

GOOD MORNING: 09/18/17 Farm Direction - VanTrump Report

1 message

Kevin Van Trump <info@farmdirection.com>
To: Kevin Van Trump <info@farmdirection.com>

Mon, Sep 18, 2017 at 7:12 AM



"Embarrassment lasts a moment, regrets last a lifetime." - Petteri

MONDAY, SEPTEMBER 18, 2017

[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks are coming off yet another record setting week! Keep in mind it was just nine years ago that Lehman Brothers, a 158-year old bank, became the largest bankruptcy in U.S. history, with over \$600 billion in debt and more than 25,000 employees. It was also between September of 2008 and March of 2009 that the U.S. stock was decimated. Since then we have posted one of the biggest and best bull market runs in our nations history. A few years back, when I was saying there's still a lot of easy shots to take under the basket and no need to shoot from beyond the three-point line, this is what I was talking about. I found an index card while cleaning up my office this weekend from 2014-15, I was targeting a buy in Amazon at \$295, which happened in early-2015, I also found a statement where I purchased Facebook off the IPO, and an Apple buy order filled at sub-\$80 per share. I should note, just as I've had some big winners the past few years, I have also had my share of losing ventures. Interestingly, most all of my losers have been the more complex venture investments, many of which were introduced by some of my "smarter friends". The same friends who laughed, when they asked me my favorite investment the past five years and I responded quite simply, "Facebook". They deemed that response to be way too simple to be good. I remember to the exact day, I was standing in Memphis, I purchased Facebook off the IPO, a few hours later I wrote a check investing in an ethanol plant in Texas and a check for farms in Brazil. The ethanol plant was a great investment. The farms in Brazil have been a huge loser. Luckily I invested about five times the amount of both in Facebook. My point is, don't underestimate the "simple" and often the most obvious. It seems like almost every time I go with the more complicated or belief that I am going to outsmart the world, things go wildly wrong. Leonardo da Vinci once said, "simplicity is the ultimate sophistication." I believe his statement has stood the test of time and certainly proven its worth in regard to my investments. Intelligent people are clearly more drawn to complex solutions. Simple is just not stimulating enough for most. There are three new hurricanes brewing in the Atlantic, North Korea is testing nukes and shooting off missiles, yet the stock market continues to push to new all-time record highs. Many smart individuals have a large majority of money on the sideline in cash. Perhaps they've overthought the entire situation, perhaps they have made it too complicated? In fact, I feel I've personally been underinvested the past several months. I've done well, but certainly believe I could have done better. I'm going to use this anniversary of Lehman Brothers as an opportunity to get back to the basics, dumb it down a bit, and simplify my investment portfolio. Sometimes we get ourselves too deep in the woods and we can't see the forest for the trees. There's still some easy shots to take! Looking to this weeks headlines, traders will be keeping an eye on the Federal Reserve as they have a two-day meeting scheduled for Tuesday and Wednesday. Even though the Fed is expected to hold interest rates "unchanged" at 1.25%, they should offer more insight on the economy and how they will start to reduce their \$4.5 trillion balance sheet. Traders will also be monitoring the path of hurricane Jose, which the National Hurricane Center now projects to hit the U.S. East Coast, from Delaware to the north. Hurricane Maria is also brewing and may take a similar path to Irma. Maria's current forecast track puts it on a dangerously similar path to that of Irma and could become a major hurricane by midweek, threatening the U.S. and Virgin Islands. Lets also not forget, the annual UN meeting begins on Tuesday, September 19, in New York. U.S. officials are expected to hold talks on the sidelines about the Iranian nuclear deal. Also worth noting, OPEC will hold its compliance meeting on Friday, September 22. Remember, advise and strategy doesn't have to be complicated to be good!

Target Stores Gearing Up For Big Holiday Season: Target has announced it will hire about +100,000 seasonal workers, a gain of more than +40% from last

VAN TRUMP CONFERENCE 2017

December 6, 2017

Full MARKET Outlook



On hand will be several leading markets analysts and traders providing their insight and opinions on both short-term and long-term ag prices and outside investment ideas. You do not want to miss this year's event.

Economic & Ag Forecast

G

Dennis Gartman
Editor/Publisher
The Gartman Letter



Network directly with some of the top CEO's and ag industry executives. Learn first hand how NEW technology and transparency is influencing today's decisions.

LEARN MORE



Special Keynote Speaker
James Olson - Former CIA
Chief of Conterintelligence

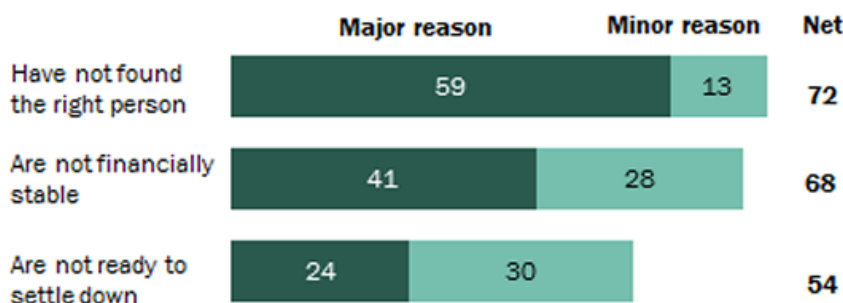
year. Target also said it will add +4,500 jobs at its distribution centers, in anticipation of more online orders. The seasonal hiring begins Oct. 13. Benefits include a 10% discount on Target purchases and a 20% discount for certain fruits and vegetables and athletic apparel merchandise. This year, Target is one of the first companies to announce its hiring agenda for the busy shopping season. Its ambitious plans hint that hiring will be healthy across the industry, with other retailers eager to win sales. Target has more than 1,800 U.S. stores., and for the past few years it has kept seasonal hiring flat across those locations. Interesting to see them making this aggressive of a move. Perhaps the U.S. economy is running hotter than most are considering?

Britain Raises Terrorism Level To "Critical": Following a subway train bombing on Friday, British officials have raised the country's terrorism threat level to "critical" — the highest level possible meaning another attack is expected shortly. An improvised explosive device was detonated on a crowded subway car, injuring at least 29 people. The Islamic State group is claiming that the explosion was carried out by an affiliated unit. The claim, released later Friday via the militant group's Amaq news agency, said the bombing had been carried out by a "detachment" of disciples — language that suggested more than one assailant had been involved. It was the fifth terrorist attack in Britain this year, following a vehicular and knife attack near Parliament in March, a suicide bombing at a rock concert in Manchester in May, and a van and knife attack around London Bridge and a van attack outside a London mosque, both in June. The new attack immediately revived concerns that militants might be targeting the Underground, commonly known as the Tube — the world's oldest subway system and one of the busiest. (Sources: Business Insider, New York Times)

Marriage Age Continues To Climb; 27.4 For Women, 29.5 For Men: Half of U.S. adults today are married, a share that has remained relatively stable in recent years but is down -9% over the past quarter century and dramatically different from the peak of 72% in 1960, according to newly released census data. The decline in the share of married adults can be explained in part by the fact that Americans are marrying later in life these days. In 2016, the median age for a first marriage was 27.4 for women and 29.5 for men — roughly seven years more than the median ages in 1960 (20.3 for women and 22.8 for men). But delayed marriage may not explain all of the drop-off. The share of Americans who have never married has been rising steadily in recent decades. At the same time, more adults are living with a partner instead of marrying and raising children outside of marriage. Among adults who have never been married, 58% say they would like to get married someday and 27% are not sure if they want to get married. Still, 14% say they do not want to get married. Among adults who have never been married but say they are open to marrying in the future, about six-in-ten (59%) say that a major reason they are not married is that they haven't found the right person. (Source: Pew Research)

Most never-married adults say they haven't met the right person

% of never-married adults who may want to get married someday saying each of the following is a ____ why they are not married



Note: Based on never-married adults who say they want to get married someday or they are not sure. Figures may not add to subtotals due to rounding.
Source: Survey of U.S. adults conducted Aug. 8-21, 2017.

