

## GOOD MORNING: 09/13/16 Farm Direction - VanTrump Report

1 message

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Wed, Sep 13, 2017 at 6:58 AM



*"If a man does not keep pace with his companions, perhaps it is because he hears a different drummer. Let him step to the music which he hears, however, measured or far away." — Henry David Thoreau*

WEDNESDAY, SEPTEMBER 13, 2017

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**Morning Summary:** Stocks keep their momentum with the S&P 500 actually closing at a new record high for the second day in a row. The resilience the market has shown through a series of worrisome events really is impressive. North Korea saber-rattling, two major hurricanes and Washington gridlock all caused some minor setbacks, but what's been called "the most hated bull market in history" still refuses to die. This is actually the second-longest bull market on record at 3,109 days. The longest bull run was the rally that started in December 1987 and lasted until March of 2000 for a total of 4,494 days, or another 3.8 years. It's also been a long time since the S&P 500 had a -10% correction. According to BeSpoke, the current streak of 579 days since the last -10% (or more) correction is the 11th longest on record going back to 1928. What's more, it's been 312 days since the index has experienced just a -3% pullback, the second longest streak on record. Insiders credit solid earnings and continued economic strength for keeping investors in stocks. Economic data out yesterday shows the U.S. job market continues to strengthen. Job openings in July climbed to a record of 6.170 million. Hirings also rose, up +1.3% to 5.501 million. The tight labor market was also evidenced by the National Federation of Independent Business survey, where a record share of small businesses in August ranked difficulties finding qualified workers as "their top business problem." Today's main economic release is the August Producer Price Index, which is expected to show an increase of +0.3% over July. Inflation has remained stubbornly soft and producer prices are among the softest. Investors also continue to monitor the fallout from Hurricane Irma as more accurate damage estimates from "boots on the ground" start to roll in. FEMA says the storm destroyed about 25% of homes in the Florida Keys. Another 65% suffered major damage. Transportation officials are trying to determine whether bridges between the islands can withstand any weight. There are still widespread power outages throughout the Southeast, including about 15 million in Florida alone. All told, Irma impacted at least 9 states.

**Apple Announces New iPhone:** Apple on Tuesday revealed its 10th anniversary iPhone called the iPhone X, pronounced 10, at its huge new "Spaceship" campus in Cupertino, California. The handset features an edge-to-edge display, a dual-lens 12-MP camera with optical image stabilization, Face ID facial recognition and ... no more Home button. Apple also revealed its new iPhone 8 and iPhone 8 Plus, which feature improved cameras, displays and, as many expected, it has augmented-reality capability using Apple's ARKit. Arguably the most exciting new feature of all three new phones is the "wireless charging" now available when the phone sits on a charging pad, called AirPower. The pad must be plugged into an outlet, but the phone charges wirelessly.) The iPhone X is priced at \$999. Preorders begin on Oct. 27, and the phone will ship on Nov. 3. The iPhone 8 will start at \$699, and the iPhone 8 Plus will start at \$799. Preorders for the iPhone start Sept. 18 and will be available Sept. 22. Both are available with 64GB and 256GB. (Beyond that Apple has rolled out a new Apple Watch with LTE connectivity for \$399. The company revealed an Apple TV with 4K resolution and HDR (high-dynamic range) capabilities for \$179.

**Jamie Dimon Says Bitcoin "Worse Than Tulip Bulbs":** JPMorgan Chase CEO Jamie Dimon took a shot at bitcoin on yesterday, saying the cryptocurrency "is a fraud." "It's just not a real thing, eventually it will be closed," Dimon said Tuesday at the Delivering Alpha conference presented by CNBC and Institutional Investor. "It's worse than tulip bulbs. It won't end well. Someone is going to get killed,"

# VAN TRUMP CONFERENCE 2017

December 6, 2017

## Full MARKET Outlook



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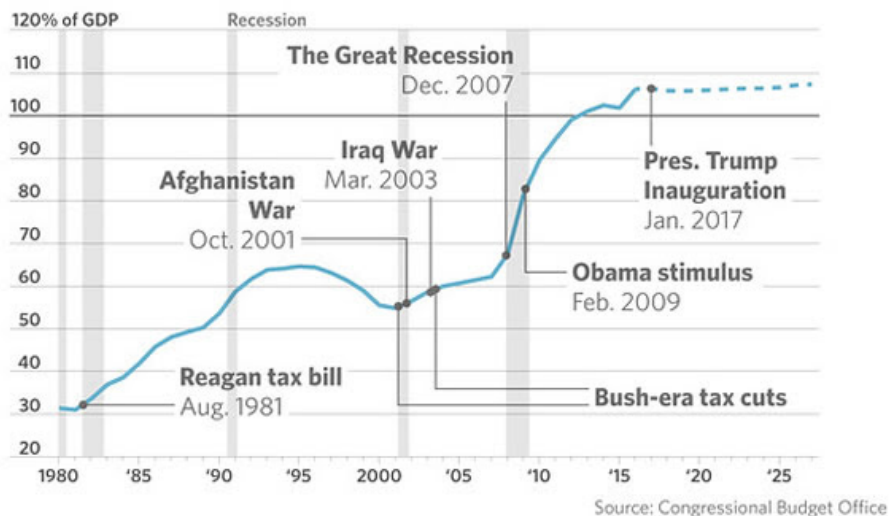
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Dimon said at a banking industry conference organized by Barclays. "Currencies have legal support. It will blow up." He also noted that he's not recommending investors rush out and short the cryptocurrency. "This is not advice of what to do. My daughter bought bitcoin, it went up and now she thinks she's a genius." Dimon also said he'd "fire in a second" any JPMorgan trader who was trading bitcoin, noting two reasons: "It's against our rules and they are stupid." Dimon's criticism comes at a time when some of the most well-known figures on Wall Street are starting to embrace the cryptocurrency. Fundstrat's Tom Lee said he sees bitcoin surging to \$6,000 next year and value investor Bill Miller reportedly owns bitcoin. Bitcoin has soared 315 percent this year. (Source: CNBC)

**How The U.S. Racked Up Over \$20 Trillion In Debt:** The U.S. has exceeded \$20 trillion in national debt — the nation was a cool \$20.16 trillion in the red as of Friday — and now that it's crossed that mark, get ready for some finger pointing over who's to blame. If history shows anything, it's that both parties share responsibility for boosting the debt. Fighting wars, big tax cuts and economic stimulus packages have all added to the burden over the years. The graphic below shows some of the key moments in the debt's trajectory until now. Such as the Reagan tax cuts, which are estimated to have reduced federal revenue by an average of \$118 billion a year (in today's dollars) during the first four years. Kathy Ruffing, a consultant to the Center on Budget and Policy Priorities, has estimated that the cuts originally enacted during the Bush years will account for \$5 trillion of debt outstanding through fiscal 2017. The U.S. spent heavily on the wars in Afghanistan — which the U.S. invaded after the Sept. 11, 2001, terrorist attacks — and Iraq. According to consultant Kathy Ruffing, the two wars account for about \$2 trillion of the debt, including interest. With the U.S. still reeling from the Great Recession, President Barack Obama signed the American Recovery and Reinvestment Act in February 2009. Originally scored at \$787 billion, the Congressional Budget Office in 2015 put its price tag higher, at \$836 billion. Including interest payments, it added \$1 trillion to the debt through fiscal 2016. (Source: MarketWatch)

