

REV GOOD MORNING: 09/27/17 Farm Direction - VanTrump Report

1 message

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Wed, Sep 27, 2017 at 6:38 AM



"Life is not complex. We are complex. Life is simple, and the simple thing is the right thing." — Oscar Wilde

WEDNESDAY, SEPTEMBER 27, 2017

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Morning Summary: U.S. stocks remain in a narrow trading range as investors digest a slew of comments from Fed officials and concerns about Washington gridlock begin to reappear. Five Federal Reserve officials delivered various comments at separated events yesterday, including Chairwoman Janet Yellen. For the most part, and in spite of weak inflation, officials seem confident in sticking to their plan to gradually raise interest rates though timing of those hikes remains a difference of opinion. One more rate hike this year seems to be the most common response to the question, which probably happens in the December meeting. A Republican bill designed to repeal and replace significant portions of Obamacare will not be brought to a vote this week, effectively ending Republicans' efforts to overhaul health care. A legislative vehicle that would have allowed the bill to pass with a simple majority expires on Saturday, meaning the measure would require 60 votes if they pursue it after this week. Lawmakers have failed to get even the 50 votes needed at this point and have now decided to move on to their "next priority." Investors are hoping that means "tax reform". President Trump is suppose to unveil details of the Republican's preliminary outline today. The Republican's inability to bring members together on Healthcare reform yet again does have Wall Street worried that the majority party will once again fail to unite. Already, Freedom Caucus Members are throwing out what they consider "red lines", one being a corporate tax rate higher than 20%. Speaker of the House Ted Cruz seems to think that is a realistic goal and President Trump so far seems comfortable with that as well. Trump has also promised that the overhaul will "cut taxes tremendously for the middle class. Not just a little bit but tremendously," so it will be interesting to see the numbers and how the market responds. Economic data today includes Durable Goods Orders and Pending Home Sales. There are also three Fed officials on the calendar - Fed Presidents Neel Kashkari of Minneapolis, James Bullard of St. Louis, and Eric Rosengren of Boston.

No New Military Activity Detected In North Korea: *Despite elevated tensions and a new round of threats from North Korea, U.S. Defense officials say there are no signs of changes in the country's armed forces. "While the political space is clearly very charged right now, we haven't seen a change in the posture of North Korean forces," said Marine Corps Gen. Joseph Dunford, the chairman of the Joint Chiefs of Staff. "We watch that very carefully." The general also agreed with the contention that the primary motivation for North Korea having nuclear weapons is for regime survival. He said a preemptive military strike on North Korea, which some have suggested as an option, poses serious risks. Sen. James Inhofe (R-Oklahoma) asked Dunford about his confidence in the assessment by the Defense Intelligence Agency that North Korea will be able to "reliably" reach the U.S. mainland with a nuclear-tipped intercontinental ballistic missile by the end of 2018. The senator added that the agency had once forecast it wouldn't be until 2020 that the North would have the capability. "Whether it's 3 months or 6 months or 18 months, it is soon," Dunford responded. "We ought to conduct ourselves as though it's just a matter of time and a matter of very short time before North Korea has that capability." Dunford also agreed with Inhofe that it's especially difficult to get intelligence on North Korea even with the U.S. military's aerial snooping capabilities, because North Korea has buried so much of their technology underground. (Source: CNBC)*

Mercedes-Benz Allocating \$10 Billion To Electric Vehicles... Musk Says Not Enough: *After Elon Musk expressed disappointment with the electric vehicle investments of Daimler, the parent company of automaker Mercedes-Benz, it didn't*

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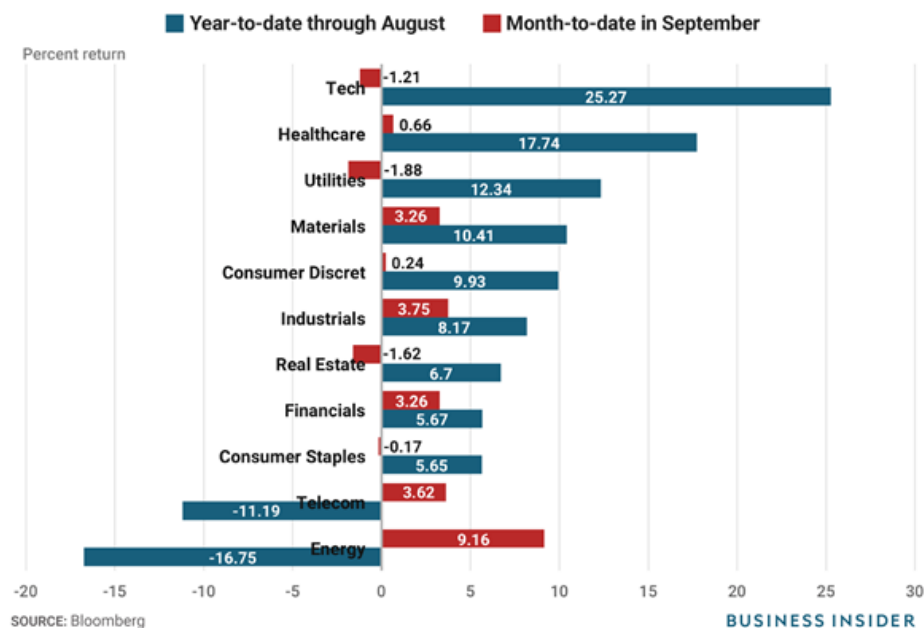
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take long for them to fire back. The event started after a USA TODAY Money tweet on Sunday, reported Daimler's commitment of \$1 billion dollars to upgrade an existing Mercedes factory and build a new battery plant in Tuscaloosa, Alabama, where Mercedes plans to produce its futuristic, all-electric SUVs. Musk, however, was not impressed with just a \$1 billion dollar investment from such a massive, legacy automaker and tweeted out his disappointment. After seeing the criticism from the Tesla CEO, Daimler defended its electric vehicle plans, stating that its total investment is over ten times that reported by USA TODAY Money, at over \$10 billion. According to Daimler's electric vehicle site, Mercedes plans to produce the previously mentioned all-electric SUV with an impressive 310 miles of range, a massive 26-ton all-electric truck, charging stations, batteries, and other e-products. Apparently, Musk came back with a simple reply of "good". It sure looks like a lot of money is banking on an electric future for transportation. You can see the tweet thread [HERE](#) (Source: Mashable)

