

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

1 message

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Mon, Sep 11, 2017 at 7:00 AM



"Amateurs stop when they get hit with the first setback. Professionals know setbacks come from being in the arena and not on the sidelines." - Shane Parrish

MONDAY, SEPTEMBER 11, 2017

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Morning Summary: Stocks are higher as investors are a bit relieved that three extremely dangerous "wild-pitches" are partial dodged. The first is the fact hurricane Irma could have been much worse. Though extremely devastating, the storm didn't deliver to it's full capacity. Yes, the Florida Keys were ravaged and millions in the state are left without power and fuel, but many believe it could have been much worse. I should note that some areas of Florida will be left without power for weeks. Also keep in mind that ports critical to supplying the state with gasoline and diesel are also closed. Bottom-line, damage could have been much worse with a storm of such record size. Investors are also happy to have made it through the weekend with no new missile tests or military conflicts involving North Korea. The third wild-pitch avoided, was in Washington, as both the debt ceiling and spending limits concerns have been kicked further down the road. President Trump has vowed to work with Democrats in December to help pass longer-term measures to deal with the problems. There is no major economic data on the calendar for today and the entire week is fairly light. There will also be very little Fed rhetoric as the central bankers enter the "black out" period before next week's two-day policy meeting. Globally, traders are waiting for more details from Chinese officials as to whether rumors they are banning all digital currency exchanges is indeed true. Some insiders think that China's crackdown could be just the tip of the iceberg and more global central banks will soon be following suit. It's also worth noting that on Thursday Russia is slated to begin military exercises with Belarus. Tensions in Eastern Europe are high due to the close proximity, which will bring Russian and Belarusian troops near the borders of Lithuania, Latvia and Estonia. All three Baltic states, which were once part of the Soviet Union, have expressed fears that Russia could try to annex them like it did Crimea in 2014. NATO is also on high alert and has accused the Kremlin of blocking the alliance from properly observing as Russia mobilizes some 100,000 Russian troops on the EU's eastern borders.

Bulls Pointing Towards Improved Global Growth & Higher Stock Prices:

Signs of stronger economic growth are booming more widespread. Global industrial production was growing by less than 2% on a year-ago basis, but strengthened to +3.6% growth rate this summer. Here in the U.S., the collapse in energy prices and strength of the U.S. dollar created major economic headwinds in 2016. Not only did investment spending in the energy sector slow dramatically, but U.S. exports were also curtailed due to the strength of the dollar. Those hurdles now seem to be behind us. We've also seen the world's second largest economy, China, loosen economic policy and stimulate growth. The Japanese economy has expanded for the sixth straight quarter, it's longest streak in over a decade. Eurozone GDP has recently shown it's strongest year-over-year growth rate in more than six years. The Canadian economy, though slumping dramatically in 2015 and 2016, seems to be rebounding back a bit. Recessions in both Russia and Brazil also seem to be weakening. In fact Brazil recently posted its second consecutive positive quarter for GDP. Inflation has also started to slow for both Brazil and Russia. Bottom-line, not only has the economy continued to improve here in the U.S. but also amongst some of the world's other leading nations. Certainly we are not seeing growth like we were prior to the crash of 2008, but we are seeing slow gains. I suspect a major military conflict with North Korea or geopolitical conflict involving Russia or China could obviously upset the current path of growth. Continue to pay close attention...

Cleveland Indians Win 18 Games In A Row; Second-Longest Streak In Baseball Over Last 50 Years: The Indians had already set a new franchise

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record by winning 15 games in a row. Their current 18-game winning streak is also the second-longest in baseball over the last 50 years -- behind only the 20-game stretch authored by the 2003 Oakland Athletics; 16 straight wins by the 1977 Kansas City Royals; 15 wins by the 1991 Minnesota Twins, 2000 Atlanta Braves, 2001 Seattle Mariners.

China Is Reportedly Shutting Down Cryptocurrency Exchanges: Regulators in China are said to be considering a move to close all domestic bitcoin and cryptocurrency exchanges. According to a report from business media Caixin, sources close to China's internet financial risk rectification work group, have said the decision has not only been reached, but delivered and deployed to local authorities. Such a move, if true, may further tighten the regulation in China regarding cryptocurrency activities, as by aiming at major exchanges, it may put restrictions on how bitcoin and ether can be traded for traditional currency in the country. Bitcoin's price fell 7 percent midafternoon Friday after the news, according to Coindesk market data. Last Monday, Chinese regulators announced a ban on organizations from raising funds using initial coin offerings (ICOs), which sparked a \$200 decline in the price of bitcoin. Cryptocurrencies aren't going to be banned per se, just exchanges. But that brings up an important question - do bitcoins have value in China if you can't exchange them? This isn't the first time China is banning exchanges. Back in 2013, bitcoin dropped more than 50 percent as the government asked BTCChina to stop accepting deposits in Chinese yuan. The government changed its mind later on. (Sources: TechCrunch, Reuters)

Interesting Hurricane Thoughts: The president of the New York Federal Reserve said the devastation caused by Hurricanes Harvey and Irma could boost the U.S. economy in 2018 because of the rebuilding efforts that will have to take place. "The long-run effect of these disasters, unfortunately, is it actually lifts economic activity because you have to rebuild all the things that have been damaged by the storms," William Dudley said in an interview with CNBC. Below are some additional facts and figures regarding Irma:

Extreme Winds: Irma had sustained winds of 185 mph for 37 hours, the longest any tropical cyclone around the world has maintained that intensity. The previous record was 24 hours, during Super Typhoon Haiyan in the northwest Pacific in 2013. When the entire Atlantic Basin is included, Irma is tied with the Florida Keys / Labor Day hurricane (1935), Gilbert (1988) and Wilma (2005) for second-highest winds on record. Only Hurricane Allen had greater winds of 190 mph in 1980. Irma was a Category 5 hurricane for three full days. This ties it with Allen for 2nd-most time as a Category 5, trailing only the 1932 "Cuba" hurricane (3.25 days). (Source: [USAToday](#))

Energy Generated: Accumulated cyclone energy, or ACE, is a way of measuring a hurricane by adding up the wind energy used by a tropical system over its lifetime. Irma generated the most ACE (44.2 units) by a tropical cyclone on record in the tropical Atlantic and also the most in a 24-hour period on record, breaking the old record set by Allen (1980). It also generated more ACE than the first eight named storms of this Atlantic hurricane season (Arlene-Harvey) combined. (Source: [USAToday](#))

Cost of Damage: Estimates of Harvey's cost vary, with some predicting that the storm would be the most expensive in U.S. history at over \$190 billion, surpassing Hurricane Katrina. Others are predict the cost of Irma will be closer to that of Hurricane Andrew, at around \$40-50 billion. (Source: [FiveThirtyEight](#))

