

GOOD MORNING: 09/25/17 Farm Direction - VanTrump Report

1 message

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"Can't you give me brains?" asked the Scarecrow. "You do not need them. You are learning something every day. A baby has brains, but it does not know much. Experience is the only thing that brings knowledge, and the longer you are on earth the more experience you are sure to get." — **L. Frank Baum, The Wizard of Oz**

MONDAY, SEPTEMBER 25, 2017

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Morning Summary: Stocks have climbed to record highs as volatility remains near its lowest levels in decades. In fact, a few insiders are a bit spooked by just how calm the stock market has become the past few weeks, with some believing perhaps it's the calmest in U.S. stock market history. Keep in mind, this is now the second longest stock market bull run since our nation started keeping records. The Dow itself has made 42 new highs this year alone. This massive bull run comes after 2009 marked the worst bear market since the Great Depression. Following the massive selloff between 2008 and 2009, the market has since pulled back very few times. We had the "Flash Crash" in May of 2010 where the market plunged -9% in a matter of 30 minutes. We had a few setbacks when Europe was on the brink of a meltdown. In fact, in 2011 between May and October, there was a lot of talk we were going to fall back in to a global recession which caused the U.S. stock market to lose about -20% of its value. Despite all of the "doom and gloom" that was being sold to the general public, the market followed in 2012 by setting new all-time highs. Then in 2013, while everyone was once again predicting another crash the stock market increased by a whopping +32%, the most since 1997. In 2014, we had a brief hiccup as the Ebola scare landed in Atlanta, but again the bulls shrugged it off and the market gained another +13%. In 2015, the bears were talking about the crude oil industry rolling over and how all of the bankruptcies in the energy space were going to buckle the stock market. Again the market shrugged off the bearish headlines and pushed almost +10% higher. 2016 was an election year and billed to bring about extreme uncertainty. Again the market didn't listen and gained another +12%. We are now moving into the 4th quarter of 2017 with the press and media delivering a barrage of negative headlines about our newly elected President, yet again the stock market has shrugged it off, the S&P 500 is up over +12%, the Dow up over +14% and the Nasdaq up over +22% on the year. Looking more nearby, traders are trying to figure out the next set of hurdles. On Friday, Kansas City Fed President Esther George said she felt weak inflation was no reason for the Fed to back away from their continued gradual rate increasing plans. The expected gradual pace of interest rate hikes is "appropriate...but we do have to keep moving," she said. George is the first central bank official to speak since the Federal Reserve's policy meeting last week where they left rates "unchanged" but did announce a plan to begin shrinking its balance sheet. Today we will hear from Fed Presidents William Dudley of New York, Charles Evans of Chicago, and Neel Kashkari from Minneapolis. There are at least eight other Fed officials speaking this week as well, including Fed Chair Janet Yellen tomorrow. Economic data today includes the Chicago Fed National Activity Index and the Dallas Manufacturing Survey. On the international front, there is quite a bit of economic data due out from China and Japan this week. Investors will also be monitoring developments with North Korea and the ongoing NAFTA trade talks. I should also note that this week is both the last week for trading during the month of September as well as the last week for trading during the third quarter of 2017. I'll be looking for more extreme volatility on position squaring and larger fund readjustments.

Merkel Wins German Election: Chancellor Angela Merkel will be serving a fourth term as the leader of Germany. Merkel's conservative bloc won 32.5% of the vote, making them the largest parliamentary group. However, that was down from 41.5% in the last election, in 2013. The far-right Alternative for Germany (AfD) stunned the establishment by finishing third and entering parliament for the first time with 13.5% percent of the vote. (Source: Reuters)

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December 6, 2017

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AI Could Replace 40% Of All Jobs: Bridgewater Associates founder Ray Dalio said Friday that almost half of the jobs in the next two decades will be replaced by artificial intelligence. "By in large, the world is going to largely consist of people who can take language and put it into code, which then allows the computer to operate like a brain or people who are going to be displaced by that," Dalio told FOX Business' Maria Bartiromo. The investor said the computer's capacity to process more information than the human brain is the reason artificial intelligence (AI) is being implemented in financial services. "Everybody [has] to learn to code. It's like not knowing how to read and write in the new age," he said. (Source: Fox Business)

Republicans Use Indiana Tax Cuts As An Example For All America: The Trump administration is pointing to Indiana as a model for its ambitious plan to reform the nation's tax code, touting the Hoosier State's economic success as evidence that reducing rates can spur growth. As governor of Indiana, current Vice President Mike Pence signed into law the biggest tax cuts in the state's history — a \$3.5 billion package that slashed state income taxes, lowered the corporate rate and eliminated the inheritance tax. Indiana's economy has since performed better than the national average, with GDP growth reaching more than +4% in 2014 before leveling off. The Trump administration is expected to release with Republican leadership an updated framework for its tax plan on Wednesday, according to two sources familiar with the timing. The proposal will likely rely heavily on robust growth projections to offset the cost of dramatic tax cuts, a practice known as dynamic scoring that is hotly debated among economists. But Republicans argue that Indiana is proof that the numbers can work. The state unemployment rate in Indiana is just 3.5%, one of the lowest in the country and nearly a percentage point beneath the U.S. average. Critics argue that the GOP tax plan bears little resemblance to Pence's work in Indiana, though, as those cuts were primarily focused on households, while the White House proposal would provide bigger rate reductions to businesses. (Source: CNBC)

North Korea's Latest Threat Is An "Unprecedented Escalation": North Korea's foreign minister Ri Yong Ho told reporters that his country might consider an above ground test of a hydrogen bomb over the Pacific Ocean. Experts and world leaders have called the threat an "unprecedented escalation by North Korea in the standoff over its weapons program." Atmospheric nuclear tests - aka "above ground" - have been conducted in the past by the United States and China but not in recent decades. Vipin Narang, a nuclear expert at the Massachusetts Institute of Technology said such a test could pose a danger to shipping and aircraft, even if the North declared a "keep out" zone, and would pose a risk to people if something went wrong. "We are talking about putting a live nuclear warhead on a missile that has been tested only a handful of times. It is truly terrifying if something goes wrong." The big question at the moment is whether or not North Korea could actually launch a nuclear armed missile? After six nuclear tests and a succession of missile tests, the consensus is that Pyongyang is close. Still, the threat is so extreme, security experts highly doubt Pyongyang will go through with it. An atmospheric nuclear detonation would be the first since China's test of a hydrogen bomb on Oct. 16, 1980. All six of North Korea's nuclear tests have been underground, the first in 2006 and the most recent on Sept. 3 this year. (Sources: The Wall Street Journal, CNN)