## Key moments leading up to the \$20 trillion debt

Projected debt as a percentage of GDP (1980 - 2027)



**Weather** is seeing Tropical Depression Irma continue to weaken and dissipate as it drifts toward the lower Mississippi and lower Ohio River systems today and tonight. I continue to hear assessments on Irma's damage to agriculture in the Southeast. The strong wind and torrential rains it unleashed last week is likely to have caused significant losses to unharvested citrus fruit, as well as sugarcane and vegetables. It may have also damaged citrus trees throughout the region. In the Corn Belt, warm, dry weather is promoting the maturation of developmentally delayed summer crops. On September 10, only 21% of the U.S. corn crop was fully mature, compared to the 5 year average of 31%. Corn maturation was at least 10 percentage points behind average in seven Midwestern States. On the Plains, hot dry weather covers the northern half of the region, however, late-week showers are possible and will be unfavorable for mature crops and harvesting for a time. Looking ahead, a weather pattern change will result in a warming trend across the central and eastern U.S., along with markedly cooler weather in the West. 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 stricken northern High Plains. The cooler, wetter weather should also aid Northwestern wildfire containment efforts. Below is a 5 day precipitation map showing rainfall for the rest of the week.

Here are a few of this year's early sponsors



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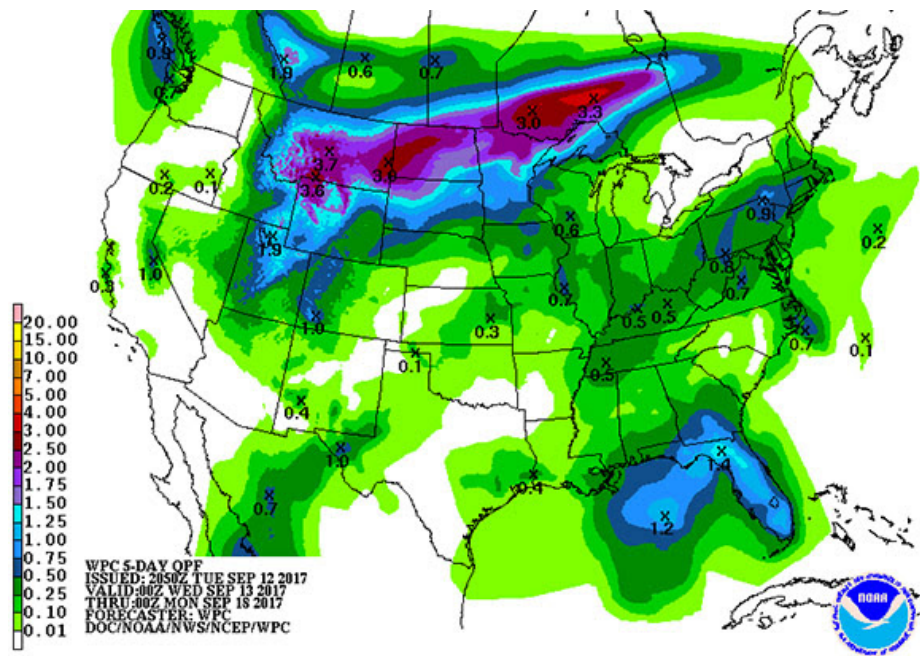


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Again, notice the southern Plains is very dry, while the northern Plains should get some much needed moisture.



**Corn** price hold above their most recent lows, but from a traditional fundamental perspective the upside seems extremely limited as the USDA pushes their U.S. yield forecast higher from 169.5 to 169.9 bushels per acre. Corn production is forecast at 14.184 billion bushels, up +32 million from last month. If realized, this will be the third largest crop in U.S. history. On the demand side of the equation, "feed and residual" use for 2017/18 is raised +25 million bushels, but corn used for ethanol for 2017/18 is lowered -25 million bushels to 5.475 billion. In addition "other industrial" usage is lowered by -50 million bushels. Exports were left "unchanged". Net-net, total demand was lowered, not increased like many in the trade were anticipating. In addition domestic production was raised, not lowered. Global production for 2017/18 is forecast up +2.4 million tons. Foreign corn production is forecast to decline relative to last month with reductions for Serbia, Ukraine, the EU, and Russia more than offsetting increases for Argentina and Mexico. Argentine new-crop corn bumped higher from 40.0 to 42.0 MMTs. The projected range for the season-average corn price received by producers is lowered -\$0.10 cents on both ends to a range of \$2.80 to \$3.60 per bushel. As a producer, I'm extremely happy to have made good sales on the rally in July, Hindsight being 20/20, I obviously wish I would have done more. I'm going to keep hedges in place and stay patient for the time being. I believe better opportunities to reduce risk are out on the time horizon. As a spec I would like to be a longer-term bull, but want to wait until better valuation, perhaps a push to sub-\$3.30 is in the cards nearby?

#### Today In History



**1936, Bob Feller** - 17-year-old Cleveland Indians pitching ace "Rapid" Robert Feller strikes out 17 batters in a game, setting a new American League record. Feller allowed just two hits in the game to help his team to a 5-2 victory over the Philadelphia A's. Feller was born November 3, 1918, in Van Meter, Iowa. An only child, he spent his days pitching against the side of a barn on his family's farm. At just 16 years old, in July 1935, Feller signed with Cy Slapnicka, a Cleveland Indian scout, in exchange for an autographed baseball and one dollar. On August 25, 1936, when he was still only 17, Feller made his first start, striking out 15 St. Louis Browns with a blazing fastball and knee-buckling curveball that would be the hallmarks of his long and storied career. On September 13, Feller started the first game of a double-header against the Philadelphia A's at League Park in Cleveland. The young pitcher's fastball was effective from the start and he was soon racking up strikes at a pace unseen in the American League since Rube Waddell of the St. Louis Browns struck out 16 batters in 1908. Feller's 17 strikeouts that day tied Dizzy Dean's modern major league record, set in 1933. Two years later, on the last day of the 1938 season, Feller broke Dean's record when he struck out 18 Detroit Tigers, setting a modern record that would stand for 31 years. (It was finally broken in 1969 by St. Louis Cardinals' pitcher, Steve Carlton. Bob Feller retired from baseball after the 1956 season having won more games than any pitcher in Cleveland Indians history. His numbers would, no doubt, have been even more impressive if not for the four seasons he spent in the Navy during World War II, where he earned eight battle stars. In 1957 his jersey number, 19, was the first to be retired by the Indians. He was elected to the Baseball Hall of Fame in 1962, the only pitcher since Walter Johnson to be so honored in his first year of eligibility. His lifetime record of 266-162 includes three no-hitters (1940, 1946 and 1951).