Stock Market Flip: Take everything you thought you knew about the stock market this year and throw it out the window. After eight months of tech and healthcare dominance, the record-breaking S&P 500 has assumed a fresh new face in September, being instead led higher by energy and telecom shares. Digging deeper, as the scorching-hot FANG stocks — Facebook, Amazon, Netflix and Google — have headed toward correction territory this month, energy producers have stepped up and largely filled the void, aided by a surge in crude oil prices. This resilience shown by the S&P 500, which just last week hit a series of new record highs, goes a long way towards disproving the notion that the stock market is trading at the whim of the tech industry. That's good news for bullish traders, and a comeuppance of sorts for skeptics that warned against a market reckoning in the event of tech weakness. The rotation occurring underneath the surface of the S&P 500 this month — out of tech and into other more attractively-priced areas — has played out on a smaller scale a few times in the past several months. On multiple occasions, exchange-traded fund data has supported the idea that money pulled from tech has simply been reallocated elsewhere in the stock market, keeping indexes afloat. (Source: Business Insider)

MARKETS | CHART OF THE DAY

S&P 500 SECTORS



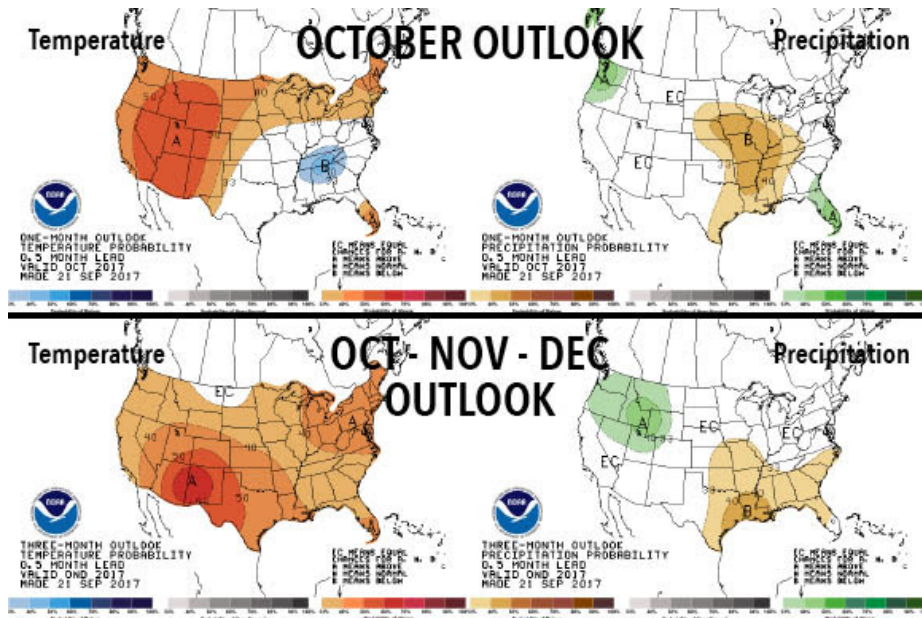
Weather forecasts continue to call for mild to above normal temperatures across the central U.S., leaving little chance for an early freeze. In the Corn Belt, forecast are calling for wet conditions in the western Midwest to cause short-term disruptions to harvest. Again, these showers will help replenish soil moisture levels. Despite ideal weather in recent days, Midwestern corn development remains well behind the normal pace. On September 24, just over half of the U.S. corn crop was mature, 13 percentage points behind the 5 year average. On the Plains, cool, dry air is overspreading the northern half of the region, following the latest round of drought easing rainfall. Locally heavy showers linger, however, across the southern Plains, boosting soil moisture for recently planted winter wheat. Hurricane Maria should make its closest approach to North Carolina's Outer Banks by midweek before moving out to sea. Tropical storm force winds will be limited to immediate coastal areas. Meanwhile, the primary focus for heavy rain will include southern portions of the Rockies and Plains, where 5 day totals of 2 to 6 inches or more could cause flooding especially in parts of the Rio Grande Valley. Farther north, a late season heat wave will end after mid-week across the

Here are a few of this year's early sponsors



Midwest and East, although mostly dry weather should persist. Aside from the south-central U.S. precipitation should be mostly limited to southern Florida, the Northwest and the Great Lakes region.

Short-Term and Long-Term Forecast Updated: The NOAA Climate Prediction Center has released and they are calling for a warmer than normal conclusion to 2017. As for the more reliable shorter-term October outlook, the CPC says warmer than normal temperatures are expected to grace much of the Plains and upper Midwest, while the southern Plains and the western and central Corn Belt could see near average temperatures. Interestingly, the October outlook shows dryness throughout much of the Midwest which likely points to a problem free end to harvest despite us being so far behind currently. I also want to note that an "equal chance" temperatures and precipitation outlook means business as usual on the weather front for the next three months. Early speculation that an El Nino would form and bring a mild winter to the state has been replaced by a La Nina Watch. La Nina, a cooling of Pacific Ocean water is usually responsible for colder and wetter than normal winters for the Plains. However, though a La Nina Watch has been issued, most forecast models aren't bearing that out. Click picture below for a larger view.



Corn prices are essential at the exact same place as last month, hovering around \$3.50 per bushel. Interestingly, during the entire 30-day period, prices in the DEC17 new-crop contract have traded between \$4.44 and \$4.62 per bushel, less than a 20 cent range. here at home, I'm hearing more talk of cooperative harvest weather in the forecast and am expecting to see more corn coming out of the fields in the days and weeks ahead. I included below an interesting graphic that shows the largest percentage of corn that has been harvested out of each state in any given week during the past decade. As you can see from the data, if the weather cooperates, U.S. farmers can harvest a massive amount of corn in a one week period. Looking for Missouri and Kansas to put up some big harvest numbers next week. It will probably be later in October when we see the big harvest weeks from top producing states like Iowa, Illinois, Nebraska and or Minnesota. As both a producer and a spec, I still see more downside risk, believing prices could push lower before turning back around to the upside post-harvest and later in 2017 or perhaps early-2018.

