

GOOD MORNING: 09/12/16 Farm Direction - VanTrump Report

1 message

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Tue, Sep 12, 2017 at 6:35 AM



"If you know what to do to reach your goal, it's not a big enough goal." – Bob Proctor

TUESDAY, SEPTEMBER 12, 2017

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Morning Summary: Investors have pushed stocks into record territory as concerns about Hurricane Irma eases and headlines surrounding North Korea have cooled. The S&P 500 actually set a new record close yesterday and the Dow has again climbed back above the 22,000 level. Insurance industry experts are thinking insured losses from Hurricane Irma will range between \$30 and \$40 billion, which is much lower than traders were anticipating last week, and a huge sigh of relief for insurance companies. This is also being digested by Wall Street as a huge sigh of relief. It's not so much that it's bullish the insurance stocks, but the fear the insurance companies would have had to liquidate significant portions of their huge stock portfolios to stay solvent and pay their insurance commitments, had insiders extremely nervous. Irma's slight turn to the western side of Florida and last minute weakening might have just saved a much more serious liquidation in the stock market. Also good news, is the fact North Korea has refrained from more missile testing. They have however threatened "pain and suffering" against the U.S. over proposed harsh sanctions to the United Nation's Security Council. The U.S. put forward another draft resolution Monday that made considerable changes to a previous version of the proposal which still calls for a full oil embargo but omits a call to freeze assets and implementing a travel ban on North Korean leader, Kim Jong Un. In Washington, President Trump continues pressuring Congress to accelerate its efforts on tax reform. He would prefer lawmakers not wait until the end of September to reveal new tax legislation, though House leader, Paul Ryan, has expressed doubts that they will have a draft ready before October. Today's only significant economic data is JOLTS, which will provide some deeper insight into the U.S. employment situation. Investors are particularly interested in the job openings rate and the quits rate. A high number of job openings and indications that employees are leaving for better opportunities implies wage inflation could be right around the corner. The big highlight for today is going to be Apple's annual fall event where they are expected to unveil their newest iPhone. The big event kicks off at 12 p.m. CST.

U.S. National Debt Crosses \$20 Trillion Mark: *For the first time in history, the U.S. federal government has more than \$20 trillion in outstanding debt.*

Harvey And Irma Economic Hit Could Total \$200 Billion: *The combined destruction of property from hurricanes Irma and Harvey could range from \$150 billion to \$200 billion, according to a preliminary estimate from Moody's Analytics. Moody's Chief Mark Zandi, noting that the estimate could change substantially as more information becomes available, said the U.S. economy could suffer an additional \$20 billion to \$30 billion in lost economic output from the two storms. As a result, Moody's shaved its third quarter forecast for gross domestic product by half a point to 2.5%. Moody's expects fourth-quarter growth to be boosted by rebuilding efforts from the two storms but notes in its report, "The economic fallout from the storms critically depends on how much insurance money and government aid flows to the impacted regions, and how quickly these funds get there." The critical factors in determining the impact are how quickly the refining business in Houston and the tourism industry in Florida get back on their feet. Another important factor is labor constraints in the already-stretched construction industry. (Source: CNBC)*

China Has Banned New North Korean Bank Accounts: *China's biggest banks have banned North Koreans from opening new accounts in an unprecedented move to clamp down on financial flows with the country. Multiple bank branches, including those of the country's top four lenders, told the Financial Times they had imposed a freeze on new accounts for North Korean people and companies. Some*

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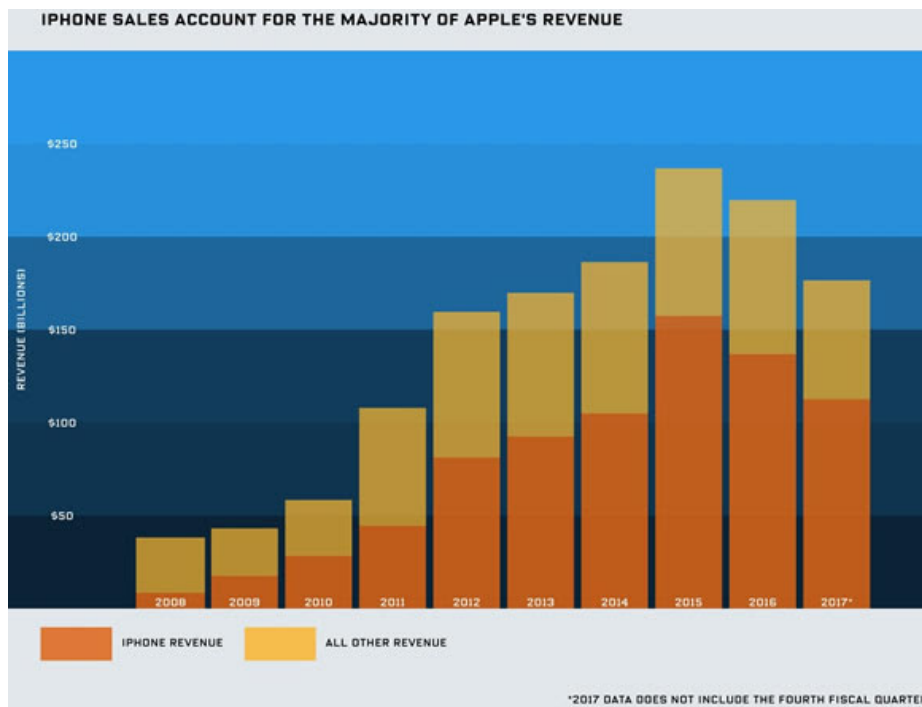
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are going even further, saying they are "cleaning out" existing accounts held by North Koreans by forbidding new deposits. The measures go further even than what has been agreed internationally. UN sanctions, which were tightened once again last month, do not include a blanket ban on North Korean bank accounts. Banks implementing a ban on new accounts include the country's big five — Bank of China, China Construction Bank, Agricultural Bank of China, and Industrial and Commercial Bank of China and Bank of Communications. South Korea-based news website DailyNK also said four major Chinese state banks had banned North Koreans living in China from opening up new accounts and ordered existing accounts to be closed. Chinese analysts said traders might still be able to find loopholes to bypass the ban but China's decision would batter already weakened trade with its neighbor. Big transactions, such as Chinese oil exports to North Korea, would be particularly hard hit because banks are integral to the trade. (Sources: Financial Times, South China Morning Post)