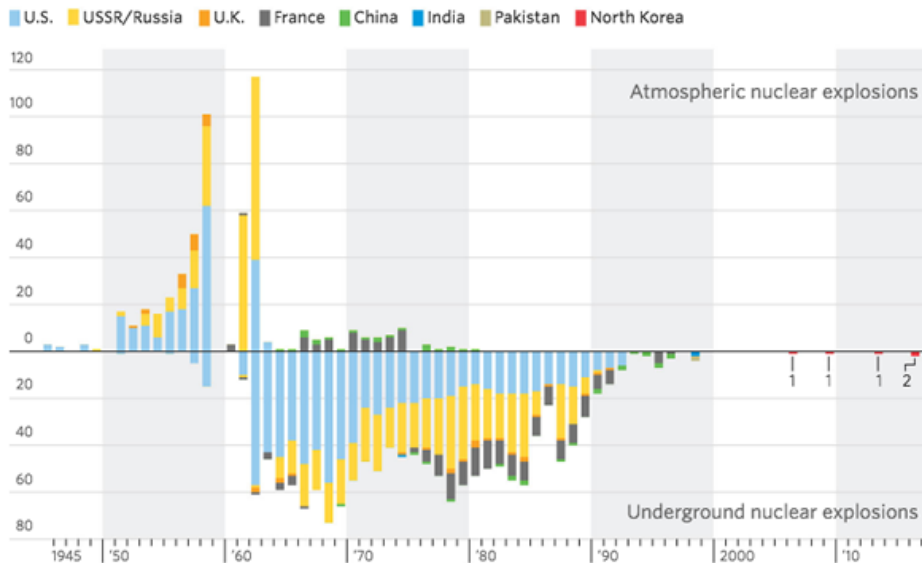
Here are a few of this year's early sponsors



Bombs Away

There have been hundreds of nuclear tests, but no atmospheric blasts since 1980.

Number of world-wide nuclear tests



Note: Number of nuclear explosions from 1945 to 2006 are estimates

Sources: Comprehensive Nuclear-Test-Ban Treaty Organization (1945-2006); staff reports (North Korea data)

Weather for the U.S. is calling for a variable rain for the central U.S. and continuing dry conditions in portions of central Brazil. Below is a Drought Monitor map I came across that gives you an indication of the dryness happening in central Brazil. Dry conditions are beginning to hinder early planting. Rain is particularly needed in northern Mato Grosso. Only a few light showers are expected during the next few days, but after that moisture might become more widespread. This map is called the Latin American Food and Drought Monitor and is produced by Princeton University. You can find it and a lot of other good SA weather data [HERE](#).



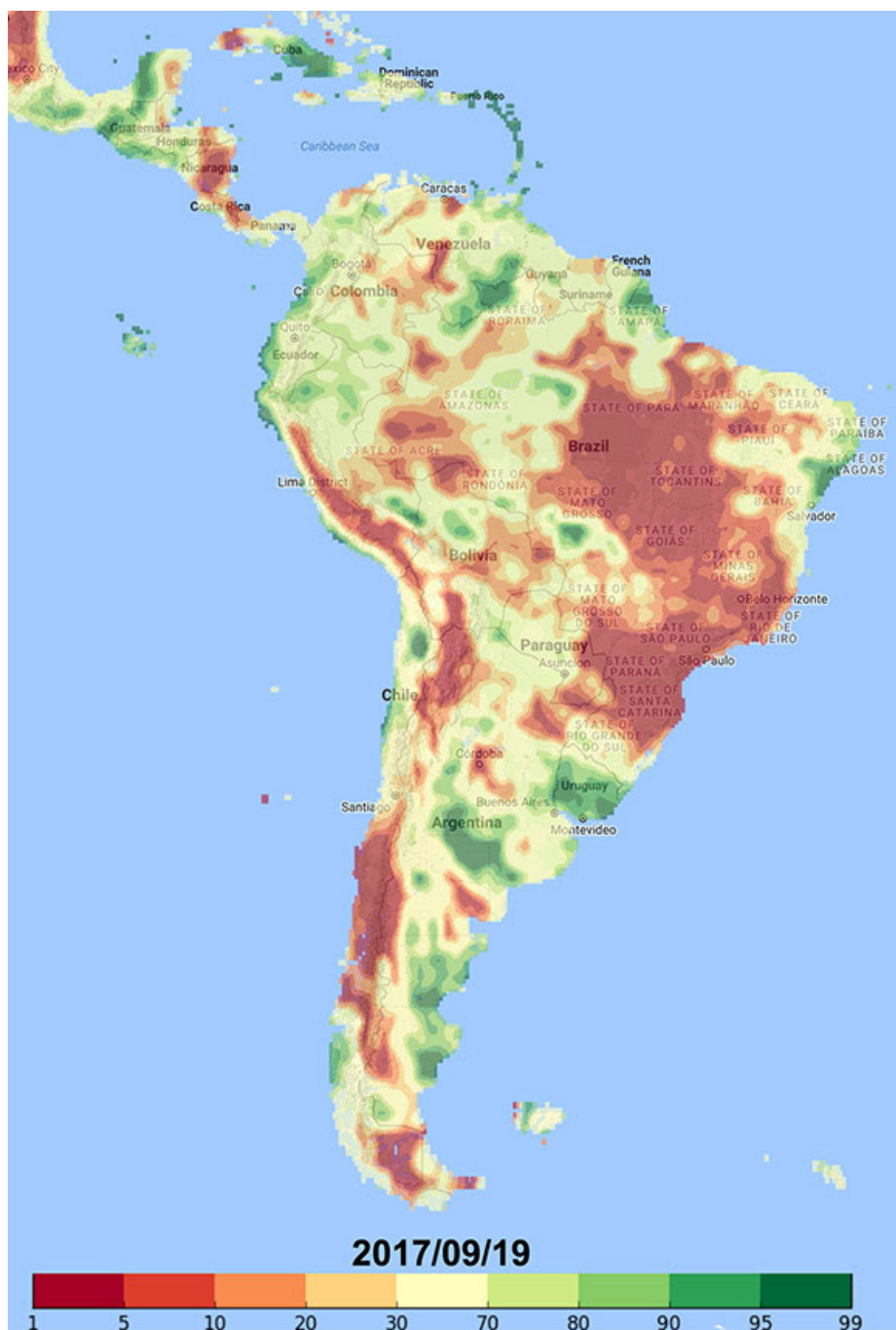
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Today In History



1867, Oliver Loving - The pioneering cattleman Oliver Loving dies from gangrene poisoning in Fort Sumner, New Mexico. A few weeks before,