**1971, Attica Prison** - A four-day riot at Attica Prison comes to a violent end as law enforcement officials open fire, killing 29 inmates and 10 hostages and injuring many more. The prison insurrection was the bloodiest in U.S. history. On the morning of September 9, 1971, a group of inmates at the Attica Correctional Facility, a



## Corn Yield Estimate "Current vs. Final Last Year"

- Arkansas 182 vs. 171 last year
- Colorado 145 vs. 137 last year
- Georgia 182 vs. 165 last year
- Illinois 189 vs. 197 last year
- Indiana 171 vs. 173 last year
- Iowa 187 vs. 203 last year
- Kansas 133 vs. 142 last year
- Kentucky 171 vs. 159 last year
- Michigan 169 vs. 157 last year
- Minnesota 182 vs. 193 last year
- Mississippi 185 vs. 166 last year
- Missouri 164 vs. 163 last year
- Nebraska 181 vs. 183 last year
- North Carolina 142 vs. 129 last year
- North Dakota 124 vs. 158 last year
- Ohio 173 vs. 159 last year
- Pennsylvania 160 vs. 129 last year
- South Carolina 135 vs. 127 last year
- South Dakota 145 vs. 161 last year
- Tennessee 168 vs. 151 last year
- Texas 140 vs. 148 last year
- Wisconsin 162 vs. 178 last year

maximum-security prison in western New York, assaulted a prison guard and began rioting. They took prison employees hostage and gained control of portions of the facility. Negotiations between inmates and prison officials followed. The inmates demanded better living conditions at the overcrowded prison, which had been built in the 1930s. At the inmates' request, a committee of observers that included politicians and journalists was formed to oversee the talks. When negotiations broke down, New York Governor Nelson Rockefeller ordered Attica to be taken by force. Rockefeller was planning to run for the Republican presidential nomination and reportedly wanted to combat the perception in some circles that he was soft on crime. On the morning of September 13, tear gas was dropped over the prison and state troopers opened fired on a group of over 1,200 inmates. In the chaos, 10 hostages and 29 inmates were killed by police gunfire and another 80 people were seriously wounded, the majority of them inmates, in what became the bloodiest prison uprising in U.S. history. Adding to the death toll were three inmates and a guard who had been killed earlier during the riot. Some inmates later claimed that police took brutal revenge on them and that they were denied medical care for hours afterward. An investigation into the Attica revolt resulted in over 60 inmates being indicted and eight eventually convicted. One prison guard was charged with reckless endangerment, but his case was later dropped. A class-action suit filed in the 1970s on behalf of over 1,200 Attica inmates was settled in 2000 when a federal judge ordered New York State to pay \$8 million to the surviving inmates. In 2005, the state also agreed to pay \$12 million to the survivors and families of employees killed at Attica.



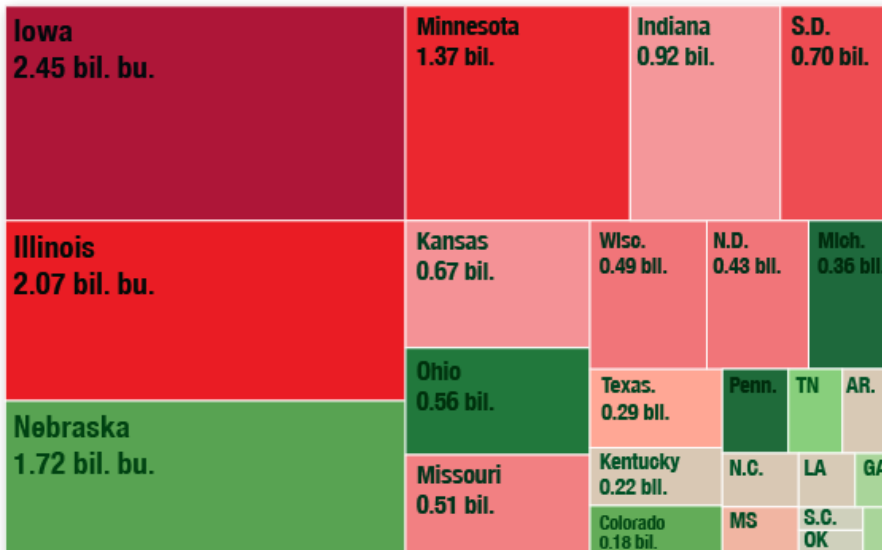
**1980, Willie Nelson** - Country music artist Willie Nelson and his band perform at the White House with President Jimmy Carter in attendance.

Later that night, unbeknownst to the president, Nelson allegedly retired to the White House roof to smoke a marijuana cigarette. A fan of Nelson's music, Carter frequently attended the singer's concerts and invited Nelson to stay at the White House during his presidency. The two formed a friendship that continued after Carter left the White House in 1980. In 2004, Carter told reporter Beverly Keel from Rolling Stone magazine that while under immense pressure as president he would relax in his study, tying flies for fishing while listening to Nelson's music. "All the good things I did as president, all the mistakes I made — you can blame half of that on Willie," said the former president. He and Nelson shared a common background: both grew up in the South and worked as blacksmiths and at picking cotton. Nelson felt equal admiration for Carter and told Keel that Carter was his "favorite president...he did a great job." Nelson, whom The New York Times dubbed the "king of outlaw



# U.S. Corn Production, 2017

Color denotes Year-over-Year change from 2016



Worse than Last Year

Greater than Last Year

**Total Production - 2016 = 15.148 bil. bushels, 2017 = 14.184 bil. bushels**

**Soybean** bulls seem somewhat shocked to see total U.S. production bumped to a fresh new record 4.431 billion bushels, up +50 million from last month on a higher yield forecast. Total U.S. soy production is now estimated to be up +3% compared to last year. Yield was bumped +0.5 bushels higher from 49.4 to 49.9, while harvested acres was left "unchanged" at record levels. I should also note, even though "harvested acres" were left unchanged, many insiders believe they could eventually be bumped higher by another +250,000 to +750,000 acres. With increased supplies and low prices, soybean exports are raised to 2.250 billion bushels leaving new crop ending stocks "unchanged". Changes for the old-crop 2016/17 balance sheet included higher exports, higher crush, and lower ending stocks. Exports were increased +20 million to 2.170 billion bushels, crush raised +5 million bushels, putting old-crop ending stocks at 345 million bushels, down -25 million from last month. The 2017/18 U.S. season-average farm soybean price is forecast at \$8.35 to \$10.05 per bushel, down -\$0.10 at the midpoint. Globally, there was very little fresh or game-changing. China soy imports were raised from 94.0 to 95.0 MMTs. As both a producer and a spec I want to remain patient, giving the market more time to fully digest the bearish fundamentals. I believe higher prices are on the horizon, but it's going to take time to play out.

country," had never made a secret of his use of illegal marijuana and supported the National Organization for the Reform of Marijuana Laws (NORML). In his biography, Nelson admitted to lighting up a "big fat Austin torpedo" (slang for a marijuana cigarette) whenever he stayed overnight at the White House. Carter claimed not to have known of Nelson's after-hours tokes on the White House roof, saying he and Willie never discussed the singer's drug use.