Apple's Big iPhone Reveal Is Today: This is the most important day of the year for Apple - today is the company's annual fall event, where they are expected to break with tradition and release three phones: the iPhone 8, iPhone 8 Plus, and the new flagship iPhone X. This year, experts believe Apple will commemorate the device's 10-year anniversary with a phone featuring a host of new technologies, including a bigger, higher-resolution screen, with thinner edges and no home button. Instead, users will have the option to unlock the phone via facial recognition. The new model is expected to cost close to \$1,000, the most ever for an Apple phone. Tradition dictates the devices will go on sale a week after their announcement, making it likely the iPhone 8 will be available for pre-order on September 15 and hit stores on Friday September 22. Apple introduced first iPhone in 2007, and in the 10 years since, the company has sold more than 1.2 billion of the 15 models it has developed. The iPhone accounts for nearly two-thirds of Apple's revenue; in the fiscal year ending September 30, Apple is on pace to sell more than \$140 billion in iPhones, more than the total revenue of all but about a dozen U.S. companies, according to S&P CapitalIQ. Sales and profits from the device have helped the company amass a staggering \$261 billion in cash and made Apple the most valuable company in the world. Which is why the unveiling of a new iPhone heralds the most important day of Apple's year. How well those phones sell shapes Apple's fortunes over the following year and helps determine how much money it can plow into its increasingly diverse initiatives in artificial intelligence, cars, and entertainment. Apple is also expected to unveil a new Apple Watch, Apple TV, AirPods headphones, and the HomePod, Apple's answer to Amazon's Alexa. (Sources: Techcrunch, Wired)



Weather will see heavy rain from former Hurricane Irma cover the Southeast causing severe flooding. This is in addition to the heavy rain from over the weekend. Flooding and wind damage is likely to cause significant losses to unharvested crops in the region, including cotton and peanuts. In the Corn Belt, warmer air continues to replace previously cool conditions, favoring corn and soybean maturation. Today's high temperatures will exceed 80 degrees F in many areas west of the Mississippi River. No damaging cold weather is sight for the next 10 days. On the Plains, very warm, dry weather is promoting summer crop maturation and fieldwork, including early-season winter wheat planting. Today's maximum temperatures will top 90 degrees F as far

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north as Montana, where critically dry conditions continue to adversely affect rangeland and pastures. Irma has weakened to a tropical storm, but with sustained winds near 70 mph. Agricultural concerns include the effect of high winds on Florida's citrus and sugarcane; impact of widespread power outages on Southeastern dairies and other farm operations; and potential quality degradations for open-boll cotton. Back on September 3, cotton bolls were at least one-third open in South Carolina and Georgia. The remnants of Irma will move farther inland and continue to weaken, but not before it dumps anywhere from 2 to 7 inches throughout the Southeast, while winds will gradually diminish. Meanwhile, a weather pattern change will result in a warming trend across the central and eastern U.S., along with cooler weather in the West. Perhaps more importantly, significant precipitation will develop later in the week across the northern Plains and much of the West. In fact, 5 day precipitation totals could reach 1 to 4 inches across the drought-ravaged northern High Plains. The cooler, wetter weather should also affect Northwestern wildfire containment efforts. The 6 to 10 day outlook for September 16 - 20 calls for the likelihood of near to above normal temperatures nationwide, except for cooler than normal conditions in the Northwest.

Today In History



1861, Battle of Lexington -

Confederate General Sterling Price continues his campaign to secure Missouri in the early days of the war by converging on a Union garrison at Lexington, Missouri. The First Battle of Lexington ended after a week with the surrender of the Federals. The Battle of Lexington followed shortly after the much larger Battle of Wilson's Creek on August 10, 1861. That engagement, in southwestern Missouri, resulted in heavy losses and the scattering of the Union force in the area. Price, who was also the Confederate commander at Wilson's Creek, now headed north to expand the Confederates' hold on the state. On September 12, he arrived in Lexington, a wealthy community just east of Kansas City, with part of his force, which eventually numbered 10,000 men—most of them veterans of Wilson's Creek. Just a few days before, a Union brigade of Irish soldiers from Chicago had joined a small cavalry detachment to defend the town. The Union troops numbered about 2,500. The Union commander, Colonel James Mulligan, began building fortifications just prior to Price's advance. On September 12, skirmishes broke out between the forces but Price decided to wait until the rest of his force arrived before taking further action against Mulligan's garrison. By September 17, Price's ammunition wagons arrived and his men encircled the town. The Confederates cut the water supply and waited. On September 20, the Southerners advanced on the fortifications by rolling large bales of hemp, which had been dipped in river water so they would not catch fire, in front of them. As the lines crept toward them, Union soldiers began surrendering. Price secured the town with only 25 men killed and 72 wounded. Federal losses numbered 39 dead and 120 wounded.



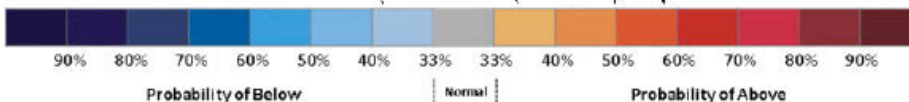
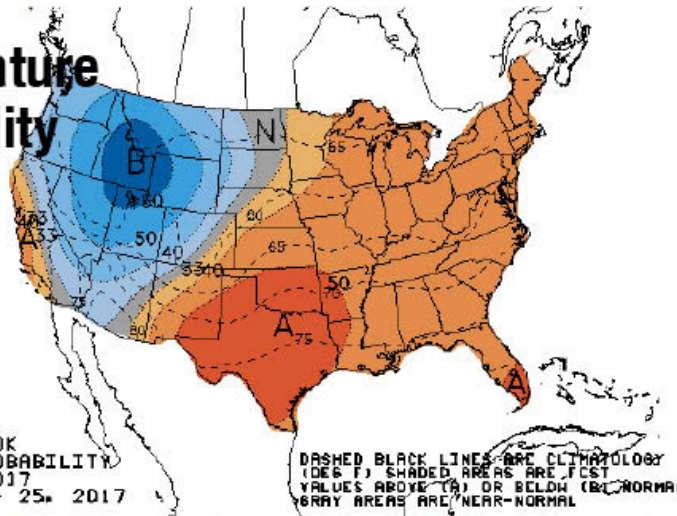
1940, Lascaux Cave Paintings -

Near Montignac, France, a collection of prehistoric cave paintings are discovered by four teenagers who stumbled upon the ancient artwork after following their dog down a narrow entrance into a cavern. The 15,000- to 17,000-year-old paintings, consisting mostly of animal representations, are among the finest examples of art from the Upper Paleolithic period. First studied by the French archaeologist Henri-Édouard-Prospér Breuil, the Lascaux grotto consists of a main cavern 66 feet wide and 16 feet high. The walls of the cavern are decorated with some 600