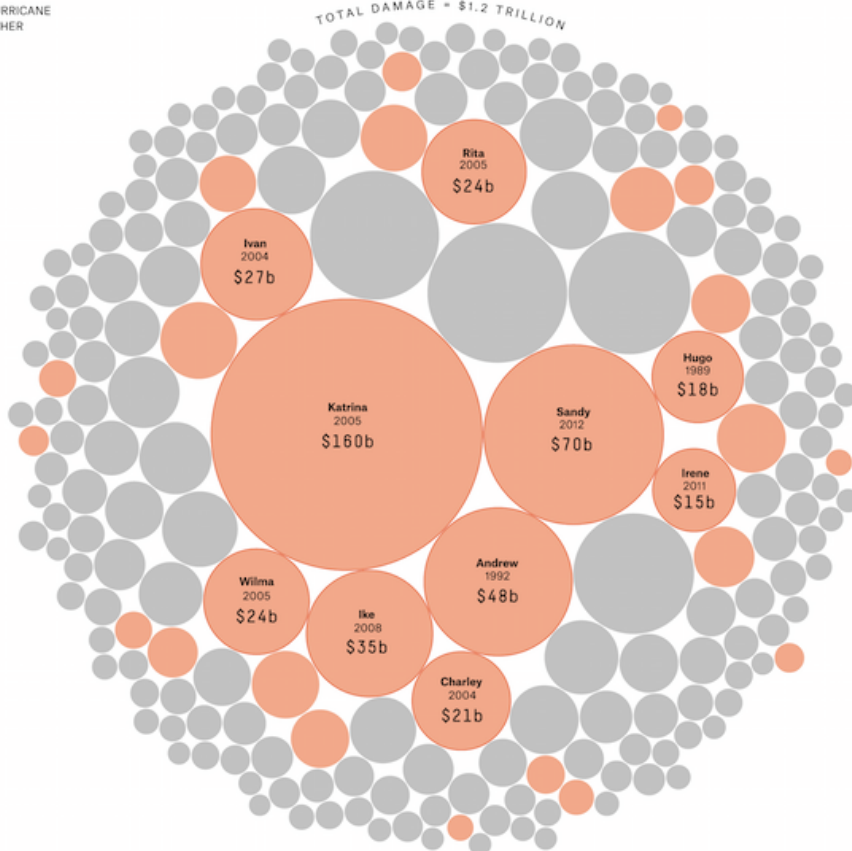
Here are a few of this year's early sponsors



The economic impact of major recent disasters

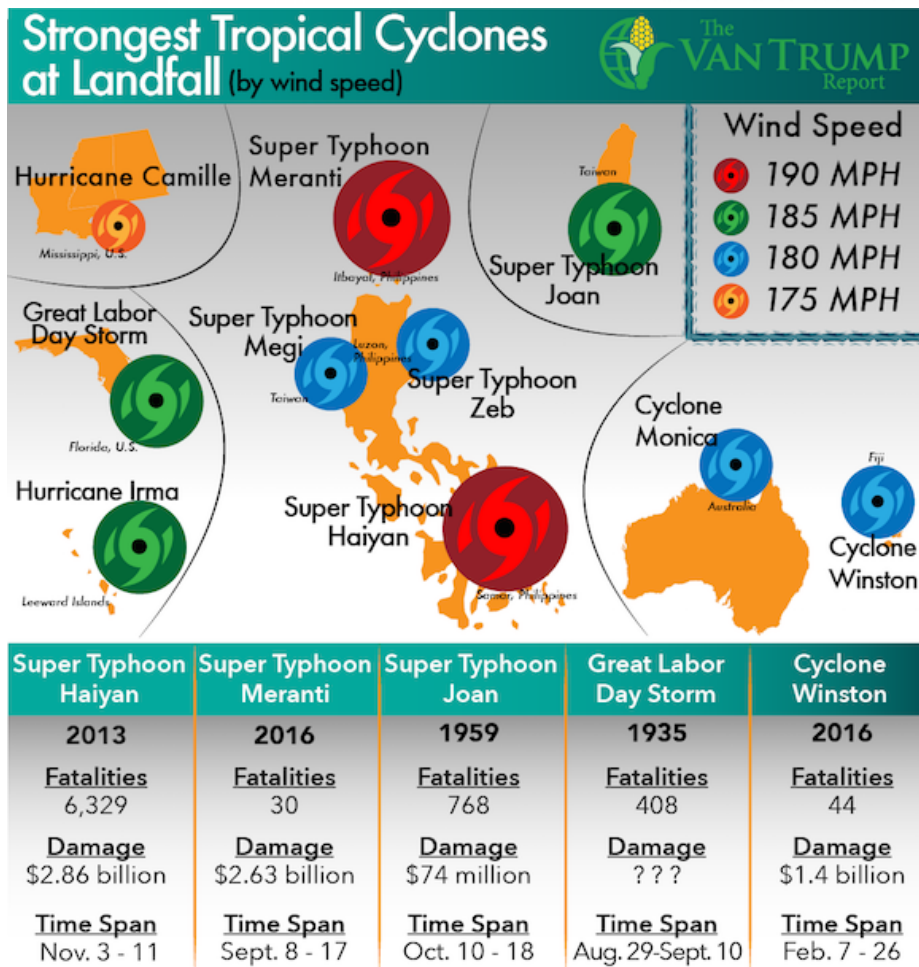
Losses from 212 weather and climate events from 1980 through July 7, 2017, that caused at least \$1 billion in damage. Values are in 2017 dollars.

■ HURRICANE
■ OTHER



FiveThirtyEight

SOURCE: NOAA'S NATIONAL CENTERS FOR ENVIRONMENTAL INFORMATION



Today In History



1851, Civil War - In Christiana, Pennsylvania, a group of African Americans and white abolitionists skirmish with a Maryland posse intent

on capturing four fugitive slaves hidden in the town. The violence came one year after the second fugitive slave law was passed by Congress, requiring the return of all escaped slaves to their owners in the South. One member of the posse, landowner Edward Gorsuch, was killed and two others wounded during the fight. In the aftermath of the so-called Christiana Riot, 37 African Americans and one white man were arrested and charged with treason under the provisions of the Fugitive Slave Law. Most were acquitted. In February 1793, Congress passed the first fugitive slave law, requiring all states, including those that forbade slavery, to forcibly return slaves who had escaped from other states to their original owners. The law stated that "no person held to service of labor in one state, under the laws thereof, escaping into another, shall, in consequence of any law or regulation therein, be discharged from such service or labor, but shall be delivered up on claim of the party to whom such service or labor may be due." As Northern states abolished slavery, most relaxed enforcement of the 1793 law, and many passed laws ensuring fugitive slaves a jury trial. Several Northern states even enacted measures prohibiting state officials from aiding in the capture of runaway slaves or from jailing the fugitives. This disregard of the first fugitive slave law enraged Southern states and led to the passage of a second fugitive slave law as part of the "Compromise of 1850" between North and South. The second fugitive slave law called for the return of slaves "on pain of heavy penalty" but permitted a jury trial under the condition that fugitives be prohibited from testifying in their own defense. Fugitive slave trials like the Dred Scott case of 1857 stirred up public opinion on both sides of the Mason-Dixon Line. Meanwhile, fugitive slaves circumvented the law through the "Underground Railroad," a network of persons, primarily free African Americans, who helped fugitives escape to freedom in the Northern states or Canada.