## 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

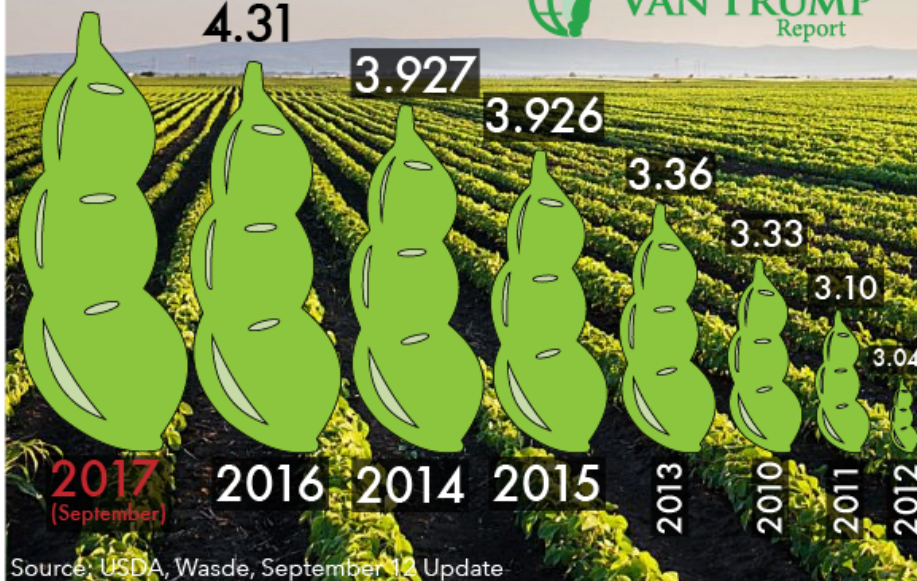
## Kevin's Song of the Week



About the Report

# U.S. Soybean Production (in billion bushels)

**Record  
4.43**



## Soybean Yield Estimate "Current vs. Final Last Year"

- Arkansas 51 vs. 47 last year
- Georgia 44 vs. 30 last year
- Illinois 58 vs. 59 last year
- Indiana 56 vs. 57.5 last year
- Iowa 57 vs. 60.5 last year
- Kansas 43 vs 48 last year
- Kentucky 52 vs. 50 last year
- Michigan 48 vs 50.5 last year
- Minnesota 47 vs. 52.5 last year
- Mississippi 52 vs. 48 last year
- Missouri 49 vs. 49 last year
- Nebraska 56 vs. 61 last year
- North Carolina 38 vs. 35 last year
- North Dakota 35 vs. 41.5 last year
- Ohio 54 vs. 54.5 last year
- Pennsylvania 50 vs. 44 last year
- South Carolina 36 vs. 31 last year
- South Dakota 45 vs. 49.5 last year
- Tennessee 48 vs. 45 last year
- Texas 40 vs. 31 last year
- Wisconsin 48 vs. 55 last year

## 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

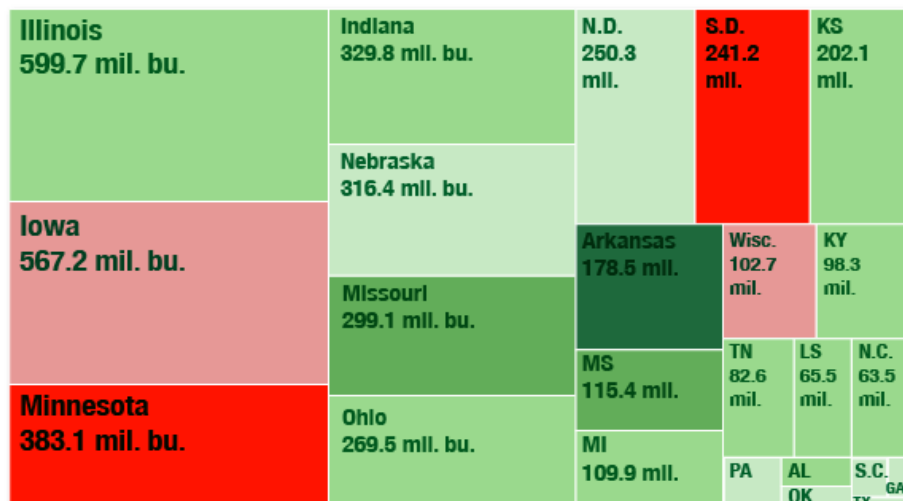
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis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

# U.S. Soybean Production, 2017

Color denotes Year-over-Year change from 2016



Worse than Last Year

Greater than Last Year

Total Production - 2016 = 4.307 bil. bushels, 2017 = 4.431 bil. bushels

**Wheat** supply and demand estimates for the U.S. are "unchanged" from last month. Adjustments to the U.S. crop will be made in the end-of-month Small Grains Report, where most are looking for a further reduction in total U.S. production and perhaps a slight increase in demand. In yesterday's report, the USDA did however lower their season-average farm price -\$0.20 per bushel at the midpoint to a range of \$4.30 to \$4.90. Global wheat supplies for 2017/18 are lowered as a +1.7-million-ton production increase is offset by a -2.7-million-ton decrease in beginning stocks. The primary production increase is for Russia, which is raised +3.5 million tons to a record 81.0 million tons; this change is based on excellent growing conditions and updated harvest results. Australia production for 2017/18 is lowered -1.0 million tons on dry conditions, and the EU is lowered -0.7 million tons. In addition, historical production changes for Australia led to lower global ending stocks. Total global use is up 0.5 million tons. With total supplies declining and use increasing, global ending stocks are lowered 1.6 million tons. Australian wheat crop lowered from 23.5 to 22.5 MMTs; European wheat crop lowered from 149.6 down to 148.9 MMTs; Russian wheat crop raised from 77.5 to 81.0 MMTs. I remain bullish longer-term!

**Zapis' Russkiy Proizvodstvo...** meaning "Record Russian Production"

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..."

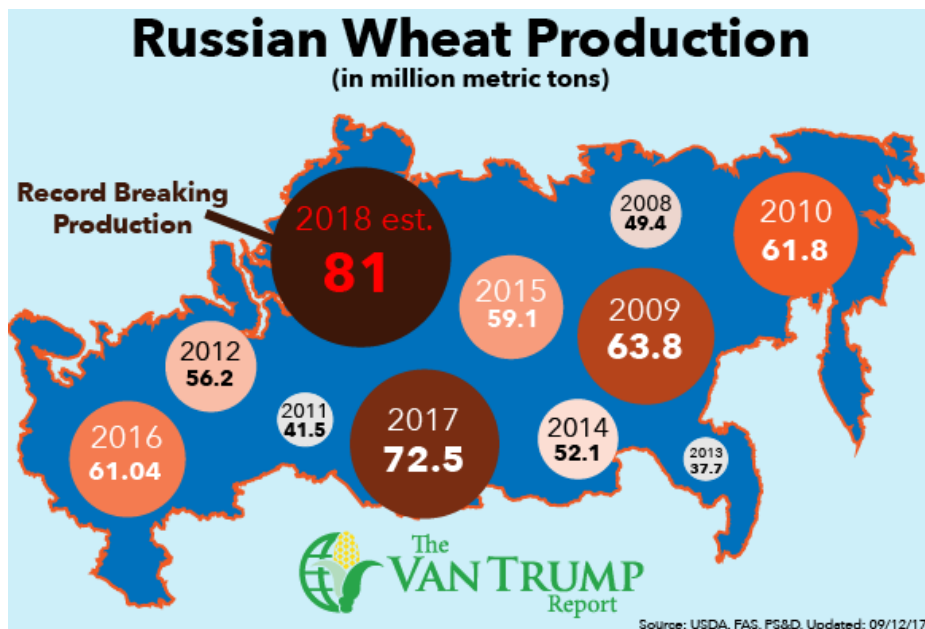
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.