Temperature Probability



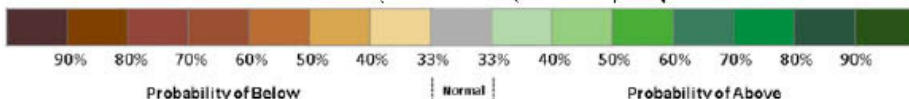
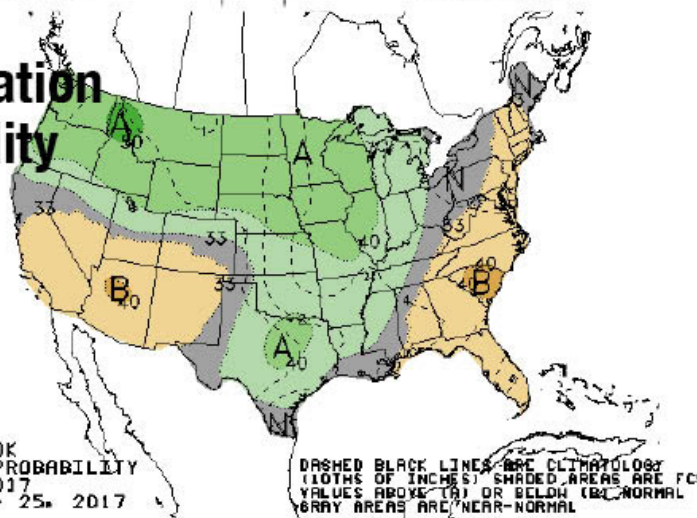
8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 11 SEP 2017
VALID SEP 19 - 25, 2017



Precipitation Probability



8-14 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 11 SEP 2017
VALID SEP 19 - 25, 2017



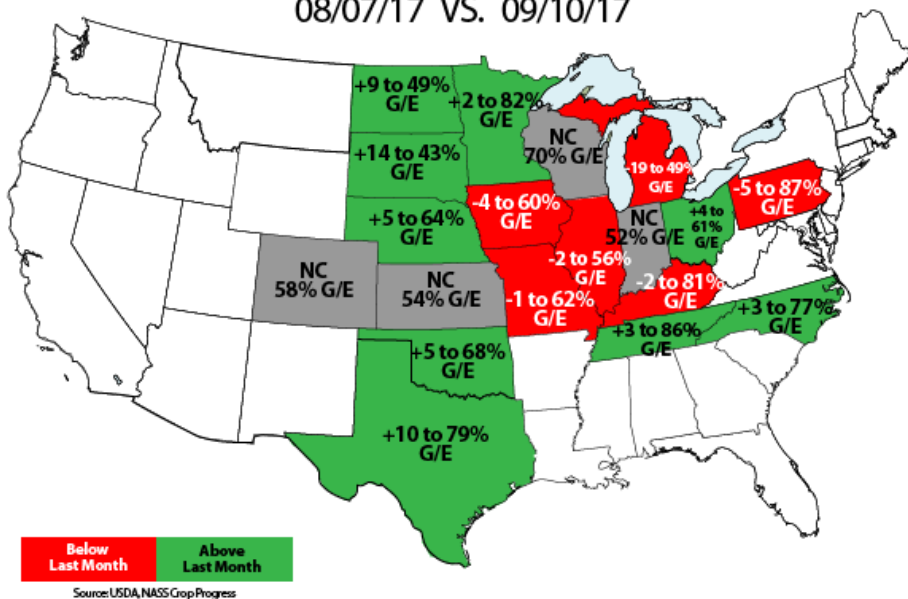
Corn traders are bracing for today's USDA report. Early trade estimates are for a slight reduction in yield and an increase in export demand. I should note, there are a few inside the trade that actually think the U.S. yield is going to be left "unchanged" or raised a bit higher. Personally, I'm about as uncertain or confused as I think I've ever been heading into a September report, nothing will surprise me. There's some large production areas in top-producing states that are clearly going to harvest much lower yields than during the past couple of years. On the flip side there are some record harvests taking place in many peripheral areas. Obviously those areas don't produce the volume seen in states like Iowa and Illinois, but it's tough to gauge or guess how

much weighting the USDA gives for certain locations and areas inside specific states. Again, I hate to sound like a broken record, but with such extreme "variability" across such large sectors of land, this crop year has become very difficult to forecast. The USDA clearly has their work cut out for them. Regardless of the yield number they decide to release, I feel like the opposing side will easily be able to debate the data. Bears are going to go nuts if the USDA lowers the yield to sub-168 levels, and the bulls are going to go nuts if the USDA leaves yields "unchanged" or elects to push them a hair higher. The USDA's weekly crop condition estimate reported 61% of the U.S. crop is in "Good-to-Excellent" condition, which is actually in-line or perhaps even a hair better than our longer-term multi-year average. The "Poor-to-Very Poor" rating at just 13% is also under our longer-term historical average, which seems to be closer to 16% to 17%. Bottom-line, even after the USDA releases today's estimates, I still don't think the trade will be certain about total U.S. production. It's going to take more accurate yield data and for the harvest to advance past 50% before the trade makes their necessary position adjustments. The USDA currently shows the U.S. crop at just 5% harvested, with maturity running well behind our traditional pace.

Corn Conditions Before August Report vs. September Report

9 States Conditions Improved vs. 6 States Conditions Deteriorated: *I had the office compare conditions that were released ahead of the August report vs. conditions released yesterday ahead of the September report. As you can see conditions have deteriorated in: Michigan down -19%; Pennsylvania -5%; Iowa -4%; Illinois and Kentucky -2%; Missouri -1%. States showing improvement since the last report are: South Dakota up +14%; Texas +10%; North Dakota +9%; Nebraska and Oklahoma +5%; Ohio +4%; North Carolina and Tennessee +3%; Minnesota +2%. States "unchanged" since the last report are: Colorado, Indiana, Kansas and Wisconsin.*

Corn Conditions 08/07/17 VS. 09/10/17



Soybean bulls are hoping the USDA delivers a reduction in yield and a bump higher in demand. Weekly crop-conditions were lowered to 60% rated "Good-to-Excellent", but this is still right in line or perhaps even a bit better than our longer-term historical average. The "Poor-to-Very Poor" conditions were actually bumped a hair higher to 12%, but again, very similar to corn, this is below what we tend to see in our longer-term historical averages, which show about 15% of the crop generally rated "Poor-to-Very Poor". Weather here in the U.S. seems to be somewhat of a non-event. Some of the dry areas are looking at a bit of moisture in the forecast, but it's probably too late for most, and there is no real threat of frost being talked about in the nearby forecast. The bulls continue to argue that dry conditions in parts of Iowa, Illinois, Indiana, Ohio and the Dakota's has been more than enough to trim yields for both corn and soybeans. The bears contend with weather in August being extremely mild, it's doubtful the USDA will be inclined to make any sizable reduction to their current production estimate, especially after making their bold, against the crowd, forecast back in August. The trade is also talking about the soybean harvest starting to move more quickly to the North, meaning we could have more actually yield data from the fields right around the next corner. As a producer I will be looking to use any bullish surprise as an opportunity to reduce a bit more longer-term risk. As a spec I remain on the sideline, wanting to be a longer-term bull, but only on a much larger break in price. I see absolutely no reason to get in a hurry at this juncture.

painted and drawn animals and symbols and nearly 1,500 engravings. The pictures depict in excellent detail numerous types of animals, including horses, red deer, stags, bovines, felines, and what appear to be mythical creatures. There is only one human figure depicted in the cave: a bird-headed man with an erect phallus. Archaeologists believe that the cave was used over a long period of time as a center for hunting and religious rites. The Lascaux grotto was opened to the public in 1948 but was closed in 1963 because artificial lights had faded the vivid colors of the paintings and caused algae to grow over some of them. A replica of the Lascaux cave was opened nearby in 1983 and receives tens of thousands of visitors annually.