PEW RESEARCH CENTER

Here are a few of this year's early sponsors



FARMERSSM
BUSINESS NETWORK

Conestoga
energy partners, LLC



conservis

FarmLogs

willag.org

K·COE ISOM



FCS FINANCIAL

GAVILON

HOLGANIX[®]
Soil Nourishing Root Stimulating™

LANSING
TRADE GROUP, LLC

FARMLAND
PARTNERS



PGIM REAL ESTATE FINANCE

FAMILY FARMS
GROUP

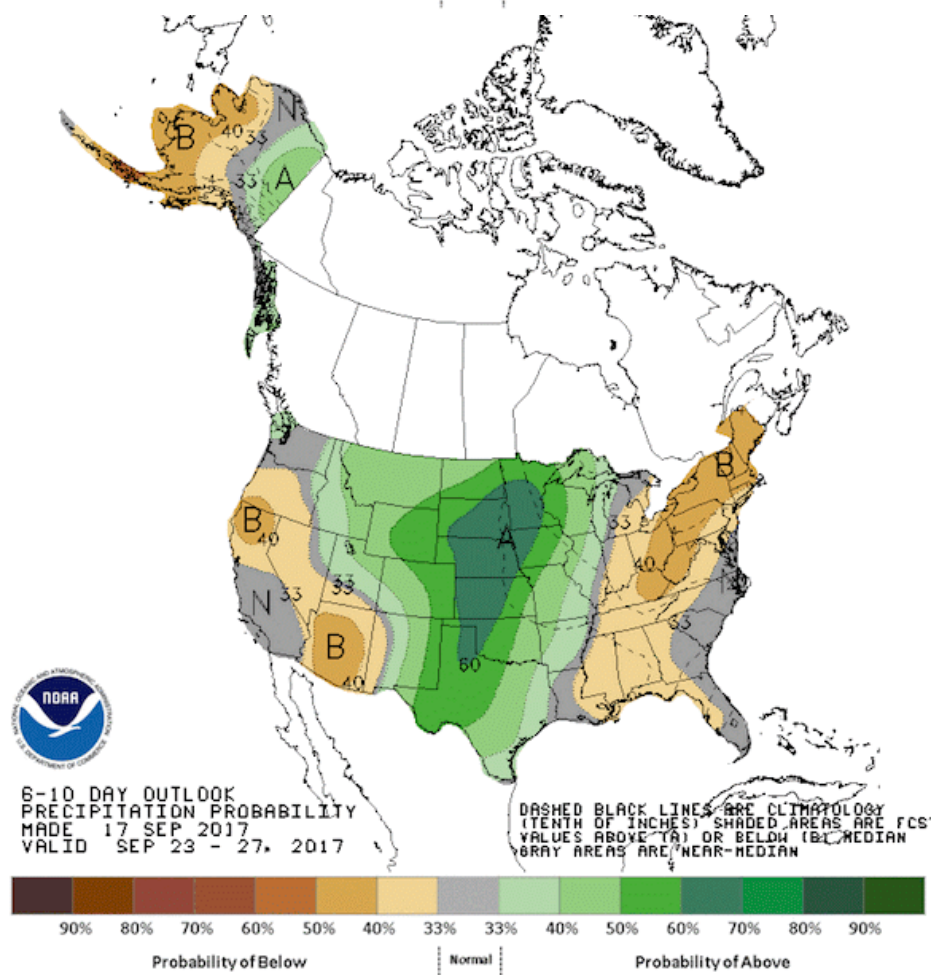
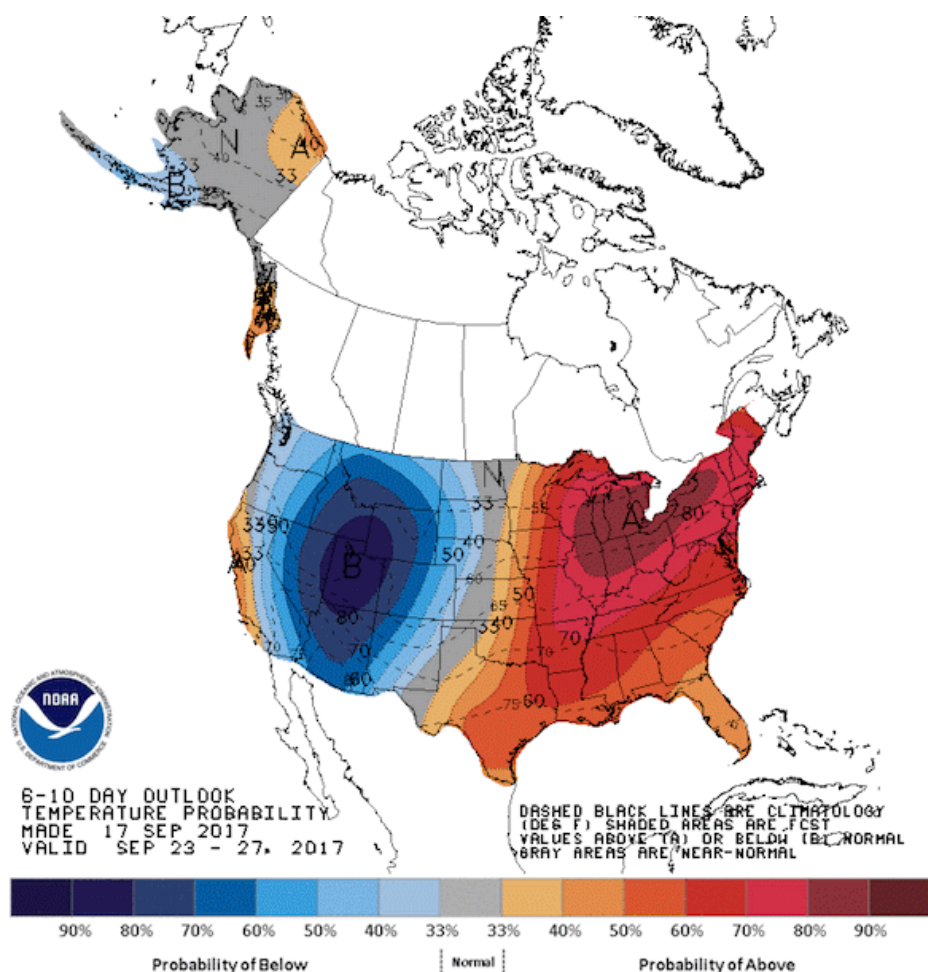
Weather forecasts are indicating beneficial precipitation this week for the Corn Belt. Looking at the 7 day precipitation map, we see that drought-parched portions of the western and central Midwest will get beneficial rain, which should help late-maturing and filling corn and soybeans. Temperatures for the week are expected to push higher for much of the Midwest as the second half of September looks to be +7 to +10 degrees above normal.

Today In History



1793, U.S. Capital - George Washington lays the cornerstone to the United States Capital building, the home of the legislative branch of American government. The building would take nearly a century to complete, as architects came and went, the British set fire to it and it was called into use during the Civil War. Today, the Capitol building, with its famous cast-iron dome and important collection of American art, is part of the Capitol Complex, which includes six Congressional office buildings and three Library of Congress buildings, all developed in the 19th and 20th centuries. As a young nation, the United States had no permanent capital, and Congress met in eight different cities, including Baltimore, New York and Philadelphia, before 1791. In 1790, Congress passed the Residence Act, which gave President Washington the power to select a permanent home for the federal government. The following year, he chose what would become the District of Columbia from land provided by Maryland. Washington picked three commissioners to oversee the capital city's development and they in turn chose French engineer Pierre Charles L'Enfant to come up with the design. However, L'Enfant clashed with the commissioners and was fired in 1792. A design competition was then held, with a Scotsman named William Thornton submitting the winning entry for the Capitol building. In September 1793, Washington laid the Capitol's cornerstone and the lengthy construction process, which would involve a line of project managers and architects, got under way. In 1800, Congress moved into the Capitol's north wing. In 1807, the House of Representatives moved into the building's south wing, which was finished in 1811. During the War of 1812, the British invaded Washington, D.C., and set fire to the Capitol on August 24, 1814. A rainstorm saved the building from total destruction. Congress met in nearby temporary quarters from 1815 to 1819. In the early 1850s, work began to expand the Capitol to accommodate the growing number of Congressmen. In 1861, construction was temporarily halted while the Capitol was used by Union troops as a hospital and barracks. Following the war, expansions and modern upgrades to the building continued into the next century.