*Farm Direction*  
RECIPES

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

**Strawberry Pretzel Salad**

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**> Brazil's Major Growing Regions Delay Planting On Lack Of Rain:** *The planting of soybeans and corn in some key regions of Brazil was expected to start this week, but it did not happen. There is lack of rain in the states of Mato Grosso, Paraná, and Mato Grosso do Sul. Some analysts say that is too early to be alarmed, but Somar Mereologia also forecasts scarce rains in the coming days of September. (Source: Agrosouth)*

**> China Cuts Estimated Corn Deficit, Raises Corn & Soybean Imports:** *China on Tuesday slashed its forecast for the corn deficit for the upcoming season due to higher imports and better-than-expected output, despite lingering concerns about the impact of drought on the main northeastern growing regions. For the upcoming 2017/18 season which starts on Oct. 1, the government expects demand to outpace supply by 890,000 metric tons, down from last month's forecast of 3.17 million metric tons. That compares with an estimated 10.17 million metric tons surplus in 2016/17. Beijing now expects China to import 1.5 million metric tons of corn in 2017-18, up 500,000 metric tons from its previous forecast. It also doubled its corn import estimate for 2016-17 to 2.0 million metric tons. China also raised its soybean import projection for 2017-18 by 1.34 million metric tons to 94.5 million metric tons, which helped pare its expected soybean deficit by 720,000 metric tons to 250,000 metric tons. (Source: Reuters, Pro Farmer)*

**> French Wheat Crop Estimate Lifted:** *France's farm ministry raised by 1.09 million metric tons to 68.15 million metric tons its estimate of France's cereals harvest, representing in the main an upgrade of 1.01 million metric tons to 37.79 million metric tons in the estimate for soft wheat output. That would make it France's third-biggest harvest on record, after those of 2015 and 1998, the ministry said. The rapeseed crop, helped by "excellent yields, was upgraded by 254,000 metric tons to 5.48 million metric tons, falling just short of the 2009 record of 5.6 million metric tons.*

**> Kazakhstan Forecasts 2017/18 Grain Exports Will Fall Slightly:** *Kazakhstan expects to export up to 8 million metric tons of grain in the 2017/2018 marketing season, down from 8.252 million metric tons in the previous season, Deputy Agriculture Kairat Aituganov said. Aituganov told a government meeting the Central Asian nation planned to harvest about 19.5 million metric tons of grains in bunker weight this year, down from 21.5 million metric tons in 2016. (Source: Reuters)*

**> Tyson Foods Expanding Production To Include Feed Plant:** *In response to strong consumer demand for chicken, Tyson Foods, Inc. plans to build a \$320 million poultry complex in eastern Kansas. The company will construct a processing plant, hatchery and feed mill near the city of Tonganoxie, in Leavenworth County, which will employ approximately 1,600 people and contract with northeast Kansas farmers and ranchers to raise chickens. The operation, currently scheduled to begin production in mid-2019, will produce pre-packaged trays of fresh chicken for retail grocery stores*



*nationwide. The poultry plant will be capable of processing 1.25 million birds per week, increasing Tyson Foods' overall production capacity. The payroll and payments to farmers from the new operation, along with its purchase of grain and utilities, is expected to generate an annual economic benefit to the state of Kansas of \$150 million. Tyson Foods anticipates purchasing about 300 acres of property south of Tonganoxie and currently plans to break ground sometime this fall. (Source: World Grain)*

**> Northeast Dairy Farmers Need A New Milk Buyer:** *About 180 members of the National Farmers Organization, mainly in New York, Vermont and Pennsylvania, are at risk of having no place to sell their milk on Dec. 1 unless they can find a buyer other than Dairy Farmers of America. The NFO members had their contracts terminated due to the overabundance of milk and decreased processing facilities in the region, said Brad Keating, senior vice president and COO of the Eastern Fluid Group at DFA. "In some cases, plants are closing because there is less demand for product. Also, business has transferred out of the Northeast," Keating told MA. While DFA and other dairy companies like HP Hood are investing in several plants to increase processing capacity, including in western New York and northern Pennsylvania, many of those projects won't be completed until next year. For the past 15 years, NFO has contracted with DFA's Dairy Marketing Services in the Northeast to market its members' milk. Another 700 independent dairy producers in the region whose milk has been handled by DFA's Dairy Marketing Services also face the same problem as the NFO members, though they have the option to join the cooperative under certain terms. Brad Rach, NFO's national dairy director, said his organization is doing everything it can to find a new home for the farmers' milk, but things are looking bleak. He added that the oversupply problem is impacting dairy farmers and cooperatives in every region of the country, not just the Northeast. (Source: Politico)*

**> EIA Lowers U.S. Crude Output Forecast:** *The EIA lowered its U.S. crude output forecast for next year to 9.84 million barrels a day from 9.91 million a day estimated in August, according to its Short-Term Energy Outlook. For 2017, the EIA forecast U.S. crude production at an average 9.25 million barrels per day, down -1% from the previous forecast. Meanwhile, the agency forecast that U.S. oil demand for 2017 is set to grow by 350,000 bpd compared with 340,000 bpd previously. For 2018, oil demand is expected to rise by 400,000 bpd versus 330,000 bpd previously. The EIA also lowered its 2017 price forecast for West Texas Intermediate crude by -0.1% to an average \$48.83 a barrel, but lifted its outlook on Brent crude by +0.7% to \$51.07. The agency also notes significant disruptions in the U.S. energy market have occurred in recent weeks as a result of Hurricane Harvey. Refinery operations declined significantly following the storm. Based on EIA's Weekly Petroleum Status Report, U.S. gross refinery runs averaged 14.8 million barrels per day (b/d) the week ending September 1, down by -3.1 million b/d from the previous week. EIA forecasts refinery runs to average 15.3 million b/d in September, down from an estimated average of -17.1 million b/d in August. Refinery runs are forecast to increase to 15.9 million b/d in October. EIA expects much of the reduction in refinery production of petroleum products to be offset by a decline in petroleum product net exports. A reduction in net exports can either come from a decrease in exports or an increase in imports. Additionally, the reduction in production of petroleum products could contribute to larger-than-typical inventory draws for September. (Source: EIA)*

**> Americans Spend More Than \$100 Billion On Sports:** *Americans spent more than \$100 billion – yes, billion – over the past year on sporting events, athletic equipment and gym memberships, a new CreditCards.com survey found. Topping the sports spending list is \$56 billion spent at sporting events, \$33 billion on athletic equipment and \$19 billion in gym memberships. Who is paying for those gym memberships most often? Millennials. Thirty-six percent of those 18-36 (36 percent) say they paid for a gym membership in the past 12 months. That's twice as often as those who are older. When it comes to heading to the stadium, older Americans tend to sit it out. While season tickets to football or baseball games can cost thousands of dollars, that just gets you in the door. Add in the cost of parking, food and drink, and a day at the ballpark or arena often involves a stop at the ATM or a lot of reaching for the credit card. In 2016, it cost an average of \$502.84 to take a family of four to an NFL game, up 232 percent from \$151.33 in 1991. That amount covers two adult tickets, two children's tickets, two small beers, four small soft drinks, four hot dogs, two programs, two adult-size ball caps and parking. In Major League Baseball, the family-of-four average in 2016 was a veritable bargain: \$219.53 (up 176 percent from \$79.41 in 1991). Click on the graphic below for the full version. (Source: CreditCards.com)*



More than **\$100 billion**

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**\$56 billion**  
in sporting events



**\$33 billion**  
in athletic equipment



**\$19 billion**  
in gym memberships



**Central Montana** - We dropped the chick peas, lentils, and green and yellow peas this season. They were becoming increasingly difficult to manage in order to get a good harvest. It was nice to have them all contracted but due to challenges with weather etc, we are going with all winter and spring wheat. The winter wheat was disappointing this season with disease stresses originating in the soil. We were so wet this spring we couldn't keep the nitrogen in place. We had to keep dumping it on. Our yields will get to 80bpa on the winter wheat but in the good soils can get over 100bpa. In July we were able to market a good portion of the spring wheat at \$8.20. We are not sure why prices are down \$1.75 as the story on protein issues is still being tossed around in the media.