Today In History



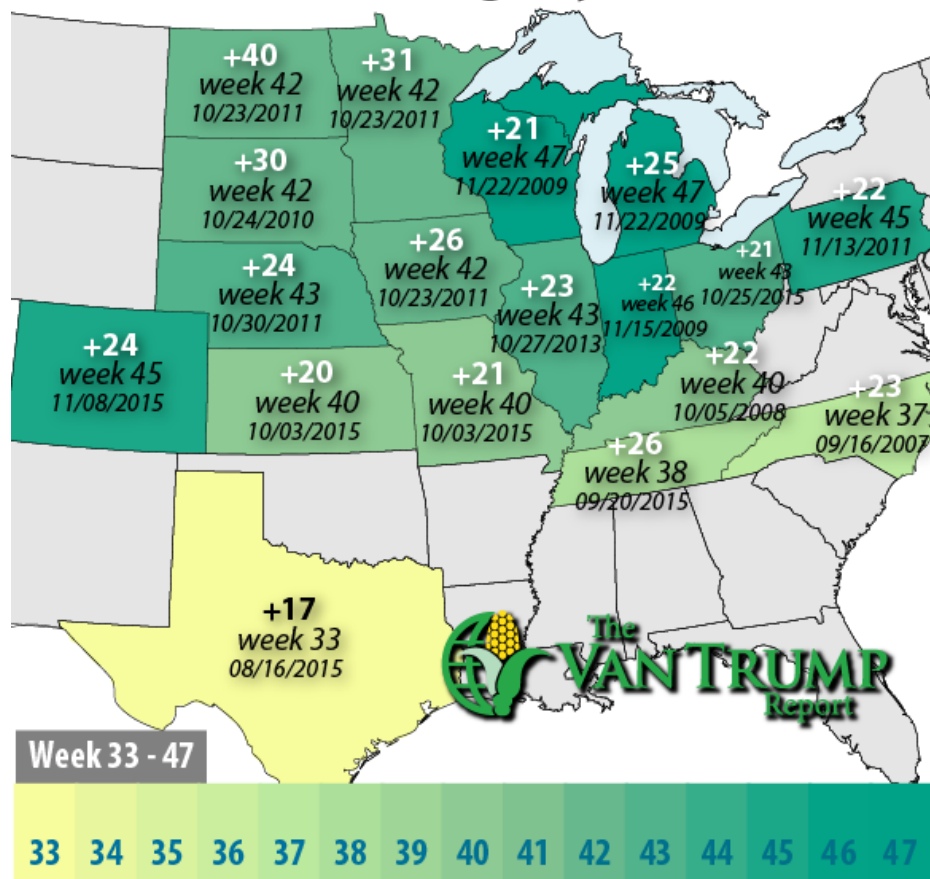
1776, John Adams - The Continental Congress appoints John Adams to travel to France as minister plenipotentiary in charge of negotiating treaties

of peace and commerce with Great Britain during the Revolutionary War. Adams had traveled to Paris in 1778 to negotiate an alliance with France, but had been unceremoniously dismissed when Congress chose Benjamin Franklin as sole commissioner. Soon after returning to Massachusetts in mid-1779, Adams was elected as a delegate to the state convention to draw up a new constitution; he was involved in these duties when he learned of his new diplomatic commission. Accompanied by his young sons John Quincy and Charles, Adams sailed for Europe that November aboard the French ship *Sensible*, which sprang a leak early in the voyage and missed its original destination (Brest), instead landing at El Ferrol, in northwestern Spain. After an arduous journey by mule train across the Pyrenees and into France, Adams and his group reached Paris in early February 1780. While in Paris, Adams wrote to Congress almost daily (sometimes several letters a day) sharing news about British politics, British and French naval activities and his general perspective on European affairs. Conditions were unfavorable for peace at the time, as the war was going badly for the Continental Army, and the blunt and sometimes confrontational Adams clashed with the French government, especially the powerful Foreign Minister Charles Gravier, Comte de Vergennes. In mid-June, Adams began a correspondence with Vergennes in which he pushed for French naval assistance, antagonizing both Vergennes and Franklin, who brought the matter to the attention of Congress. By that time, Adams had departed France for Holland, where he was attempting to negotiate a loan from the Dutch. Before the end of the year, he was named American minister to the Netherlands, replacing Henry Laurens, who was captured at sea by the British. In June 1781, capitulating to pressure from Vergennes and other French diplomats, Congress acted to revoke Adams' sole powers as peacemaker with Britain, appointing Franklin, Thomas Jefferson, John Jay and Laurens to negotiate alongside him.



1959, Cold War - Nikita Khrushchev ends his dramatic and eventful visit to the United States and returns to the Soviet Union. For nearly two

Biggest Weekly Jump in U.S. Corn Harvested Percentage by State 2007 - 2016



Soybean traders are thinking we could see a slight adjustment by the USDA to last years U.S. crop in this Friday's report. I personally don't see it as being a game-changer in either direction so I'm not giving it a ton of focus. I am however paying close attention to yields coming out of the fields across the U.S., which from my perspective, still seem to be a bit better than most producers had previously anticipated. I'm also keeping an eye on South American weather and Chinese demand. The dry areas in Brazil sound as if they might start seeing more rain in the coming weeks, while some of the extremely wet areas of Argentina are still looking at more rainfall. In other words, it seems like we could see more complications and concerns out of Argentina than Brazil. As for Chinese demand, I still see strong interest longer-term, but there seems to be more nearby talk of a temporary slowdown in import purchases. Here at home, there seems to be more rumors and talk that the EPA is open to ideas and thoughts about reducing biodiesel and advanced biofuel target. This obviously put additional pressure on bean oil prices. Similar to corn, I wanted to see a graphic that showed me just how many soybean acres have been harvested during a one week period. Interesting to see many states have harvested 30%, 40% and even 50% of their soybean crop during a one week period. Most have seen that happen in the first one or two weeks of October. Meaning the USDA's weekly crop data could show an aggressive jump in harvest pressure the next couple of weeks. As a producer, I'm thinking prices might first re-test the downside before making another run to higher ground. As a spec, I'm looking to be a longer-term bull on an over-exaggerated break in price to the downside, possibly between \$9.00 and \$9.20 per bushel.