1960, Cuba - Fidel Castro arrives in New York City as the head of the Cuban delegation to the United Nations. Castro's visit stirred indignation and admiration



from various sectors of American society, and was climaxed by his speech to the United Nations on September 26. By the time Castro arrived in New York City in September 1960, relations between the United States and Cuba were rapidly deteriorating. Since taking power in January 1959, Castro had infuriated the American government with his policies of nationalizing U.S. companies and investments in Cuba. Some American officials, such as Vice President Richard Nixon, believed that Castro was leaning perilously toward communism. (Castro did not publicly proclaim his adherence to communism until late-1961, when he declared that he was a "Marxist-Leninist".) In March 1960, President Dwight D. Eisenhower ordered the CIA to begin training Cuban exiles to overthrow Castro's regime. When the United States suspended the import of Cuban sugar in 1960, Castro's government turned to the Soviet Union for economic assistance. The Russians were happy to oblige. In September 1960, Castro led a delegation to New York City to address the United Nations General Assembly. He and his entourage caused an immediate sensation by deciding to stay at the Theresa Hotel in Harlem. While there, Castro met with a number of African-American leaders, including Malcolm X from the Nation of Islam and the poet Langston Hughes. On September 26, Castro delivered a blistering attack on what he termed American "aggression" and "imperialism." For over four hours, Castro lambasted U.S. policy toward Cuba and other nations in Latin America, Asia, and Africa. The United States, he declared, had "decreed the destruction" of his revolutionary government. Castro's visit and lengthy public denunciation marked the final breaking point in relations between the U.S. and Cuba. In January 1961, the Eisenhower administration severed all diplomatic relations with Cuba.



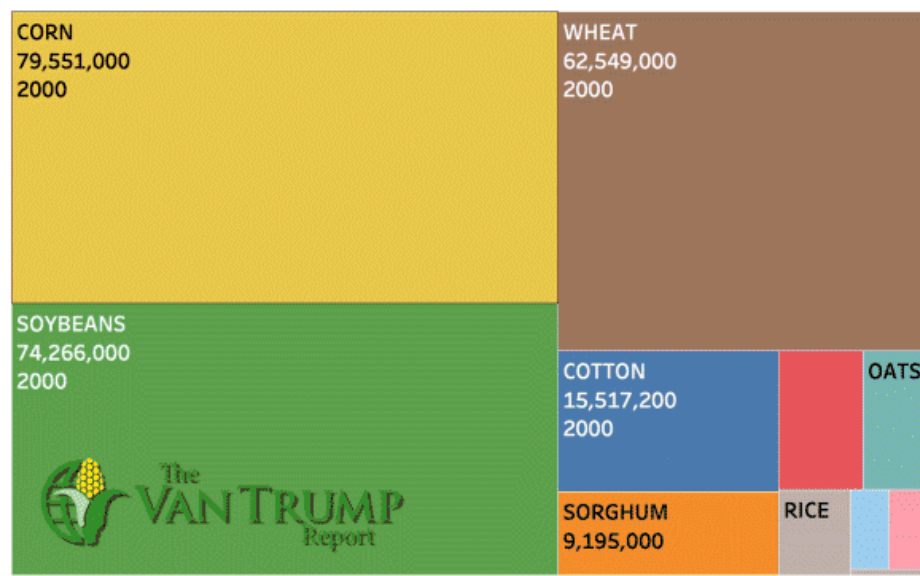
1987, Goiania - Cesium-137 is removed from an abandoned cancer-therapy machine in Brazil. Hundreds of people were eventually poisoned by radiation from the substance, highlighting the danger that even relatively small amounts of radiation can pose. In 1985, the Goiania Institute of Radiotherapy moved to a new location and left behind an obsolete Cesium-137 teletherapy unit in their abandoned headquarters. The institute failed to inform the authorities of the existence of the outdated device and the machine sat in the building in downtown Goiania, 600 miles from Sao Paulo, for over a year before two criminally enterprising men removed the machine. The men sold it to a local junkyard on September 13. Five days later, workers at the junkyard dismantled the machine, releasing the Cesium-137 that was still inside. Fascinated by the glowing blue stone and completely unaware of its dangers, they distributed pieces to friends, relatives and neighbors.

Corn bulls are hoping, similar to last year, that lows posted in late-August hold and the market rallies form here to mid or late-October. Interestingly, bears point out one big difference, more corn acres are being forecast for 2018. Last year at this time the trade was anticipating a -3 to -4 million acre reduction in corn acres in the upcoming season, this time around the trade seems to be thinking we could see a +1 to +2 million acre increase during the next planting season. Informa tossed their hat in the ring recently with an early forecast of 91.88 million acres, about +1.22 higher than their current years forecast. As for the current U.S. yield forecast, many bulls believe the recent USDA estimate of 169.9 bushels per acre is going to be the highest we see and yield estimates from now through the yearend report will be lower. Bears say who cares, as U.S. domestic supply will more than likely stay extremely burdensome at +2.0 billion bushels. Some of the recent rains and warmer temps might have actually helped the slow to mature crop in several locations. There's also no real early-freeze concerns or headlines to talk about. In other words, yes there's some dry pockets in Iowa and Illinois, but the trade has been closely monitoring those conditions for weeks, so nothings really new or surprising in regard to weather. From a technical perspective, the funds are still thought to be holding short 120,000 to 150,000 contracts and nearby downside support remains in the \$3.20 to \$3.40 area. Most insiders see heavier chart resistance in the \$3.75 to \$3.90 range. South American weather will obviously start to gain more attention as we move forward. Conditions in Argentina have been very wet, while conditions in Brazil are arguably a bit too dry. As both a producer and a spec, I want to remain patient while the market trades in a sideways channel searching for direction. I still think we could see lower prices before seeing significantly higher prices.

A Look At U.S. Planted Acres 1960 to Current: *With all the talk about record soybean acres, more corn acres next year and record low wheat acres, I thought it would be interesting to look back at the shift in U.S. acreage during the past half-century. Look at what has happened to Wheat, Cotton, Sorghum, Oats and Barley during this time period... WOW!*

U.S. Planted Acres

2000



Soybean traders are trying to sort out thoughts surrounding U.S. yields, Chinese demand and early South American weather uncertainties. Bulls are arguing that U.S. demand remains extremely strong as the latest NOPA crush data confirmed record usage. Bulls are also pointing to thoughts of the current USDA yield forecast at 49.9 bushels per acre being overstated. By how much remains the million dollar question? Historically the USDA hasn't reduced their soybean yield forecast very aggressively from September to Final. With ending stocks already forecast at over +450 million bushels, bears doubt it will be lowered enough to cause a major supply-side concern. The bears also point to the fact most inside the trade are thinking the USDA will eventually bump their current planted soybean acreage estimate even higher. Meaning a portion of a yield reduction could be offset by more record acreage. U.S. weather seems to be somewhat of a non-event. As I mentioned in the corn section, there are definitely some dry pockets in several key growing areas, but that card has been turned over and talked about for a long time. There's nothing as of yet in the way of an early-frost and some recent rains and warmer temps might have actually helped some of the late-developing soybeans. If you want to stretch the bullish argument a bit, you can turn your attention to South America. Heavy rains and better economics might shift more acres to corn and less to soybeans. There's also some talk that adverse conditions and low prices in portions of Brazil might also reduce second crop acres. I'll be keeping an eye on crop-conditions here in the U.S. Last week the USDA lowered their weekly crop-condition estimate to 60% rated "Good-to-Excellent". Just keep in mind, this is still right in line with our longer-term historical average. The "Poor-to-Very Poor" conditions

The cesium was spread around so much that contamination was later found 100 miles away. Days later, the junkyard owner's wife began noticing that her friends and relatives were getting sick. When she sought medical assistance, doctors found that they were suffering from acute radiation poisoning. Four people eventually died from exposure, including one child. Scores were hospitalized and more than 100,000 people in the city had to be monitored for contamination. More than 40 homes in the city were found to have high levels of contamination and had to be demolished. The after-effects were also serious. Fear of contamination was so widespread that other cities shunned the people and products of Goiania following the incident.