**Southwest Missouri** - We are just a few days into our corn harvest. So far we are pretty happy with yields on fields that are not our best making 150bpa. This was some of the 102-day corn that was planted fairly early, drying down to between 14.5% to 16% moisture levels. We will be picking fields that are mostly 105-day corn which I would imagine will be higher on moisture levels. The beans are not looking too bad but I think we have lost a little off the top end of yields due to little or no moisture over the past three weeks. We started a few of our pivots up to push them along. Unfortunately, we have seen some sudden death throughout fields. If we don't have big problems we will have a lot of 40bpa to 50bpa beans. I think that we will see a pretty quick harvest except for fields that we had to do a lot of replanting.

**Northern Iowa** - Things are looking pretty good here but we could use a little rain to help finish the beans. We have had decent weather most of the growing season but have turned dryer as of late. We are probably ten days to two weeks behind schedule here. We usually will be shelling corn or cutting beans by the last week of September but that will not happen this year. Our planting this year was later and the cool days and nights slowed things down a little. The corn should have yields that will be at or above our APH. I think we will have a lot of farms that hit that 230bpa mark. We love those yield numbers but again puts me behind on the marketing side. The beans are just starting to turn. The fields are a mixture of green and yellow. We have a good bean crop which I think will have very good yields.



**Meat Plants Shuttered, Fertilizer Supply Chain Disrupted In Path Of Irma:** Hurricane Irma stripped oranges from trees and prompted Tyson Foods Inc to shut meat plants in Florida and Georgia on Monday to keep workers safe. Tyson, the biggest U.S. meat company, hopes to resume normal operations soon at chicken plants it shuttered in Cumming, Dawson and Vienna, Georgia, and at a beef facility in Jacksonville, Florida, spokesman Derek Burleson said. In Georgia, the Port of Savannah, which exports almost a third of all U.S. poultry, was to remain closed through yesterday (Tuesday), the Georgia Ports Authority said. Among the areas hit in Florida was the state's prime citrus-producing region, said Lisa Lochridge, spokeswoman for the Florida Fruit & Vegetable Association. Fertilizer maker Mosaic Co said Irma damaged facilities, including a fertilizer warehouse at Bartow, Florida, and caused disruptions in the supply chain that are expected to impact third-quarter phosphates production volumes. Mosaic has also stopped making phosphate price offers to domestic and international customers due to uncertainty about product availability and its ability to ship product after the storm, according to a company statement. Details on other disruptions are available [HERE](#).

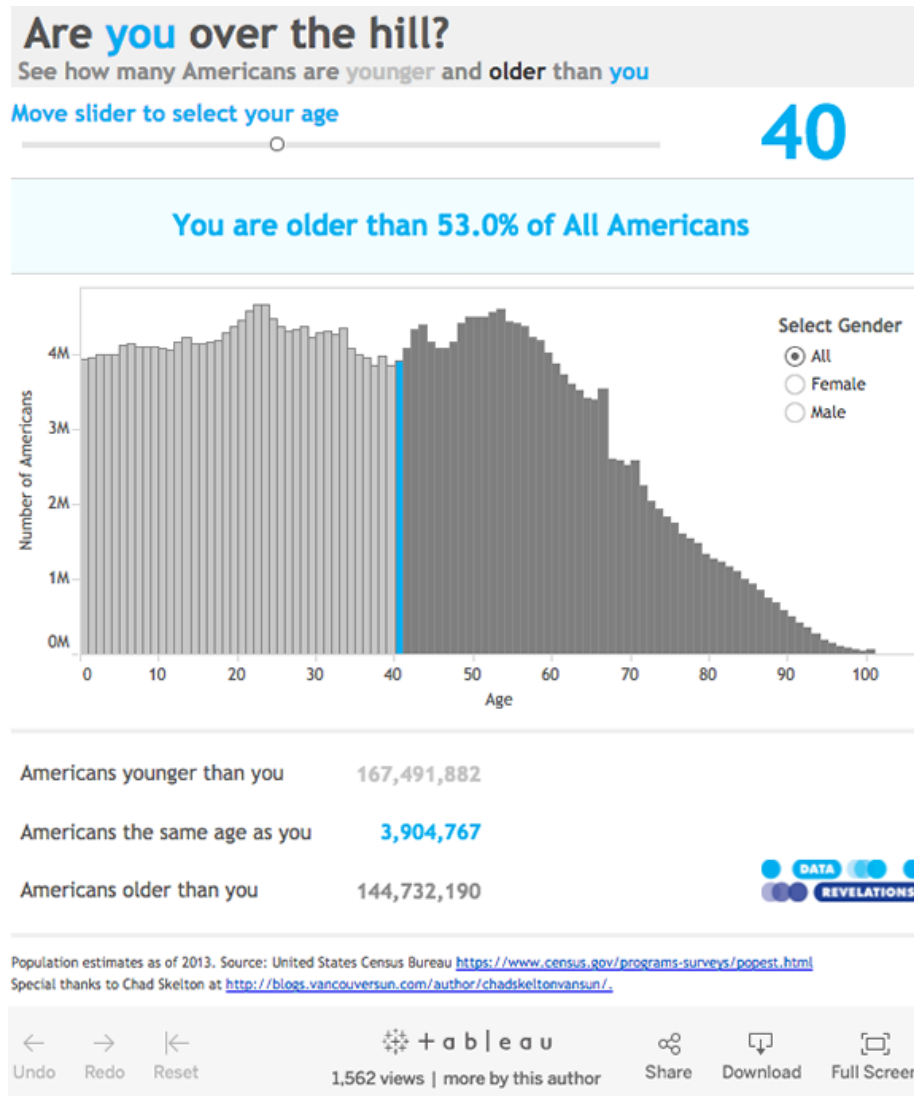
**U.S. Navy Seeking Answers To 99-year-old Wreckage:** The U.S. Navy is probing a warship disaster 99 years after the fact in an attempt to find out what really happened when it sank. The USS San Diego went down in 1917, and it was assumed that it was sunk by a mine or German submarine. Now, nearly a hundred years later, the Navy finally wants to find out what sent the ship to the bottom. The USS San Diego was a Pennsylvania-class armored cruiser, built at Union Iron Works in San Francisco and commissioned into the Navy in 1907. San Diego displaced 15,138 tons fully loaded, could make 22 knots, and was equipped with four eight-inch guns, fourteen six-inch guns, and 30 light guns. The cruiser served as part of President Theodore Roosevelt's Great White Fleet, which sailed around the world to promote American sea power from 1907 to 1909. Read more [HERE](#).