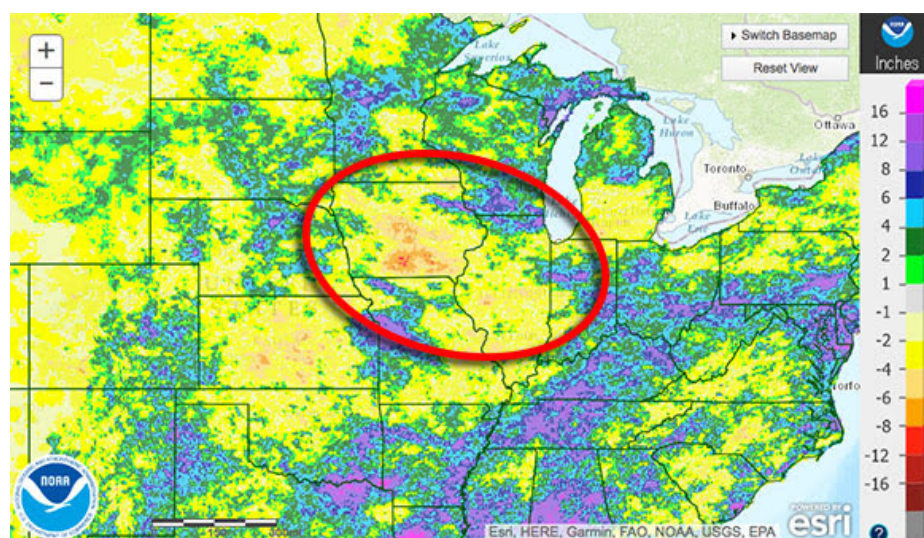
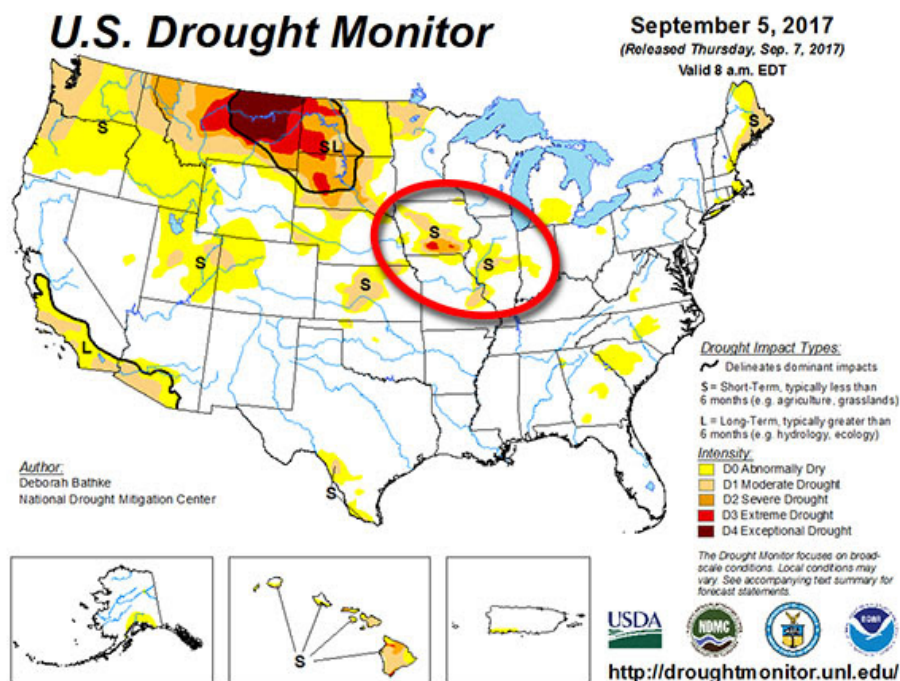


1921, Fatty Arbuckle - Fatty Arbuckle, a silent-film era performer at the height of his fame, is arrested in San Francisco for the rape and murder of aspiring actress Virginia Rappe. Arbuckle was later acquitted by a jury,

Sources:

<https://www.mercycorps.org/articles/philippines/quick-facts-what-you-need-know-about-super-typhoon-haiyan> | <https://www.wunderground.com/>
<http://weather.com/storms/hurricane/news/tropical-cyclone-hits-by-country-typhoon-hurricane> | <http://www.sun-sentinel.com/news/di-1935-hurricane-story.html>
<http://www.cnn.com/2016/02/22/asia/ty-tropical-cyclone-winston/index.html> | <https://weather.com/news/news/super-typhoon-meranti-impacts>

Weather continues to center around Hurricane Irma and the chaos it's unleashing on the Southeast. However, while the weather has been completely chaotic over the past few weeks, significant dryness has been occurring over the past 60 days for much of the central and western crop areas. According to the latest U.S. Drought Monitor, dryness continued across a swath of the central Midwest, leaving locations in Iowa with deficits of about 4 to 10 inches over the last 90 days. Streamflow and soil moisture continue to fall well below normal and satellite vegetation indicators depict the stress on vegetation. Accordingly, Iowa saw small expansions in moderate and severe drought in the south, abnormally dry conditions in the east-central region, and abnormally dry conditions and moderate drought in the northeast. Below is the latest Drought Monitor depicting the expanding drought in Iowa. Below that is a map showing precipitation deficits over the past 90 days.



Corn prices remain in a narrow range ahead of tomorrow's highly anticipated USDA report. The managed funds are "short" this market, and some argue they may look to cover a few positions today ahead of the USDA data. Most inside the trade seem to be looking for the USDA to slightly reduce U.S. production and at the same time bump U.S. demand a hair higher. Meaning the balance sheet should tighten, but U.S. ending stocks probably still remain over +2.0 billion bushels, which most everyone considers adequate and somewhat burdensome supply. In other words, despite what could be potential bullish adjustments to both "supply" and "demand" estimates, the trade may continue to hold onto its bearish demeanor. Most of the yield estimates we've been hearing from

but the scandal essentially put an end to his career. Roscoe Conkling Arbuckle was born on March 24, 1887, in Smith Center, Kansas. He worked as a vaudeville performer and starting in 1913, began appearing in Mack Sennett's Keystone Cops comedies. Arbuckle became known for his comedic pratfalls and pie-throwing. In 1917, Arbuckle formed his own company and began writing and directing films, many of which starred his friend and fellow comedian Buster Keaton. In 1919, the heavy-set actor signed a \$1 million per year deal with Paramount Pictures, an extraordinary sum for the time. In early September 1921, Arbuckle went to San Francisco with two male friends for a short vacation and checked into the St. Francis Hotel. The men hosted a party in their suite, during which a guest named Virginia Rappe, who had been drinking, became ill. Rappe, who was in her twenties, died several days later from peritonitis caused by a ruptured bladder. Maude Delmont, another guest at the party, claimed Arbuckle had raped Rappe and injured her bladder. Arbuckle's arrest on September 11 by the San Francisco police soon generated a massive scandal. Arbuckle maintained his innocence, but he was lambasted in the press. The public, not used to Hollywood scandal, boycotted his films. The politically ambitious San Francisco district attorney was determined to prosecute Arbuckle, even though Delmont turned out to be a questionable witness, with a criminal record of her own. Several other witnesses would later claim the prosecution had intimidated them into giving false testimony. After two mistrials, the jury in Arbuckle's third trial found him not guilty and even issued him an apology. Despite this favorable outcome for Arbuckle, the U.S. film industry nevertheless temporarily banned him. He subsequently attempted a comeback and even directed several films under the pseudonym William B. Goodrich, but his career never fully recovered and he struggled with alcoholism. Arbuckle died of heart failure at age 46 on June 29, 1933, in New York City.



1985, Pete Rose - Cincinnati Reds player-manager Pete Rose gets the 4,192nd hit of his career, breaking Ty Cobb's major league record for career hits. Rose was a folk hero in Cincinnati, a hometown talent known as "Charlie Hustle" for his relentless work ethic. Pete Rose was just 5 feet 10 inches tall and 140 pounds when he graduated from Cincinnati's Western Hills High School. Despite his slight build, the switch-hitter was drafted by the Reds in 1960. Determined to improve after an unremarkable debut season in the minors, Rose committed to an intense weight-lifting regimen, long before such training became de rigueur in baseball. By the time he reached the majors, Rose was 5' 11" and 205 pounds of muscle, with 27-inch thighs. In 1963, he hit .273 and scored 101 runs and was named Rookie

down South seem better than most had been anticipating. Obviously there's some disappointing pockets of production, especially across the Dakota's and the I states (Illinois, Indiana and Iowa), but the trade is also hearing of some very good pockets of production. This is allowing the bears to stay short and continue to argue that U.S. supplies will remain burdensome well into 2018. Bears are also talking about early farm surveys showing intentions to plant more U.S. corn acres next year as producers rotate from record soybean acres. Many bears I speak with also believe there is more meat on the bone. Telling me that 2017 corn prices might ultimately test the \$3.01 low set back in late-September of 2016. On the flip side, bulls continue to argue that the crop is a bit worse than most are forecasting. Early weather complications and dry conditions have taken the top-end off production in many important growing regions. Bulls also argue that forecasts for big crops in years with burdensome supply tend to bottom early, insinuating the worst is already behind us. I wish it were that simple and that easy to predict. As a producer, I'm keeping all hedges in place and staying extremely patient. As a spec, I want to be a longer-term bull, but believe there is more downside risk into late-September or perhaps early-October. Keep your eye on tomorrow's updated yield estimate and export forecast.