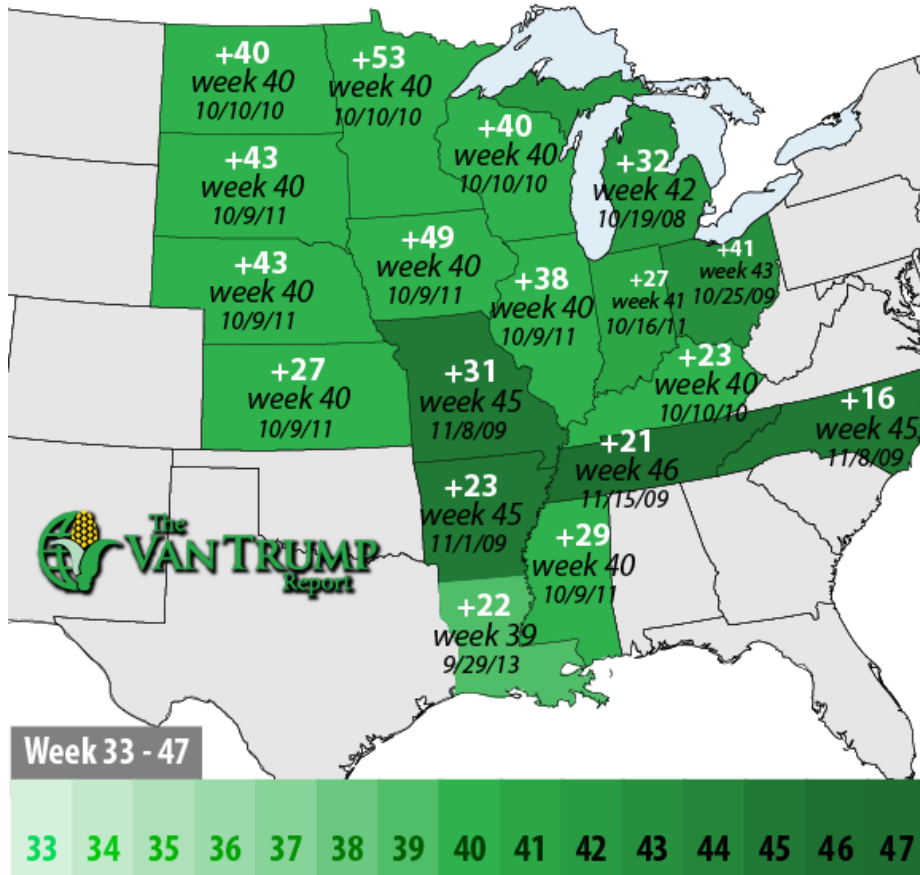
weeks, his trip dominated the news in America and around the world. Khrushchev arrived in the United States on September 15. His plan was to tour America and conclude his trip nearly two weeks later with a summit meeting with President Dwight D. Eisenhower. Hopes were high that the visit marked a turning point in the Cold War and that perhaps the Soviet leader's oft-proclaimed desire for "peaceful coexistence" with the United States would become a reality. Before official business began, however, Khrushchev—the first Soviet head of state to visit the United States—took the opportunity to tour parts of America. At the top of his list was a visit to Hollywood. His trip to the land of make-believe took a bizarre turn, however, as he engaged in a verbal sparring match with the head of Twentieth Century Fox Studio. Khrushchev, displaying his famous temper, threatened to return home after the studio chief made some ill-chosen remarks about U.S.-Soviet competition. Khrushchev's outburst was nothing compared to the tantrum he threw when he learned he could not visit Disneyland because of security concerns. Returning to Washington, the Soviet leader began two days of talks with Eisenhower on a number of issues. Although no specific agreements were reached, both leaders resolved to continue their discussions in the future and keep the lines of communication open. On September 27, Khrushchev concluded his visit. He met briefly to exchange goodbyes with Eisenhower and then was escorted to the airport by Vice President Richard Nixon. With a 21-gun salute and a U.S. military band playing both the American and Soviet national anthems, Khrushchev boarded a Russian aircraft and returned to the Soviet Union.



1967, My Mother, The Car -

A French television network begins to broadcast the first (and only) season of the American sitcom "My Mother, The Car," the first TV show to star a talking automobile. The show's premise—a man visits a used-car lot and finds a 1928 Porter convertible that is, somehow, the reincarnation of his dead mother—was fairly ludicrous; perhaps as a result, it only survived for one season (1965–66) in the United States. In 2002, TV Guide named "My Mother, The Car" the second-worst television show of all time. (First on the list was The Jerry Springer Show.) The day after the show's American premiere in 1965, one reviewer predicted that it would be "an Edsel with critics, but a hot rod with the public." He was right: many viewers loved the show, but critics loathed it. One called it "a horror which defies description," and another pointed out that it was "so bad it didn't even sell to the Japanese who are notoriously broad-minded about buying everything American networks turn out." The apparently broader-minded French didn't seem to mind it so much when it began airing there in 1967, a year after its cancellation in the United States.

Biggest Weekly Jump in U.S. Soybeans Harvested Percentage by State 2007 - 2016



Wheat prices are almost +30 cents above their most recent lows, but still continue to trade well under their previous highs posted back in late-June and early-July. From a technical perspective, both the SRW and HRW wheat contracts could run into stiffer resistance on the charts up between \$4.75 and \$5.00 per bushel. Spring wheat resistance is still in the \$6.75 to \$7.00 range, downside support is in the \$6.00 to \$6.20 range. Most all traders are repositioning themselves ahead of Friday's USDA Small Grain Report. As we continue to float in these waters, where the bears point to the traditional fundamentals and the balance sheet being adequately supplied, we probably trade in a sideways channel somewhere between \$4.00 and \$5.00 per bushel. As a producer, I like the thought of reducing longer-term risk on a continued rally towards the upper end. As a spec, I like the thought of building a longer-term bullish position on a break in price towards the lower end of the range. I believe the market has already traded record global ending stocks and is now looking for something different to create interest. Hence the reason I believe we could remain trapped in this transitional channel.

U.S. Sept. 1, 2016/17 Grain Stocks

	Sept #	Avg. Trade Est.	Trade Range	USDA June, 2017	USDA Sep. 2016
Corn	???	2.353	2.310 - 2.450	5.225	1.737
Soybeans	???	0.338	0.321 - 0.363	0.963	0.197
Wheat	???	2.205	2.083 - 2.495	1.184	2.545

U.S. Wheat Production

	Sept. Est.	Avg. Trade Guess	Trade Range	USDA August

Upcoming Events

- Thurs. 9/28** - Quarterly Hogs and Pigs
- Fri. 9/29** - Quarterly Stocks
- Thurs. 10/2** - USDA Supply and Demand
- Wed. 10/11** - Minutes From 9/20 FOMC Meeting Released
- Fri. 10/20** - Cattle on Feed
- Mon. 10/23** - Cold Storage
- Tues.-Wed. 10/31-11/1** - FOMC Meeting
- Mon. 11/5** - Daylight Saving Time Ends
- Thurs. 11/9** - USDA Supply and Demand
- Wed. 11/22** - Minutes From 11/1 FOMC Meeting Released
- Thurs. 11/23** - Thanksgiving - Markets Closed
- Tues.-Wed. 12/12-12/13** - FOMC Meeting