**"OMG Started Long Before You Thought:** "OMG" might be used by younger people, but the story behind the abbreviation has a long, rich history. NPR's Michel Martin speaks with linguist Ben Zimmer about the abbreviation turning 100 years old. Finally today, news you can use if, say, you're going out to dinner with some particularly erudite friends and you want to impress them, especially if they are people who get annoyed when kids use terms like OMG. You might be surprised to hear that that abbreviation for, oh, my God, was not coined by a Millennial or somebody texting or tweeting. Ben Zimmer, a linguist, wrote about this recently for The Wall Street Journal - the WSJ if you want to get jiggy with it. And he tells us that OMG has actually been around for 100 years. Read more [HERE](#).

**Five Work Habits To Kick Before The End Of The Year:** Kids are back in school. Pumpkin spice lattes are back in Starbucks. It's official: Summer is over and the year is winding down. But before it does, there might be a goal or two you committed to back in January that you'd still really love to make good on. Don't worry-falling short on your New Year's resolutions is totally normal. And even if you missed your chance to get back in the saddle at the six-month mark, there might still be some things you can do

to make headway between now and the holidays. One tactic that might help? Cutting back. Read more [HERE](#).

**Are You Over The Hill?** The United States is estimated to have a population of 323,127,513 as of July 1, 2016, making it the third most populous country in the world. There were about 125.9 million adult women in the United States in 2014. The number of men was 119.4 million. The American population almost quadrupled during the 20th century—at a growth rate of about 1.3% a year—from about 76 million in 1900 to 281 million in 2000. It reached the 200 million mark in 1968, and the 300 million mark on October 17, 2006. The Census Bureau projects a U.S. population of 417 million in 2060, which is a 38% increase from 2007 (301.3 million). However, the United Nations projects a U.S. population of 402 million in 2050, an increase of 32% from 2007. At age 85 and older, there were almost twice as many women as men. People under 21 years of age made up over a quarter of the U.S. population (27.1%), and people age 65 and over made up one-seventh (14.5%). The national median age was 37.8 years in 2015. If you'd like to see how your age compares to the median age of the rest of the country, check out the full interactive graphic [HERE](#).



### Goodyear Partners With The Soy Checkoff To Create New Opportunities For Growers

Goodyear will release its new Assurance WeatherReady tire this fall. What's exciting about the release is that the tire features a soybean oil based compound as a substitute for petroleum-derived oil. Goodyear says the move will reduce its dependence on fossil fuels while boosting overall performance. Tire treads made with soybean oil supposedly



last +10% longer and seem to provide better performance in dry, wet and winter conditions. I'm told the United Soybean Board, in conjunction with the "soy checkoff", have been working with Goodyear for the last six years in the development of the soy based tire. From what I understand, the tires are starting to be released in the U.S. and will soon be offered in a wide range of sizes, covering 77% of the cars, minivans and SUVs on the road today. The soybean rubber project was said to be funded in part by the "soybean checkoff," a fund paid for by soybean farmers to develop new applications and opportunities for soybean-based products. It's great to see the United Soybean Board and the soybean checkoff looking for partnerships and ways to drive soybean innovation beyond the norm in an effort to increase demand for U.S. soy. They say, Goodyear recognized a while back that they had a competitive advantage in the tire making process by using soy. It seems that the soy compound that was developed helps keep the rubber more pliable in changing temperatures and conditions. Meaning that as it gets colder and wetter outside, the tire will better maintain the vehicle's grip on the surface. I also understand that tests run by Goodyear have shown that the rubber made with the soybean oil, mixes more easily with the silica-reinforced compounds, which improves manufacturing efficiencies as well as reducing energy consumption. With all the additional benefits, many believe they've hit a home run with this one. According to John Motter, United Soybean Board chair, and farmer from Jenera, Ohio, businesses looking to use soy, not only want a price-competitive product, but also one that provides a consumer advantage over the original. As I understand it, there are currently more than 800 products that contain soy, including livestock and human foods, construction and automotive supplies, rubber tires, and even the padding inside the chairs we are sitting in. Goodyear isn't the first to experiment with soybean oil, as Ford has been using it for years. In 2008, the Mustang came with seats filled with soy-based foam, plus a variety of vehicles from the F-150 to the Taurus now all use seals and gaskets made, in part, from soy oil. (Source: kticradio, farmanddairy)

## INNOVATIVE SOYBEAN OIL-BASED RUBBER ALLOWS THE TREAD TO ADAPT TO CHANGING TEMPERATURES, ENHANCING TIRE PERFORMANCE IN WET AND WINTER CONDITIONS