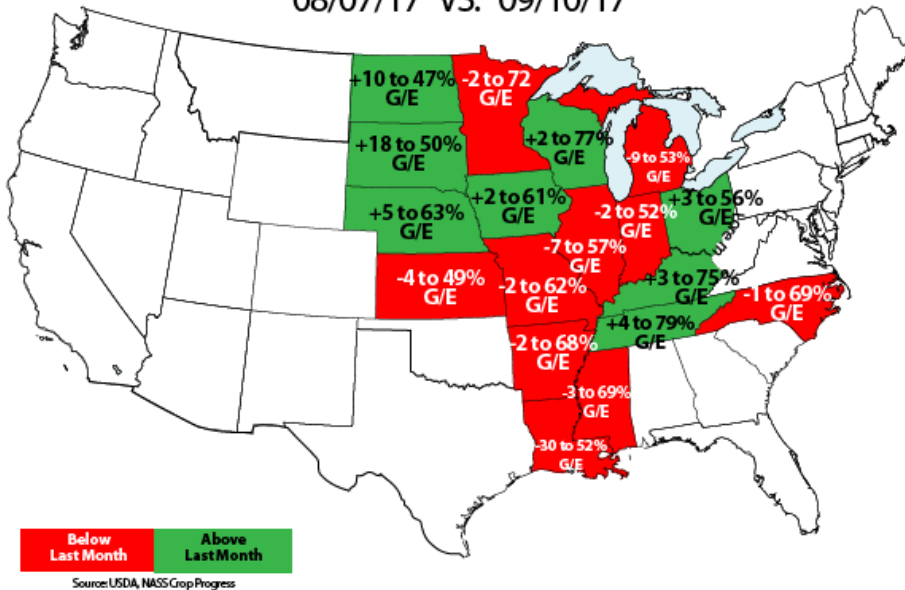
2002, Tyco - Three former executives from Tyco International, including the CEO and CFO, are indicted in New York on charges that they stole hundreds of millions of dollars from the company. Two of the men, CEO Dennis Kozlowski and CFO Mark Swartz, were later convicted and given lengthy prison sentences. The case became symbolic of the era's corporate corruption and greed. Kozlowski and Swartz were charged with using Tyco, a manufacturer of industrial products, as their private bank and looting \$150 million while pulling in another \$430 million by secretly selling large shares of company stock after its value had been artificially inflated. Among other things, the men took unauthorized loans from the company's coffers and gave themselves enormous, unauthorized bonuses. In June 2002, three months before the indictments, Kozlowski resigned as Tyco's chief just before he was charged with evading sales taxes on expensive paintings he'd purchased. At his Tyco trial in 2004, the former CEO's lavish lifestyle was put on public display and the media had a field day with revelations of his conspicuous consumption. He once spent \$6,000 on a shower curtain and \$2 million-some of it Tyco money-on an extravagant birthday party for his wife. In April 2004, the case ended in a mistrial after a jury member holding out for an acquittal received a coercive letter from a stranger. At a second trial in June 2005, the jury deliberated for 11 days before convicting Kozlowski and Swartz on multiple counts of grand larceny, securities fraud, conspiracy and falsifying business records. Each man was later sentenced to 8 1/3 years to 25 years in prison, while Kozlowski, 58, was ordered to pay \$170 million in fines and restitution and Swartz, 45, was ordered to pay \$72 million. The summer of 2005 also saw other corporate executives pay a steep price for their white-collar crimes: Former WorldCom CEO Bernard Ebbers was sentenced to 25 years in prison for spearheading an \$11 billion fraud that brought down the telecommunications giant, while Adelphia Communications chief John Rigas received a 15-year sentence for stealing hundreds of millions

Soybean Conditions Before August Report vs. September Report

8 States Conditions Improved vs. 8 States Conditions Deteriorated: *I had the office compare conditions that were released ahead of the August report vs. conditions released yesterday ahead of the September report. As you can see conditions have deteriorated in: Louisiana down -30%; Michigan -9%; Illinois -7%; Kansas -4%; Mississippi -3%; Arkansas, Indiana and Minnesota -2%. States showing improvement since the last report are: South Dakota +18%; North Dakota +10%; Nebraska +5%; Tennessee +4%; Kentucky and Ohio +3%; Iowa and Wisconsin +2%.*

Soybean Conditions

08/07/17 VS. 09/10/17



Wheat traders are not only eager to see what the USDA has to say about U.S. spring wheat, but also production inside Argentina, Australia, Canada, portions of Europe, India and Russia. There's speculation that some nations could see a reduction, while Russia could see a significant bump higher. Net-net it will be interesting to see if there's much change to global production. The bears believe we might just be shuffling around supply, with more ending up in the hands of the world's low-cost provider, Russia. I'm personally staying conservatively bullish and will be looking to add a small dose if we get a big push lower from bearish USDA fundamentals.

September 12, 2017 USDA WASDE report

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				

from the cable company. Among the companies that came to represent the corporate scandal and excess of the 1990s—Enron, Adelphia, Tyco and WorldCom—only Tyco survived. It was reorganized under new management and is now a global organization.

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

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

	???	0.361	0.310 - 0.390	0.370
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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



> USDA Issues Alert On Micotil User Safety: The U.S. Food & Drug Administration issued an alert Sept. 11 to cattle and sheep owners, farmworkers, veterinarians, physicians, emergency medical technicians and other health care providers about the potential hazards to people exposed to the animal drug Micotil 300 (tilmicosin). Micotil 300 is a prescription injectable antibiotic used to treat respiratory disease in cattle and sheep. According to FDA, since its approval in 1992, there have been more than 2,200 adverse event reports involving people exposed to Micotil 300. These include multiple reports of injury, including death, in people following injection of Micotil 300. Other routes of exposure, including by mouth or skin, have also led to injury, FDA said. Most of the reported human exposures were accidental and many cases required medical attention. While the circumstances remain unclear in some cases, there have been 25 reports involving human death. Although a majority of these deaths were due to intentional self administration of the drug, some deaths were reported following accidental injection. People exposed to Micotil 300 should immediately seek medical care, FDA warned. There is no antidote for Micotil 300. This drug has been shown to have toxic effects on the human heart. The full warning is [HERE](#).