of the Year. Rose went on to hit .312 in 1965, and then over .300 in 15 of the next 17 seasons, leading the National League in hitting three times. On "The Big Red Machine," as the impressive Reds teams of the 1970s were called, Rose was the spark plug, leading the team to back-to-back World Series victories in 1975 and 1976. Rose signed with the Philadelphia Phillies as a free agent in 1979, then led the Phillies to the first World Series championship in their 97-year history in 1980. On August 10, 1981, Rose broke Stan Musial's career record for hits as a National Leaguer when he collected his 3,631st hit. In 1984, Rose returned to the Reds after a stint with the Montreal Expos. On September 8, 1985, he tied Cobb's 57-year-old record for career hits (4,191) with two hits against the Chicago Cubs. Three days later on September 11, Rose came to the plate in the first inning of a game against the San Diego Padres in front of a home crowd at Cincinnati's Riverfront Stadium. Rose watched the first pitch to gauge pitcher Eric Show's speed, fouled off the second pitch and then laid off the third pitch. With the count at 2-1, Rose lined a hanging slider into left-center field for a single. The Reds rushed out of the dugout to surround the new hits king and Rose's longtime teammate Tony Perez lifted him in the air in celebration. The Cincinnati crowd of 47,237 stood and applauded for a full seven minutes as their hometown hero wiped tears from his eyes. (Show started to take warm-up tosses with the catcher during the tribute, and then sat down on the mound to wait, a move many in baseball found in appropriate.) Pete Rose retired as a player during the 1986 season, but remained in his position as Reds manager until August 24, 1989, when he was banned from baseball for life for gambling on Reds games.

Upcoming Events

Tues. 9/12 - USDA Supply and Demand

Tues.-Wed. 9/19-20 - FOMC Meeting

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

Wed. 10/11 - Minutes From 9/20 FOMC Meeting Released

Fri. 10/20 - Cattle on Feed

Mon. 10/23 - Cold Storage

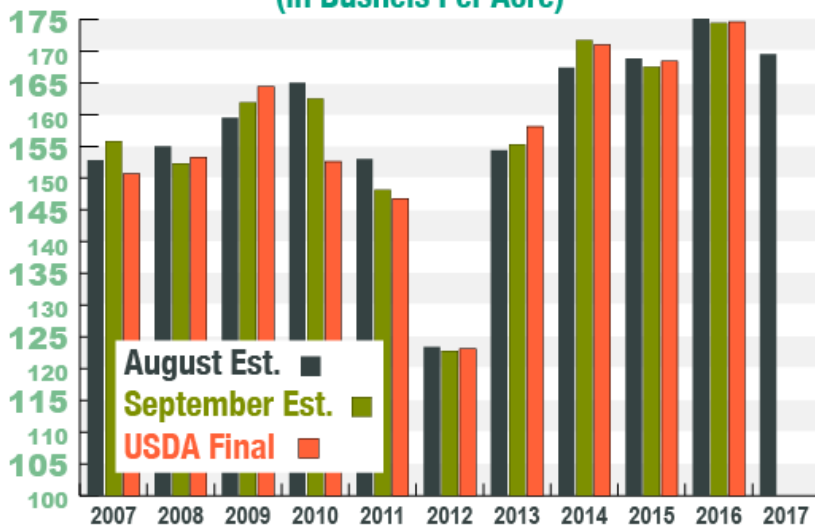
Tues.-Wed. 10/31-11/1 - FOMC Meeting

Mon. 11/5 - Daylight Saving Time Ends

Thurs. 11/9 - USDA Supply and Demand

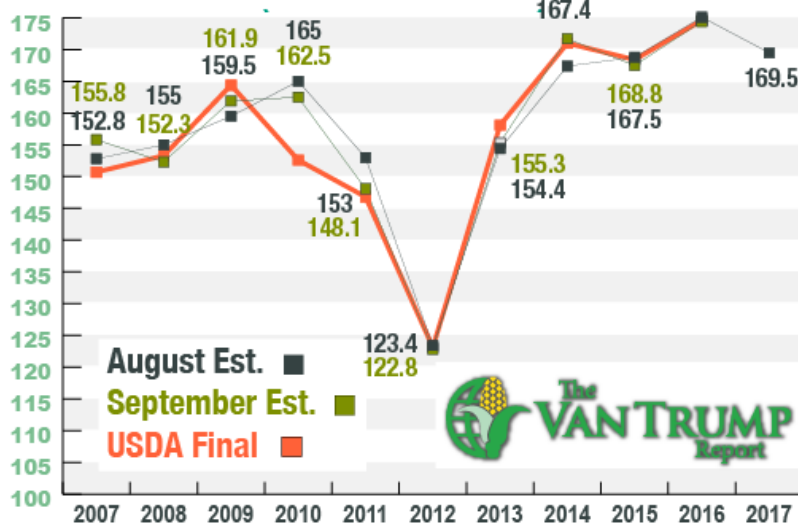
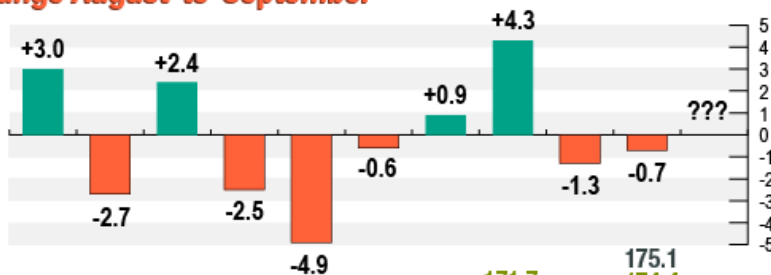
Comparing USDA Corn Yield Estimates August to September

(in Bushels Per Acre)



Aug. Est.	152.8	155	159.5	165	153	123.4	154.4	167.4	168.8	175.1	169.5
Sep. Est.	155.8	152.3	161.9	162.5	148.1	122.8	155.3	171.7	167.5	174.4	
Final USDA	150.7	153.3	164.4	152.6	146.8	123.1	158.1	171.0	168.4	174.6	

Change August-to-September

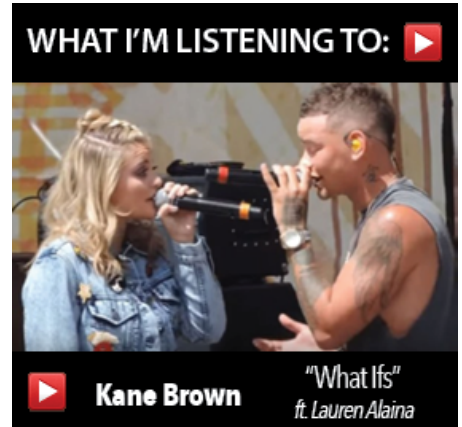


Wed. 11/22 - Minutes From 11/1 FOMC Meeting Released

Thurs. 11/23 - Thanksgiving - Markets Closed

Tues.-Wed. 12/12-12/13 - FOMC Meeting

Kevin's Song of the Week



About the Report

Soybean bulls are hoping the USDA lowers their current yield estimate and forecast for another round of record setting U.S. production. I don't think anyone is contesting the record acreage estimate, but the average yield forecast at 49.4 bushels per acre has created heavy debate. The bulls are talking about lower pod counts than we've seen the past few years, along with more dire weather complications in key production areas, especially in parts of the Dakota's, Iowa, Illinois and Indian. They believe the average U.S. soybean yield is more realistically in the 47.5 to 48.5 range, meaning the balance sheet could be a lot tighter. The bears point to the fact this was one of the most mild-Augusts in modern U.S. history, and that yields out of the fields could truly surprise to

