

GOOD MORNING 11/01/17 Farm Direction - VanTrump Report

1 message

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

Wed, Nov 1, 2017 at 7:12 AM



"People are not afraid of failure, they are afraid of blame." - Seth Godin

WEDNESDAY, NOVEMBER 01, 2017

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Morning Summary: U.S. stocks are again this morning after closing out another winning month, a streak that has continued for seven months in a row. In fact, all three major indexes chalked up their strongest monthly gains since February. Good corporate earnings, continued strength in the U.S. economy and optimism surrounding tax reform all helped to propel stocks higher during October. Keep in mind, during the month of October some big name stocks recorded impressive gains: Facebook +5.4%, Google +6.0%, Apple +9.7%, Microsoft +11.7% and Amazon +15%. With more than half of S&P 500 companies having reported, earnings are estimated to have climbed +7% in the third-quarter, up from an expectation of +5.9% growth at the start of October. There are several highly anticipated earnings reports due out today, in particularly Facebook and Tesla. Also on the schedule: Allergan, Allstate, Bunge, Clorox, Equifax, Honda, Marathon Oil, Metlife, Nintendo, Prudential, Qualcomm and The Kraft Heinz Company. On the economic calendar, we will be digesting the ISM Manufacturing numbers and Construction Spending. While manufacturing is expected to remain steady, construction activity may have slumped a bit due to impacts surrounding the dual hurricanes down south. However, the construction spending numbers should eventually be made up in spades as the rebuilding process gets into full-swing. I should also note that Consumer Confidence recently increased to its highest level in almost 17 years. In other words, the only other time in our history when Consumer Confidence was this high was back in 2000 during the [dot.com](#) bubble. Central banks are the main focus today. The U.S. Federal Reserve will announce their latest policy decision at 1:00 p.m. CST. Insiders don't expect the Fed to make any changes but their announcement may stress the possibility that a rate increase could certainly be coming in December. The Bank of England is the wild card, as there has been growing speculation recently that the policy committee might raise their benchmark interest rate for the first time in over a decade. Regardless, investors will be listening very intently to what sort of guidance officials offer on what path they are inclined to follow on interest rates going forward. Oil bulls are happy to see crude mark its first back-to-back monthly gain since last year amid signs that efforts by OPEC and its allies to clear a glut are progressing, and that they'll continue to stick with the strategy next year. In Washington, investors are still waiting for more details regarding tax reform, as well as the President's highly anticipated announcement as to who will be the next Fed Chair.

Never Too Old For Halloween: *With the kids out of town and all grown up, we still had to have some fun on Halloween, so we passed out candy down at the office. I dressed up as an overweight "Slash" and Michelle as my sexy sidekick. If the averages are correct, I probably have fewer than 30 of these left, so why not enjoy. Hope everyone had a fun safe night!*

VAN TRUMP CONFERENCE 2017

December 6, 2017

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Nasdaq Sets Record Not Seen Since 1980: The Nasdaq Composite Index rang up its 62nd record close of 2017 yesterday. That matches the record established 37 years ago, according to WSJ Market Data Group. One more record peak over the next two months would represent a new benchmark for all-time highs in a single year. The technology-heavy gauge has climbed +17% so far in 2017, compared with a roughly +34% gain back in 1980, the latter of which also represents the best annual performance for the index, which was launched in 1971. The move for the Nasdaq Composite—with gains not seen since the dot-com boom of the late 1990s and early 2000s—is partly on the back of better-than-expected quarterly results from highflying tech giants, including at Amazon, Microsoft and Google-parent Alphabet, among others. The stock market in general is, by one measure, back to a point where Greenspan warned of “irrational exuberance.” The Shiller CAPE ratio, which compares stock prices to their earnings over a 10-year period, is at 31.43, about the same level it was at when Greenspan delivered that famous speech in December 1996. Keep in mind however the market kept moving higher for a few more years. The model, whose formal name is the Cyclically Adjusted Price-Earnings Ratio, was formulated by Nobel Prize-winning economist Robert Shiller. However, Shiller himself has been reluctant to push the CAPE level, recently telling CNBC that while he believes the U.S. market is expensive, he wouldn’t encourage investors to sell aggressively. Instead, he believes they should diversify into global markets. (Sources: MarketWatch, CNBC)

Analysts See U.S. Crude Exports Climbing On Arbitrage Opportunities: Oil prices notched a monthly gain of more than +5%, and insiders say bullish sentiment that has driven Brent crude to its highest in more than two years could encourage U.S. producers to export more oil. For the month, Brent was up +6.7%, while WTI rose +5.2%. WTI’s discount to Brent has widened to nearly

Here are a few of this year’s early sponsors



\$7.00, making it attractive to exporters. BMI Research said, "The large differential has opened the door on regional arbitrage, driving a spike in U.S. crude exports over recent weeks." U.S. crude exports have jumped to close to 2 million barrels per day and production has risen almost +13% since mid-2016 to 9.5 million barrels per day. "The problem is as soon as prices move up it's too easy for U.S. producers to add another rig or another completion crew," said Stewart Glickman, energy equity analyst at CFRA Research in New York, "Then they increase production and you're back where you started." In other words, the climb higher may be short-lived. (Source: Reuters)