Upcoming Events

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

Kevln's Song of the Week


were worsened to 12%, but again, this is below what we tend to see in our longer-term historical averages. Specifically, I want to see what happens to conditions in parts of Iowa, Illinois, Indiana, Ohio and the Dakota's where many areas have been dry. Bottom-line, both U.S. and South American weather cards are fully in play. From a technical perspective, despite last weeks turnaround, funds are still thought to be holding net-short positions. Technical resistance nearby still seems to be in the \$9.80 to \$10.00 range. Major nearby support seems to be in the \$9.40 to \$9.20 range. As a producer, I reduced a bit more longer-term price risk on last weeks rally. Make certain you are paying attention to 2018 prices, you may soon have a chance to market \$10.00 beans vs. the NOV18 contract. For many producers that number works and is worth considering in a small and early dose. As a spec, I contour to wait for a breakout in one direction or the other. Don't want to chew up equity as the trade searches for direction. Buying cheap out-of-the-money (OTM) premium might be worth kicking around?

Chinese Beef Consumption: *I constantly field questions about Chinese beef demand. Not only how much is it growing, but what is the potential growth? I thought it would be interesting to compare the per capita consumption of beef here in the U.S. to that inside China. As you can see, if the Chinese where to ever consume anywhere near the amount of beef we eat here in the U.S., the demand for cattle and feed would go thorough the roof. Fun to look at...*



About the Report

NEXT level THINKING



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

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

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

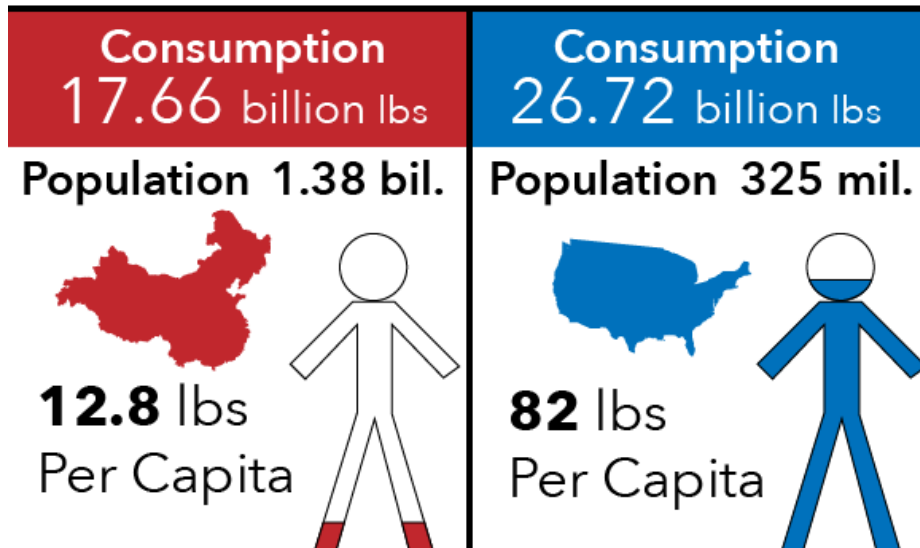
My family and I would like to thank you again for your support!

Kevin Van Trump

What Others Are Saying

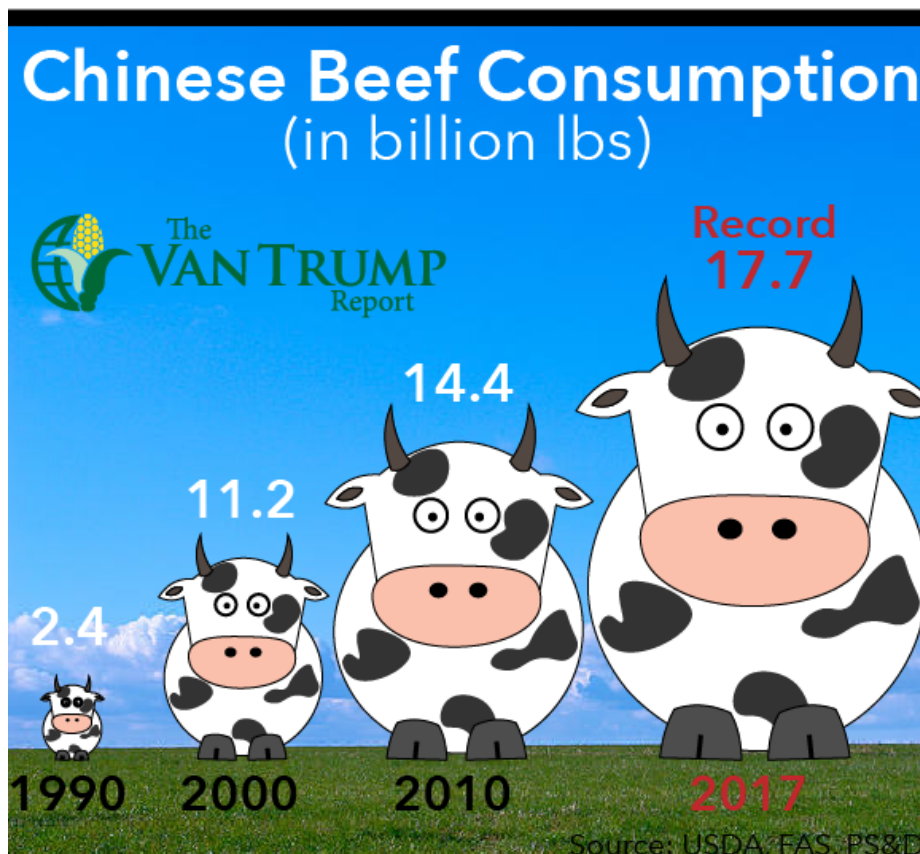
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that

Beef Consumption China vs. U.S.



How much beef would China have to consume to equal U.S. per capita?

113 billion lbs



influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

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

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

[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.

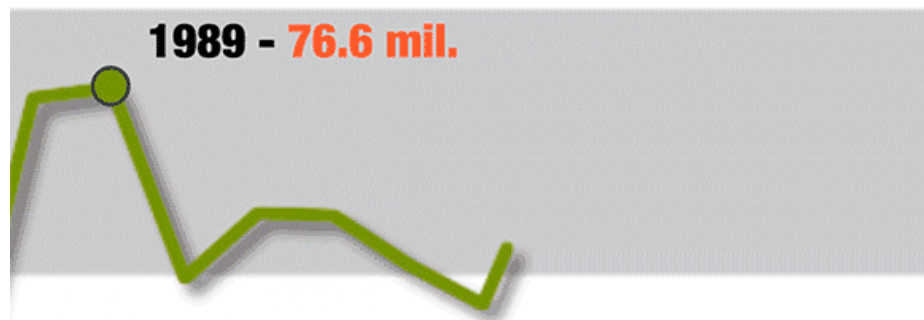
- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

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.