Loving had been trapped by 500 Comanche braves along the Pecos River. Shot in the arm and side, Loving managed to escape and reach Fort Sumner. Though the wounds alone were not fatal, Loving soon developed gangrene in his arm, a common infection in the days before antibiotics. Even then he might still have been saved had his arm been removed, but unfortunately the fort doctor "had never amputated any limbs and did not want to undertake such work." Sometimes referred to as the "Dean of the Trail Drivers," Loving had been braving the Comanche territory along the Pecos in order to make his second pioneering drive of cattle from Texas to Denver. In the 1860s, the Texas cattle herds were booming, but as long as the cattle were in Texas they were essentially worthless. To make money, they had to be moved over thousands of miles to the big cities where Americans were becoming increasingly fond of good fresh western beef. To overcome this challenge, a number of Texans pioneered the technique known as the "long drive," hiring cowboys to take massive cattle herds overland to the first cattle towns like Wichita and Dodge City where they could be loaded on trains for the East. Along with his partner Charles Goodnight, Oliver Loving tried a brilliant alternative approach. Goodnight and Loving proposed to drive a herd of cattle directly to the growing population centers in New Mexico and Colorado where they could avoid middlemen and earn higher prices per head. The result was the Goodnight-Loving Trail, a 700-mile route through west Texas and New Mexico that eventually brought the cattle right into the booming mining regions of Colorado. During the course of their first long and often treacherous drive in 1866, Loving and Goodnight lost more than 400 head, mainly to dehydration and drowning. But the 1,600 cattle that survived the trip brought good prices, and when Goodnight headed back to Texas his mule carried \$12,000 in gold. Encouraged, the two men were preparing to follow the same route the next year when Loving's fatal encounter with the Comanche abruptly ended the partnership. However, Goodnight and others continued to use the Goodnight-Loving Trail, and it soon became one of the most successful cattle trails of the day.



Corn bulls are eager to see this afternoon's latest weekly crop-condition report. Last week the USDA left crop conditions "unchanged" at 61% rated "Good-To-Excellent". But when you looked deeper inside the numbers, you could see larger condition setbacks. Illinois conditions dropped by -4% last week and are now rated just 52% GD/EX; South Dakota conditions fell by -3% and now stand at 40% rated GD/EX; Nebraska conditions fell by -2% to 62% rated GD/EX; Iowa fell by -1% to 59% rated GD/EX; Minnesota conditions also deteriorated by -1%. My point is, when big production states like Illinois, Iowa, Minnesota, Nebraska and South Dakota are all experiencing crop condition setbacks at the same time the bears tend to pause for a moment to take notice. Weather here in the U.S. really hasn't been much of an event nearby. The harvest is progressing steadily from the South to the North and more yield data is starting to circulate inside the trade. However, the story line remains the same, with many producer coming up shorter than they have the past couple of years, but better than they had previously forecast. From a technical perspective, many inside the trade want to see the market close back above the previous nearby high of \$3.62 per bushel before getting overly excited about some type of longer-term bullish run to the upside. If that hurdle can be overcome, stiffer technical resistance immediately shows up on the charts between \$3.75 and \$3.90 per bushel. Funds are thought to currently be short about 125,000 contracts. As both a producer and a spec, I'm still thinking the upside is fairly limited nearby. I believe we will eventually get another run back above \$3.75, but I'm thinking we retest the downside before that plays itself out. I'm personally targeting another cash sale opportunity in late-2017. I will certainly take an early surprise, but



1897, William Faulkner -

William Faulkner is born this day near Oxford, Mississippi. Faulkner's father was the business manager of the University of Mississippi, and his mother was a literary woman who encouraged Faulkner and his three brothers to read. Faulkner was a good student but lost interest in studies during high school. He dropped out sophomore year and took a series of odd jobs while writing poetry. In 1918, his high school girlfriend, Estelle Oldham, married another man, and Faulkner left Mississippi. He joined the British Royal Flying Corps, but World War I ended before he finished his training in Canada, and he returned to Mississippi. A neighbor funded the publication of his first book of poems, *The Marble Faun* (1924). His first novel, *Soldiers' Pay*, was published two years later. In 1929, Faulkner finally married Estelle, his high school sweetheart, who had divorced her first husband after having two children. The couple bought a ruined mansion near Oxford and began restoring it while Faulkner finished *The Sound and the Fury*, published in October 1929. The book opens with the interior monologue of a developmentally disabled mute character. His next book, *As I Lay Dying* (1930), featured 59 different interior monologues. *Light in August* (1932) and *Absalom, Absalom!* (1936) also challenged traditional forms of fiction. Faulkner's difficult novels did not earn him enough money to support his family, so he supplemented his income selling short stories to magazines and working as a Hollywood screenwriter. He wrote two critically acclaimed films, both starring Humphrey Bogart: *To Have and Have Not* was based on an Ernest Hemingway novel, and *The Big Sleep* was based on a mystery by Raymond Chandler. Faulkner's reputation received a significant boost with the publication of *The Portable Faulkner* (1946), which included his many stories set in Yoknapatawpha county. Three years later, in 1949, he won the Nobel Prize in literature. His *Collected Stories* (1950) won the National Book Award. During the rest of his life, he lectured frequently on university campuses. He died of a heart attack at age 65.



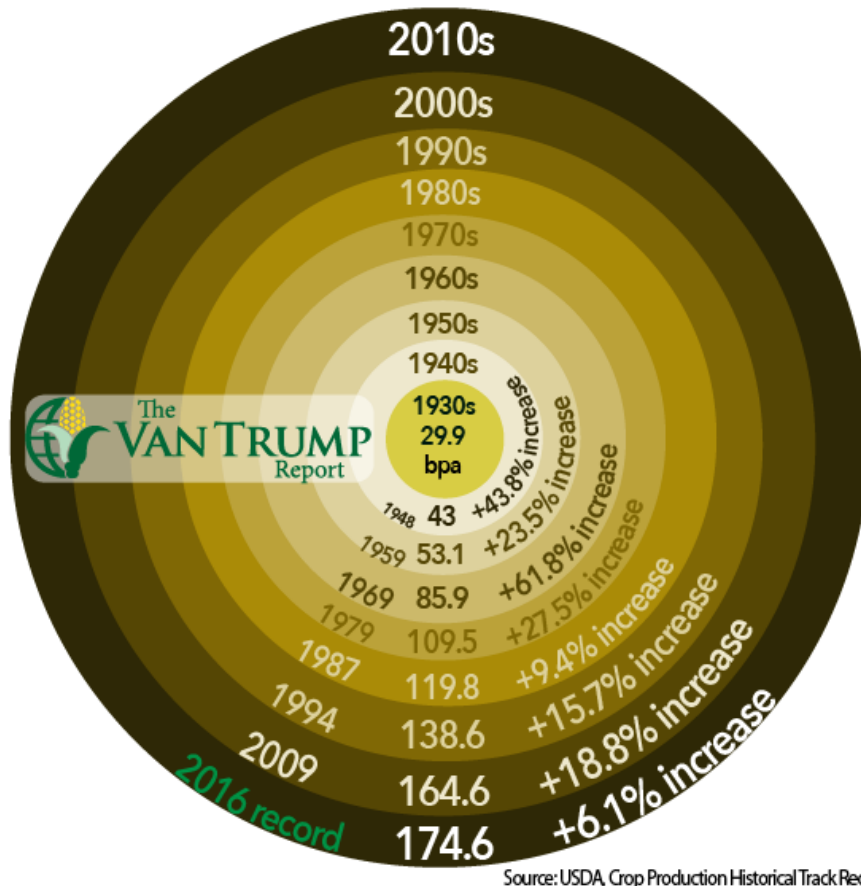
1981, Supreme Court -

Sandra Day O'Connor becomes the first female U.S. Supreme Court justice in history when she is sworn in by Chief Justice Warren Burger. Sandra Day was born in El Paso, Texas, in 1930. She grew up on her family's cattle ranch in southeastern Arizona and attended Stanford University, where she studied economics. A legal dispute over her family's ranch stirred her interest in law, and in 1950 she enrolled in Stanford Law School. She took just two years to receive her law degree and was ranked near the top of her class. Upon graduation, she married John Jay O'Connor III, a classmate. Because she was a woman, no law firm she applied to would hire her for a suitable position, so

I'm thinking harvest pressure and an oversupply of old-crop inventory still in the U.S. marketplace will make it tough to rally aggressively nearby.