the upside. Chinese demand remains strong and seems to be keeping the bulls in the game. Bulls know that if global demand stays this strong, which looks to be the case, the slightest sign of major production problems in either South America or the U.S. could mean explosive upside potential. Unfortunately, signs of significant production problems just aren't in the cards at the moment. Similar to corn, there are pockets of problems, but for most of the U.S. weather has been cooperative enough to warrant talk of trend-line plus yields being pulled out of the fields. I should also note that most of the fears and headlines surrounding a possible "early-freeze" have been reduced. I suspect if the USDA yield estimate is reduced to sub-48.5 bushels per acre, the bulls will have some reasons left to fight. Anything higher than 48.5 bushels per acre and the bears probably will come back up to bat in the days ahead. If you look at the data we included below you can see that in the past few years the USDA has raised their yield forecasts from August to September and again into the final year end estimate: 2014 we jumped from 45.4 in August to 46.6 in September to 47.5 by yearend; 2015 we jumped from 46.9 to 47.1 in August to 48.0 by yearend; 2016 we jumped from 48.9 in August to 50.6 in September to 52.1 by yearend. In fact only two years in the past decade, 2008 and 2010, has the final yield been below the August estimate, and both times it was less than a -1.0 bushel per acre reduction. In 2008 it dropped from an August estimate of 40.5 down to 39.7 in the final estimate. In 2010 it fell from an August estimate of 44.0 to a final yield of 43.5 bushels per acre. In other words I'm not looking for a huge reduction...

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

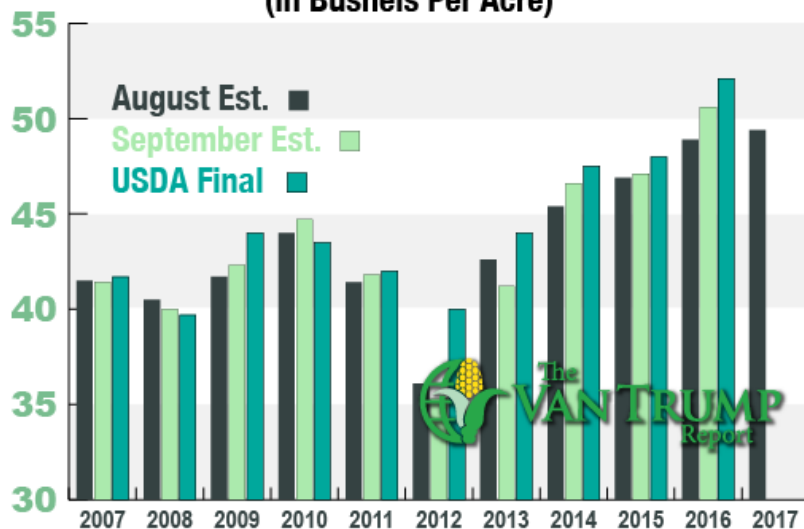
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis 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

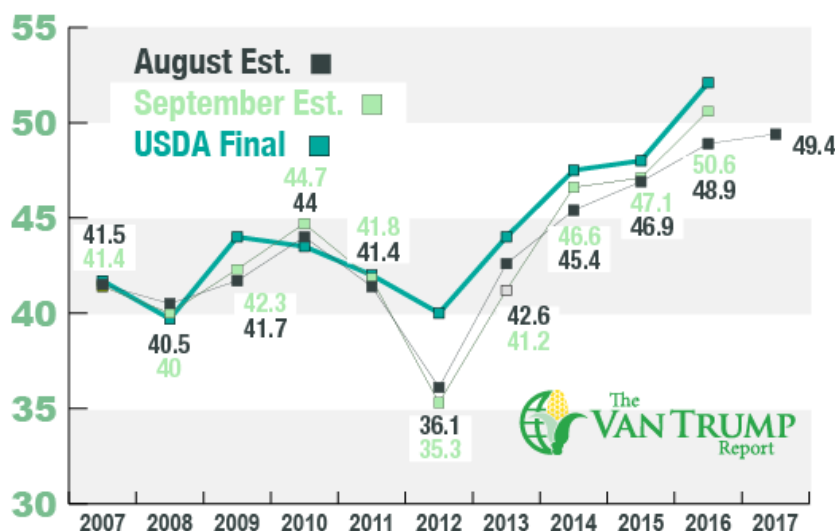
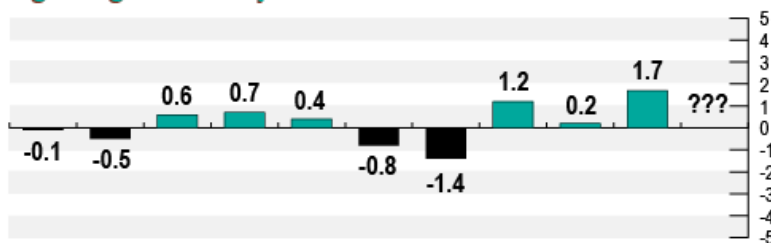
Comparing USDA Soybean Yield Estimates August to September

(in Bushels Per Acre)



Aug. Est.	41.5	40.5	41.7	44	41.4	36.1	42.6	45.4	46.9	48.9	49.4
Sep. Est.	41.4	40	42.3	44.7	41.8	35.3	41.2	46.6	47.1	50.6	
Final USDA	41.7	39.7	44	43.5	42	40	44	47.5	48	52.1	

Change August-to-September



Wheat traders are kicking around talk and headlines of Egypt's agricultural ministry halting the unloading of a French wheat shipment and also finding problems with a Romanian shipment. Bulls in the market continue to talk about global "quality" concerns and continued complications with the Australian, Canadian and U.S. crops. Geopolitical uncertainty brewing with Russian military exercises taking place along the European borders might also raise some bullish eyebrows this week. I remain conservatively bullish for all of the non-traditional reasons. Staying patient!

September 12, 2017 USDA WASDE report

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.

U.S. Production 2017/18

	Sep. Est.	Avg. Trade Est.	Trade Range	USDA Aug.
Corn Production	???	14.003	13.754 - 14.295	14.153
Corn Yield	???	167.9	165.5 - 171.2	169.5
Soybean Production	???	4.322	4.179 - 4.435	4.381
Soybean Yield	???	48.7	47.1 - 50.0	49.4

U.S Grain Stocks 2016/17

	Sep. Est.	Avg. Trade Est.	Trade Range	USDA Aug.
Corn	???	2.352	2.270 - 2.415	2.370
Soybeans	???	0.361	0.310 - 0.390	0.370

U.S Grain Stocks 2017/18

	Sep. Est.	Avg. Trade Est.	Trade Range	USDA Aug
Corn	???	2.125	1.898 - 2.447	2.273
Soybeans	???	0.439	0.325 - 0.540	0.475
Wheat	???	0.914	0.866 - 0.943	0.933

World Stocks 2016/17

	Sep. Est.	Avg. Trade Est.	Trade Range	USDA Aug
Corn	???	227.9	225.1 - 229.1	228.6
Soybeans	???	96.7	95.5 - 97.3	97.0

World Stocks 2017/18

	Sep. Est.	Avg. Trade Est.	Trade Range	USDA Aug
Corn	???	197.8	189.4 - 203.0	200.9
Soybeans	???	97.2	95.0 - 100.0	97.8
Wheat	???	264.3	258.0 - 268.0	264.7





> Kansas Wheat Crop Has Below Average Protein Levels: A report shows Kansas farmers harvested a winter wheat crop this year that had lower than usual protein levels. The report showed protein content averaged 11.6%, which is down from 11.7% last year and below the 10-year average of 12.5%. The average test weight in Kansas was 60.5 pounds per bushel and about 67% of the crop was graded No. 1, the highest rating. The report was issued by the National Agricultural Statistics Service and Kansas Grain Inspection Service. (Source: KTIC)

