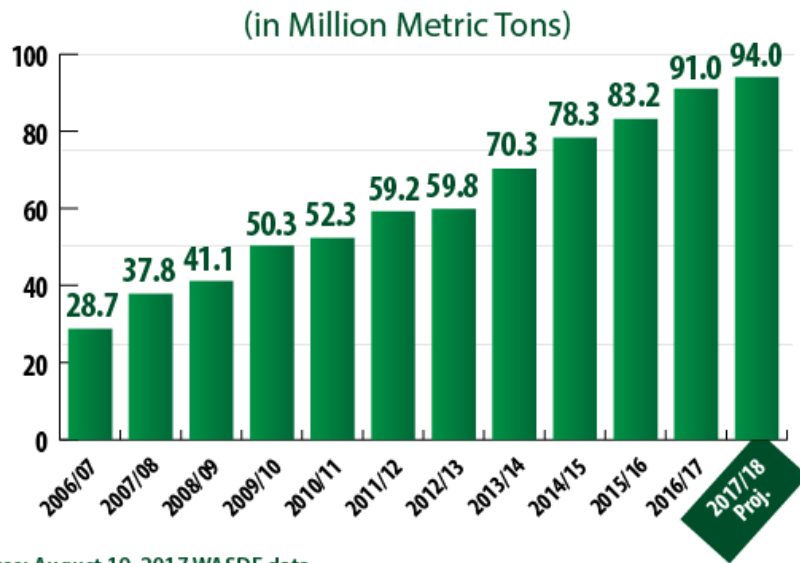
England. Hitler wanted a submissive, neutralized Britain so that he could concentrate on his plans for the East, namely the land invasion of the Soviet Union, without interference. Since June, English vessels in the Channel had been attacked and aerial battles had been fought over Britain, as Germany attempted to wear down the Royal Air Force in anticipation of a land invasion. But with Germany failing to cripple Britain's air power, especially in the Battle of Britain, Hitler changed strategies. A land invasion was now ruled out as unrealistic; instead Hitler chose sheer terror as his weapon of choice. British intelligence had had an inkling of the coming bombardment. Evidence of the large-scale movement of German barges in the Channel and the interrogation of German spies had led them to the correct conclusion-unfortunately, it was just as the London docks were suffering the onslaught of Day One of the Blitz. By the end of the day, German planes had dropped 337 tons of bombs on London. Even though civilian populations were not the primary target that day, the poorest of London slum areas-the East End-felt the fallout literally, from direct hits of errant bombs as well as the fires that broke out and spread throughout the vicinity. Four hundred and forty-eight civilians were killed that afternoon and evening. A little past 8 p.m., British military units were alerted with the code name "Cromwell," meaning the German invasion had begun.



1977, Panama Canal - President Jimmy Carter signs a treaty that will give Panama control over the Panama Canal beginning in the year 2000.

The treaty ended an agreement signed in 1904 between then-President Theodore Roosevelt and Panama, which gave the U.S. the right to build the canal and a renewable lease to control five miles of land along either side of it. In 1904, building a canal across Panama became a pet project of President Theodore Roosevelt; the effort was led by American engineer John Stevens. However, the project dragged on so long that Stevens quit in despair. In November 1906, in an attempt to boost flagging morale and dwindling Congressional support for the project, Roosevelt visited and posed for photographs at the site, sitting at the controls of an enormous earth-moving tractor. In 1914, after 10 years, Roosevelt's perseverance paid off; the 51-mile-long canal opened on August 15. The engineer who took over for Stevens quipped at the opening of the canal that "the real builder of the Panama Canal was Theodore Roosevelt." The canal facilitated increased passenger travel and cargo shipments between nations around the world and U.S. control over the canal helped guarantee America's status as an international power. Transfer of ownership of the Panama Canal occurred peacefully as planned on December 31, 1999.