Kevin's Song of the Week



About the Report

All Wheat	???	1.718	1.660 - 1.761	1.739
All Winter	???	1.286	1.267 - 1.319	1.287
Hard-Red Winter	???	0.758	0.749 - 0.765	0.758
Soft-Red Winter	???	0.305	0.286 - 0.316	0.306
White Winter	???	0.224	0.216 - 0.255	0.223
Other Spring	???	0.382	0.338 - 0.421	0.402
Durum	???	0.050	0.039 - 0.055	0.051



NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really

> Brazil Soybean Planting At A Crawl: AgRural reports soybean planting progress in the country has only reached 0.3% of the planned area due to weeks of dry, hot weather. Most farmers are waiting better conditions to avoid having to replant later. As of the AgRural survey, the most advanced progress was in the state of Parana with 1.7% of the crop planted. For corn, planting already started well in the Southern states and the commercial surface planting reached 19% of the total crop. In the South, the progress is at 40%. Santa Catarina leads with 55% of the works finished, followed by Rio Grande do Sul with 45%, and Paraná has just 16% of the crop planted. (Source: AgroSouth)

> China Delays Deadline For Implementing Food Import Rules: China plans to delay a deadline for implementing new food import regulations by two years until October 2019, a senior EU official said on Tuesday, following a lobbying effort by Europe and the United States amid concerns about disruption to trade. The extension comes just days before the new rules, which are part of a drive by China to boost oversight of its sprawling food supply chain, were due to come into force. European and U.S. government and trade officials have warned the rules would hamper billions of dollars of shipments to the world's No. 2 economy of everything from pasta to coffee and biscuits. China has delayed enforcing other tough new trade regulations this year, including rules on the cross-border retail market and cybersecurity, after industry pushback. (Source: Reuters)

> Syngenta Said To Be Paying More Than \$1.4 Billion In Corn Settlement: Syngenta AG agreed to pay more than \$1.4 billion to U.S. farmers who complained that the marketing of the company's genetically modified corn seeds shut them out of the Chinese market, according to people familiar with the deal. The settlement with more than 100,000 farmers was announced Tuesday in a Minnesota class-action trial. It resolves all farmers' litigation in the U.S. but doesn't include Canadian lawsuits, according to Paul Minehart, a Syngenta spokesman. Minehart wouldn't confirm the amount of the settlement, saying the terms will be made public when the deal is presented to a judge. Syngenta halted the trial involving about 22,000 Minnesota farmers to announce the settlement. Those farmers were seeking more than \$400 million in damages over their corn losses. The settlement comes three months after Syngenta lost a \$218 million jury verdict to a class of Kansas farmers, in the first trial over the corn-contamination claims. Several other trials were pending as lawyers pursued suits on behalf of hundreds of thousands of corn growers claiming as much as \$13 billion in losses. (Source: Bloomberg)

> Organic Investors Look North To Meet Demand: Why did a Minneapolis-based startup eager to expand in the non-GMO and organic market just snap up two grain elevator facilities in Canada instead of back home? It wasn't for lack of trying said Eric Jackson, chief executive of Pipeline Foods. He noted how hungry he is for investment at home, especially since the U.S. remains the world's largest market for organic and non-GMO grains and oilseeds. "The U.S. has chronically short organic supplies," said Jackson. "We do need to import organic grains for the foreseeable future so that we don't kill the sector." Jackson noted that Canada benefits from a colder climate and

doesn't have to fight as many weeds. "It's a little bit easier to get into the organic market further north," he said. (Source: Politico)

> Soybean Group Seeks Dicamba Solution: There are a reported 2,242 complaints of off-target damage from dicamba affecting 3.1 million acres of soybeans in 21 of the 30 soybean-growing states across the U.S. -- and the American Soybean Association is very worried. Soybean growers need pesticides like dicamba to fight glyphosate-resistant weeds, but the headache that has been caused by damage to neighboring fields isn't acceptable, ASA President Ron Moore said in a statement. In an effort to find a solution, the association is working with the herbicide's makers and several universities across the Midwest that are looking at the issue. "It is absolutely true that farmers need and want new technologies to help fight resistant weeds, and we are going to support the marketing of those new technologies and new formulations," Moore said. "That need is not blind, however, and we need to ensure that these products can be used by farmers in varied climates and growing regions safely." While Moore used strong language and talked about his association's "duty to ensure that we are successfully coexisting with other crops, so we take these reports very seriously," he fell short of calling for a seasonal ban of the herbicide, like the one that's being proposed in Arkansas. The state plant board on Friday signed off on a measure that would prohibit its use between April 15 and Oct. 31. (Source: Politico)

> Louis Dreyfus Will Shutter \$1.4 Billion Hedge Fund: The hedge fund run by Louis Dreyfus Holding BV will close by the end of 2017, joining a wave of commodity-investment vehicles that have shut in recent years. All funds and investments run by Edesia Asset Management BV will be wound down by Dec. 31 as the agricultural-commodities giant focuses on its main business, the company said in a statement yesterday. The investment firm founded in 2008 manages more than \$1.4 billion, it said. That's down from \$2.7 billion in August 2013, according to the parent company's website. "In challenging market conditions, our flagship products have generated cumulative net returns of 42 percent and 70 percent, respectively since inception," Edesia Chief Executive Officer Ian McIntosh said in the statement. "We anticipate the net asset values at closure of the funds to be at or close to the highest point in their history." (Source: Bloomberg)

> Equifax CEO Stepping Down Amid Data Breach Scandal: Equifax's chief executive and chairman Richard Smith is stepping down, bowing to pressure from investors after a massive data-breach scandal that potentially exposed personal information for millions of consumers, sparked investigations and litigation, and battered its shares. The credit-reporting agency said Mr. Smith had retired from his roles with immediate effect. Mark Feidler, a current board member, will take over as non-executive chairman. (Source: Financial Times)

> Fed Officials Still Uncertain What's Going On With Inflation: Fed Chair Janet Yellen in a speech yesterday reiterated her belief that the Federal Reserve needs to continue its planned rate hikes despite recently weak inflation. She contends that if rates are raised too gradually, it could cause an inflationary problem down the road and create new financial bubbles. Yellen admitted it was possible the Fed may have "misspecified" its models for inflation, and "misjudged" key facts like the underlying strength of the labor market and whether inflation expectations are as stable as they seem. If that proves to be the case, she says the central bank will need to remain open to pulling back from its gradual tightening plan. "We will monitor incoming data closely and stand ready to modify our views based on what we learn," she said. Other interesting comments on inflation came from new Atlanta Fed President Raphael Bostic who delivered his first speech with the central bank yesterday. He is skeptical about the common arguments for why inflation has remained weaker-than-expected. Whatever the causes, Bostic said that low inflation over the last five years suggests to him that the current stance of Fed policy is not currently overly easy. He also contends he is comfortable with a December rate hike. Cleveland's Loretta Mester also stood by the plan to continue with the gradual rate hikes. The most dovish of the Fed officials to have spoken this week, Chicago's Charles Evans, has been the only strong outlier, saying he wants to see an increase in prices before raising interest rates again. (Sources: Wall Street Journal, Yahoo Financial)