Terrorist In New York: Eight people were killed and several more seriously wounded after a suspected terrorist drove a truck down a bicycle path near the World Trade Centre in Manhattan yesterday. The driver of the truck, 29-year-old Sayfullo Habibullaevic Saipov, an Uzbek man who had been in the United States since 2010 and was a registered Uber driver, was captured alive by police. Our thoughts and prayers go out to all of the victims and their families. (Source: Bloomberg)

North Korea's Nuclear Testing Site May Have Collapsed: It's being reported that the site North Korea has been using to test its nuclear bombs has collapsed. Japanese media says as many as 200 people have been killed. North Korean sources told Japan's TV Asahi that a tunnel collapsed on 100 workers that may have been trying to repair previous damage. An additional 100 personnel were sent in to rescue the first group, but are thought to have been buried alive in another tunnel collapse. If you recall, North Korea tested a hydrogen bomb at the Pynngye-ri site in early September. It was the sixth and most powerful nuclear test. Monitors indicate the blast was equivalent to an earthquake with a magnitude of 6.1 on the Richter scale and seismologists picked up signs of underground collapses in the hours and days that followed. Scientists began warning that the mountain was unstable and any future tests could literally blow the top off and leak radiation. The mountain is just 50 miles from the China border and the country is understandably concerned that a collapse of the mountain could lead to nuclear fallout spreading across the region, possible even "and entire hemisphere." No officials have confirmed the Japanese TV station's claims. Click the graphic below to see a larger version of the satellite image. (Sources: USAToday, Fox, Telegraph)



Today In History



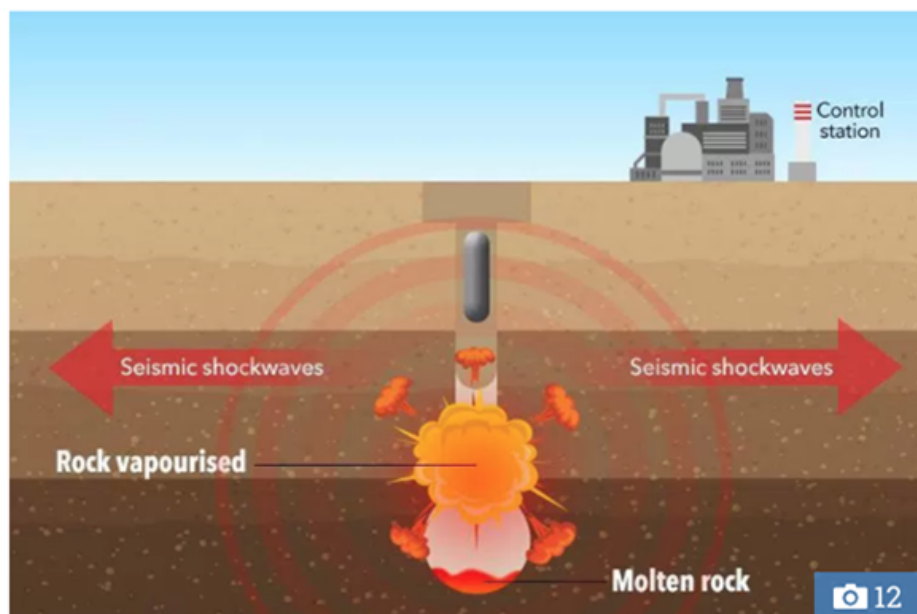
1512, Sistine Chapel - The ceiling of the Sistine Chapel in Rome, one of Italian artist Michelangelo's finest works, is exhibited to the public for the first time. Michelangelo Buonarroti, the greatest of the Italian Renaissance artists, was born in the small village of Caprese in 1475. The son of a government administrator, he grew up in Florence, a center of the early Renaissance movement, and became an artist's apprentice at age 13. Demonstrating obvious talent, he was taken under the wing of Lorenzo de' Medici, the ruler of the Florentine republic and a great patron of the arts. After demonstrating his mastery of sculpture in such works as the Pieta (1498) and David (1504), he was called to Rome in 1508 to paint the ceiling of the Sistine Chapel—the chief consecrated space in the Vatican. Michelangelo's epic ceiling frescoes, which took several years to complete, are among his most memorable works. Central in a complex system of decoration featuring numerous figures are nine panels devoted to biblical world history. The most famous of these is The Creation of Adam, a painting in which the arms of God and Adam are stretching toward each other. In 1512, Michelangelo completed the work. Michelangelo worked until his death in 1564 at the age of 88. In addition to his major artistic works, he produced numerous other sculptures, frescoes, architectural designs, and drawings, many of which are unfinished and some of which are lost. In his lifetime, he was celebrated as Europe's greatest living artist, and today he is held up as one of the greatest artists of all time.