Chinese Soybean Imports



Source: August 10, 2017 WASDE data

Wheat bulls continue to point towards weather problems in Australia and heavy rains in portions of Europe, as well as the fact lack of "quality" should become a more significant story-line in the months ahead. We also have dry conditions and low prices across many significant wheat growing areas here in the U.S., which continues to bring about talk of once again, fewer planted acres. The bears on the other hand continue to point towards record global supply and lack of export demand here in the U.S. associated with significant delays and closures at the southern ports due to complications from Hurricane Harvey. As both a spec and a bull I remain extremely patient and believe higher prices are ahead. Wheat seems to be somewhat of a follower for the moment, as the market is clearly paying more attention to other agricultural markets.



> China's Soybean Imports Expected To Hit Another Record High In 2017/18:

Lower government support to corn production continues to stimulate Chinese planting of oilseeds, primarily soybeans. As a result, marketing year (MY) 2017/18 soybean acreage is up by +9.8% compared to the previous year. The acreage expansion together with expected good yield supports a higher forecast for MY17/18 soybean production of 14.2 million metric tons (MMT) or a net growth of +1.3 MMT from the previous year. However, China's rising demand for oilseeds continues to outpace the growth in domestic oilseed production. Chinese imports of oilseeds are expected to grow to another record forecast of 92.5 MMT in MY17/18, up by +1.5 MMT over the previous year estimate. Chinese imports of U.S. soybeans were 35 MMT in MY16/17 and forecast to hold steady or grow slightly in MY17/18. Forecast economy growth of about +6.7% in 2017 and the ongoing modernization of China's domestic feed and livestock sectors continue to boost consumption of oilseed products. In addition, soybean meal use is also up partly due to a significant fall in imports of distiller's dried grains (DDGS) since January 2017. (Source: USDA)

> Brazil Soybean and Corn Production Seen Falling: Agroconsult has updated its productions for 2017/18 crop production in Brazil. The consultancy sees farmers planting approximately 864 million acres of soybeans, +3% more than this year. However, they project a drop in yields will see total output will fall to 111.1 million metric tons, down -4% year-on-year. For the country's first corn crop, total production is pegged at 26.1 million metric tons, -14% lower than 2016/17.

> Texas Cotton Growers In Harvey-Hit Areas Could Lose Half Their Crop: Areas of the state known as the Coastal Bend and Upper Gulf Coast, the Blacklands, and the Lower Rio Grande Valley all were hit by Harvey. The areas account for about 15 percent of the state's total cotton production each year, according to Texas A&M. It is the

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
- Thurs. 11/23** - Thanksgiving - Markets Closed

Kevin's Song of the Week



About the Report

second-largest cotton producing region in Texas, after the high and rolling plains, said Gene Hall, spokesman for the state's Farm Bureau. Growers were on track to harvest 2 million bales this season, but early reports from extension agents indicate they could lose one-fifth of that production. "Cotton producers were wrapping up what promised to be an exceptional harvest," Hall said, adding that any cotton left on the stalk or modules left in the field covered with tarps were all likely lost to the storm. "It was one of the worst times for a hurricane to hit." (Source: Politico)

> Delays To U.S. Wheat Exports Set To Persist: Disruptions and delays to U.S. wheat exports from Texas as a result of Hurricane Harvey will persist for days more, trade experts said on Tuesday after shipments were wiped out last week by flooded railroad tracks and closed ports. The storm came ashore on Aug. 25, closing export terminals that handle around a quarter of U.S. wheat shipments. Railroad tracks are still under water in Texas, according to Berkshire Hathaway Inc's BNSF Railway Co, the No. 2 U.S. railroad. Last week, BNSF and Union Pacific Corp suspended service in the flood-ravaged region, depriving exporters of fresh supplies of grain. In the week ending on Aug. 31, after the storm, federal inspectors did not check any wheat for export from Texas ports, according to the U.S. Department of Agriculture. The agency must inspect grain before it is exported. (Source: Reuters)

> Ukraine Grain Harvest Seen Higher: UkrAgroConsult raised its forecast for Ukraine's 2017/18 grain exports by 3.4 percent to 42.06 million metric tons underpinned by higher-than-expected harvest. The consultancy raised its grain harvest estimate to 63.2 million metric tons from 61.7 million a month ago citing a higher grain yield and larger harvested area, it said in a statement. (Source: Reuters)

> Canadian Canola Stocks Fall To Four-Year Low: Statistics Canada forecasts the country's canola stocks will drop by -36% to 1.35 million metric tons. This will be the lowest inventory level in four years. The data follows a strong period for Canadian exports, the world's biggest, which the International Grains Council pegs at a record 11.1 million metric tons over 2016/17. For wheat, StatsCan reports Canadian wheat inventories at the close of 2016/17 at 6.87 million metric tons - a +33% surge year on year, and ahead of the 6.0 million metric tons figure expected by investors.