> Australian Wheat Output Dented By Drought, Frost: Australia slashed its forecast for its wheat harvest to a nine-year low, while downgrading its canola crop to the smallest in seven years, citing "unfavorable" weather, which had hit some states with a double whammy of drought and frost. Abares, the official Australian commodities bureau, cut by -2.58 million metric tons to 21.61 million metric tons its forecast for domestic wheat production in 2017-18, a result which would make it the weakest

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

harvest since the 21.42 million metric tons crop in 2008-09. And the bureau lowered by 564,000 metric tons to 2.75 million metric tons its estimate for production of canola, in what would be the weakest harvest since 2010-11, while cutting forecasts for output of other winter crops such as chickpeas, oats and lentils too. Abares said rainfall was well below average in most cropping regions in June and was highly variable in July and August. Some of the most marked crop downgrades came in New South Wales, where output prospects had been hurt by "below-average winter rainfall and several frosts during August and early September". Abares added that its overall crop estimates were at risk of further downgrades were possible unless rains arrive, pointing with central west New South Wales and parts of South Australia as particularly vulnerable regions. (Source: Agrimoney)

> Ukraine May Be Out Of Egypt Wheat Market: Ukraine might lose its second largest wheat export market, Egypt, due to new wheat import requirements that favor rival Russia, Ukraine's acting agriculture minister said. Ukraine exported around 2.5 million metric tons of wheat to Egypt in the 2016/17 season, or about 14% of the country's total wheat exports of 17.5 million metric tons, according to consultancy UkrAgroConsult. (Source: Reuters)

> Malaysian Palm Oil Stocks Up +8.8%: Palm oil inventories in Malaysia in August rose 8.8% month on month to 1.94 million metric tons, Malaysian Palm Oil Board data showed Monday, which was below market expectations for a 13% increase. The MPOB data showed demand from markets such as like China, India, Iran, Japan and Turkey increased during August, with those buyers taking in substantially more palm oil, and palm oil exports in August, grew +6.4% month on month to 1.49 million metric tons. (Source: Platts)

> Monsanto Selling India Cotton Biz: Monsanto Co will sell its small branded cotton seed business to local firm Tierra Agrotech Private Ltd, but remains fully committed to India's agriculture sector, a Monsanto India spokesman said. The sale comes as Monsanto fights a former licensee in India in a bitter dispute that has drawn in both the Indian and U.S. governments, while it is also the subject of a \$66 billion takeover by Germany's Bayer. (Source: Reuters)

> Pilgrim's Acquires JBS Division: JBS SA, the embattled Brazilian meat company whose former chairman was arrested over the weekend, agreed to sell U.K. poultry producer Moy Park to Pilgrim's Pride, another subsidiary, for about \$1.04 billion. The deal will achieve about \$50 million in annual cost savings over the next two years, according to Pilgrim's. The second-largest U.S. chicken producer will finance the takeover using cash on hand, existing credit facilities and a seller financing note issued to JBS, which Pilgrim's said it intends to replace with permanent financing. JBS will use the proceeds from the Moy Park sale to reduce its short-term debt in Brazil. Joesley and Wesley Batista, the scandal-hit Brazilian brothers whose family controls JBS, have been shedding assets to help pay for legal settlements after they confessed to graft and other crimes that allowed them to carry out a massive acquisition spree in Latin America, the U.S. and elsewhere. (Source: Bloomberg)

> Lawmakers Target Crop Insurance Profits: Senators Jeff Flake (R-Ariz.) and Jeanne Shaheen (D-N.H.) have reintroduced a bill that would lower crop insurance companies' target rate of return on policies sold to farmers, to 9.6%, from 14.5% - and projects nearly \$4 billion in savings over a decade. The bill also would repeal a provision in the 2014 farm bill that requires any changes to the agreement negotiated between USDA and crop insurance companies to be budget-neutral, effectively blocking any savings from being realized. The bill reflects recommendations included in a report the Government Accountability Office released in July. (Source: Politico)

> Where Shadow Economies Are Well Established: Some countries have much larger shadow or unofficial economies than others. Greece's shadow economy is worth over a fifth of its total output, and Italy's isn't far behind. This chart, based on research by Germany's Institute for Applied Economic Research (IAW) at the University of Tübingen, shows southern European countries dominating the top of a list of selected industrialized countries with shadow economies. A shadow economy is the total value of transactions by businesses and individuals that occurs "off the books". In other words, work done for cash to avoid incurring tax and without following standard business practices. This could be anything from paying a tradesman or a babysitter in undeclared cash to the illegal wildlife trade, counterfeiting and money laundering. The World Economic Forum's Global Agenda Council on Illicit Trade 2012-2014 estimated the global shadow economy to be worth \$650 billion. While it's difficult to be sure of the amount of business that bypasses regulators, WEF research from 2015 forecast that the cost to the global economy of counterfeiting alone could reach \$1.77 trillion over the course of that year. A large shadow economy is a cause for concern for governments that miss out on tax revenues. However, it has also been argued that attempting to curb the shadow economy can limit economic growth and hamper innovation. (Source: WEF, Statista)

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..."

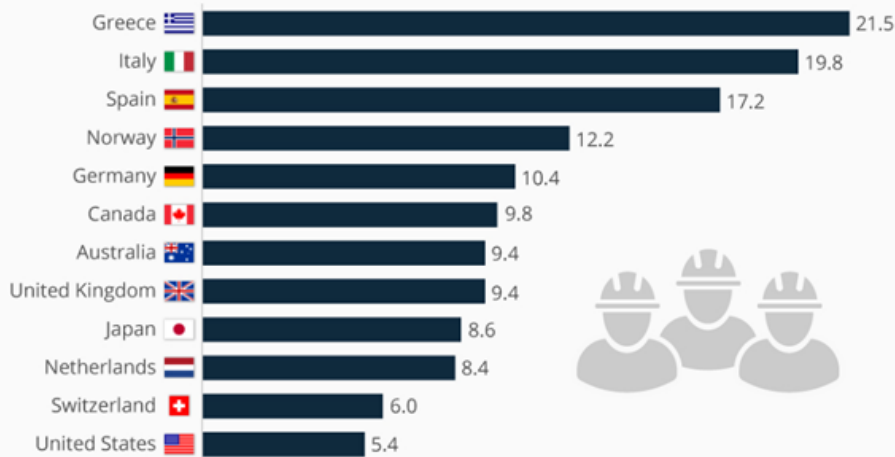
I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

- 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.