A Look Back At Record Corn Yields: *I thought it would be interesting to look back at the record corn yields for each decade since the 1930's. Not only did I list what year the record yield was harvested, but also how big of a percentage gain was witnessed from the previous decade. Kind of interesting to look at, percentage wise we've actually started to slow. Perhaps during the next decade we are going to see another significant jump? Look at the resurgence that has taken place in soybeans.*

U.S. Decade High Corn Yields



Soybean bulls are hoping they see another week of deteriorating USDA crop-conditions, especially in some of the larger production areas. The USDA weekly crop-condition report will be released today after the close. Last week the USDA reported overall U.S. soybean conditions falling from 60% down to 59% rated "Good-to-Excellent". More importantly were setbacks in the bigger producing states: Conditions in Illinois, Kansas and South Dakota fell by -4%; Iowa, Nebraska and Mississippi fell by -3%. Bulls have also been talking about overly dry conditions in parts of Brazil and overly wet conditions in parts of Argentina. From what I can gather, it seems like there's now more ample rain in the forecast for areas of Brazil, but perhaps still too much moisture for Argentina. I think things in Argentina could get a bit more complicated as some areas continue to see flooded fields. I'm also hearing talk of more acres rotating out of soybeans and into corn, in fact some saying we could see multi-year lows in Argentina soybean acres. On the "demand" side of the equation, meal purchasing by the Chinese might taper off a bit, but overall I still see strong demand headlines. From a technical perspective, this past Friday, at \$9.84 ^2, the market posted its highest close since the end of July. The nearby breakout to the upside now brings larger psychological resistance into reach by the bulls at \$10.00 per bushel. The funds are thought to now be net-long about 20,000 to 25,000 contracts. As a producer, make certain you are also paying attention to prices for next years crop. We recently pushed back above \$10.00 per bushel vs. the NOV18 contract. I personally didn't reduce any additional longer-term risk on Friday's rally, but am paying extremely close attention...

A Look Back At Record Soybean Yields: *I thought it would be interesting to look back at the record soybean yields for each decade since the 1930's. Not only*

she turned to the public sector and found work as a deputy county attorney for San Mateo, California. In 1953, her husband was drafted into the U.S. Army as a judge, and the O'Connors lived for three years in West Germany, with Sandra working as a civilian lawyer for the army. In 1957, they returned to the United States and settled down in Phoenix, Arizona, where they had three children in the six years that followed. During this time, O'Connor started a private law firm with a partner and became involved in numerous volunteer activities. In 1965, she became an assistant attorney general for Arizona and in 1969 was appointed to the Arizona State Senate to occupy a vacant seat. Subsequently elected and reelected to the seat, she became the first woman in the United States to hold the position of majority leader in a state senate. In 1974, she was elected a superior court judge in Maricopa County and in 1979 was appointed to the Arizona Court of Appeals by Governor Bruce Babbitt, a Democrat. Two years later, on July 7, 1981, President Ronald Reagan nominated her to the Supreme Court to fill the seat of retiring justice Potter Stewart, an Eisenhower appointee. In his 1980 presidential campaign, Reagan had promised to appoint a woman to the high court at one of his earliest opportunities, and he chose O'Connor, out of a group of some two dozen male and female candidates, to be his first appointee to the high court.

Upcoming Events

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

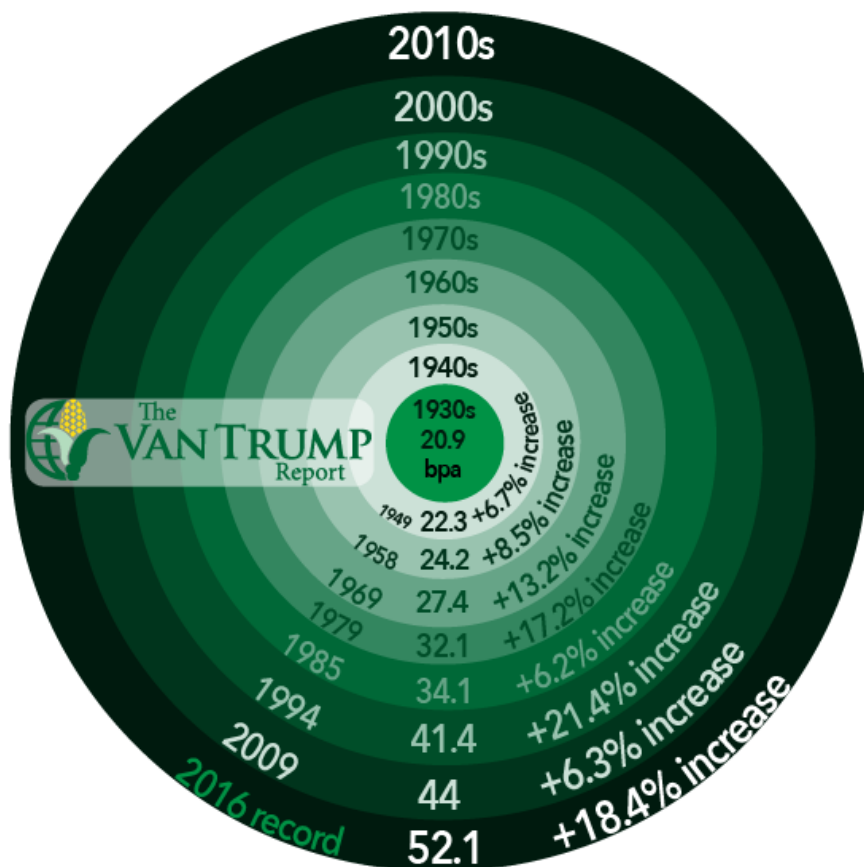
Wed. 11/22 - Minutes From 11/1 FOMC Meeting Released

Thurs. 11/23 - Thanksgiving - Markets Closed

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

did I list what year the record yield was harvested, but also how big of a percentage gain was witnessed from the previous decade. From the mid-80's to mid-90's gains of over +20% were seen.