1950, Harry Truman - Griselio Torresola and Oscar Collazo attempt to assassinate President Harry S. Truman at the Blair House in Washington, D.C. Truman escaped unscathed. In the autumn of 1950, the White House was being renovated and President Truman and his family were living in the nearby Blair House on Pennsylvania Avenue. On the afternoon of November 1, Truman and his wife were upstairs when they heard a commotion—and gunshots—coming from the front steps of the house. Indeed, the pair of would-be assassins



How exactly does the underground test work?



had strolled up to the front door of Blair House and opened fire. They never made it past the entry steps, however, due to the quick reaction of police officers and guards. Secret Service Agent Leslie Coffelt was mortally wounded in the ensuing melee, but not before he managed to kill Torresola. Collazo later revealed to police just how poorly planned the assassination attempt was: the assailants were unsure if Truman would even be in the house when they launched their attack at 2 o'clock in the afternoon. Torresola and Collazo were political activists and members of the extremist Puerto Rican Nationalist Party, a group fighting for full independence from the United States. The "Independistas," as they were commonly called, targeted Truman despite his support of greater Puerto Rican autonomy. Apparently unfazed by the attempt on his life, Truman kept his scheduled appointments for the day. "A President has to expect these things," he remarked dryly. Oscar Collazo was sentenced to death, but in an admirable act of forgiveness on July 24, 1952, Truman commuted the sentence to life imprisonment.



1993, European Union - The Maastricht Treaty comes into effect, formally establishing the European Union (EU). The treaty was drafted in 1991 by delegates from the European Community meeting at Maastricht in the Netherlands and signed in 1992. The agreement called for a strengthened European parliament, the creation of a central European bank, and common foreign and security policies. The treaty also laid the groundwork for the establishment of a single European currency, to be known as the "euro." By 1993, 12 nations had ratified the Maastricht Treaty on European Union: Great Britain, France, Germany, the Irish Republic, Spain, Portugal, Italy, Greece, Denmark, Luxembourg, Belgium, and the Netherlands. Austria, Finland, and Sweden became members of the EU in 1995. After suffering through centuries of bloody conflict, the nations of Western Europe were finally united in the spirit of economic cooperation.