> New Businesses Slow To Return To Pre-Recession Levels: The number of new businesses created in the United States every year continues to lag behind pre-recession levels, new government data shows, slowing job growth even years after the depth of the recession. About 414,000 new businesses were created in 2015, according to new Census Bureau figures. That figure is higher than in the years immediately after the recession when new business starts bottomed out at about 385,000. But it is still more than 20 percent below the pre-recession highs experienced in 2005 and 2006. The figure is important because new businesses and young businesses create a disproportionate amount of new jobs around the country. While older firms streamline and slim down over time, newer businesses are most likely to grow and expand. New businesses created 2.5 million jobs in 2015. Nationally, all businesses created a net gain of 3.1 million jobs. New businesses, which account for just 8 percent of all firms in the United States, accounted for 80 percent of the net job gain that year. Still, those figures are below pre-recession levels. In 2006, new businesses accounted for 3.5 million jobs. (Source: The Hill)

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..."

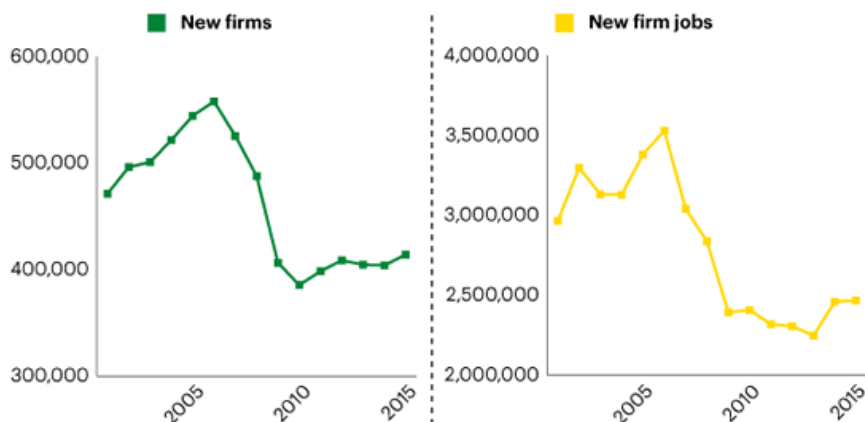
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.

The number of new businesses created every year has not yet recovered to pre-recession levels.



Northeast Iowa - We have just started the bean harvest for this year. The weather has been very favorable for the crops all spring and summer, except being a little dry in August. I think that the dry August really made things dry down fast and caused the plant to shut down. We had some 90 degree days with high winds that sucked the moisture out of the ground in a hurry. This might be the fastest I have ever seen things go from green to ready to harvest. We have had some adequate rains in September that have helped finish things off. We have not cut a large amounts of beans but we have seen yields from 40bpa to 70bpa. The moisture levels are between 11.5% and 13% but I have heard some guys having much less. Normally, we will pick corn before the beans but it is not quite ready yet. I am thinking in a week we will be able to start shelling corn.

Western Indiana - We just had some of the warmest weather of the summer that helped dry things down pretty good. All we have done so far this year is cut our silage for our local end user. It worked out well because we were a little late planting and the weather did not push the crop much. We have been spreading manure and lime right now so that's working out well. We have full season corn on our farms and the only thing being picked right now is shorter hybrid yields. I have heard the moisture is in the 18% area. I think that we will be in the field within the next 7 to 10 days. Its hard to say but I think we will see corn yields that are right around the normal over the past 5 years. The beans are looking very good, with most fields having turned but still have plenty of leaves to drop. I would be shocked if the bean yields were not better that the last couple years, with how they look now.

Western Mississippi - We got our bean harvest finished up yesterday. Today we started doing some fieldwork and put down some fertilizer. The bean yields were very good but not record large. We had some heavy rains late that may have took the very top off yields. I was hoping to see our bean average be over 80bpa this year but we came in at 78bpa across all the farms. We had finished corn a few weeks back and definitely pleased with yields near 225bpa. When we couple both corn and bean production we can make things work at those levels.

Farm Direction
RECIPES
★ **FAMILY FAVORITES** ★
-SENT IN BY OUR READERS-

Creamy Butternut Squash Alfredo Pasta

[CLICK TO SEE RECIPE](#)



Ethanol Byproducts Offer Billion Dollar Business Opportunity: Two new studies show that generating energy from ethanol industry byproducts can fuel a billion-dollar business opportunity for the farm economy. Iowa-based Regional Strategic, Ltd. examined the economic impact of collecting, processing, and delivering corn stover

byproducts of ethanol – the stalks, leaves, and stems of corn plants – for use in generating electricity. The stover is compressed into biomass pellets that can be burned like coal in existing power plants, reducing CO2 emissions and increasing renewable energy supplies. This is similar to the use of wood pellets in European power plants. The studies reveal that with modest infrastructure investments, building even a single pellet facility can deliver large quantifiable economic benefits across farm economies. Developing a broader industry around corn stover represents a multi-billion dollar opportunity. Read more [HERE](#).