U.S. Decade High Soybean Yields



Wheat traders are eager to see the USDA's "Stocks & Small Grains Report" schedule for release this Friday. I'm personally hoping to see some type of small bullish adjustments to the U.S. balance sheet. I'm not sure it will make that big of a deal to the trade however as most of the bears have been placing their bets based on record setting global supply and a record setting Russian wheat harvest, which is about to be complete. On the bullish side, I still see complications inside portions of Europe, too much moisture in parts of Argentina, and a crop that continues to get smaller in Australia. Here at home, I believe the U.S. crop could get smaller and that next years planted acres are again going to be record setting low. Last week the USDA reported U.S. winter wheat acres were 13% planted vs. our 5-year historical average of 15%. States that are being watched and currently lagging their historical average planting pace are primarily Nebraska, Montana and Colorado. I will continue to keep a close eye on these states as more planting data is released this afternoon. From a technical perspective, the SRW and HRW wheat contracts continue to trade comfortably between \$4.25 and \$4.75 per bushel. Spring wheat seems comfortable trading between \$6.00 and \$7.00 per bushel.

Kevin's Song of the Week

WHAT I'M LISTENING TO: ▶



▶ **Blake Shelton** "I'll Name the Dogs"

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!

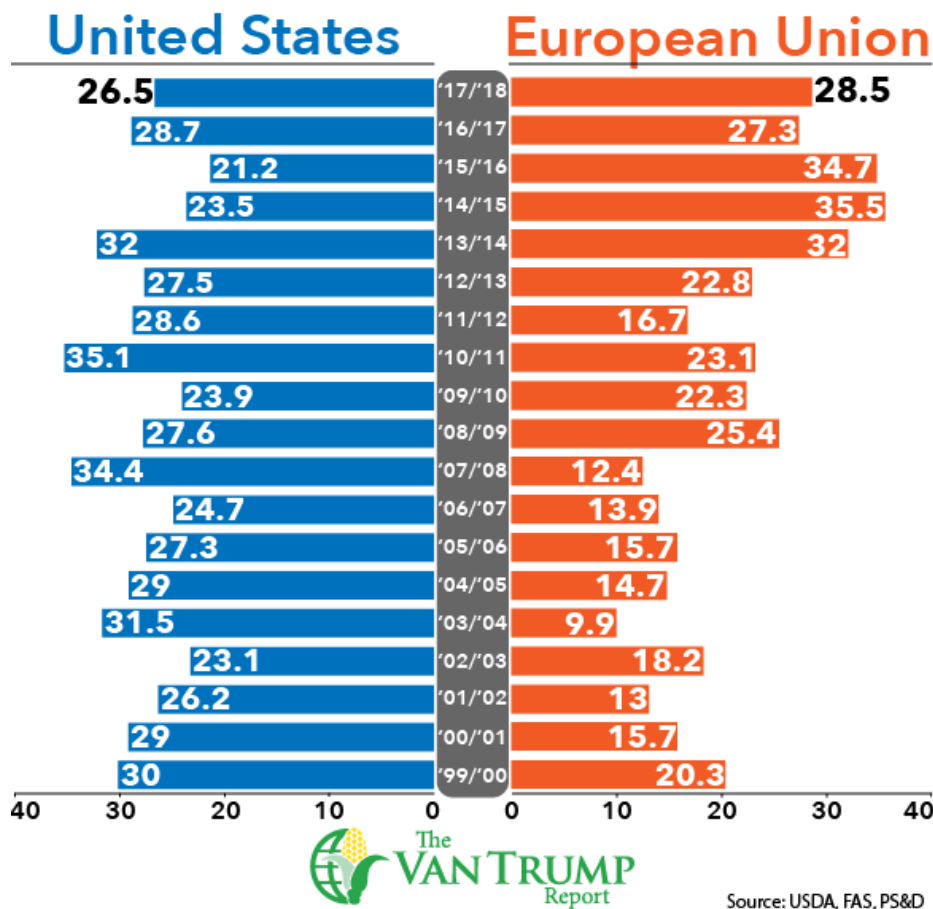
Kevin Van Trump

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

Wheat Exports

(in million metric tons)



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 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.

Cattle on Feed totaled 10.5 million head as of September 1, 2017, a rise of +4% from last year levels. "Placements" during August were reported at 1.93 million head, +3% above 2016. "Marketings" of fed cattle during the month were 1.98 million head, a +6% year-on-year increase. Also on Friday, Cold Storage pegged total red meat supplies as of August 31 up +7% from the previous month, but down -3% from last year. Total pounds of beef were up +10% from July, though down slightly year-on-year. Pork supplies saw a +4% gain for the month, but were -5% below last year. Pork bellies were +8% higher than July, but down a whopping -40% from 2016. Frozen poultry supplies on August 31 were down just slightly from July, but up +6% over last year. In other news, the USDA's Ottawa bureau projects Canada's cattle herd is poised to drop to its lowest level in 28 years thanks in part to the reluctance of a new generation of ranchers to enter the industry. They also cite high feeder prices at earlier this year which fueled a +12% increase in the Canadian heifer slaughter and a +16% surge in cow slaughter. The USDA this week also warned that both feeder cattle and fattened cattle face autumn declines, officials said, citing an "abundant supply of competing meats." U.S. pork output expected to set records in both the current quarter and the October-to-December period, helped by the opening of two slaughter plants two weeks ago.



> **Brazil's Wheat Crop May Disappoint On Both Yield And Price:** According to a report from the Agricultural Center for Socioeconomic Planning (EPAGRI/CEPA) in the state of Santa Catarina in southern Brazil, 8% of the wheat crop in the state is flowering and entering into grain filling. This is slower than the normal development of wheat in the state. The consulting group Trigo & Farinhas, accredits the slow development of the wheat crop to dry weather earlier in May and June that delayed the planting of the wheat. The dry start to the wheat growing season continued as the crop

entered vegetative stage resulting in an uneven development of the crop and the inability of farmers to top dress with nitrogen. This has resulted in a yellowish looking crop with a probably diminished yield potential. Wheat yields in the state of Parana, the largest wheat producing state in Brazil, are also expected to be disappointing due to frosts/freezes earlier in the growing season. Yields in Rio Grande do Sul, the second largest state, have been adversely affected by weed and disease pressure. In addition to potentially low yields, domestic wheat prices in Brazil are low as well. (Source: Soybean & Corn Advisor)

> Argentine Soybean Sales Are Strong: Argentina's sales of the 2017/18 soybean crop have been strong so far. According to Buenos Aires brokerage Zeni, there has been a growth of 62.2% on sales compared to the same period of last year. The volume of forward sales already has reached 3.0 million metric tons. A 0.5% reduction in the export tax that took effect in January is cited as the likely reason sales have been so much stronger this year. (Source: Agrosouth)