Upcoming Events

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

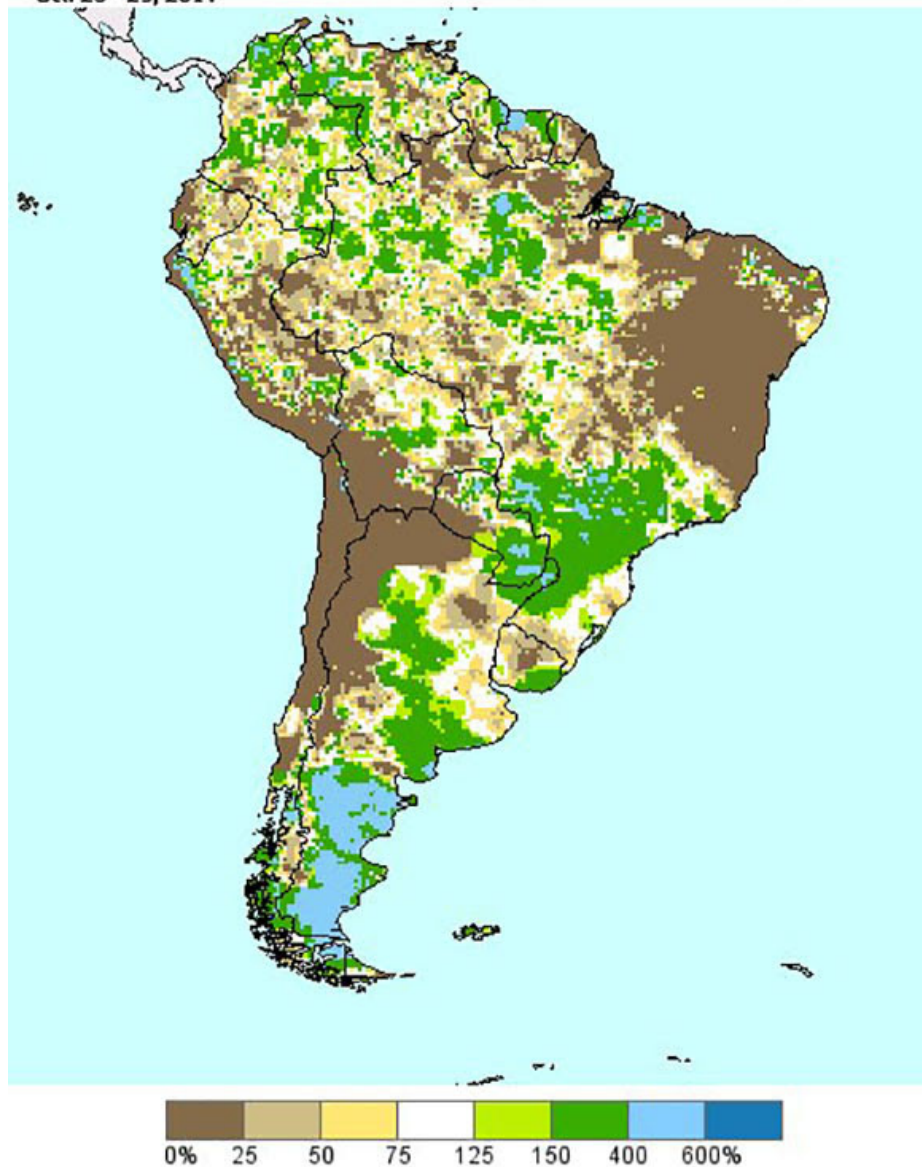
Tues. 12/12 - USDA Supply and Demand

Weather for the Corn Belt, cool, cloudy weather lingers across the Great Lakes region, accompanied by a few snow showers. The U.S. corn harvest has passed the halfway mark -- 54% complete by October 29-- but progress remains at least 20% points behind the respective state 5 year averages in Iowa, Minnesota, Nebraska, Wisconsin, and the Dakotas. On the Plains, generally cold conditions persist. Patches of light rain and snow are spreading across the central and southern High Plains. Across the northern Plains, where winter wheat has struggled to become well established due to drought followed by periods of rain, snow, and cold weather, only 17% of the crop was rated in good to excellent conditions on October 29 in South Dakota, along with 22% in Montana. In the South, dry weather favors fieldwork, including winter wheat planting and cotton, peanut, and soybean harvesting. East of the Mississippi River, pastures were rated at least 50% in good to excellent condition on October 29 in all Southeastern States except Virginia. Yesterday saw showers and thunderstorms develop from the Texas coast into the lower Great lakes region expected to bring 1 to 2 inches over the next few days. In contrast, mostly dry weather should prevail through week's end in the Southwest and the southern Atlantic region. Farther west, however, increasingly stormy weather will prevail in the Northwest, accompanied by colder conditions and significant, high-elevation snow. Late in the week, the season's first significant precipitation event will overspread northern California. The 6 to 10 day calls for below normal temperatures across the northern Plains and much of the West, while warmer than normal weather will prevail along and southeast of a line from New Mexico to Wisconsin. Meanwhile near to above normal precipitation across most of the country

should contrast with drier than normal weather on the central High Plains and across the lower Southeast.

Brazil Sees Conditions Improving: *Weather patterns for planting and developing soybeans in central Brazil is expected this week, after several weeks of hot, dry weather. Drier weather would benefit planting in southern Brazil, especially in parts of Parana that had heavy thunderstorms this weekend. Central Brazil sees more of a rainy pattern for the next few days; southern Brazil will be mostly dry until Thursday night, then have scattered showers and thundershowers Friday through Sunday. Argentina's main crop belt will see mostly favorable conditions at this time for planting and development of corn and sunflower and for developing winter wheat.*

Percent of Normal Precipitation (USAF 557th WW) Oct. 23 - 29, 2017



USDA Foreign Agricultural Service
Office of Global Analysis
International Production Assessment Division

Source: United States Air Force
557th Weather Wing
<http://www.557weatherwing.af.mil/>

Corn traders have very little to talk about as we patiently await next Thursday's USDA crop report. The harvest is notably slow and behind schedule, but the trade is showing very little worry. In fact many sources are thinking the crop is actually bigger than the USDA currently has forecast as producer continue to report "better-than-expected" yields. I hate to beat a dead horse, but I'm personally hearing continued talk of "quality" concerns in several locations. One producer I know asked if this might eventually make the basis for "high quality" more valuable as grain handlers will need the fumonisin-free corn to help blend and reduce levels to between 2 and 4 ppm. Although sensitivity varies, animals and humans can be adversely affected by fumonisin. Standards have been set by the FDA to regulate acceptable levels in products intended for human consumption and also for use in livestock including dairy