> White House Gives Thumbs Up To Ag Spending Bill: The White House is backing the 2018 spending package the House is set to take up this week despite its lingering objections over funding for rural development and foreign food aid programs. In a Statement of Administration Policy released Tuesday evening, the White House said that if the legislation, H.R. 3354 (115), "were presented to the president in its current form, his advisers would recommend that he sign the bill into law." The measure includes funding for USDA, EPA and the Interior Department, among other agencies. (Source: Politico)

> U.S. Farmer Sentiment Down Slightly On Lower Commodity Prices: Farmer sentiment dropped 7 points in August as both grain and oilseed prices fell, according to the Purdue University/CME Group Ag Economy Barometer. While the barometer showed a decrease in optimism, the August reading of 132 is still stronger than a year ago when the index read 95. Since hitting a peak of 153 in January, the barometer's monthly readings have ranged from a low of 124 in March to a high of 139 in July. The change in sentiment primarily was driven by the Index of Current Conditions, which fell to 122 in August after reaching an all-time high of 142 in July. The Index of Future Expectations held fairly steady, dropping just 1 point from 138 in July to 137 in August. "Weakness in the Index of Current Conditions compared to July wasn't unexpected given the recent downtrend in grain and oilseed prices," said Jim Mintert, director of Purdue's Center for Commercial Agriculture and principal investigator for the barometer. Researchers also sought to understand the overall mood in the agricultural community. The August survey included a question that asked producers about their neighbors' sentiments regarding the current agricultural economy. Most - 71% - said that farmers in their areas were pessimistic. (Source: World Grain)

> Who's Leading The Autonomous Car Technology Race? When it comes to the race to develop autonomous vehicles, Google and its fellow tech companies have gotten a lot of publicity. But the tech giants may have a tough time beating out the traditional car makers and parts suppliers if a new study is any indication. The Cologne Institute for Economic Research identified and analyzed 5,839 related patents from the past seven years. As we can see in this chart from Statista, which is based on The Cologne Institute's data, traditional automakers and parts suppliers — led by a trio of German companies — are leaving Google and the rest of the tech industry in the dust. Far in front is Bosch, a longtime parts and systems supplier for the auto industry. That may seem surprising, but Bosch has been increasingly focusing on autonomous car technologies. It's even been working with some of its nominal rivals, developing the steering system for Google's prototype self-driving car and supplying driver assistance systems — things like automatic braking systems that are the precursors to self-driving cars — to Tesla. (Source: Business Insider)

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

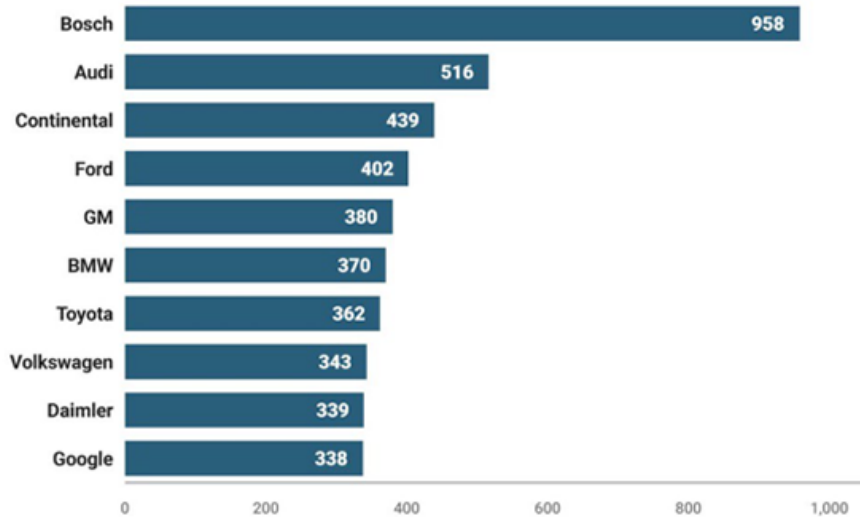
"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really

WHO LEADS THE AUTONOMOUS DRIVING PATENT RACE?