Wheat bulls are talking about increase problems in Australia and perhaps lower production estimates for both the U.S. and Canada in the weeks ahead. Several sources inside Australia are tossing around the very real possibility of the crop falling to sub-20

MMTs, which is significantly below last years crop of 33.5 MMTs. 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. Keep in mind, U.S. winter wheat production is already forecast at -23% below last year's estimate. There's also talk that U.S. other spring wheat production will be lowered and fall to sub-400 million bushels. Sources I speak with inside Canada are also talking about lower production numbers. On the flip side, bears continue to point to a massive record Russian crop. Most boots on the ground inside Russia are thinking the harvest is now over 80% complete with yields averaging +15% to +20% stronger than last year. Keep in mind, just last week the USDA bumped their Russian wheat estimate aggressively higher to a new all-time record of 81.5 MMTs. Now there's talk that number might once again need to be moved even higher. There's just been near perfect weather and crazy big yields coming out of Russia. With global ending stocks at record levels and Russia harvesting a record crop, it's just tough to get wildly bullish. The traditional fundamentals are clearly creating headwinds. The good news is a weaker U.S. dollar and increased interest in commodities is keeping the downside supported. Perhaps geopolitical uncertainty surrounding Russia, North Korea or China will spark our next short covering rally and push prices higher. I'm certainly not holding my breath, but I continue to like navigating a bullish position over a bearish position. I still see upside potential greater than downside risk. Looking ahead, I will be keeping an eye on U.S. winter wheat planting estimates. As of last week planting had begun in 11 of the 18 reporting states. Colorado, Montana, and Washington appear to be the furthest along, with most everyone at or around our historical pace. Also of interest is the movement of U.S. wheat. With more hurricanes brewing in the Atlantic, the Gulf could garner more headlines and concern. The most recent data I've seen, by The Federal Grain Inspection Service estimates that an average of 46% of total U.S. wheat exports are shipped from Gulf ports in Texas and Louisiana. Interestingly, export elevators in the acutely affected cities of Houston, Galveston, and Corpus Christi account for 56% of total wheat exports from the Gulf region. Keep in mind, nearly all shipments from Texas are HRW. Obviously, HRW wheat movement out of the country is directly linked to rail, river and port services running efficiently in these areas. I will contest to monitor...

U.S. Wheat Acres Continue To Tumble: *Planted wheat acres here in there U.S. fell to record low levels this past year and most sources inside the trade are thinking they will again be lower in 2018. We created this easy to follow graphic that makes the nosedive in wheat acres crystal clear.*



1988 - 65.5 mil.



> FDA Has Not Issued A Ban On Food Crops Hit By Hurricanes: *The U.S. Food and Drug Administration released a statement late last week to provide much needed guidance for farmers whose crops are in areas affected by Hurricane Harvey and Irma. Under the original statement issued by FDA, it was unclear whether any crops in those areas would be accepted for use in human or animal food. This new guidance from FDA Commissioner Scott Gottlieb clarifies that rice that was not exposed to floodwaters can be sold. "Also, rice and other crops that were harvested and stored safely before storms hit should not be considered impacted by these events." Commissioner Gottlieb went on to say that, "In many cases, it is challenging to determine what contaminants are in*

Farm Direction

RECIPES

★ **FAMILY FAVORITES** ★

-SENT IN BY OUR READERS-

Apple Pie
Pancake Muffins

CLICK TO SEE RECIPE

crops that were submerged by floodwaters. Both human and animal food must meet well-established safety requirements. FDA has experts that are working closely with state regulators and directly with producers to address questions and concerns." Full text of the statement can be found [HERE](#).

> UK Wheat Sets Protein Record: This year UK wheat harvest looks like it will hit a record protein level – but is proving weaker on other milling specifications, despite a major swing by growers towards planting higher-quality varieties. The failure of seed from high-grade varieties to capture the premiums that farmers had hoped for is raising ideas of a reversal towards planting lower-specification varieties, as the autumn sowing season begins. The protein level of the Great Britain wheat crop "could be on track to be the highest on record", the UK's AHDB bureau said, coming in at 13.2%. That is well above the five-year average of 11.8%, and the 2016 result of 12.4%, besides ahead of the existing record of 12.7%, set in 2003. James Webster, AHDB cereals and oilseeds analyst, said that the headline protein level is an inexact indicator of baking quality, he added that "there will also be a number of questions asked about the functionality of the protein, gluten, this season". And he underlined relatively weak results for other major milling specifications too. The proportion of British crop suitable for making high quality bread wheat was, at 31%, smaller than the elevated level of 45% seen last year, despite an increased proportion of the crop having been seeded with the top-grade Group 1 or Group 2 seed varieties. (Source: Agrimoney)

> Cost Of Fighting U.S. Wildfires Has Topped \$2 Billion: The costs of fighting U.S. wildfires topped \$2 billion in 2017, breaking records and underscoring the need to address a U.S. Forest Service budget that mostly goes to fires, Agriculture Secretary Sonny Perdue said. "Forest Service spending on fire suppression in recent years has gone from 15 percent of the budget to 55 percent – or maybe even more – which means we have to keep borrowing from funds that are intended for forest management," Perdue said in a written statement. Perdue said the funding formula used to earmark money for fire suppression is no longer adequate amid fire seasons that have grown longer and scorched larger swaths of public lands, mostly in the U.S. West. "We are breaking records in terms of dollars spent, acres of national forest land burned and the increased duration of fires," Forest Service Chief Tony Tooke said in a statement. Perdue said Congress should treat major wildfires like other large-scale disasters that are covered by emergency funds. (Source: Reuters)

> Perdue Stands By Clovis: Agriculture Secretary Sonny Perdue reiterated last week that he stood behind Sam Clovis, the nominee to be USDA's chief scientist. Perdue's statement came shortly after Pat Roberts made remarks that spurred questions about the fate of Clovis' nomination. After a nutrition hearing, Roberts told reporters the committee will move forward "expeditiously" with Clovis' nomination to be USDA undersecretary for research, education and economics if "that is the desire of the secretary and the president." Perdue, through a spokesman, said the president made a good choice in nominating Clovis. "I look forward to his hearing, so the committee has the opportunity to get to know him personally." (Source: Politico)

> Global Hunger Rises For First Time In Decade: Global hunger levels have risen for the first time in more than a decade, now affecting 11 percent of the world's population, as conflict, climate change and economic woes bite, U.N. agencies said on Friday. Last year, 815 million people were hungry – 38 million more than in 2015 – the five agencies said in the first global assessment since governments set an international target to eliminate hunger and malnutrition by 2030, as one of a set of so-called Sustainable Development Goals (SDGs). The number of hungry began to rise in 2014, but this is the first time in more than a decade that the proportion of the global population going hungry has risen. About 489 million of the hungry are living in countries affected by conflict. On a more positive note, the proportion of children stunted by hunger fell to 22.9 percent in 2016, from 29.5 percent in 2005. Now, about 155 million children under five years old are affected. Stunting can undermine children's physical and mental development. The number of stunted children – short for their age – fell by 40 percent between 1990 and 2015. (Source: Reuters)

> Bipartisan Effort Aims To Make SNAP Healthier: On Friday, the Bipartisan Policy Center launched a SNAP task force that will issue recommendations for the next farm bill. The panel, made up of more than a dozen experts across the political spectrum, will consider how SNAP and its related programs can be leveraged to "improve health, combat poor nutrition, and reduce health care costs," the group said. "There's been a disconnect between nutrition, health and [SNAP] benefits," said Dan Glickman, co-chair of the task force, who served as agriculture secretary in the Clinton administration. "I think it's appropriate for us to look into those issues." The task force, which is being supported with funding from the Robert Wood Johnson Foundation, includes: Mariana Chilton, a professor at Drexel University; Dan Crippen, former NGA executive director and former CBO director; Angela Rachidi, a research fellow at the American Enterprise Institute; John Wernert, who served as secretary of the Indiana Family and Social Services Administration while Mike Pence was governor of Indiana; and Richard Whitley, currently serves director of the Nevada Department of Health and Human Services, among others. (Source: Politico)