Mon. 12/25 - Christmas - Markets Closed

Mon. 1/1 - New Year's Day - Markets Closed

Fri. 1/12 - USDA Supply and Demand

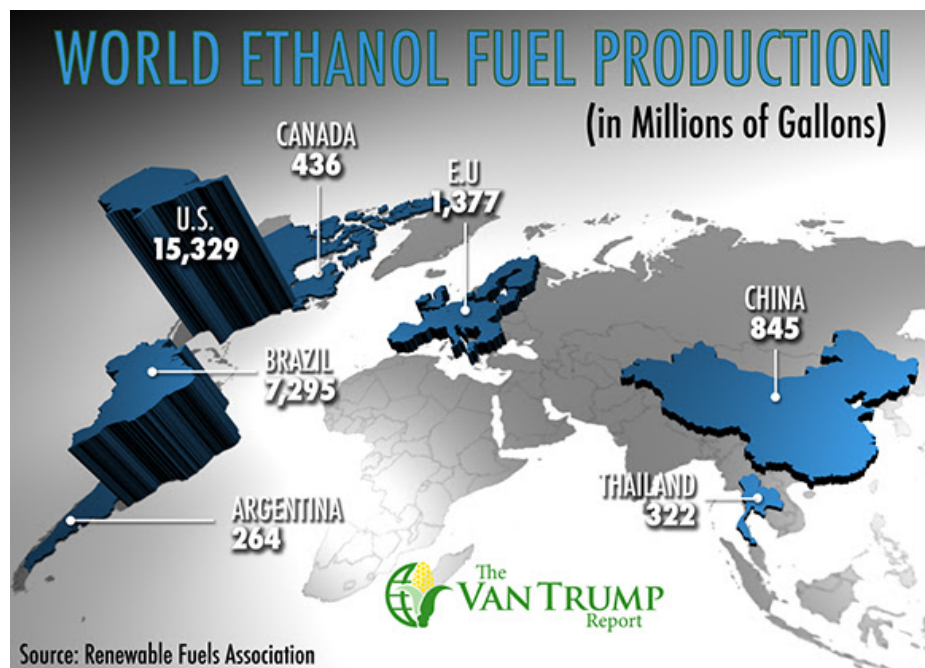
Thurs. 2/8 - USDA Supply and Demand

Kevin's Song of the Week



About the Report

cattle, swine, poultry, rabbits, and mink. It can also be a bit tricky to know to what extent your corn is contaminated. Corn that looks and smells good could still have unsafe levels of toxins. Even close visual examination has not revealed some levels of Fusarium contamination. The black light test commonly used to find other mycotoxins in grain does not fully detect fumonisin. Remember, more than ten types of fumonisin have been identified. Fumonisin FB1 is most prevalent in contaminated corn and considered to be most toxic. For those not seeing any toxins or moisture problems associated with the crop consider yourself lucky. I still think we are going to start hearing even more about this problem as we move forward so stay tuned. More nearby, look for the latest crop production updates from FCStone and Informa to be released during the next couple of days. The trade seems to be thinking both will bumping their estimate higher. I really don't have much opinion either way, believing the USDA's current estimate is 0.5 bushels either side of correct. I could see quality concerns and fewer harvested acres slightly offsetting some of the gains in yield as we play it all out. I heard from producers in northeast Nebraska yesterday that corn was on the ground everywhere after a big wind storm moved thorough. All I'm thinking is the longer the corn sits in the field the more things can happen? Keep in mind there's still about 6.5 billion bushels sitting in the fields, about 4 billion of that is in the west central corn belt. With that in mind, I just don't see the U.S. production number changing all that much from here.



Fall Harvest Price Averages For Corn & Soybeans: It's that time of year again and "fall harvest" insurance prices are being calculated. We will be keeping a running tally of the average price.

- **2017 Fall Harvest Price: Corn \$3.49**
- **2017 Fall harvest Price: Soybeans \$9.75**

Soybeans continue to trade in a narrow range around their 200-Day Moving Average. If you look at the JAN18 soybean contract, which is now the lead month, we are basically right in the middle of the range set during the past 60-days, with a high close in mid-october at \$10.10 and a low close in mid-September at \$9.60 per bushel. Many in the trade seem to think the USDA is going to continue reducing their yield estimate, at least in some small manner. We've also seen strong demand which makes many believe the downside is fairly limited. I should also note that Goldman Sachs recently released a report upgrading their overall commodity outlook from "underweight" to "neutral" during the next three months. Fundamentally, they are still sighting a "global-stocks-to-use" ratio that is near record levels and extremely burdensome. My interpretation meaning not much of a story without more widespread weather uncertainty in the weeks and months ahead. The bright spot for soybeans is if there is a macro push of money back into commodities, the soy market would be one of the most attractive with the least burdensome balance sheet. I keep hearing all of these reason to be long and bullish, but for some reason I keep thinking we are going to make another push back towards the lows sub-\$9.50. Hence the reason I want to keep my hedges in place, reduce my risk by pricing a bit more new-crop if we can catch some additional upside momentum, then sit patient. As a spec, I only want to be a buyer on a deeper break in price.