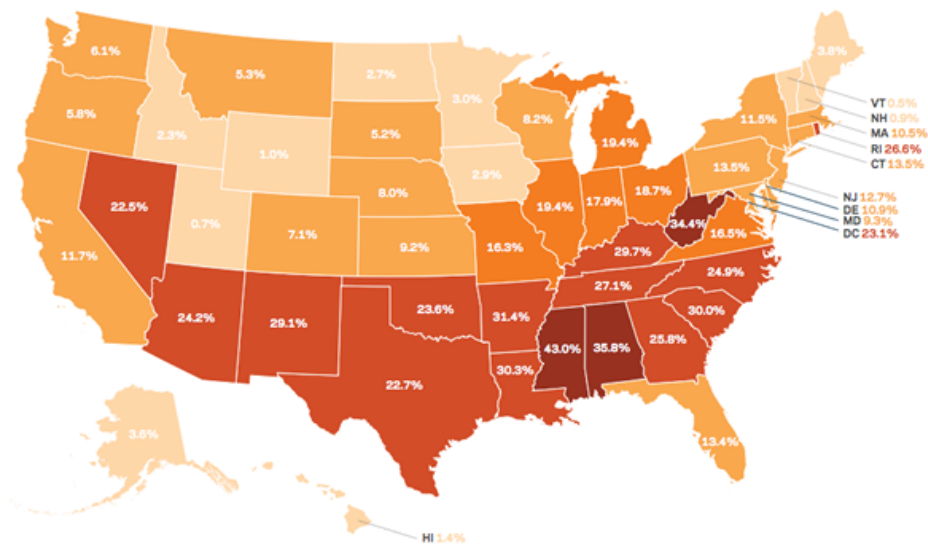
Mystery Trader Has Lost \$9 Million On Massive Stock Market Wager: Sure, price swings in the stock market have stayed locked near the lowest on record for the better part of two months. But that hasn't dissuaded one particularly aggressive trader from continuing to bet on a massive shock. Two months after the volatility vigilante made a humongous wager that the CBOE Volatility Index — or VIX — would surge from its depressed levels by October, the trader has essentially extended that bet into December. The so-called rollover carries roughly the same maximum potential payout as before: a whopping \$263 million. And considering the trader lost only about \$9 million on the wager over the past two months, closing the October trade and pushing it to December allows continued exposure to a huge upside at a relatively small cost, according to a person familiar with the trade. Read more about it [HERE](#).

Get Ready For Technological Upheaval By Expecting The Unimagined: Self-driving vehicles could upend the transportation sector and eliminate a million or more jobs. Algorithms that decode M.R.I.s put a whole medical subfield at risk. And the list of professions and sectors soon to be obsolete grows steadily by the day. New technologies are rattling the economy on all fronts. While the predictions are specific and dire, bigger changes are surely coming. Clearly, we need to adjust for the turbulence ahead. But we may be preparing in the wrong way. Both history and psychology tell us that our capacity to predict the future is limited, while our capacity to believe in such predictions is unlimited. We have always been surprised. Rather than planning for the specific changes we imagine, it is better to prepare for the unimagined — for change itself. Read more [HERE](#).

First Female Marine Has Passed the Notoriously Tough Infantry Officer Course: The first female Marine ever has completed the notoriously grueling Infantry Officer Course. She became the first to complete it since the Marine Corps opened up the course to women in April 2016. The lieutenant is keeping her identity private and will be assigned to the 1st Marine Division at Camp Pendleton, California. "I am proud of this officer and those in her class who have earned the infantry officer MOS," Marine Corps Commandant Gen. Robert Neller said in a statement. "Marines expect and rightfully deserve competent and capable leaders, and these IOC graduates met every training requirement as they prepare for the next challenge of leading infantry Marines; ultimately, in combat." Overall, 131 Marines started the course in July and 88 graduated. Read more [HERE](#).

Do You Live In A Distressed U.S. Neighborhood? How prosperous is your neighborhood? The Economic Innovation Group, a nonprofit research and advocacy organization, has released a new report and an interactive tool that tells you how your zip code stacks up to the rest of the country—and illustrates just how geographical economic inequality is growing across the U.S. The organization's annual Distressed Communities Index finds that more than half of the Americans residing in distressed communities live in the South. More Americans, however, live in prosperous communities (84.8 million) than distressed ones (52.3 million). Most pressing, according to the report, is that "distressed communities are quite literally being left behind by the rest of the country." Most of the economic growth over the last five years has been concentrated on the more prosperous parts of the country, with depressed communities seeing much less growth. Check out interactive maps and more details about the findings [HERE](#).

4. Percent of state population living in distressed zip codes



Why Earthworms Are A Soils Best Friend

Sustainability conversations are everywhere these days and no more so than in agriculture. Worms, have been providing sustainable activities since the dawn of time and it was only a few short decades ago that the prevailing wisdom said they were not very important for agriculture. What is it that these ground dwellers actually do that provides so much value to the soils they live in. I think it is fair to say that as science is focusing more on the biological processes in the soil, they have only recently discovered that worms were an integral part of the process. Obviously, the constant burrowing they do provides access for water, oxygen and CO₂ to travel to their final destinations. This aspect allows the roots of plants to get much needed oxygen to thrive as well as the moisture that may not get without the deeper burrows. Interestingly, as the worms perform their natural functions they are consuming between 20 and 40 tons of soil per acre per year. In another study it is estimated that the worms consumed 4 to 10% of the top 6 inches of the soil annually, which contributes to the beneficial organic matter in the soil. Because of the increase in porosity, the worms can also reduce the damage brought about through compaction, not to mention that the excrement of earthworms has a very stable structure, which makes the soil more resistant to compaction and improves its tilth. On top of that I'm told their excrement has a high concentrations of beneficial microbes that help decompose crop residue. Admittedly the one thing new to me I found rather significant for soil and plant health was that the "slime" you feel when you pick one up actually transfers nitrogen to the soil. The worm populations truly are a farmers friend. Understand, that for all these naturally occurring affects to happen, worms have to be present. There are many modern practices that will deplete the worm populations in your soils including tillage, acidification, removal of crop residue and toxic products. One example of the effects on population determined that a plot of continuous soybeans on no-till will produce 549,000 worms per acre whereas the number is nearly cut in half down to 235,000 if you plow. I think it will put things in perspective when you consider that the University of Illinois found that a population of 500,000 earthworms is the equivalent of 2,000 feet of 6" drainage tile. How's your worm population? To learn more of the worms beneficial activities click [HERE](#). (Source: [PSU.edu](#), [Ill.edu](#))



New Drone Could Dramatically Increase Heart Attack Survival Rates

Using drones to deliver packages and even hot meals is a future the industry has envisioned for a very long time. Some researchers in Sweden have taken a different approach to what the pilotless aircraft could be used for - delivering lifesaving cardiac arrest intervention. The researchers have developed a prototype drone that carries an automated external defibrillator (AED) which could help reduce the time between when patients go into cardiac arrest and when they receive the first shock from an AED. The researchers explain that every minute that a person spends in cardiac arrest without being shocked with an AED lowers their chance of survival by about 10%. Ideally, that shock should be delivered within three minutes to give a victim the best hope of survival. According to [CPR.org](https://www.cpr.org/), more than 350,000 people suffered heart attacks outside of hospitals in 2016. Of those, only about 12% survived. Jacob Hollenberg at the Karolinska Institute in Sweden wondered if drones might be a faster more efficient way to deliver defibrillators to an emergency than an ambulance. In their recent paper, they documented how the AED equipped drone was able to make it to recent emergency scenes in an average of just over 5 minutes, compared to the average ambulance wait time of 22 minutes. The researchers used drones to deliver AEDs to places in a rural area of Sweden where people had gone into cardiac arrest between 2006 and 2014. Also, the median time from an emergency dispatch to drone launch was three seconds, while it took emergency medical services a median time of three minutes to hit the road. One issue with the drones would be that there probably wouldn't be a medical professional at the emergency site. AEDs are designed to be very simple to use, though, and experts say just about anyone can figure out how to effectively operated one quickly. Another idea would be connecting the person making the emergency call with someone who could walk them through using the defibrillator. The team is working with emergency services in Sweden and preparing to dispatch the drone in real emergencies next year. These trials will analyze actual patient survival rates and also study bystander reactions. (Sources: NPR, New Scientist)