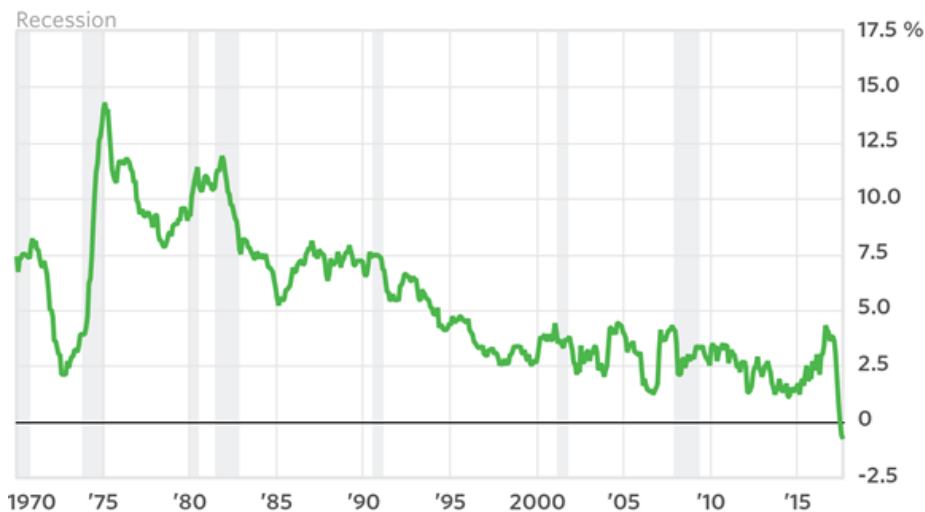
> Brazil Farm Minister's Home Raided By Police: Brazilian police raided the home of Agriculture Minister Blairo Maggi last week in a corruption investigation linked to his time as a state governor, adding to the graft scandals rocking President Michel Temer's government. Last month the Supreme Court opened a bribery probe into Maggi's role in a scheme known as "mensalinho," a payment of a monthly stipend to lawmakers in exchange for political support in his home state of Mato Grosso. He served two terms as governor there between 2003 and 2010. According to a person with direct knowledge of the matter, the raid was linked to a plea deal by former Mato Grosso state governor Silval Barbosa, who accuses Maggi of participating in the corruption scheme. Maggi denied any wrongdoing, claiming in a statement that Barbosa "lied" in his plea bargain testimony. Maggi is a billionaire who was once Brazil's largest soybean producer. His family firm Amaggi SA runs large farms in Mato Grosso and operates a commodity trading business that competes in Brazil with global firms like Archer Daniels Midland Co, Cargill Inc and Bunge Ltd. (Source: Reuters)

> Toys 'R' Us could file for bankruptcy as soon as the next few weeks, as nervous suppliers have tightened terms for the retailer. There have been more than a dozen significant retail bankruptcies this year, but none for retailers as big as Toys 'R' Us, which has about \$5B in debt and more than 1,600 stores worldwide. Affected suppliers could include Hasbro, Mattel and Newell Brands. (Source: SeekingAlpha)

> American Physicians Appear To Have Taken A Pay Cut: Have American physicians collectively taken their first pay cut ever, as shown by one government measure of costs? The evidence says so, but it might be "doctored." A component of the consumer price index that tracks what doctors charge posted a record 12-month decline in August. The physicians services index sank an unadjusted 0.8% year over year following a similar drop in July. The back-to-back declines were first ever recorded. What's going on? The government hasn't changed how it calculates the cost of visits to the doctor's office. But lately doctors appear to be giving government statisticians more information on what they charge uninsured patients who pay out of pocket. Tracking physician prices has always been tricky. Doctors are reluctant to reveal what they charge and the number of physicians who respond to the monthly CPI survey is smaller than the government would like. Other measures of medical services show little change in what doctors charge. That's not to say there isn't pressure on doctors to keep costs down. The law known as Obamacare sought to rein in health-care costs, and even the failed Republican plan to replace it contained measures to keep prices in check. The uncertain fate of Obamacare could also be a restraining factor, some economists say. (Source: MarketWatch)

Doctor costs appear to show record drop

12-month change in CPI physician services index



Source: Bureau of Labor Statistics, Haver Analytics



Southwest Minnesota - We were late with planting this year due to wet conditions. Then when we did get it in the field we had a late snow. Shortly after that melted, it

stayed hot for 6 weeks. That took things past the point of having a bumper crop this season for sure. Later on, we received 9.5 inches of rain which drowned out some of our beans. Last year we harvested an average of 213bpa corn and the beans produced 68bpa. We will not see those numbers this year and are hoping for some good finishing weather for the crops as some of our corn hasn't even dented yet. Hopefully, we are in the bean field in 3 weeks. We marketed 65% of this year's beans but didn't pull the trigger on the corn and we are well behind our normal sales of over 50% by this time.

Southeast Arkansas - We are having a break today from running the combine because of the rains from hurricane Irma. We did not get any crazy amounts, only like half an inch. Unfortunately, we did get pounded by hurricane Harvey which hurt the corn pretty bad. We are all irrigated and before Harvey hit us I was expecting 220bpa but the crop only made 170bpa. We have rice acres as well. This year yields were record large at 190bpa which is probably 15bpa better than we have ever made. We will be cutting beans once we can get back in the field. We planted early but the cool August has kept things green longer than normal. We will normally see bean yields between 60bpa and 70bpa. This year we should see yields right in line at 65bpa.

Northeast Kansas - This year's crop has had a crazy time trying to finish things up. The corn would not dry down much at all until recently but then we turned dry and it went fast. The soybeans started turning a few weeks back very quickly and are ready to cut now. We have seen quite a bit of variability depending on what farms got the rains. We are all dryland but are seeing some unbelievable yields. On the farms where we had good rains we are seeing record yields with some between 240bpa and 260bpa. Where farms have gotten limited rains but on good dirt we are seeing 170bpa to 190bpa. Where we have marginal dirt yields are around 150bpa. Overall great yields considering where we have been over the years. The beans will be above average but you can never tell until you get in the field.



Getting On Board With Bigger-Than-Expected U.S. Corn, Soy Crops: The U.S. Department of Agriculture again raised U.S. corn and soybean yields to the dismay of many doubting analysts. But any remaining skeptics might want to re-examine their narrative as the yields are mostly justifiable and may rise even further in the months ahead. Even after the report, many market bulls still proclaim that the true (lower) yield will be realized "once the combines roll." But overall August weather – the period that most heavily influenced USDA's recent adjustments – shows that temperatures and precipitation last month were actually supportive of a yield increase for both crops. Looking into USDA's state-by-state figures also reveals reasonable assumptions, especially in the minor states, and comparing the national numbers with years past suggests that nothing excessive is being predicted. Interesting article by Reuters Karen Braun. Read more [HERE](#).

Why a U.S. Navy Spy Sub Is Flying the Jolly Roger: U.S. Navy attack submarine capable of carrying out top-secret undersea missions recently returned home flying the Jolly Roger—that skull and crossbones pirate flag. But why? The question was on the minds of many this week after Canada-based defense journalist Ian Keddie posted on Twitter the photo of the nuclear attack submarine USS Jimmy Carter. The photo, uploaded to the Defense Video Imagery Distribution System, or DVIDS for short, shows the commanding officer of the Jimmy Carter, Commander Melvin Smith, looking on as the submarine returns to its home at Naval Base Kitsap-Bangor. Read more [HERE](#).