> China's August Soybean Imports Largest On Record: China, the world's top soybean buyer, imported 8.45 million metric tons of the oilseed in August, customs data showed on Friday, a record for the month of August, as improving margins boosted demand from buyers. The August figures were up +10.2% from last year's 7.67 million metric tons, but down -16.2% from 10.08 million metric tons in July, according to figures from the General Administration of Customs of China. (Source: Reuters)

> China Corn Crop Gets An Upgrade: China, the world's 2nd-largest corn grower, may harvest 212.5 million metric tons of the crop this year, vs. a previous forecast of 211.5 million metric tons, according to the latest forecast by the China National Grain and Oils Information Center published on Friday. That would amount to a drop of -3.2% year-on-year. Soybean output was left unchanged at 14.4 million metric tons, up +10.8% year-on-year. Wheat was also unchanged at 130.2 million metric tons, a +1% increase over last year. (Source: Bloomberg)

> U.S. Biofuel Producers Seek Action Against Brazil's New Import Tariff: U.S. biofuels producers are urging the U.S. government to respond to Brazil's new import tariff on U.S. ethanol. Growth Energy, the Renewable Fuels Association (RFA), and the U.S. Grains Council (USGC) are calling upon the U.S. government to develop an immediate response to Brazil's newly implemented tariffs on U.S. ethanol imports, a trade barrier that threatens over \$750 million in U.S. exports. On Aug. 23, Brazil's Chamber of Foreign Trade (CAMEX) imposed an immediate two-year tariff-rate quota (TRQ) system for ethanol imports. Under the TRQ, a 20% tariff will be applied to purchases from the United States after a 600 million-liter (158.5 million gallon) quota is met. This year fuel ethanol exports to Brazil are at 1.17 billion liters (310 million gallons) through July, according to U.S. Census Bureau trade data. The three organizations are urging the administration to immediately engage their Brazilian counterparts on the future of the two countries trade relationships with regard to biofuels. (Source: World Grain)

> Rail, Port Recovery In Texas "Encouraging": Following the catastrophic flooding from Hurricane Harvey, Steve Mercer, U.S. Wheat Associates (USW) vice president of communications, said some ports are still closed, rail embargos remain in effect, and virtually no wheat was inspected for export last week at Texas grain export elevators. Even with the human and industrial costs of the storm, however, Mercer said the supply chain is making good progress toward bringing the system fully back on line as soon as possible. The U.S. Federal Grain Inspection Service (FGIS) reported regions of Louisiana and North and South Texas account for 46% of total U.S. wheat exports based on the 5-year average. Texas elevators near Galveston, Houston and Corpus Christi account for about 56% of total Gulf wheat export volume. Texas wheat exports are almost all hard red wheat (HRW), and most of the volume moves through elevators in the Galveston and Houston area, which took the brunt of the storm. "Reports from the Port of Corpus Christi indicate that grain elevators are mostly operational," said Darby Sullivan, communications director with the Texas Wheat Producers Board. The BNSF Railroad also serves the Texas Gulf supply system. Its latest report to customers on Sept. 5 said, "with improving conditions and aggressive efforts by our BNSF crews, rail service on most BNSF subdivisions in the Houston area and throughout southeastern Texas has been restored." (Source: Feedstuffs)

> Monsanto Fighting Arkansas Herbicide Proposal: Monsanto filed a petition last week asking Arkansas agricultural officials to reject a proposed date next year that would end sprayings of the herbicide dicamba, which has been linked to crop damage across the U.S. farm belt. A state task force recommended last month that Arkansas bar sprayings after April 15, 2018, to protect plants vulnerable to the chemical, after farmers complained that soybeans and other crops were damaged when the weed killer drifted away from where it was sprayed this summer. The recommendation amounts to an "unwarranted and misinformed ban on dicamba" because the chemical is designed to be sprayed during the summer over genetically engineered crops, according to Monsanto. (Source: Reuters)

> U.S. Beef Exports Remain Strong, Pork Dips: U.S. beef exports remained well above last year's pace in July, posting one of the highest monthly export value totals on record, according to USDA statistics compiled by the U.S. Meat Export Federation (USMEF). Pork export volume in July dipped below its year-ago level for the first time in 15 months, with export value also down slightly. July beef exports totaled 104,488 metric tons, up +5% year over year, while export value reached \$623.7 million, up +18% from a year ago and the highest since December 2014. For January through July, exports increased +11% in volume (711,364 metric tons) and +15% in value (\$3.97 billion) compared to the first seven months of last year. Pork exports totaled 173,675 metric tons in July, down -4% year over year, valued at \$488.9 million, down -0.6%. January-July volume was still up +11% from a year ago to 1.43 million metric tons, while export value was up +13% to \$3.7 billion. (Source: MeatingPlace)

> What Happens In An Internet Minute In 2017: In its latest earnings report, it was revealed that Facebook has more than two billion active monthly users. That means that in any given month, more than 25% of Earth's population logs in to their Facebook account at least once. This kind of scale is almost impossible to grasp. Here's one attempt to put it in perspective: imagine Yankee Stadium's seats packed with 50,000 people, and multiply this by a factor of 40,000. That's about how many different people log into Facebook every month worldwide. The Yankee Stadium analogy sort of helps, but it's still very hard to picture. The scale of the internet is so great, that it doesn't make sense to look at the information on a monthly basis, or even to use daily figures. Instead, Lori Lewis and Chadd Callahan of Cumulus Media boil it down to just one minute. If you've ever had a post on Facebook or Instagram fizzle out, it's safe to say that the sheer proliferation of content in our social feeds is part of the cause. In a social media universe where there are no barriers to entry and almost infinite amounts of competition, the content game has tilted to become a "winner take all" scenario. Since people don't have the time to look at the 452,200 tweets sent every minute, they naturally gravitate to the things that already have social proof. For those that are able to get the strategy and timing right, the potential spoils are salivating. The never-ending challenge, however, is how to stand out from the crowd. Click the graphic for a larger view. (Source: Visual Capitalist)

2017 This Is What Happens In An Internet Minute





FROM THE FIELD

Northcentral Kansas - We were and are very dry this way. There are lots of pockets as you travel across 36 highway. I am actually in Bellville east of home and in lockdown as there has been a shooting and we have agents everywhere on the ground and in the air. Our irrigated corn will be ok but the with 47 days since the last rain we don't have very high expectations. The beans are a different story as we were hit with a bad case of dicamba drift and are going to be down to 20-40bpa. Initially, we were looking at 60-70bpa. Dad started cutting the end rows today and it is coming out with 18-21% moisture. The irrigated corn will have to stay out a while longer as it is reading 28% levels. Momma is running around the state as we breed both goldens and cokies.

Southcentral Iowa - It has been a rough season here with minimal moisture. Things did hold on though, the intermittent small showers have gotten us through. We do not expect to reach either of our county averages this year with corn and beans. The beans will do 50bpa at best I guess and the corn is awfully variable. The average is 140 - 150bpa but don't see that happening. We also run a saw mill which has been in the family for some time now. We produce lumber for manufacturers who produce furniture as an end product. It's nice to have a steady income during times like these.

Northwest Wisconsin - We picked up 400 more acres this year for our corn and beans operation. I've paid up to \$150 an acre but usually get land for less around this area. Things are looking fairly good here considering a hail storm that blew through here a while back and hit the beans real good. The adjuster only saw fit to provide a three percent payout on damage. It should be ok as it looks like I'll get close to county APH. The corn normally yields us around 180 on our good heavy ground. As we grown and since I've got a new job, I've hired a crew and use Farmlogs to keep me on top of what's going on.



CROSSING WIRES

A place to share intelligent thoughts...