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

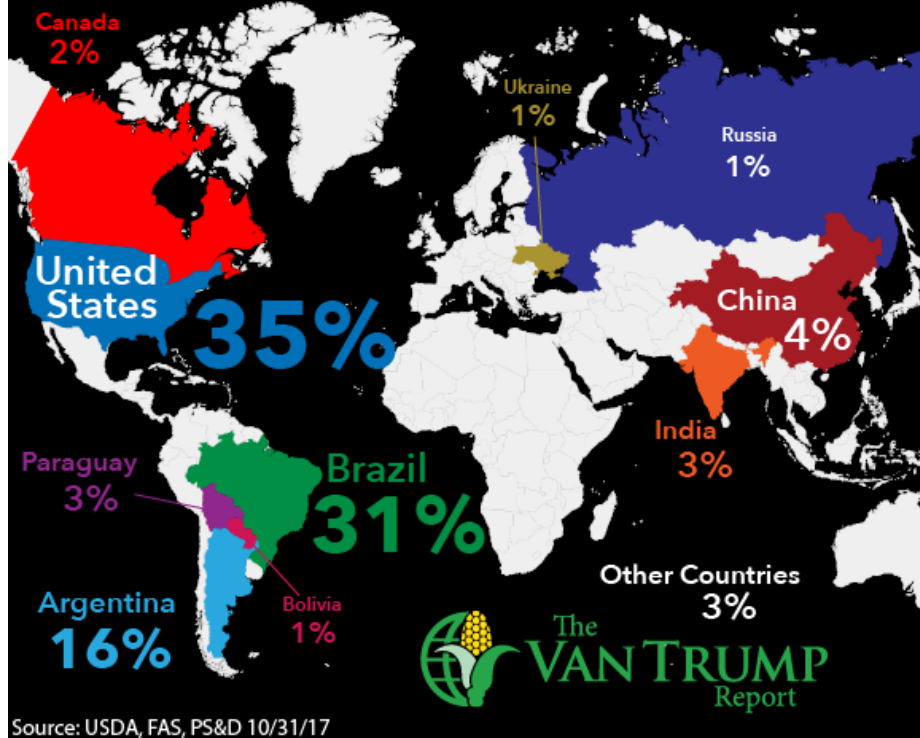
What Others Are Saying

"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

Global Soybean Production %



Wheat prices continue to erode. Some insiders I know are thinking we could perhaps see a repeat pattern to last year, when we wheat prices traded down to fresh lows in late-August (\$3.60's) then rallied higher only to fall again through late-November (\$3.80's). We rallied back into mid-Feb but could only muster enough momentum to get back into the \$4.50's. It wasn't until late-April and early-May that we made the bigger push higher. I just wanted to remind everyone that any type of extended move to the upside could be a long ways off on the horizon. As a spec, despite the obvious bearish fundamentals, I still don't feel comfortable navigating the downside when we are at these low levels and the funds are already holding large short-positions. As a producer, I think there will be better opportunities to price bushels in the months ahead. I'm also starting to hear more traders talk about few U.S. wheat acres. I've been saying for weeks the USDA's current acreage estimate is too high, and I think more are starting to get on that same page. Keep in mind there are still about 1.5 million acres of "unplanted" wheat in Kansas and Oklahoma. I have to imagine as we start to move past some of the preventive plant dates we will start to see more traders dialing back their winter wheat acreage estimate here in the U.S. Some players might see these acreage reductions as yet another reason to be long HRW over short SRW positions. I'm personally not playing the spread, because I'm nervous about the fund uncertainty that comes along with the SRW wheat contract. Too many players in that contract are not trading traditional fundamentals, makes me worried and nervous when I shackle it to another contract based exclusively on fundamentals. It looks like an easy layup, but I've thought that before and found it hard to navigate once I got three and four moves down the line...

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

My Own Personal Truisms

"Not To Trade, is often considered a good trading decision..."

"First Rule of HOLES: When you are in one stop digging..."

"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."

"Bulls make money, Bears make money, but pigs get slaughtered..."

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

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

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

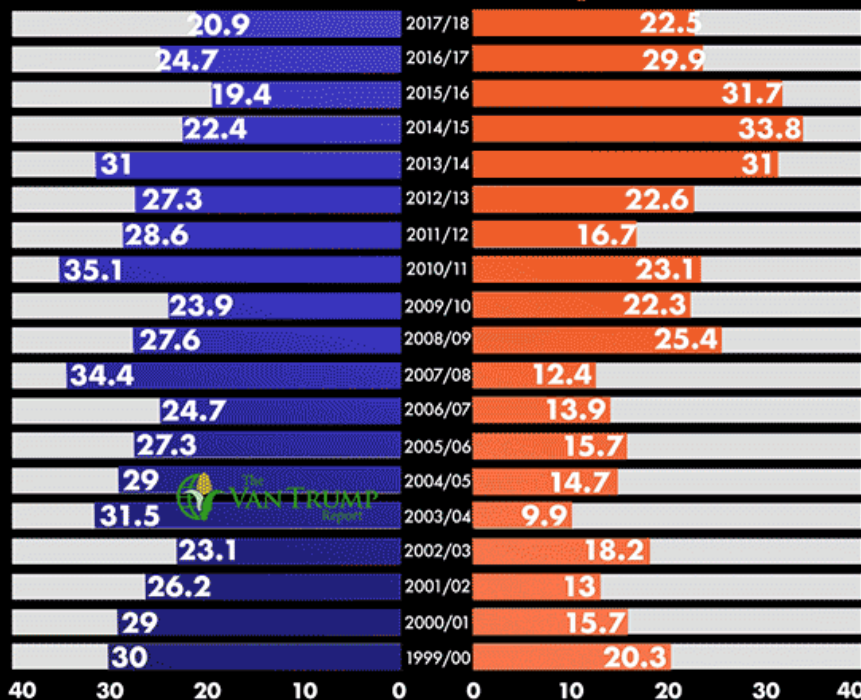
I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.