Number of worldwide patent filings related to autonomous driving (January 2010–July 2017)

WSJ: The Daily Shot

06-Sep-2017



SOURCE: Cologne Institute for Economic Research, WIPO

statista BUSINESS INSIDER

happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

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

[More Testimonials](#)

My Own Personal Truisms

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

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

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

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

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

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

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

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

FROM THE FIELD

Northern Illinois - This has been a challenging year for us in this part of the country, with highly variable ground. The rains after planting caused us to replant quite a few acres and some twice. We have a few fields that were a little stunted because of the excess moisture. We drove down through Illinois this past week and some of the crop is all over the board. There is some corn that has just pollinated. Here at home we are not that bad and looks like we will make a decent crop, just behind a couple of weeks. The corn is just starting to turn. The soybean plant looks good but many think that yields won't be there. The plant put on a good number of pods but now struggling a little to finish. I have seen plants that haven't filled well and others that have filled with very small beans. Overall, I don't think that the crop the USDA says is out there will be realized once the combines roll. Time will tell.

Southcentral Iowa - Things up here are really dry again. We did have 2.5 inches of rain about two weeks ago which was a savior for our beans. We will need some more before the harvest in order to max our yield at this point. We normally see 55bpa but I suspect it will be just around 50bpa best. The corn on our heavier soils will be fine at best but the thin soils won't be producing much of a crop this season. We have seen some dicamba issues around here and most guys think Monsanto didn't do all their homework on it. We have been experimenting with cover crops the last couple seasons and have planted some cereal rye again this year. It seems to be helping with weed control for sure. We use a lot of precision ag but believe there comes a point where it's just cost prohibitive.

Western Tennessee - We have just had rain for a couple of days and now waiting to get the combine going. I would imagine we will be able to get back in the field Thursday afternoon or Friday morning. Our crops look pretty good but if you drive only 30 miles away you will see some stuff that looks terrible. Up until this rain we were drying down in a good way. I think we will come out of the field below 20% moisture. We try to get to 15% to 17% on the moisture level which I think we will fairly quick. We are pretty happy that we do not have to dry things down in the bin. I think most of our fields will in the 200bpa range which we can make work. The beans have added a substantial amount of height the last few weeks. We may have a lodging problem as we begin to harvest. It looks like our double crop beans will be in the 50bpa range and the full season beans will have slightly higher yields.

CROSSING WIRES

A place to share intelligent thoughts...

Riders On The Storm: Texas, the top producer of beef in the United States, is home to 12.3 million cattle, 1.2 million of which live in the 54 counties declared disaster zones in the aftermath of Hurricane Harvey. In those regions, there are 4,710 ranchers who are part of the state's \$10.5 billion industry. Check out the New York Times' photo-filled feature on Texas cowboys that helped herd and rescue cattle via helicopter [HERE](#).

What's The Difference Between Successful People And Average Ones: A certain farmer had become old and ready to pass his farm down to one of his two sons. When he brought his sons together to speak about it, he told them: The farm will go to the younger son. The older son was furious! "What are you talking about?!" he fumed. The father sat patiently, thinking. "Okay," the father said, "I need you to do something for me. We need more stocks. Will you go to Cibi's farm and see if he has any cows for sale?" The older son shortly returned and reported, "Father, Cibi has 6 cows for sale." The father graciously thanked the older son for his work. He then turned to the younger son and said, "I need you to do something for me. We need more stocks. Will you go to Cibi's farm and see if he has any cows for sale?" Read more [HERE](#).

Right Track, Wrong Station: Trying to codify and organize things is really hard. Case in point: When Amazon tried to launch a cashier-free grocery store concept late last year, the company saw a lot of problems crop up when too many customers used the store at the same time. On a macro level, the railroad industry once faced similar problems with automatically tracking things—a problem they started working on 60 years ago, without the benefits of modern innovation. In fact, the industry actually created a lot of that innovation. To put it another way: Before the barcode hit the grocery store, it hit the tracks, and not in a way you might expect. Tedium takes a look at KarTrak, the unsuccessful idea that laid the tracks for a far-more-successful idea. Check it out [HERE](#).