**8%** OF A TYPICAL AUTOMOBILE  
TIRE'S WEIGHT IS OIL



SOYBEAN OIL IMPROVES MANUFACTURING  
EFFICIENCY AND REDUCES ENERGY CONSUMPTION



**40k-60k**

BUSHEL OF SOYBEANS ARE  
ESTIMATED TO BE CONSUMED IN  
INITIAL TIRE APPLICATIONS



FARMERS IN 30+ U.S. STATES GROW SOYBEANS,  
THE NATION'S SECOND-LARGEST CASH CROP



IN 2017, SOYBEAN LAND FOR HARVEST IN THE U.S.  
IS ESTIMATED AT 88.7 MILLION ACRES & GROWING

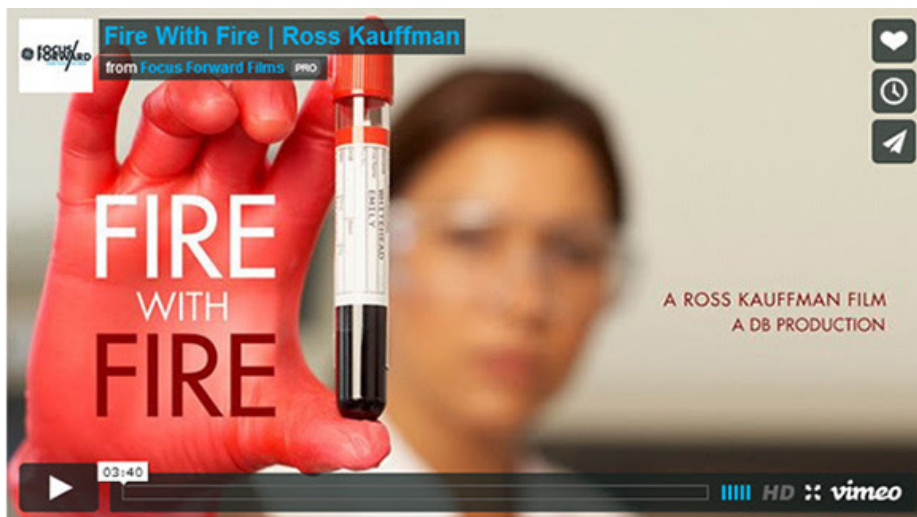


**GOODYEAR**



### HIV Looks To Be The Latest Breakthrough Cure For Cancer

Researchers attempting to find a cure for HIV stumbled upon an effective immunotherapy treatment for leukemia. Immunologist Carl June, a University of Pennsylvania professor, led a team of researchers that have announced some miraculous results in treating patients with advanced chronic lymphocytic leukemia, a cancer caused by the uncontrollable spread of white blood cells, usually the B-Cells, which are a part of the immune system. The cancer treatment involves a modified HIV virus, genetically reprogrammed to strip out the disease causing parts, but retaining its ability to introduce genes and DNA into other cells. In this case, the HIV virus is introduced to a patient's T-cells, where it basically instructs the cells to make a new protein called a "chimeric antigen receptor", creating what is called CAR T-cells. The new genetic code allows the protein to lock onto the surface of cancer cells, killing them in the process. Initial clinical trials in 2011 tried the treatment on 3 patients. Two of those had their cancer go into remission and they remain disease free to this day. An expanded trial in 2014 treated a total of 30 patients. 90% of them went into remission within one month. Last month, the Food and Drug Administration's advisory board unanimously recommended approval of the treatment. Dr. June is not the first to look to immunotherapy as a cancer treatment. As he explains, though, most scientists use a virus found in mice called gammaretroviruses. But HIV is much more effective at attaching itself to T-cells. Serious side-effects have occurred among some of the patients. The most serious is what is known as a "cytokine storm", a dangerous and potentially fatal reaction of the immune system that causes breathing to become difficult, can seriously damage the internal organs and leave patients catatonic. It comes from high levels of the cytokine interleukin-6, or IL-6, which is produced when cancer cells die. However, Dr. June knew that a medication called Tocilizumab could target IL-6, so he has been able to counter this side effect. June is optimistic about the future of CAR T-cell therapy as more cancer researchers begin doing their own work to develop new treatments. June believes that as private and public funding increase, so will new breakthroughs. He predicts that within the next decade there will be a pathway to curing every blood and bone marrow cancer. To view video Click [HERE](#) (Sources: Wall Street Journal; Futurism; Scienceblog)





### "Blue Kentucky Girl" Exhibit... Worth The Trip!

Loretta Lynn is being honored in a new exhibit at the Country Music Hall of Fame in Nashville, Tennessee. The famed singer was inducted into the Hall in 1988, and this new exhibit aims to truly highlight her inspiring life and amazing six-decade career. The "Loretta Lynn: Blue Kentucky Girl" exhibit opened on August 25 and will run through August 5 of next year. An impressive collection of artifacts are on display, including her very first recording contract, signed by her with Zero Records in 1960. The handwritten copy of one of her most famous songs, Coal Miner's Daughter, is prominently included in the collection, as is the Presidential Medal of Freedom she received from President Obama in 2013, her 1956 Gibson J-50 guitar and the Singer sewing machine she used to make some of her early stage outfits. There are also plenty of those outfits on display, as well as an array of the numerous awards she's received over the course of her career that blazed the trail for countless other female artists that followed in her footsteps. Lynn suffered a stroke earlier this year, but her family says she is well on her way to recovery. In fact, she has a new album coming out next year. Lynn was born Loretta Webb in Butcher Hollow, Kentucky, in 1932. She was the second of eight children and was indeed the daughter of a coal miner, Theodore Webb. When she was just 15, she married Oliver "Doolittle" Lynn with whom she had six children, three of which were born before she was 19. The life she lived with him served as the inspiration behind her extremely personal and autobiographical music. In fact, Doolittle bought her the first guitar she ever owned - a \$17 Harmony. She taught herself how to play and eventually started her own band. She recorded "I'm a Honky Tonk Girl" in 1960 and became a mainstay in the Nashville country music scene. Her fame skyrocketed in 1967 when she scored her first number-one hit with "Don't Come Home A-Drinkin' (With Lovin' on Your Mind)". It became one of the first albums by a female country artist to reach sales of 500,000 copies. She went on to have 15 more number-one records. In total, Lynn has had 70 songs hit the charts. As legendary as she is now, her path here was not easy. In the early years, some radio stations actually refused to play her music. She wrote about things considered downright controversial at the time, like birth control ("The Pill"), repeated childbirth ("One's on the Way"), double standards for men and women ("Rated 'X'"), and being widowed by the draft during the Vietnam War ("Dear Uncle Sam"). Her feminist viewpoint was unheard of in country music. That unique voice earned her a legion of fans, though, and her music could not be ignored for long. She became the first woman in country music to receive a certified gold album. She's won four Grammy Awards, seven American Music Awards, eight Broadcast Music Incorporated awards, thirteen Academy of Country Music awards, eight Country Music Association awards, and twenty-six fan-voted Music City News awards. She's also been inducted into more music Halls Of Fame than any other female recording artist. Her best-selling 1976 autobiography, Coal Miner's Daughter, was made into an Academy Award-winning film of the same title in 1980, starring Sissy Spacek and Tommy Lee Jones. She mostly quit recording after 1988 through the early 2000s. In 2004, she made a comeback with another highly successful, critically applauded album, "Van Lear Rose," which was produced by Jack White of The White Stripes and went on to win a Grammy for Best Country Album of the Year. The list of her achievements and accolades goes on. In short, Lynn and her remarkable career are more than deserving of the Hall of Fame's special recognition. (Sources: People, Wikipedia, USA Today)

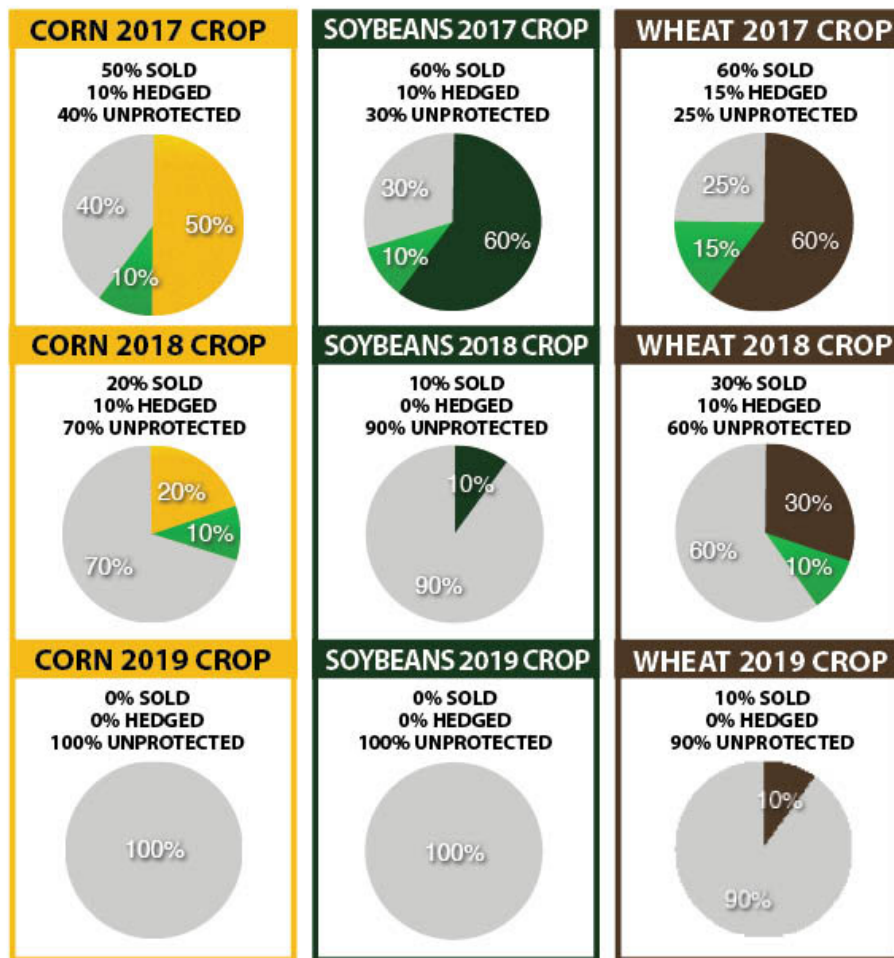






**CASH SALES & HEDGING TOTALS**





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