WHEAT EXPORTS

(in Million Metric Tons)

United States

European Union

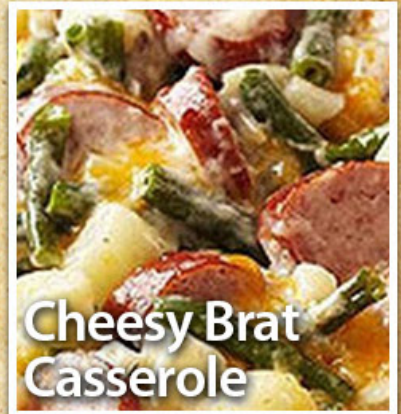


Farm Direction

RECIPES

FAMILY FAVORITES

-SENT IN BY OUR READERS-



Cheesy Brat Casserole

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Connecting the Dots

> Brazil's Already Delayed Soybean Planting Faces More Unstable Weather:

Brazilian soybean producers have planted just 30% of their 2017/18 crop, sharply behind last year's pace. The planting season remains delayed compared with 41% completion rate a year ago, but still close to the five-year average of 31%, according to an AgRural survey. It has rained the last few days in many regions of Brazil, especially in the South, and the planting was able to move forward. But in the Central-West region of Brazil, the irregularity of the rain continues to damage farms. The state of Goiás, the fourth-largest producer of soybeans, presents the most dramatic situation: Only 6% of the area planned for soybean cultivation was planted. Last year at this time, planting stood at 42%, with a five-year average of 28%. According to the Association of Soybean and Corn Producers of Goiás (Aprosoja-GO), the majority of soybean cultivars planted in the region have a cycle of 105 to 115 days, and the delay in soybean planting already automatically damages the second-corn crop. (Source: UkrAgroConsult)

> Brazilian Ethanol Cargo Set To Unload In California This Week:

The Silver Sawsan is due to land this Thursday in California bearing ethanol from Brazil. The Silver Sawsan was located off Mexico's Baja California Peninsula Monday morning, according to cFlow, S&P Global Platts' trade flow software. It is due to arrive in San Francisco on Thursday morning, while the Madha Silver, the next vessel due to make the voyage, left Santos Sunday, according to cFlow data. Sugarcane-based Brazilian ethanol generates an advanced biofuel, or D5, RIN that is more expensive and represents a greater greenhouse gas reduction than conventional biofuels. Ethanol buyers in California have historically seen an advantage in buying Brazilian ethanol due to the higher credits. Through August, the US imported almost 51.7 million gallons of fuel ethanol from Brazil, according to US Department of Agriculture data. That was already +63% more than the 31.7 million gallons of fuel ethanol the US imported from Brazil in the whole of 2016. (Source: Platts)

> **USMEF Sees Strong 2017 Results:** U.S. Meat Export Federation (USMEF) officials said they are "pleased" with strong gains in exports posted for 2017, which are up +9%

in sales so far and up +10% in volume. Double-digit gains in beef exports to Japan (23 percent) and Hong Kong/China (16 percent) combined with higher beef exports in Korea (8 percent) represent deeper penetration in the Asia/Pacific market. USMEF also cited higher exports to South America (up 21 percent) and Africa (95 percent) as positive opportunities for additional growth, especially South Africa. Pork exports for the year also rose in Mexico (up 18 percent), despite "always being a challenge." (Source: MeatingPlace)

> Soy Group Worries Trump Is Pushing For NAFTA Withdrawal: After the last four rounds of NAFTA talks, the U.S. agricultural industry is worried that the Trump administration is positioning itself to withdraw from the trade deal, American Soybean Association officials told reporters during a roundtable. The negotiations don't seem to be headed toward a NAFTA 2.0, the industry group said, noting that the U.S. Trade Representative's proposals weren't palatable to the U.S.'s North American counterparts, nor to the U.S. agricultural industry and other sectors. If the Trump administration isn't negotiating in good faith toward a trade deal that all parties can agree to, and keeping NAFTA as it stands now isn't an option (as Trump has said), then the only path forward is pulling out, ASA said. (Source: Politico)

> Mosaic Surprises With Big Profit: U.S. fertilizer company Mosaic on Tuesday posted a bigger-than-expected profit on higher prices, and slashed costs to ride out an agriculture slump. Mosaic, the world's largest producer of finished phosphate products, cut its dividend 83 percent, idled a Florida phosphate plant and said it would focus on repaying debt after it completes a \$2.5-billion purchase late this year of Brazil fertilizer facilities from Vale SA. Net earnings rose to \$227 million, or 65 cents per share, in the third quarter, from \$39.2 million, or 11 cents per share, a year earlier. (Source: Reuters)

> ADM Earnings Disappoint: Archer Daniels Midland Company (ADM) reported third-quarter earnings results yesterday, reporting EPS of 45 cents. The results were below trade expectations and marked a -23.7% decline from year-ago results of 59 cents per share earned. Archer Daniels generated net sales of \$14.83 billion, which declined -6.3% from \$15.83 billion last year. In a statement on Tuesday Juan Luciano, chief executive said: "Our third quarter results were below our expectations, as the operating environment in our ag services and oilseeds businesses was more challenging than anticipated." Profit in its agricultural services unit, ADM's biggest, more than halved to \$87 million in the third quarter. Its profit from oilseeds business fell -18% to \$119 million.

> Apple Looks Set To Drop Qualcomm Chips In New Products: Locked in an intensifying legal dispute with Qualcomm, Apple is designing iPhones and iPads for next year that would drip the chipmaker's components, according to Wall Street Journal sources. Modem chips from Intel and possibly MediaTek would be placed in the devices instead as Qualcomm is reportedly withholding software critical to testing its chips in Apple prototypes.