How Your Favorite NFL Quarterback Ranks Heading Into The 2017 Season: Time to check out "For the Win's" ranking of all 32 NFL starting quarterbacks. These rankings are based entirely on film study, with each passer being graded on six attributes: Accuracy, arm strength, athleticism, pocket presence, field vision and pre-snap ability. Click [HERE](#) to see where your favorite QB ranks.

See How Your Spending Compares To The Average Joe's: Only one out of three Americans actually knows what their monthly budget is. Why is this important? If you always worry about making it to the next paycheck, then it is time to sit down and take a hard look at all your expenses. This can help you decide how much you can afford to spend on things you need to have—like housing and healthcare—and on things you want to have—like new clothes. To get an idea of what this looks like, cost estimating site How Much created a new visualization for the budget of the typical American making about \$75k per year. Their data came from the Bureau of Labor Statistics (BLS), which calculated an average overall income of \$74,664, which is up a significant +7.6% over last year. More importantly, although incomes are up 7.6%, spending increased only 2.4%. In an economy driven by consumerism, that's a recipe for slow growth. A larger version of the graphic and more details are available [HERE](#).

Farm Direction
RECIPES

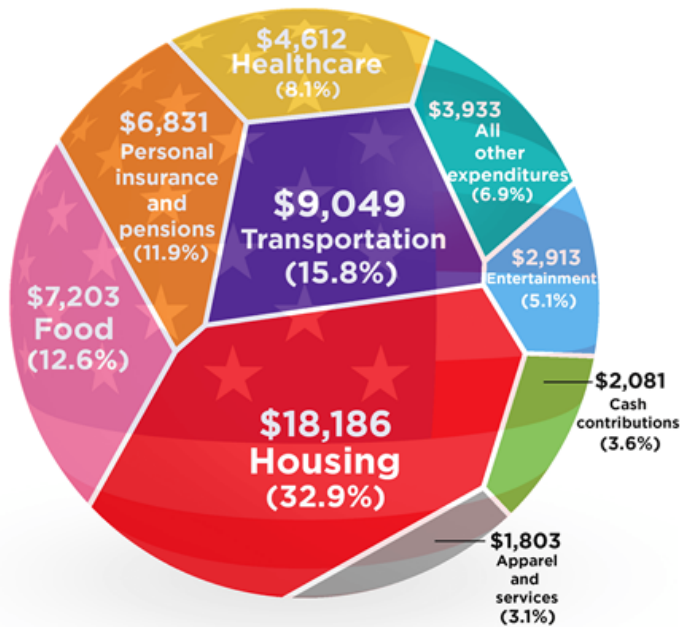
★ **FAMILY** ★
FAVORITES
-SENT IN BY OUR READERS-



**Strawberry
Pretzel Salad**

CLICK TO SEE RECIPE

How Americans Spend Their Money



Average income before taxes = \$74,664

Article and sources:

<https://howmuch.net/articles/how-americans-spend-their-money-2016>

<https://www.bls.gov/news.release/pdf/cesan.pdf>

Average Annual Expenditures = \$57,311

howmuch.net



Stinkbugs On the Move and Plaguing Soybean Farmers to the South

The South's nastiest soybean pest has been marching north, and producers in Mississippi and Arkansas have faced their worst infestation ever. Two warm winters followed by this year's warm spring have let invasive red-banded stinkbugs spread well beyond south Louisiana, where they've been prevalent since 2000. From what I am hearing, the situation has been much worse than 2009, the last time the insects were a big problem in the Delta. According to anecdotal stories circulating farmers have had to stop harvesting in areas as so many bugs were getting into the combine the grain elevators were rejecting the loads as contaminated with foreign matter. Louisiana State University AgCenter said the 2009 infestation didn't continue into 2010 because a cold winter and spring killed many of the bugs, which are neotropical critters from South America. Arkansas is the mid-South's biggest producer, with 3.5 million acres of the beans. Mississippi has more than 2 million acres, Louisiana 1.3 million. Texas plants about 200,000 acres a year. Farmers are finding normal to above normal numbers of red-banded stink bugs west of Houston, but nothing like the infestations in Arkansas and Mississippi. There's also the worry that more bugs could be pushed further north as the heavy rains and storms in Texas force them to find new homes. Red-banded stink bugs are about half the size of the common stink bugs in Arkansas Soybeans, but they can do more damage than their native cousins. They can pierce deeper into seeds and into the pod walls of soybeans and they seem to have more aggressive enzymes in their saliva as well. They also out-reproduce native stink bugs. Experts recommend applying pesticide if 25 sweeps with a heavy canvas net bring up four red-banded stink bugs, compared to nine for the native stink bugs. I am hearing they love late-planted soybeans or soybeans planted behind wheat. Arkansas and Mississippi extension agents reported they were getting so many calls that they called an emergency forum back on August 17 to teach farmers and consultants how to deal with the pests. If you would like to read more about the Red-banded stink bug, the University of Arkansas put together a good write-up on the pest [HERE](#).



What You Need To Know About Flood Insurance

Hurricane Harvey and now Hurricane Irma have brought to the forefront a looming issue that many Americans may not have given much thought to - the national flood insurance program. Tens of thousands of homes in Houston have been damaged by Harvey and it's coming to light that most of them don't have flood insurance. Something many consumers may not realize is that most home insurance policies do NOT cover flooding damage in any way. That is extended through National Flood Insurance Program, which is administered by the Federal Emergency Management Agency. The only homes required to purchase it are those that have a government backed loan and live in a "high-risk" area. Most homeowners, given they have the option, choose not to obtain a policy. The majority of the Houston area is not considered at "high risk" for flooding. Consequently, it's estimated that only about 20% of the city's residents have coverage. Houston homeowners that suffered damage have a couple of options, but they are not ideal. First, they can apply for federal disaster aid. Typically, these grants cover only about \$5,000 though. To cover anything beyond that, the government offers low-interest loans. That means even more debt on top of any existing mortgage. Obviously, Harvey is going to result in some massive financial burdens for a lot of people. Amid all of this, the National Flood Insurance Program (NFIP) is set to expire on September 30. For those not familiar with the program, it was created in 1968 to fill the need for flood insurance after private insurers left the market. Flood insurance was regularly included in homeowner insurance policy's before the 1950s. After several large losses, companies began selling it as a separate policy. Even then, claim costs proved to be so high that private companies dumped the coverage altogether. Now, via the NFIP, homeowners can purchase flood insurance from the U.S. government. The premiums the program collects have remained far below what annual payouts end up being, however. NFIP owes approximately \$24 billion to the U.S. Treasury, a debt no one in the government expects will ever be paid. So as Congress returns from their August break, they have to decide whether to reauthorize the program or find a way to restructure it in a way that will stop costing tax payers so much money. Experts believe the latter will mean some steep premium hikes that consumers may simply not be able to afford. There are other criticisms of the program too, such as whether the government should be subsidizing coastal homes that have repeatedly flooded over the decades. Congress has until the 30th to sort it out. After that point no new policies can be written. Another big issue is the \$30 billion borrowing limit that's been placed on the program. Harvey's toll is no doubt going to put the program at risk of exceeding that quite quickly. Bottom-line, you might want to call your agent and check to see if you have coverage. (Sources: Chicago Tribune, Washington Post)



The NFL Season Officially Begins Tonight

The 98th NFL season official gets underway tonight with the annual kickoff game featuring the defending Super Bowl 51 champion New England Patriots hosting the Kansas City Chiefs. Tom Brady will be entering his 18th season and Patriots fans will be celebrating in style as the team unveils yet another Championship banner. My hometown Chiefs have a good defense returning, but this might be a tough test... The Chiefs are 22-4 in their last 26 regular-season games and are tied for the third-most victories in the last three year. Unfortunately, since 2007, Brady has gone 52-1 at home against AFC teams in the regular season. Not to mention, the Patriots, who will be hosting the NFL kickoff game for the fourth time Thursday, are 3-0 in Thursday openers. The game will be shown on NBC at 7:30pm CST. The NFL season will conclude with Super Bowl 52, on Sunday, February 4, 2018, at U.S. Bank Stadium in Minneapolis, Minnesota. Below are some interesting facts about the upcoming season:



Atlanta Falcons will play their first season at Mercedes-Benz Stadium, after playing in the Georgia Dome for the previous 25 seasons.