Where Shadow Economies Are Well Established

Shadow economy as a percentage of GDP in selected countries (2017)*



Shadow economy is the part of an economy involving goods and services which are paid for in cash, not declared for tax and therefore not actually part of the GDP

CC BY ND
@StatistaCharts

Source: IAW

Forbes statista



FROM THE FIELD

Western Mississippi - We were lucky and missed the tail end of the rains that blew through from hurricane Harvey. We finished up our corn harvest 14 days ago with very good yields. I do not know if we will produce a record corn crop but it will be real close. It will depend on what the test weight comes in at. I think across all farms we will see yields right at 223bpa. Our first harvested fields came out of the field at 18% and when we finished up we saw some down near 15%. If our test weights are near 60 we will see an uptick in our yields but if we fall closer to 50 we see a reduction. We are a little disappointed in our bean yields. We had some late rains that was actually too much moisture. We are not finished yet but the monitor is between mid 60bpa to mid 70bpa. These yields are above our APH but a little under what I was hoping for. The moisture levels are running in the 10% to 14% range. We should finish up in two weeks if we do not get rains from the next two new hurricanes that are showing up on the radar now.

Northwest Kansas - Things were truly excellent here until about a month ago when it turned very dry. We haven't seen any rain and are creeping up on near drought conditions going into harvest. It is so dry that you can't even cut the wheat right now. We had a late start to planting with wet conditions but some early planted corn could be cut around the 10th. We average 135 here on our dryland acres. All of our crop heads to the many feed lots in the area which is nice as their prices are .20-.30 better than the ethanol plants. We already booked 70% of our new crop and feel real good about that. Land prices are softening here as the good stuff used to be \$3,100 per acre and now can be purchased for \$1,700. We lease a lot of ground for between \$35-\$60.

Central Iowa - Conditions are variable around here. Guys that are cutting silage are seeing real good stands then they run across empty stalks in areas. Right now we haven't seen rain since June 1. It is drier on our farms than it was in 2012. That is mostly because of the moisture we had in the ground. We don't have that this year and we certainly need some precipitation going into the winter. We average 230-240 but will be lucky to see 180 this year. The beans won't be much better as it was very dry during flowering. We are hoping to grab at least a small drink of water so we don't end up with bb's this year. If we can get 45bpa this year, that would be good.

CROSSING WIRES

A place to share intelligent thoughts...

Farm Direction
RECIPES

★ FAMILY ★
FAVORITES

-SENT IN BY OUR READERS-



Strawberry
Pretzel Salad

CLICK TO SEE RECIPE

Has U.S. Farm Income Turned A Corner? *The agriculture industry is used to weathering peaks and valleys, and this past decade provides ample evidence of that. From 2009 to 2013, net cash farm income saw a robust period of growth, only to fall back down again from 2014 to 2016. Is 2017 showing signs of a comeback? USDA projections certainly prompt the question. The agency's 2017 Farm Sector Income Forecast forecasts 2017 net cash farm income at \$100.4 billion. That's \$11.2 billion – or 12.6% - higher than 2016. Net farm income (a broader profit measure) is also up \$1.9 billion – or 3.1% - over 2016. Read more from [Farm Futures](#).*

Harvesting Energy From Our Clothes Could Power Cell Phones In The Future: *Researchers have made an ultrathin energy harvesting system that can generate small amounts of electricity when it is bent or pressed, even at the very low frequencies that characterize human motion. The device could lead to clothing that uses motion to generate energy that could be used to charge a cell phone or other small electronic devices. "In the future, I expect that we will all become charging depots for our personal devices by pulling energy directly from our motions and the environment," says Cary Pint. See more fascinating details and other areas this technology could make a difference [HERE](#).*

'Cajun Navy' Helps Zello Reach Top Walkie-Talkie App Purchased: *With Hurricane Irma hitting Florida's southern islands as a category four storm, and more than 6.3 million being told to evacuate Florida, being able to stay in contact with the outside world is a high priority. As a result, smartphone apps which can help coordinate rescues and responses have become crucial to efforts. The main one that's being talked about — and downloaded at a prodigious rate — is Zello, a walkie-talkie app which was originally launched in Russia in 2007 under the name LoudTalks (but since moved to Austin, Texas in 2011) and now boasts 100 million users around the world. After being featured in a Houston Chronicle story about the "Cajun Navy" of volunteers who have been using the app to coordinate their efforts in the wake of Hurricane Harvey, the app hit the top of the US app store. Read more [HERE](#).*

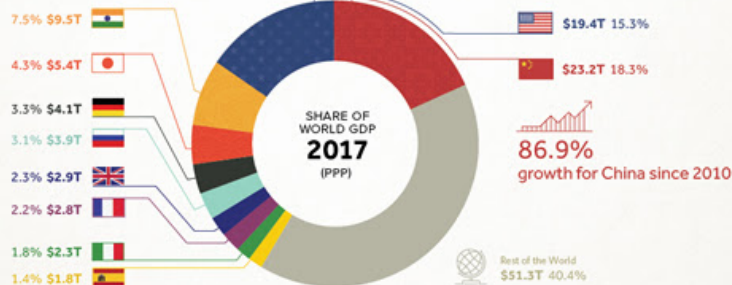
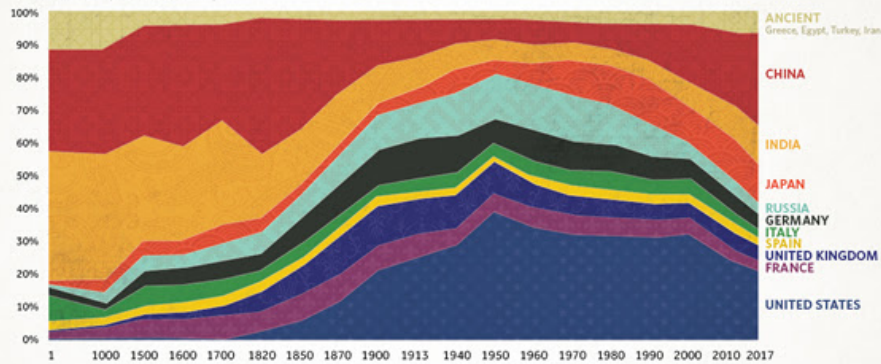
NFL Is Collecting Data Within Every Football This Season: *Every time the Lions throw a pass, the Seahawks run a play, or the Patriots catch a definitely-not-deflated ball, the NFL will be collecting data. The sports organization has decided to put an RFID data-collecting chip inside every football that will be thrown, punted, or bounced in a touchdown celebration during the 2017 season, according to ESPN. The chips will collect information on the speed of the football, its spin, and its spiral, but currently won't be used to help refs make touchdown calls, marking first down, or helping those blind refs realize that the ball was clearly out of bounds. Read more [HERE](#).*