> UK To Be Net Wheat Importer Again This Year: The UK, once one of the European Union's top wheat exporters, looks poised to be a net importer of the grain again this season, according to UK-based agribusiness Gleadell. The UK began 2017-18 as a net importer, buying in 155,497 metric tons in July, compared with exports of 16,254 metric tons. But while there is often such an imbalance early in the season, ahead of the onset of supplies from the domestic harvest, the trend of imports exceeding exports looks set to hold, for what would be the fourth time in the past six years. Historically, the UK has been a net wheat exporter, a position it ceded only once up to 2011-12, on data going back to 1995-96. On average, it was a net exporter of 1.7m tonnes over those 17 seasons. However, production of the grain has suffered from the historic wetness of 2012, which in curtailing autumn sowings depressed the 2013 harvest too, and more lately by the battle against black grass, which has prompted a shift to spring crops to create a longer window for applying pesticides. Spring sowings continue to account for only a small proportion of overall UK wheat seedings. Gleadell said it was working on the UK harvest coming in at 14.5m tonnes, or at the "top end" 15.0m tonnes. (Source: Agrimoney)

> Arkansas One Step Away From Banning Dicamba Next Summer: Arkansas last week moved just one step away from barring sprayings next summer of an herbicide linked to widespread U.S. crop damage, setting the stage for a potential legal showdown between the state and chemical maker Monsanto Co. The Arkansas State Plant Board advanced a proposal prohibiting use of dicamba weed killers from April 16 to Oct. 31, 2018, after farmers reported that soybeans and other crops were damaged when the herbicide drifted away from where it was sprayed this summer. The no-spray dates proposal will next head to an Arkansas legislative subcommittee for final approval, after a public comment period and public hearing on Nov. 8. Chemical companies have blamed damage to crops that cannot tolerate dicamba on farmers misusing the chemical. Specialists, though, have said the weed killers are risky because they can vaporize and drift across fields after they are sprayed on dicamba-resistant soybeans or cotton developed by Monsanto. That process, known as volatility, occurs more often in high temperatures, according to experts. (Source: Reuters)

> Former Trade Rep Sees NAFTA Withdrawal As Likely: Most farmers and ranchers don't want to hear this, but former U.S. Trade Representative Michael Froman believes U.S. withdrawal from NAFTA remains a very real prospect. "There certainly is a desire by the president to withdraw from something, and NAFTA and the Korea agreement appear to be at the top of his list." Interesting that Froman mentioned the U.S.-Korea deal, because Trump spent some quality time with South Korean President Moon Jae-in in NYC on Thursday and said the U.S. will "try and straighten out" the pact - a subtle shift away from earlier this month when he said he was considering whether to start withdrawing from the deal. (Source: Politico)

> China's Nationwide E10 Ethanol Mandate Faces Hurdles: China's National Energy Administration recently announced that it plans to implement a nationwide E10 ethanol blending mandate but industry sources are skeptical about Beijing's ability to do so successfully owing to uncertainty about the blended fuel's impact on vehicles and lack of a clear pricing mechanism. The NEA recently published a blueprint claiming that it would boost the production of fuel ethanol and promote the use of E10 gasoline containing 10% ethanol nationwide by 2020. The move aims to balance the supply and demand of grains and optimize the energy structure, as well as improve the environment, NEA noted. The E10 mandate is currently implemented in 11 provinces and cities. Sources said that the use of E10 is controversial and it is unlikely to be made mandatory. A source close to NEA also believed that the blueprint is more advocacy rather than mandatory. Drivers have complained about their exhaust pipes leaking water, cars not having enough power and even fuel efficiency suffering from the use of E10. Another source with a Sinopec refinery said that the consumption of E10 in central Anhui province, one of the 11 provinces that have implemented the E10 mandate, has shrunk this year. (Source: Platts)

> CVS To Limit Some Opioid Prescriptions To One Week: CVS Health plans to limit opioid prescriptions to seven days for certain acute conditions in an effort to curb addiction to the pain medications amid the national epidemic. The pharmacy giant



announced that it will also limit the dosage of opioids based on their strength, and would require the use of immediate-release formulations before extended-release formulations intended more for severe chronic pain. The changes will go into effect on February 1, CVS said, and will affect all commercial, health plan, employer and Medicaid clients. (Source: The Hill)

> Global Economy Improving But Lacks "Self-Sustaining Upswing": Economic performance is improving in most of the world's leading economies but is still short of a self-sustaining upswing, the Organization for Economic Cooperation and Development said. In an update to its economic forecasts, the Paris-based international organization said that more private sector investment was needed for the expansion to endure, for wages to rise sustainably and for inequalities to be tackled. Although all leading economies are now recording positive growth, Catherine Mann, the OECD's chief economist, urged governments to "curb your enthusiasm [because] strong and sustained medium-term global growth is not yet secured." The OECD's economic outlook shows upgrades to the 2017 growth forecasts in China, Russia and Europe excluding the UK with the world outlook also appearing stronger in 2018. World growth should rise from a low of 3.1% in 2016, to 3.5% this year and 3.7% in 2018, the OECD forecast, with the US, the eurozone, Brazil and Russia contributing most to the improved global outlook. China's predicted growth rate of 6.8 per cent in 2017 and 6.6% in 2018 has been revised higher by 0.2% points in both years and although India's growth rate has been revised down, reflecting adjustment to its new goods and services tax, it is likely to remain the fastest growing large economy in the world. (Source: Financial Times)



Northeast Louisiana - We are seeing pretty decent yields across the board that could have been huge if we hadn't had the rains from hurricane Harvey. We cut way back on corn acres and glad we did with the prices. We have finished the corn harvest up and the yields came in right around the 180bpa mark. The beans are making great yields and maybe could have been a record crop if wasn't for the rains. We are now about 80% done on the beans harvest. The average for what we have done so far is right at 75bpa. We did have a couple of fields make near 85bpa. Overall the quality is good but we do have a few problems. The early planted beans have suffered from the heavy rains and maybe some of those fields will be off 20% to 30% across the board. We see damage from stink bugs, white mold and sudden death syndrome. We have quite a few rice acres this year and that looks to be the most profitable area for our farm.

Central Kansas - We have been shelling some corn but it has to be one of the most variable crops that I have ever seen. The weather has been very hot and dry, not

raining for almost seven weeks. The corn yields have been all over the board in this area seeing them between 40bpa to 150bpa in a 10 mile or so radius. There are no dryers around us but most of the corn is coming out of the field near 13% moisture, which is good because the elevators ding you pretty bad if above 14.5%. I have heard guys with some good bottom ground that caught quite a few rains that we didn't get, that are making over 200bpa on ground that usually makes closer to 150bpa. The double crop beans are really taking a hit with the heat. The few full season beans to the west that have been harvested are only making 20bpa to 25bpa on yields. I think that my first field of full season beans will not be ready until the end of next week. Not for sure what those yields will be like because they are beans. We have seen a lot of insect pressure due to the month of August being so cool.

Northcentral Missouri - We are making a pretty good dent in our corn harvest. The weather has really dried things down in the field over this past week. It seemed like we were very wet and green going to need to dry things down a lot but that changed as we have gotten drier. The corn yields have been very all over the board but the bottom line is better than expected. We will have yields in the mid 200bpa across all the farms but we have seen the yield monitor in the 270bpa. Moisture levels have been 16% to 18% but we will still run it through the dryer before going in the bin. The beans are getting close and hope to get started on them next week. Its always hard to say but we may have one of the best bean crops we have ever had.