Tampa Bay Bucs vs. Miami Dolphins week one game will be postponed until November 19th (week11) due to Hurricane Irma.

San Diego Chargers are now the Los Angeles Chargers and will be plying their games in a 30,000-seat soccer stadium as a home field -- intimate or idiotic? We're about to find out. This is the smallest venue (in terms of number of seats) the league has used for a full season since 1956.

Eventually both the Chargers and the Rams will share Stan Kroenke's planned football palace in Inglewood, California.

Oakland Raiders will be just that for at least two more seasons before heading to Las Vegas

Dallas Cowboy superstar running-back Ezekiel Elliott is suspended for six games for violating the league's personal conduct policy but will be allowed to play week one following a judges request for more time to make his ruling.

Derek Carr became the first \$25 million-per-year player in June with a blockbuster contract extension. The Packers made Aaron Rodgers the highest-paid player in the league in 2013 when they signed him to his current contract of \$22 million.

Players With New Homes: Adrian Peterson is in New Orleans; Marshawn Lynch is with his hometown Raiders; Jay Cutler is Quarterbacking the Miami Dolphins; Jamal Charles is now a Denver Bronco;

Colin Kaepernick will be taking a knee at home this season as no teams have signed the protestor. I feel horrible...

The Youngest Coach: After the Los Angeles Rams fired head Coach Jeff Fisher and then replacement John Fassel, they named Washington Redskins Offensive Coordinator Sean McVay their new Head Coach. Sean McVay is the grandson of former San Francisco 49ers GM John McVay. At the time of his hiring, McVay was age 30, making him the youngest person to ever become a head coach.

San Francisco 49ers Head Coach Chip Kelly was fired after a horrible performance (2-14 record), he is being replaced by Kyle Shanahan, who most recently served as the Atlanta Falcons' offensive coordinator. Lets also keep in mind former player John Lynch was named the general manager of the San Francisco 49ers; it is Lynch's first front office position. Could be interesting in San Fran...

The Watt Brothers: J.J. Watt is back and his brother, T.J. Watt, looks like he will be an immediate pass-rushing force for the Steelers.

The Ryan Brothers: Ryan was fired with one week remaining in the 2016 regular season and a 15-16 record with no playoff appearances in two seasons. His twin brother, assistant head coach Rob Ryan, was also dismissed. Ryan signed on as a commentator for ESPN, replacing Trent Dilfer. Sean McDermott is now the Bills Head Coach.

Denver Bronco's New Coach: Gary Kubiak stepped down after two seasons due to health concerns, with a victory in Super Bowl 50 and a 24-10 record, including postseason games. Vance Joseph, who spent the previous season as the Miami Dolphins' defensive coordinator, was hired as the new Head Coach.

Rule Changes: Supposed the NFL is loosening the celebration penalties; Overtime will last just 10 minutes instead of 15; Defensive players are now prohibited from running toward the line of scrimmage and leaping or hurdling over offensive linemen on field goal or PAT attempts, similar to a change made in college football for the 2017 season. Previously this action was permitted as long as the leaper/hurdler did not land on other players; Centralized Replay Review, meaning the final say on replay reviews and challenges now belongs to senior vice president of officiating Dean Blandino and his supervisory crew, who will work from the league's New York command center. Referees will participate in the conversation via wireless headsets and a video tablet rather than the previous sideline "hood." This will help will maximize consistency and efficiency.

Games Getting Closer: Last season, 57 percent of games were decided by eight or fewer points, the highest figure ever in an NFL season. The average margin of victory was 10.23 points, the lowest mark since 1935.