China's 2,000 Year Path To The Top Of The Global Economic Heap: *The United States, in the eyes of some of its key allies around the world, doesn't enjoy the economic heft it once did. In fact, according to a recent Pew study, seven out of 10 European Union nations, including Germany, Spain and the U.K., consider China to be the true leading economic power. The trend, as you can see in the graphic below going back some 2,000 years, supports this notion of a changing of the guard. Jeff Desjardins of the Visual Capitalist blog created the chart by updating a previous version originally published by J.P. Morgan. He explained that the data comes from the late Angus Maddison, "a famous economic historian that published estimates on population, GDP, and other figures going back to Roman times." See a larger version of the graphic and read more details [HERE](#).*

2,000 YEARS OF ECONOMIC HISTORY IN ONE CHART

All major powers compared by GDP from the year 1 AD

SHARE OF GDP (WORLD POWERS)



SOURCE: "Statistics on World Population, GDP, and Per Capita GDP, 1-2008 AD", Angus Maddison, 1948

visualcapitalist.com

FROM MY PERSPECTIVE

Kevin Van Trump



iSELECT FUND



The
VAN TRUMP
Report

Featured Ag-Tech Startups

iSelect Webinar Series

The Van Trump Report has partnered with iSelect to help bring ag-tech to the farmer in the field. My good friend Carter Williams, CEO of iSelect, is making a difference in agriculture and I wanted to share some of his insight. Carter was the former director and founder of Boeing Ventures where he led Boeing's technology planning process. Carter is also the past president and founder of the MIT Corporate Venturing Consortium and Co-founder of the MIT Entrepreneurship Society. Today Carter is using his team's talents and abilities to help some of the most innovative in agriculture. Through this process he has the opportunity to see some of the latest innovations and technological shifts that are heading our direction, many times before they ever hit the mainstream market. Each week I will be featuring one of the NEW ag-tech companies and passing along an invitation for readers to join a webinar that will further explain the start-up. Keep in mind the webinars are geared towards investors who are thinking about providing start-up capital and seed funding. I personally find it interesting to hear about the technology and innovation that is being discussed. Some of the technology may be of interest to you, while some may not. I feel it's important to pass along what Carter and his team are seeing happen in the ag space. Remember, we don't have to be in agreement with every thought or idea but we do need to understand and be aware of the changes that are happening.

Presentation Title: "Eco-Friendly Clothing From Plant-Based Natural Fabric Dyes"

Date & Time: Thursday, September 14th at 3pm CST

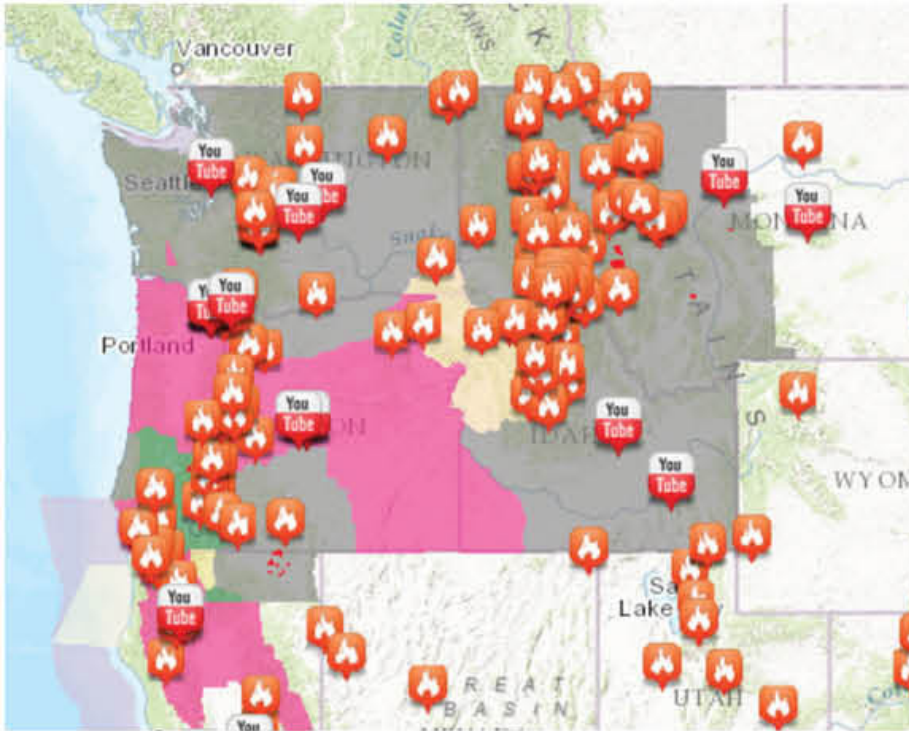
Fabric dyeing is one of the leading causes of industrial water pollution worldwide, and it is an issue that consumers are beginning to focus on when buying. With this in mind, major fashion brands including Levi's and Nike are now making purchasing decisions for their raw materials based on the full environmental and life cycle impacts of their products, with a commitment to reduce hazardous chemical use to zero by 2020. Through its flagship natural indigo product, Stony Creek Colors has developed and proven a complete agricultural supply chain to replace synthetic dyes with plant-based drop-in solutions. Innovations across the complete crop and processing value chain allow Stony Creek to sustainably produce plant based dyes with full transparency and authenticity, meeting the technical performance and volume requirements of textile mills and fashion brands worldwide without compromising product integrity. Even if you can't make the live broadcast, registered users will be able to view a recording on [our website](#) after the fact. Click [HERE](#) to register and learn more.



Hurricanes Have Won The Headlines, But What About The Massive Fires In The Northwest?

Fires in the Pacific Northwest have been raging for weeks. Currently there are more than 76 large blazes burning in nine Western states — including 21 fires in Montana and 18 in Oregon. Washington Governor Jay Inslee recently declared a state of emergency for all of Washington. Two hundred soldiers from Joint Base Lewis-McChord were mobilized last week to help with fires in southern Oregon. At this point, the wildfires in Oregon have already burned more than +525,000 acres. So far this year, wildfires have burned more than 12,500 square miles or more than +8 million acres nationwide. As I understand it, some residents are describing the event in apocalyptic terms. It's also worth noting that areas in Montana have set records for the worst "air quality" ever recorded, at 18 times the particle pollution limit deemed safe by the EPA. Keep in mind it was the hottest August in Portland since records were first kept 77 years ago, thus providing optimal burning conditions. On top of that, many regions in the northwest have not received any substantial rains for several weeks. Interestingly, we are also hearing more reports of hazy skies here in the Midwest, which are said to be the result of the wildfires out West. According to the NASA picture below, you can see the trail of smoke has currently made it all the way to St. Louis. To date, there have been over 1,500 fire fighters working around the clock to suppress the fires. Unfortunately, I've read that two firefighters have lost their lives while battling the fires. At this point, there are no accurate reports on the total loss of homes and businesses in the area. It is reported that a few of the fires originated from lightning strikes, but one for sure and maybe two started at the hands of human neglect. One giant blaze was thought to have been started when a 15-year-old boy and his friends threw a few firecrackers into Eagle Creek Canyon in Washington. The conditions were right and the fire quickly spread. As mentioned above, Seattle and the Northwest at large is known for its steady flow of precipitation. In the past few years, however, the summers have become dryer and dryer. In fact, since the beginning of July, the Seattle-Tacoma region has measured a dismal 0.02 inches of rain. Those numbers are similar all over the region. The most obvious cause of all these fires is the underbrush of any forest in the region and those expansive plains. With such little precipitation, all of the fallen branches, leaves, and