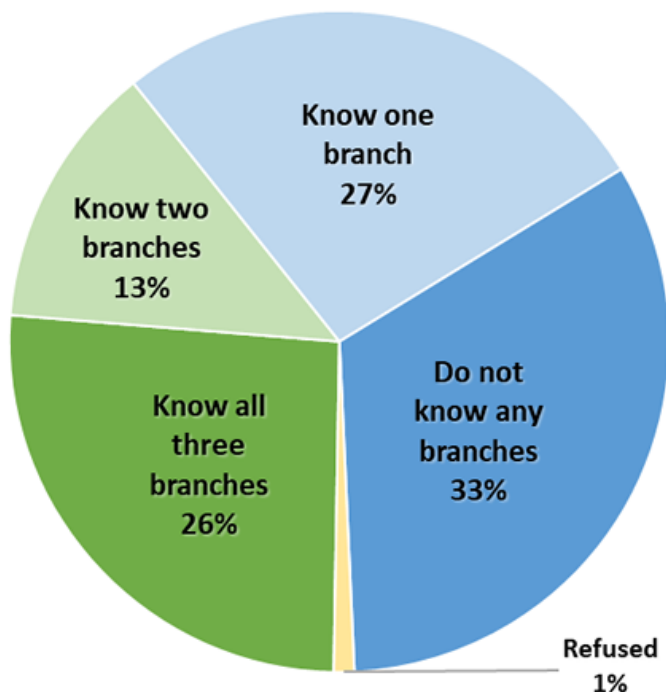
America's Most Heroic Dogs Of 2017: The wild side of your dog is what can turn a pet into a hero, the experts say. It can be legitimate to ascribe courage to a dog that springs into action, as the American Humane organization does in its annual Hero Dog Awards, which recognizes heroism on both ends of the leash. The dogs nominated this year—winners are to be announced at a gala event Saturday (Sept. 16)—have accompanied soldiers into war, sniffed out bombs, found missing people, tracked down criminals, and raised money for charity. Still, only some of those dramatic feats can be considered courageous or heroic, animal experts say. Much depends upon whether a dog is going above and beyond what it was bred to do. Read more [HERE](#).

Robbing A Casino Through The Fish Tank: Internet-enabled devices are so common, and so vulnerable, that hackers recently broke into a casino through its fish tank. The tank had internet-connected sensors measuring its temperature and cleanliness. The hackers got into the fish tank's sensors and then to the computer used to control them, and from there to other parts of the casino's network. The intruders were able to copy 10 gigabytes of data to somewhere in Finland. By gazing into this fish tank, we can see the problem with "internet of things" devices: We don't really control

them. And it's not always clear who does – though often software designers and advertisers are involved. One key reason we don't control our devices is that the companies that make them seem to think – and definitely act like – they still own them, even after we've bought them. This sort of arrangement is destroying the concept of basic property ownership. Read more [HERE](#).

Americans Could Use A Civics Class: Many Americans are poorly informed about basic constitutional provisions, according to a new national survey by the Annenberg Public Policy Center. Only a quarter of Americans (26 percent) can name all three branches of government. More than a third of those surveyed (37 percent) can't name any of the rights guaranteed under the First Amendment. More than half of Americans (53 percent) incorrectly think it is accurate to say that immigrants who are here illegally do not have any rights under the U.S. Constitution. Read more [HERE](#).

% of people who can name the three branches of government



Source: Annenberg Constitution Day Civics Survey, August 9-13, 2017.
Annenberg Public Policy Center



Good Things Happen When You Dump 1,000 Truckloads Of Orange Peels On The Land

Twenty years ago, orange juice producer Del Oro, dumped thousands of tons of orange peels and pulp onto a barren section of a Costa Rican national park. The plan was part of a deal worked out between the company and The Area de Conservación Guanacaste (ACG), a World Heritage-listed and government-managed conservation area in northwestern Costa Rica. As I understand it, a deal was signed allowing Del Oro to dump 12,000 metric tons of orange pulp and peels into a newly designated conservation area that was "overgrazed". It was hoped that the food waste would energize the nutrient poor and rocky soil. After the initial results yielded rich, black soils, and a variety of broadleaf herbs, a follow-up deal between ACG and Del Oro allowed the juice company to dump 1,000 truckloads of waste over a 20 year period. But before any more peels were delivered to the site, a rival juice company, Ticofruit filed and won a lawsuit claiming that the dumping of orange peels was "sullyng a national park." Interestingly, the original peels were left on-site and no one returned to

the area for 15 years. It wasn't until Princeton graduate student Timothy Truer was on the hunt for research topics and found himself talking to one of the original ecologists who worked on the ACG project. Together they agreed a proper follow-up study was never done on the effects the orange peels would have on the land. So in 2013 Truer traveled to the site and found it completely overgrown with trees and vines. I'm told it even took teams a couple of years to find a seven-foot sign that was left on site and stood only feet off the main road. What is amazing is the difference in the accelerated growth of the orange peel dump site and the untouched control site on the other side of the road. I should mention that as well as a three-fold increase in the richness of woody plant species, the team calculated a +176% increase in aboveground woody biomass compared to the control area. Also, deep in the soil, the team identified significantly elevated levels of macro and micronutrients. Unfortunately, Truer's team haven't as yet determined why the transformation took place but he hopes the success of the old dump site will inspire other conservation projects. Truer believes we can do more about all the nutrient starved degraded lands considering all the nutrient-rich waste streams food production creates. I would agree there that there lies some business opportunities for those who choose to step in with solutions that revitalize lands. I suspect that this blueprint for success will gain traction in the future. See the results of the study [HERE](#). (Source: Sciencealert, Smithsonian)



Could Electric Vehicles Eventually Rule The World?

I continue to hear and read more information about "traditional oil based energy" losing more and more marketshare. I've sat in several think-tank events the past couple of years, where some very bright minds believe the traditional gas and oil business is soon going to be wildly disrupted. This past week National Geographic ran an article titled "[Electric Cars May Rule the World's Roads by 2040](#)". The article was written by Stephen Leahy and starts off with, "New analysis suggests the gasoline engine may be like the horse-and-buggy a century ago: doomed to a rapid demise." Electric vehicles will one day push gas or diesel-powered ones to the curb—but how soon? Sooner than you might think, according to researchers at the International Monetary Fund and Georgetown University: Based on how quickly horses and buggies disappeared in the early 1900s, the researchers argue, more than 90 per cent of all passenger vehicles in the U.S., Canada, Europe and other rich countries could be electric by 2040." Being personally invested in Ethanol and various other biofuel facilities, I have been intently listening and reading everything I can about potential changes coming down the pipe. Clearly "change" is coming, the question is how quickly and in what capacity? To this point ethanol and other biofuels have been a huge windfall for many of us in the ag space. I would love to say this will never change, but with technology advancing at warp speed, I'm afraid I can no longer make that statement. Disruptive technology is swirling all around us, and to think we are somehow insulated or that it will never happen to us is simply bad practice. Remember, we are pre-programmed to ignore randomness and disruptive change because for the most part our minds struggle with it. Also keep in consideration that the human mind seeks and desperately looks for patterns, in fact we create them when we can't find any, we actually begin to fabricate all sorts of reasons why we will never be caught in that randomness or craziness associated with extreme change. In other words facts and figure from the past about why it can't happen in the future. Be careful with this methodology. We are wired and rather very good at predicting the future based on past experiences. Science says it helps to keeps us somewhat calm and gives us the ability to move forward each day, which is essential for our species to survive. Below are just a few interesting takeaways from the article. I encourage you to read it in full by Clicking [HERE](#)

Crude Consumption Could Plummet: *Of more than one billion registered vehicles on the road today, only two million are electric (with one million of those in China). But if EVs catch on as fast as the researchers project, it could reduce oil use by 21 million barrels a day and cut CO2 emissions 3.2 billion tons a year — equivalent to 60 percent of total U.S. emissions today.*

USDA Recovery How Quickly Could It Happen: *Bloomberg New Energy Finance recently bumped up its estimate of the EV market share in 2040 from 35 per cent of all new car sales to 54 per cent. [RethinkX](#), an independent think tank, is even more bullish, saying most U.S. vehicles will be electric by 2030 —just 13 years from now.*

Interesting Report: *The authors of the IMF-Georgetown working paper, "[Riding the Energy Transition](#)," base their own optimism on an analysis of past technology transitions, especially the one from horses to cars. "We were surprised at how fast cars replaced horses as the main means of transport in the early 1900s," says IMF economist Fuad Hasanov. "It happened in only 10 to 15 years in spite of the many hurdles." By comparison, the barriers to adopting electric vehicles today seem small.*