Google Changed The World 19 Years Ago

Google is celebrating the "birth" of its iconic search engine, today. It was 19 years ago that Larry Page and Sergey Brin set to work on their web crawler in a Silicon Valley garage, which they originally called BackRub. It became Google a year later in 1997, which was actually a misspelling of the word "googol", a term for the number 1 followed by 100 zeros. Keep in mind, Google was NOT the first search engine to come into the space, but more like the fifteenth to throw their hat in the ring. Now the site is clearly the world's most used search engine. It is so closely associated with the web that most people don't say they are going to look something up on the internet - they simply say they're going to "Google" it. Larry Page came up with original idea in his doctoral thesis while at Stanford. He wanted to create a web crawler that would rank search results based loosely on the idea of "citation." In academic research, this is literally a count of who is citing your work as a way to gauge how authoritative it is considered. Page originally envisioned it as being a sort of graph of the World Wide Web. When he began working on the project with Brin, the pair realized that it would actually make a great search engine. Previously, search engines either crawled based on the number of times a keyword was mentioned or were actually curated portals, like Yahoo! that just sorted sites into categories. Google's model would rank sites by relevancy. By 2001, the search engine had indexed more than three billion web documents. Today, that number exceeds 130 trillion! The company has never stopped pushing forward into new areas and their subsequent innovations have become a part of our every day lives. Take a look at some of the ways Google has completely transformed the world: (Sources: Zeenews, Lifewire, Wikipedia)



Gmail was launched in 2004, offering an initial storage capacity of 1 gigabyte, significantly higher than competitors like Yahoo! and Hotmail at the time. That storage is now 15 gigabytes and the email program has more than one billion active users worldwide. It's estimated that about 60% of mid-sized U.S. companies and 92% of startups use Gmail.

Google Maps is widely regarded as the most accurate mapping service in the world. It is not only used by individuals on their smartphones, but almost all routes of online transportation networks (such as Lyft, UBER), calculate and navigate via the program.

Google was the first internet company to really introduce businesses to the power of big data with their Google Analytics tools. This gave rise to data-driven business and almost all online companies in this day and age are running on big data analytics.

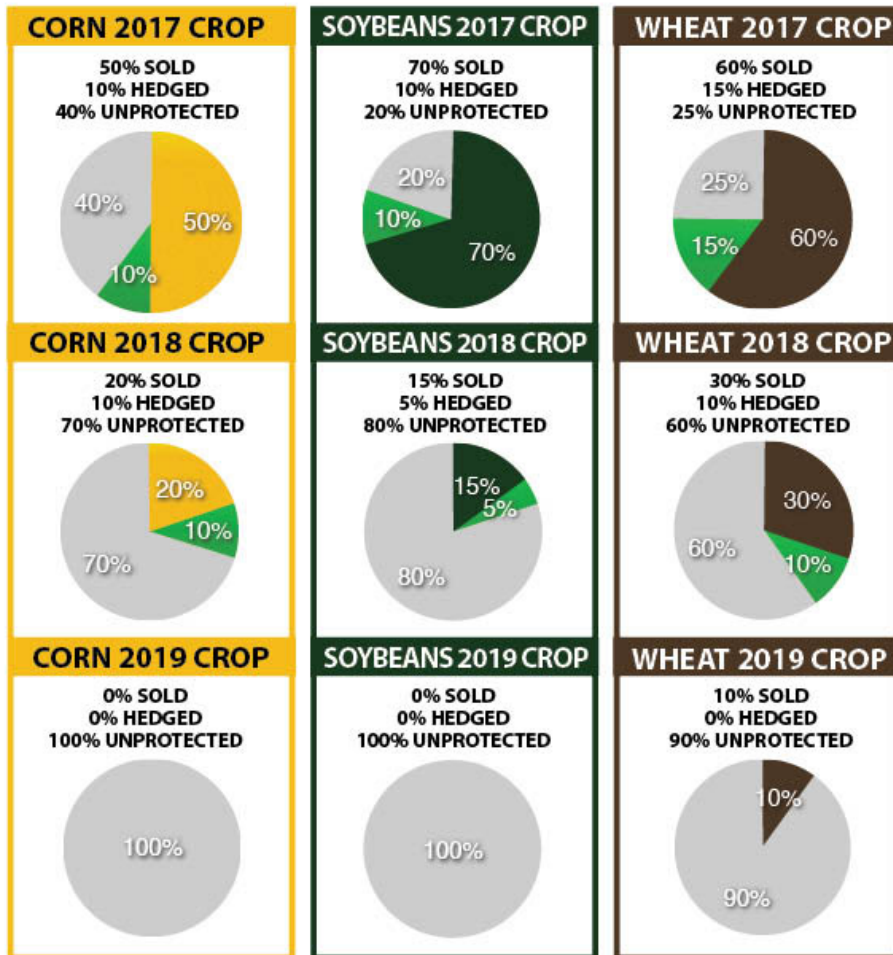
While productivity tools from Microsoft were still the mainstay of most global companies, Google launched the first cloud-only productivity suite, Google Docs. This allowed for real-time document collaboration with various users and enabled companies to migrate their work files completely online.

Google's Android OS is the most popular mobile operating system in the world. Google purchased the OS in 2005 from Android Inc., and unveiled their version in 2007. As of May 2017, Android has two billion monthly active users and the largest installed base of any operating system.

YouTube, owned by Google since 2006, is the world's biggest free video hosting and streaming network. As of February 2017, there were more than 400 hours of content uploaded to YouTube each minute, and one billion hours of content are watched on YouTube every day. It is ranked as the second-most popular website in the world, behind only Google itself.



CASH SALES & HEDGING TOTALS



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