trees are perfect fire fodder. If you were lost in the woods, making a fire would be the least of your concerns because they would be so easy to start. That said, recent wildfires have led to a blanket burn ban in most regions in the Pacific Northwest. Burn bans do help prevent forest fires, but that won't stop Mother Nature. A good portion of forest fires are started by lightning strikes, and this is especially the case as you go more inland. I also think it's interesting to listen to debates on both sides about "logging practices". One side argues if the "tree huggers" would allow the forests to be thinned out like the loggers had in years past the fires would be much easier to fight, not nearly as intense and not spread so easily. In the past 20-30 years, the U.S. Forest Services have become overly burdened financially by the forest fires that have been occurring. In 1995, the U.S. Forest Service allotted just 16% of its budget to fight forest fires. In 2015, that number grew to over 50%. Today, the Forest Service is expecting its budget to soar to nearly 70% allocated to fighting fires. Perhaps we should stop pointing so many fingers at "climate change" and start looking more at "political changes" that have made out in those areas during the past 20-30 years. I suspect there might be some stunning revelations? Our prayers go out to all who are enduring these difficult circumstances. (Sources: kmov.com; spokesman.com; cheatsheet)







Keep Your Fork...

Great e-mail that was recently sent my direction from a good friend. I wanted to pass along. Hope you enjoy and share with your family and friends. Terrific message!

There was a young man who had been diagnosed with a terminal illness and had been given three months to live. So as he was getting his things 'in order,' he contacted his Priest and had him come to his house to discuss certain aspects of his final wishes.

He told him which songs he wanted sung at the service, what scriptures he would like read, and what outfit he wanted to be buried in.

Everything was in order and the Priest was preparing to leave when the young man suddenly remembered something very important to him.

'There's one more thing,' he said excitedly..

'What's that?' came the Priest's reply.

'This is very important,' the young man continued.

'I want to be buried with a fork in my right hand.'

The Priest stood looking at the young man, not knowing quite what to say.

'That surprises you, doesn't it?' the young man asked.

'Well, to be honest, I'm puzzled by the request,' said the Priest.

The young man explained 'My grandmother once told me this story, and from that time on I have always tried to pass along its message to those I love and those who are in need of encouragement.

In all my years of attending socials and dinners, I always remember that when the dishes of the main course were being cleared, someone would inevitably lean over and say, 'Keep your fork. '

'It was my favorite part because I knew that something better was coming like velvety chocolate cake or deep-dish apple pie.

Something wonderful, and with substance!

So, I just want people to see me there in that casket with a fork in my hand and I want them to wonder 'What's with the fork?'

Then I want you to tell them: 'Keep your fork ... the best is yet to come.'

The Priest's eyes welled up with tears of joy as he hugged the young man good-bye. He knew this would be one of the last times he would see him before his death.

But he also knew that the young man had a better grasp of heaven than he did. He had a better grasp of what heaven would be like than many people twice his age, with twice as much experience and knowledge.

He knew that something better was coming.

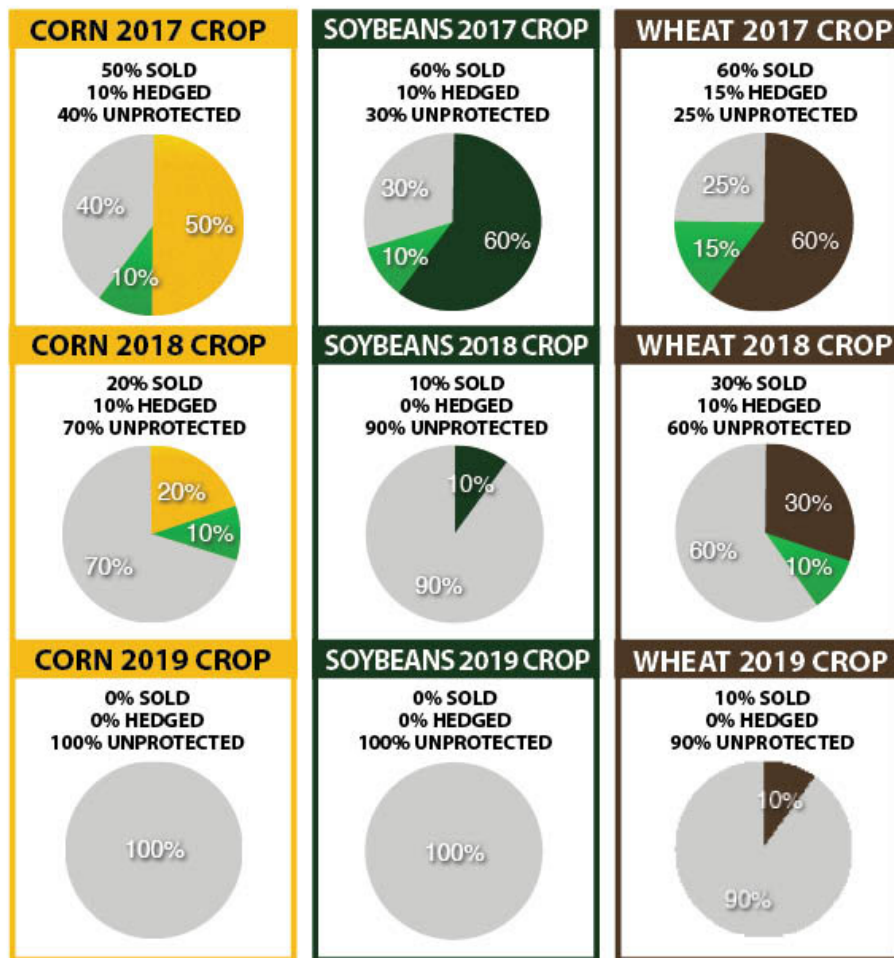
At the funeral people were walking by the young man's casket and they saw the suit he was wearing and the fork placed in his right hand. Over and over, the Priest heard the question, 'What's with the fork?' And over and over he smiled.

During his message, the Priest told the people of the conversation he had with the young man shortly before he died. He also told them about the fork and about what it symbolized to him.

He told the people how he could not stop thinking about the fork and told them that they probably would not be able to stop thinking about it either.

He was right. So the next time you reach down for your fork let it remind you, ever so gently, that the best is yet to come.





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