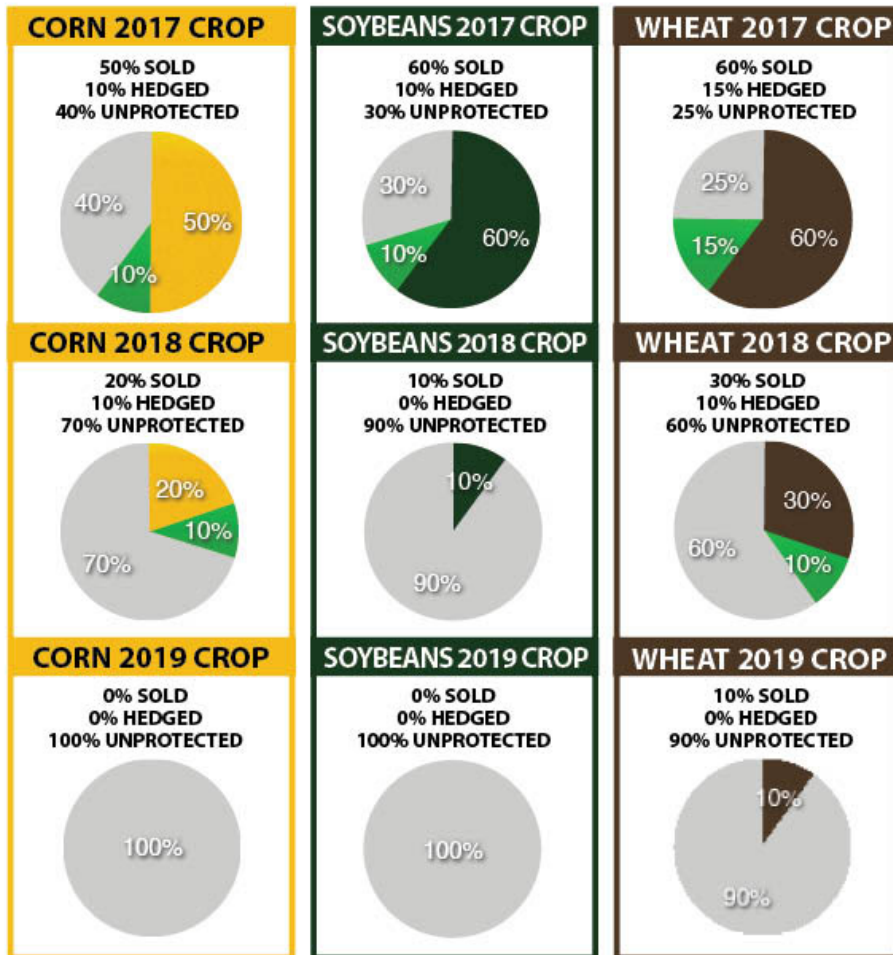
Retiring: Tony Romo takes his first steps away from the field and into the broadcast booth. Other players retiring after last year... Anquan Boldin, Brandon Flowers, A.J. Hawk, Andre Johnson, Jake Long, Steve Smith, Michael Vick, DeMarcus Ware, Vince Wilfork, Roddy White

Current Vegas Odds For Winning The Super Bowl

New England Patriots	11-4
Green Bay Packers	8-1
Oakland Raiders	8-1

Seattle Seahawks	8-1
Pittsburgh Steelers	10-1
Dallas Cowboys	12-1
New York Giant	12-1
Atlanta Falcons	16-1
Tennessee Titans	20-1
Kansas City Chiefs	25-1
New Orleans Saints	25-1
Carolina Panthers	30-1
Arizona Cardinals	40-1
Denver Broncos	40-1
Minnesota Vikings	40-1
Tampa Bay Bucs	40-1
Houston Texans	40-1
Philadelphia Eagles	40-1
Baltimore Ravens	50-1
Los Angeles Chargers	60-1
Cincinnati Bengals	80-1
Indianapolis Colts	100-1
Detroit Lions	100-1
Washington Redskins	100-1
Los Angeles Rams	100-1
Miami Dolphins	100-1
Jacksonville Jaguars	100-1
Chicago Bears	100-1
San Francisco 49ers	100-1
Cleveland Browns	100-1
Buffalo Bills	200-1
New York Jets	1000-1

CASH SALES & HEDGING TOTALS



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