Focus For Brazil Soybean Crop Should Be Future Rains Not Current Dryness:

Recent dry weather in some of Brazil's important farming states has raised the idea that the world's leading exporter of soybeans might develop planting delays. Given that the soybean planting season just started on Sept. 16, it is far too early to know if that will play out. But if it does, the impacts are not entirely clear. A slow start to the soybean campaign could mean nothing at all. Or, in the worst scenario, it could spell trouble for Brazil's soybean crop and heavily exported second-crop corn. As planting starts to ramp up, comparing the pace with year-ago levels could prove misleading, as sufficient moisture in 2016 allowed farmers to plant faster than usual. But the conditions are notably dry, and that should not be ignored. Read more from Karen Braun over at [Reuters](#).

Tesla Shows Love To Rural America: One of Tesla's biggest selling points is the supercharger network that it has been working so hard to expand. Especially with the mass deliveries of its first long range and affordable EV, the Model 3, looming on the horizon, being able to make long distance trips in across the Canadian border, or even throughout the mid-western United States could be difficult. In a Tweet today, CEO Elon Musk has disclosed plans to bridge the U.S. and Canada—and possibly even further. Read more [HERE](#).

How Sports Franchises With New Venues Are Managing Our Data: It's a bit of an understatement to say professional sports teams have a lot of data to manage. Without the right system to house the data, teams fall behind in terms of connecting the analytical dots. SSB works with sports leagues and franchises to create a so-called data warehouse, making numbers usable from an analytics perspective. "The easiest way to explain it is we take different data sets, which exist in all businesses, but especially in sports," said Bill Bailey, SSB's VP of Sports & Entertainment. Read more [HERE](#).

Top 20 Items Americans Waste Money On - But Can't Stop Buying: You work hard for your money but, unfortunately, financial stress is still far too common, and many Americans feel -- with good reason -- that they don't have enough cash to cover an emergency or fund a secure retirement. One big reason why your money may not be going as far as you want it to, you may be wasting it. The vast majority of Americans -- more than 80% of us -- are throwing our hard-earned money away on wasteful spending, according to a recent survey of more than 2,000 Americans conducted by Hloom. Read more [HERE](#).

The Speech Everyone Is Talking About: President Trump delivered a speech in Alabama on Friday that now has the sporting world in heated debate. During the speech President Trump commented about his dislike for those athletes that do not stand in respect of the American Flag during the playing of the National Anthem. In return, teams, players and owners throughout the NFL pushed the protest to new heights. Steelers coach Mike Tomlin and his team didn't take the field for the national anthem. But Steelers offensive lineman Alejandro Villanueva, a former captain in the Army who did three tours in Afghanistan, stood outside the tunnel, hand over heart, as the

anthem played. In the "Tennessee Titans vs. Seattle Seahawks" game neither team came out on the field of the National Anthem. You can hear the Trump speech [HERE](#).



Why Amazon's Purchase Of Whole Foods And Now Cheaper Prices Has Some Farmers Worried

Whole Foods had been offering support to small farms and allowed them to make

enough to be sustainable. But now that Amazon has purchased the company, slashed prices and may perhaps shed the "Whole Paycheck" label, many farmers are concerned about their future. We all know that social media is playing a part in consumers communicating their desires for what and how they want their food. For many of the producers who seek to fill those needs, the recent acquisition of Whole Foods by Amazon has them fearing their supply chain is about to change or at least get more costly. Amazon has suggested that it aims to drive down the cost of food and it even may replace more expensive items with its own private label brand. Not all producers are optimistic that the retail giant has their best interest in mind. More importantly, I'm told, some worry that as things play out it could have an effect on the integrity of a system seeking to produce food responsibly. As I understand it, Whole Foods provides certain "featured products", especially organic that provide a price back to the farmer that is more reflective of the actual cost of production. North Carolina-based Rural Advancement Foundation International executive director Scott Marlow recently published an open letter to Whole Foods CEO John Mackey, noting that Whole Foods is "vital" to the success for the farmers who work closely with the store. There is more to this story than the price pressure that many feel Amazon will inevitably apply to the smaller farms who make their meager profits under the current arrangement with Whole Foods. Some producers worry that an Amazon-owned Whole Foods, or Amazon online, may begin to push less expensive "natural" products that have the appearance of social responsibility without being as responsibly produced as more expensive options. According to Marlow, the core question is whether or not integrity can be maintained as the supply chain gets longer and longer. If things go the way he suspects, there becomes the issue as to whether people can trust where they are getting the food their values reflect. Farmers are concerned that they may lose out not only on fairer prices but also other forms of support. Whole Foods has offered small producers grants to help them improve their products to get into the store, and reserved some shelf space for local products, helping new start-ups have a chance to launch. I suspect if these fears are realized, there will be a natural blowback by the socially conscious who love to take the other side anytime a corporation changes their preferences for the sake of profit. Many I suppose will hit the streets and get to the local markets to shop in person and meet the farmers producing their food. Keep in mind that there are still plenty of independent bookstores that operate post-Amazon. I would imagine the same can hold true for organic delivery to the local tables. (Source: [Fast Company](#))



Would You Want To Have The Same Pet Your Whole Life?

What seemed like something out of a science fiction movie just a few years ago is a modern-day reality - a person could own the same pet their entire life by cloning them. Most can recall Dolly the sheep, the first cloned mammal that was introduced to the world in 1996. Since then, at least eight different species of mammals have been cloned. In 2005, South Korean researchers started cloning dogs. The cost to have a beloved dog cloned had been running at around \$100,000, a price tag that isn't really feasible for most pet owners. However, as is the case with most technology, time and further advances are bringing the cost down. A company in Texas called ViaGen will clone your favorite pup for \$50,000. Cats are only \$25,000, as they are apparently a lot easier to clone. Those prices are still very steep but industry experts believe it's just a matter of time before the costs come down to a level that most consumers would consider within reach. ViaGen will also "bank" a pet's DNA, allowing the owner to decide down the road if they want to clone Fido. The initial genetic preservation costs \$1,600, and there's an annual storage fee of \$150 per year. What many people may not understand, though, is that they will not be getting an exact duplicate of their pet. It's just not possible. Genetically, it will be a duplicate, but genes are just a "blueprint", as James A. Serpell, explains. A professor of ethics and welfare and director of the Center for the Interaction of Animals and Society (CIAS) at University of Pennsylvania's School of Veterinary Medicine in Philadelphia, Serpell says that how that blueprint is interpreted and transformed during development can have huge effects. "A lot can happen between conception and adulthood, and that really determines what you end up

with." Basically, an animal's personality is going to develop based on nurture, not nature. What's more, the cloned pet may not even look like the original. The clone of a white dog with black spots will definitely have the same colored fur, but the spots are not going to be in the same place because that is not something that is determined by genes. There are some highly valued aspects of an animal that would be duplicated, though. Working dogs that have outstanding abilities for bomb-sniffing, for example. Both working and service dogs are usually spayed or neutered very young, so those outstanding genes don't get passed along to future generations. And, the DNA cells can be stored indefinitely and even used to produce more than one animal. The big question with all of this is of course, just because you can do it, should you? (Sources: Dogster, Vice)