Wrapped in Plastic, China's Farmland Is Suffering: Covering soil in plastic has been a boon for agriculture around the world, especially in China, where an area half the size of California is under polyethylene wrap. Farmers cover their land in razor-thin sheets of the translucent white film to trap moisture and heat and to prevent weeds and pests. The so-called plastic mulch has been shown to boost cotton, maize and wheat yields by a third, while widening the area in which crops can be grown. That has spurred a huge expansion in its use, but one that has come at a cost: Scientists say the practice is causing environmental pollution on an epic scale. Read more [HERE](#).

The Biomechatronic Man: MIT research scientist Hugh Herr lost both legs below the knee after a 1982 winter climbing ordeal. In less than a year, he hacked his prosthetics to allow him to climb again, and he went on to become one of the world's leading innovators in the field. Author Todd Balf, who lost partial use of his legs after a spinal-cord injury, gets a front-row seat as Herr plots his next big act—a \$100 million project to end a slate of disabling conditions. Read all about it [HERE](#).

This Is Why You Can't Put Down Your Phone: Ever had that moment of panic when your smartphone is down to 1% battery and you don't have a charger? Or how about the cold, clammy dread when you realize you've left your phone at home? You might be suffering from "nomophobia". This "no mobile phone" phobia is an emerging term that some psychologists use to describe the fear people have of being without their smartphone. And the latest evidence suggests that it happens because these devices have become so personalized that they are seen as extensions of ourselves. Researchers from the City University of Hong Kong and the Sungkyunkwan University in Seoul identified a link between factors such as personal memories and users' greater attachment to their smartphones. This, say the researchers in their paper published in the journal *Cyberpsychology, Behavior, and Social Networking*, leads to nomophobia and a tendency to keep your phone close at all times. Read more [HERE](#).

Do Coffee Drinkers Live Longer? For those of us who need a jolt of joe to get the day started, who might sneak in a cup or two in the afternoon and have even been known to brew some dark roast late in the evening, it may be time to shed some of the

guilt. Coffee could have a big upside. A recent Stanford University School of Medicine study in *Nature Medicine* is the latest to perk up the worried coffee drinker. It reported that caffeine consumption counters the chronic inflammation responsible for more than 90% of many cardiovascular and other age-related diseases such as cancer, Alzheimer's and other dementias. Put more simply, coffee can slow down a widespread cause of human aging. Read more [HERE](#).

More Americans Now Say They're Spiritual But Not Religious: Some people may see the term "spiritual but not religious" as indecisive and devoid of substance. Others embrace it as an accurate way to describe themselves. What is beyond dispute, however, is that the label applies to a growing share of Americans. About a quarter of U.S. adults (27%) now say they think of themselves as spiritual but not religious, up 8 percentage points in five years, according to a Pew Research Center survey. This growth has been broad-based: It has occurred among men and women; whites, blacks and Hispanics; people of many different ages and education levels; and among Republicans and Democrats. You can find the full results of the study [HERE](#).

Jerry Jones: Cowboys Will Stand For The Flag Or "Your Ass Will Be Off The Team": "I just feel so strongly that the act of recognizing the flag is a salute to our country and all of the people that have sacrificed so that we can have the liberties we have. I feel very strongly that everyone should save that moment for the recognition of the flag in a positive way, so I like the way the Cowboys do it." To date no Dallas Cowboy player has not stood for the National Anthem. In week #1 of the 2017 NFL season the following teams had players protesting during the National Anthem: Oakland Raiders, Kansas City Chiefs, Los Angeles Rams, Green Bay Packers, Seattle Seahawks, Philadelphia Eagles.



How New Crop Insurance Provider 'Crop Pro' Will Assist Grower With Agtech Adoption

Start up Insurance company Crop Pro recently received approval from the USDA to offer their products to growers, making them the newest player in risk management. Crop Pro will offer not only offer the typical insurance coverage for weather, pests, flooding, and price fluctuations but more importantly they claim to be the first VC-backed insurer to be approved to offer federally-backed policies, specifically aimed at promoting agtech adoption. I'm told they intend to do this through offering unique private agtech insurance products. Meaning, if you decide to try a new biological yield enhancement for example, and happen to purchase a policy from Crop Pro for it, you would have the right to make a claim to recoup some of your investment if the product did not perform according to the label. A driving force behind their innovative approach is the industries attempt to address consumer demands for non-GMO food and to develop sustainable practices. Understand, The federal program doesn't cover everything and Crop Pro Chairman Billy Rose intends to use his industry experience to build products that include areas that the federal program doesn't. In doing so, Crop Pro is seeking to lower or remove common obstacles to the adoption of new technologies. We all have our reasons for not using certain new innovations but by offering some risk management tools, Crop Pro feels they can position the U.S. as a leader in the non-GMO and sustainable markets. Rose feels many avoid most non-GMO crop production because of the perceived risks involved and claims they will "de-risk" the farmer's ability to try new technologies. Keep in mind that eighty percent of non-

GMO products consumed by Americans are imported from abroad. Rose believes that new biologicals can replace the use of existing crop protection products and with their coverages, growers will adopt the technologies more quickly. I'm told that Crop Pro's products will not only cover technology upgrades but also conversion to premium products like non-GMO corn or designer seeds. As I understand it, Crop Pro will focus its initial efforts on 13 core Midwestern states and begin to offer their differentiated market solutions for the 2018 spring growing season. With over four million acres of non-GMO crops already in the ground and the industry growing by four to six percent the last few years, it certainly is something to consider. You can learn more about Crop Pro by clicking [HERE](#).



NEW Cancer Treatments Are Drawing Big Investor Attention

CAR-T cell therapy is one of the most promising cancer treatments in development right now. The technology basically engineers a patient's own cells to fight the disease. Novartis became the first company to have a CAR-T cell therapy drug approved by the Food and Drug Administration (FDA), marking the path forward for other breakthrough therapies. In general, biotech companies are leading the innovation charge in the field and investors have been paying attention. The iShares Nasdaq Biotechnology ETF (IBB) has been setting new highs for the last month and the fund has seen a large amount of inflows. About 58% of the stock is now owned by hedge funds and other institutional investors. A rapidly emerging immunotherapy approach is called adoptive cell transfer (ACT): collecting and using patients' own immune cells to treat their cancer. Keep in mind there are several types of ACT (see "ACT: TILs, TCRs, and CARs"), but the one that is closest to producing widespread treatment approved by the Food and Drug Administration (FDA) is called CAR T-cell therapy. Until recently, the use of CAR T-cell therapy has been restricted to small clinical trials, largely in patients with advanced blood cancers. But these treatments have nevertheless captured the attention of researchers and the public alike because of the remarkable responses they have produced in some patients—both children and adults—for whom all other treatments had stopped working. One CAR T-cell therapy was approved in August 2017 for the treatment of children with acute lymphoblastic leukemia (ALL). And a second, for adults with advanced lymphomas, may be close behind. Nevertheless, researchers caution that, in many respects, it's still early days for CAR T cells and other forms of ACT, including questions about whether they will ever be effective against solid tumors like breast and colorectal cancer. The different forms of ACT "are still being developed," said Steven Rosenberg, M.D., Ph.D., chief of the Surgery Branch in NCI's Center for Cancer Research (CCR), an immunotherapy pioneer whose lab was the first to report successful cancer treatment with CAR T cells. But after several decades of painstaking research, the field has reached a tipping point, Dr. Rosenberg continued. In just the last few years, progress with CAR T cells and other ACT approaches has greatly accelerated, with researchers developing a better understanding of how these therapies work in patients and translating that knowledge into improvements in how they are developed and tested. "In the next few years," he said, "I think we're going to see dramatic progress and push the boundaries of what many people thought was possible with these adoptive cell transfer-based treatments." Below are some of the companies that investors are currently focused on and ones that seem to have a "buzz" surrounding them. As with any investment, be sure to consult with your personal advisor in order to determine if this type of investment is appropriate for your individual circumstance. For disclosure purposes, I do personally own shares of Gilead Sciences. (Source: [cancer.gov](#))

Kite Pharma/Gilead Sciences (NASDAQ:KITE/GILD) - Kite Pharma is actually being acquired by Gilead Sciences. Kite is a leader in the cell therapy field and currently has a non-Hodgkin's lymphoma treatment under

priority review by the U.S. FDA. In data Kite released in February, the company found that out of 101 patients, 36% had a complete response to the treatment after six months. The FDA is expected to make a final decision on approving the therapy in November.