Something To Think About: *In 1910 there were few paved roads in America, and there were hardly any gasoline stations; today's massive infrastructure of refineries and gas stations were just beginning to be built. Driving one of Henry Ford's new Model T's was a daunting change from a horse, with or without a buggy, and it cost a whopping \$137,000 in 2015 dollars—close to twice the 2015 price tag of Tesla's Model S. Not surprisingly, very few people bought Model T's at that price. And yet by 1921, the price had dropped to the equivalent of \$35,000, governments and the oil industry had spent massively on roads and other infrastructure, and sales of Model T's shot up to a million a year. By 1925 they were nearing two million. If electric vehicles are adopted at that pace, say Hasanov and Reda Charif of IMF and Aditya Pande of Georgetown, they'll account for 5 percent of all vehicles by the late 2020s and 36 percent by the early 2040s. The researchers call that the "slow-adoption scenario." The "fast-adoption scenario" projects 30 percent of vehicles in the U.S. will be electric by the late 2020s and 93 percent by the early 2040s.*



Hollywood Prop Auction Brings Back Great Memories And Opportunities For Investment

The Prop Store of London will auction off what I consider to be some of the coolest movie props of my generation on September 26th. Obviously, not everyone will appreciate the items as much as those of my era or pop culture collectors will, but I think everyone will enjoy looking at the catalog of the 600 props. Personally, I was a little surprised by the estimates on some of the items but I'm told they generally can be considered good investments if verified. For instance, earlier this summer, Gary Kurtz, one of the producers on the first two Star Wars episodes, parted way with some memorabilia from the films, including an original R2-D2 unit used in several films that went to a bidder for \$2.76 million. In the same auction, Luke Skywalker's lightsaber from A New Hope and The Empire Strikes Back, sold for \$450,000, while Darth Vader's helmet from A New Hope also sold for \$96,000. According to Brandon Alinger, one of the experts at the Prop Store, each piece has been thoroughly researched and authenticated, so everything is legit. This auction should provide some items that may be affordable for those interested but I would suspect we will see the scales tipped on a few of the cooler pieces. A lot of these movies were a staple for my generation and many a weekend was spent going to the theatre to see our favorite actors captivate us on screen. One of my buddies in the office told me he saw Star Wars in the theatre five

times. So whether for nostalgia sake, investment potential or just plain fun, take a look at the catalog and if you feel lucky, place a bid. I listed a few of my favorites offerings below but you can see the entire catalog as well as bid online by clicking [HERE](#). If you like this set of props, check out some of the most expensive props to ever sell [HERE](#). (Source: Gizmodo, Wired, Metalfloss)

The Joker's Costume, Batman: *Starting at \$12,955. Get the chance to wear Jack Nicholson's Joker costume from the Tim Burton 1989 Batman movie. Who doesn't love Jack Nicholson. After "One Flew Over The Kuckoo's Nest", this is one of my favorite Nicholson roles..*

ROCKY III - Rocky's (Sylvester Stallone) Autographed Shorts: *Starting bid: \$5,300. Rocky had a rough stretch in this movie but with the help of his friend Apollo Creed, he was able to regain his title. I still get fired up by the soundtrack to Rocky movies and would do workouts listening to "Eye of the Tiger."*

Venkman's Jumpsuit, Ghostbusters: *Starting bid \$3,800. This is Bill Murray's actual costume form the original Ghostbuster movie. The one that made us all afraid of marshmallows and the Michelin Man!*

Data's Trenchcoat, Goonies: Starting bid: \$9,700. *Ke Huy Quan wore this coat as he hammed it up in the 1985 action film.*

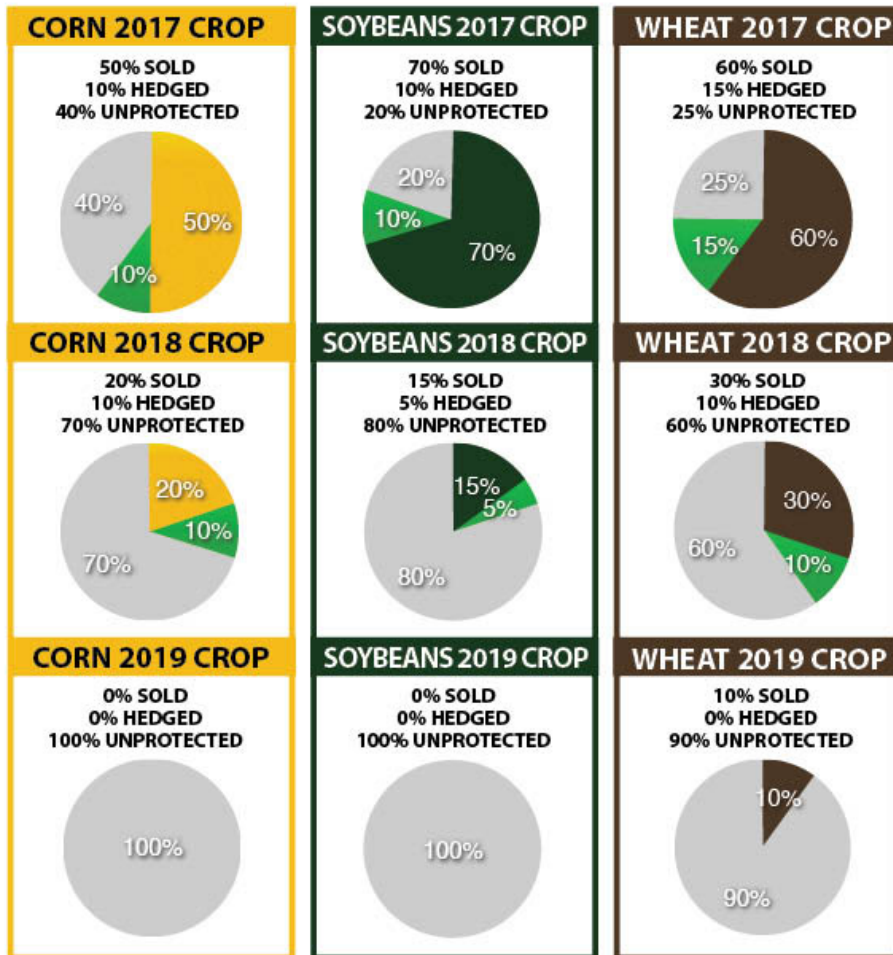
Peter "Star-Lord" Quill's Hero Helmet, Guardians Of The Galaxy: *Starting Bid: \$19,437. This the helmet that actor Chris Pratt wore throughout most of the 2014 blockbuster movie.*

Indiana Jones' Bullwhip, Indiana Jones And The Last Crusade: *Starting bid: \$32,395. Pretty good starting bid for a prop from one of the lesser films in the franchise. Harrison Ford is still going strong with a another Blade Runner Movie out this year. He's starting to show his age but can still act.*

ELF - Buddy's (Will Ferrell) Costume Starts with a reserve of \$6,600. *This was a Christmas staple in our house for sure. We can be heard quoting a few lines of this movie around the office in winter.*



CASH SALES & HEDGING TOTALS



PLEASE READ The Van Trump Report is a publication intended to give analytical research to the Agricultural community. The Van Trump Report is not rendering investment or hedging advice based on individual portfolios or individual business operations. Kevin Van Trump is NOT registered as a stock or commodity advisor in any jurisdiction. You need to consult with your own registered advisor for specific strategies and ideas that are appropriate to your specific portfolio or business entity. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete. This report is not intended, and shall not constitute, or be construed as an offer or recommendation to "buy", "sell" or "invest" in any securities or commodities referred to in this report. Rather, this research is intended to identify issues and macro situations that those invested in the agricultural industry should be aware of to help better assess and improve their own risk management skills. Please read the entire [DISCLAIMER PAGE](#) for full risk-disclosure and copyright laws.



© FARM DIRECTION 2011

[About Us](#) | [Testimonials](#) | [Subscribe](#) | [Contact Us](#) | [Disclaimer](#)