A Look Back At The "Little Rock Nine"

It's been exactly 60-years since the U.S. Army's 101st Airborne Division was ordered to escort nine black students into the all-white Central High School in Little Rock, Arkansas. Just three weeks earlier, Arkansas Governor Orval Faubus had surrounded the school with National Guard troops to prevent the black students from enrolling, in turn blatantly working against a federal court-ordered racial integration. After a tense standoff, President Dwight D. Eisenhower federalized the Arkansas National Guard and sent 1,000 army paratroopers to Little Rock to enforce the court order. Many say the entire incident was somewhat odd, considering at the time Arkansas was thought to be among the more progressive Southern states in regard to racial issues. The University of Arkansas School of Law was integrated in 1949, and by 1957, seven out of Arkansas' eight state universities had already been integrated. In the spring of 1957, there were 517 black students who lived in the Central High School district. Eighty expressed an interest in attending Central in the fall, and they were interviewed by the Little Rock School Board, which narrowed down the number of candidates to 17. Eight of those students later decided to remain at all-black Horace Mann High School, leaving the "Little Rock Nine" to forge their way into Little Rock's premier high school. Interestingly, in August of 1957, the newly formed "Mother's League of Central High School" was somehow able to get a temporary injunction from the county chancellor to block the nine black students from coming into the school. Federal District Judge Ronald Davies then nullified that injunction on August 30, saying the back children would be allowed. It then took a crazy twist, on September 2, Governor Orval Faubus, who most say was a staunch segregationist, called out the Arkansas National Guard to surround Central High School and prevent the nine black children from entering. The next day, Judge Davies again ordered integrated classes to begin on September 4th. The governor didn't seem to care and again ordered the armed National Guard troops to encircle Central High School and not let the back children inside. A mob of 400 white civilians gathered and things turned ugly when the black students began to arrive, shouting racial epithets and threatening the teenagers with violence. The National Guard troops refused to let the black students pass and used their clubs to control the crowd. One of the nine, 15-year-old Elizabeth Eckford, was surrounded by the mob, which threatened to lynch her. She was finally led to safety by a sympathetic white woman. This went on for days as the the governor defended his action, reiterating that he did so to prevent violence. Judge Davies, then ruled on August 20th, that the governor had used the troops to prevent integration, not to preserve law and order as he claimed. The governor was then forced by the federal government to withdraw the National Guard troops. Once that news was delivered, 1,000 white Little Rock citizens descended on Central High School, but the black students had already gained access to a side door and were inside the school. The mob of white people heard the news that the blacks were inside and started to become wildly unruly. Police were called in to evacuate them from the school

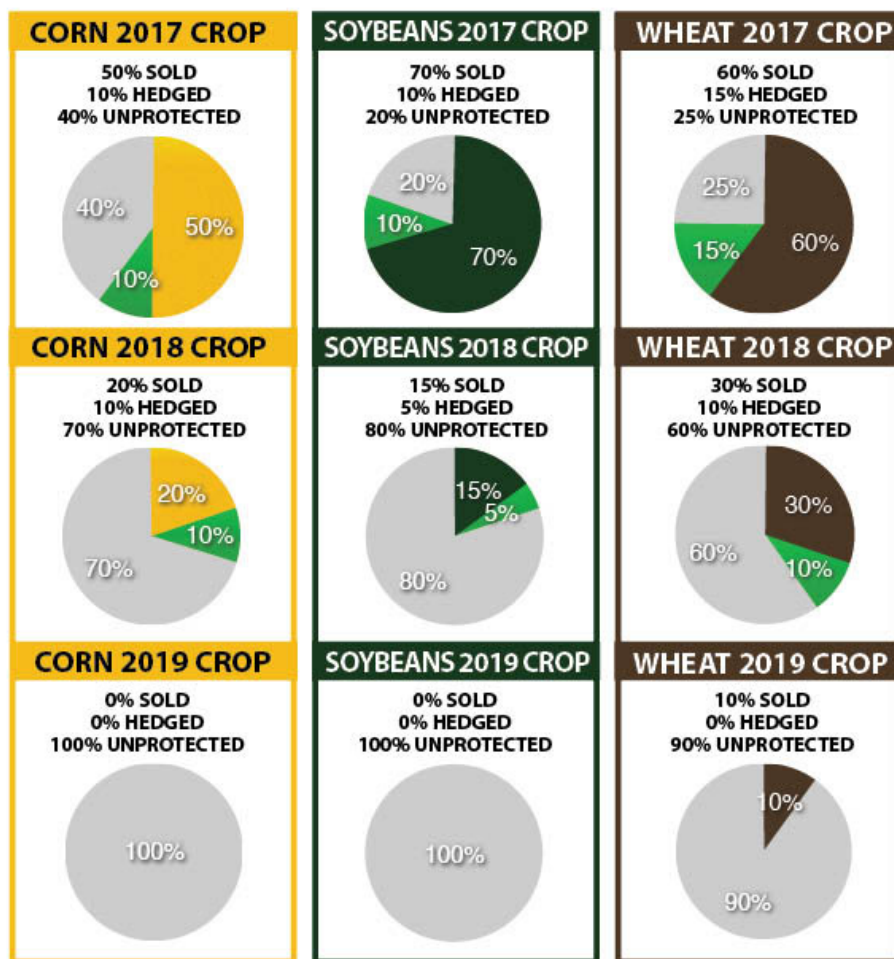
for the safety of all. That evening, President Eisenhower issued a special proclamation calling for opponents of the federal court order to "cease and desist." On September 24, Little Rock's mayor sent a telegram to the president asking him to please send troops to maintain order during the integration process. Eisenhower immediately approved the deployment of U.S. troops to Little Rock. That evening, from the White House, the president delivered a nationally televised address in which he explained that he had taken the action to defend the rule of law and prevent "anarchy." On September 25, the "Little Rock Nine" entered the school under heavily armed guard. Troops remained at Central High School throughout the school year, but still the black students were subjected to verbal and physical assaults. Melba Patillo, one of the nine, had acid thrown in her eyes, and Elizabeth Eckford was pushed down a flight of stairs. The three male students in the group were subjected to more conventional beatings. Governor Faubus continued to fight the school board's integration plan, and in September 1958 he ordered Little Rock's three high schools closed rather than permit integration. Many Little Rock students lost a year of education as the legal fight over desegregation continued. In 1959, a federal court struck down Faubus' school-closing law, and in August 1959 Little Rock's white high schools opened a month early with black students in attendance. All grades in Little Rock public schools were finally integrated in 1972. Sad, but wildly important that we remember our past! Again, reasons I am against tearing down monuments and statues that represent our nations history. We might not all agree, but we have to all remember... (Source: [History.com](https://www.history.com))







CASH SALES & HEDGING TOTALS



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