Bluebird Bio (NASDAQ:BLUE) - One of the biggest gaining stocks in the IBB fund is Bluebird Bio, which is working on a CAR-T cell therapy called bb2121. Bluebird has partnered with Celgene to develop the treatment for a blood cancer called multiple myeloma. It is currently in phase 1 trials and early data has shown 100% of patients have achieved some degree of positive response. They are shooting for approval by 2020. Under its partnership with Celgene, Bluebird will receive high royalties on sales in the EU and half of profits from sales in the U.S.

Juno Therapeutics (NASDAQ:JUNO) - Juno's share prices were up more than +45% in August and many insiders equate that to Novartis getting its CAR-T drug approved, as well as the Kite-Gilead deal. Juno has not been in the lead in developing a therapy for a while, thanks to an unfortunate setback that shuttered its lead program last year. They are now focusing on one called JCAR017 that is also designed to treat non-Hodgkin lymphoma. This will put them in direct competition with Novartis's newly approved therapy, but analysts think if Juno can deliver a treatment with fewer side effects and more efficacy, they can be a real contender in the field. They are at least a year to 18 months from filing for FDA approval.

Celllectis/Pfizer (FP:ALCLS/NYSE:PFE) - French biotech firm Celllectis has a licensing agreement with Pfizer for the U.S. distribution of its CAR-T treatment that is designed to be less personalized. They are using T-cells from healthy donors, rather than the patient's own. Currently, a personalized CAR-T treatment takes about 22 days to fully develop. Celllectis's approach means that treatments could be readily available.



Remembering September 11th, 2001... Helping Us Build a Better Life

It's hard to believe 16 years have passed since terrorist attacked our great nation. I'm sure most of us remember it as if it were yesterday. We can remember where we were when the news first aired the video footage, the loved ones in our lives and the uneasy feeling that spread through our bodies regardless of our proximity to the actual events. At times, I think about those who lost their lives that horrific morning on September 11th. I also think about all of those who have lost their lives since sacrificing for our great nation in an effort to keep our families safe. I think most about the smiling faces, fun times and loving hugs they've missed out on. I'm certain they are in a wonderful place and looking down on us, but it's still very tough to swallow. I encourage everyone to take some time this week and reflect back, if only for a few moments on all of the wonderful blessings and great things that have happened to you and your family during the past sixteen years. It's crazy to think you could have missed it all and how drastically things for family may have changed by simply being in the wrong place at the wrong time. One thing I've learned though the years, is that life is insanely left to "chance." I have to imagine all of those who have sacrificed would tell us to make certain we are enjoying the journey and to tell those we love just how much we care about them. If you remember, I once referenced an article titled "[Top Five Regrets of the Dying](#)". It was written by Bronnie Ware, a palliative nurse who counseled the dying in their final days of life. She recorded their dying epiphanies in a blog called Inspiration and Chai, which gathered so much attention that she wrote a book. Below are what Bronnie Ware found to be the most common regrets we have at the end of our lives. Lots to think about...

I Wish I'd had the courage to live a life true to myself, not the life others expected of me - *"This was the most common regret of all. When people realize that their life is almost over and look back clearly on it, it is easy to see how many dreams have gone unfulfilled. Most people had not honored even a half of their dreams and had to die knowing that it was due to choices they had made, or not made. Health brings a freedom very few realize, until they no longer have it."*

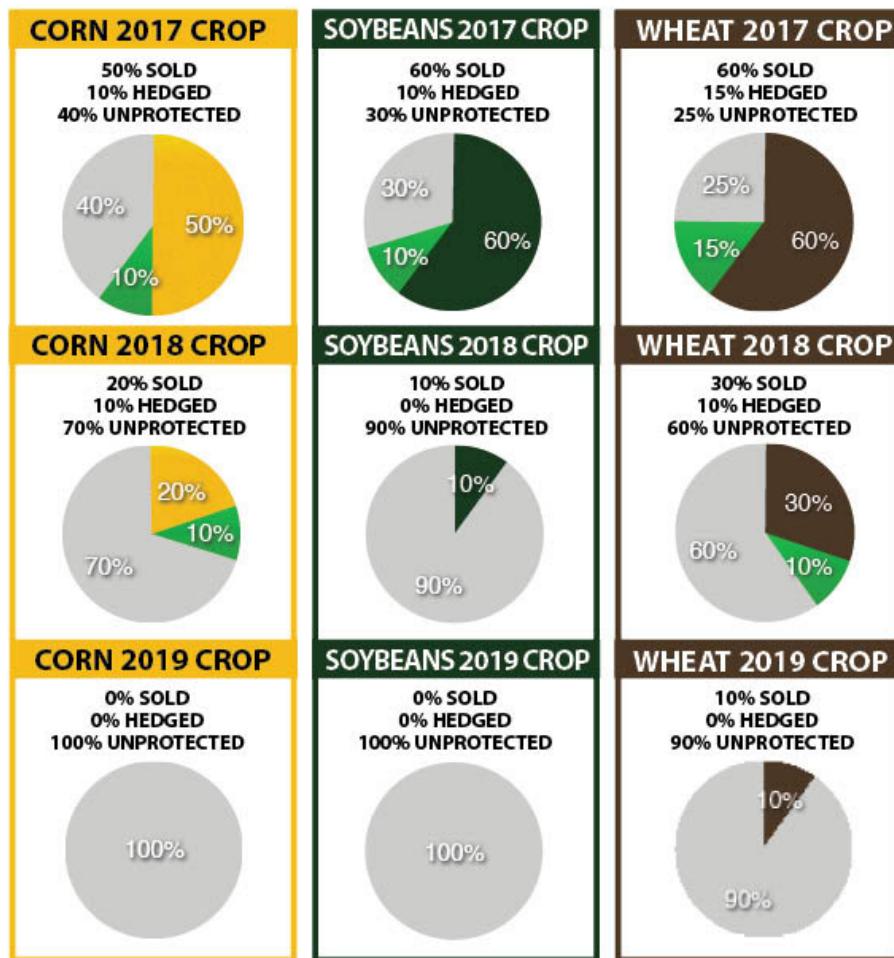
I Wish I hadn't worked so hard - *"This came from every male patient that I nursed. They missed their children's youth and their partner's companionship. Women also spoke of this regret, but as most were from an older generation, many of the female patients had not been breadwinners. All of the men I nursed deeply regretted spending so much of their lives on the treadmill of a work existence."*

I Wish I'd had the courage to express my feelings - *"Many people suppressed their feelings in order to keep peace with others. As a result, they settled for a mediocre existence and never became who they were truly capable of becoming. Many developed illnesses relating to the bitterness and resentment they carried as a result."*

I Wish I had stayed in touch with my friends and family - *"Often they would not truly realize the full benefits of old friends until their dying weeks and it was not always possible to track them down. Many had become so caught up in their own lives that they had let golden friendships slip by over the years. There were many deep regrets about not giving friendships the time and effort that they deserved. Everyone misses their friends when they are dying."*

I Wish that I had let myself be happier - *"This is a surprisingly common one. Many did not realize until the end that happiness is a choice. They had stayed stuck in old patterns and habits. The so-called 'comfort' of familiarity overflowed into their emotions, as well as their physical lives. Fear of change had them pretending to others, and to their selves, that they were content, when deep within, they longed to laugh properly and have silliness in their life again."*





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