> U.S. Consumer Confidence At 17-Year High: The latest data from The Conference Board showed consumer confidence in October hit a reading of 125.9, up from 120.6 the prior month and the best reading since December 2000. That month's reading hit 128.6. "Consumers' assessment of current conditions improved, boosted by the job market which had not received such favorable ratings since the summer of 2001," said Lynn Franco, director of economic indicators at The Conference Board. "Consumers were also considerably more upbeat about the short-term outlook, with the prospect of improving business conditions as the primary driver. Confidence remains high among consumers, and their expectations suggest the economy will continue expanding at a solid pace for the remainder of the year." The rise in confidence also comes amid stock prices hitting record highs, economic growth hitting its strongest two-quarter stretch since 2014, and the unemployment rate sitting at its lowest level since 2001. (Source: Yahoo Finance)

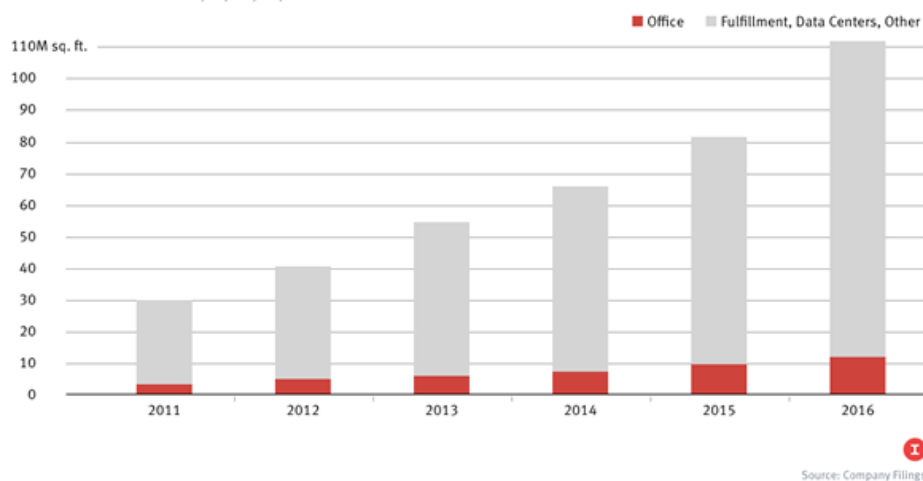
> What Can Be As Bad As Smoking? Though the rate of smoking has declined in America from 42% in 1965 to only 15% in 2015, apparently there are other "risk factors taking its place. It seems most stem from the sedentary and isolated lifestyles many are now choosing. According to experts and in no particular order, they are tanning, sleep loss, poor diet, sitting and loneliness. The craziest fact to me surrounding these risks is the fact experts say each two-hour increase in sitting time upped people's risks for colon, endometrial, and lung cancers, regardless of whether they still exercised during the day. That's motivation enough to get up and move every hour for sure.

> Saudi Arabia Seeks To Be Second Gulf Arab State With Nuclear Power: Saudi Arabia is hoping to reduce the amount of crude oil it burns at home to generate electricity in order to sell more of it overseas as they seek to reduce their carbon output and move toward nuclear power. As I understand it, they have sent a RFI to international suppliers to build two plants. The kingdom is considering building 17.6 gigawatts of nuclear capacity by 2032, the equivalent of about 17 reactors, making it one of the biggest prospects for an industry struggling after the 2011 nuclear disaster in Japan.

> Amazon's North American Properties More Than Tripled Between 2011 and 2016: Amazon's purchase of Whole Foods prompted lots of talk that it has become a brick and mortar retailer. But Amazon already had a huge amount of property in North America, thanks to its expansion in e-commerce and cloud computing. Amazon's North American properties more than tripled to 112 million square feet between 2011 and 2016, according to filings with the Securities and Exchange Commission. The vast majority of that was in "fulfillment centers" and data centers in North America, which quadrupled to 99 million square feet in 2016 from 26 million in 2011. Whole Foods had 17.8 million square feet of retail space as of September 2016, by comparison. Globally, Amazon's total property footprint—most of it leased—increased to 179 million square feet from 48 million in 2011. Its workforce expanded much faster—increasing to 341,400 at the end of last year, about six times what it was five years earlier. That's before its recent acquisition of Whole Foods. (Source: [The Information](#))

Growing Footprint

Amazon's North American property expansion



Western Missouri - We are still busy trying to get harvest completed. I think that we have had a great bean harvest and should have extra bushels. Our typical APH is anywhere from 45bpa to 50bpa depending on the farm location. This year the bean yields have been very good seeing our best ground making 70+bpa, which I think will make our whole farm average just north of 60bpa. We may have had whole farm averages closer to 70bpa but we did not get any rains after September 1st. This corn crop has suffered all year with being overly wet early then no rains at pollination. The dryland corn is only making 100bpa compared to 130bpa to 150bpa that we have consistently made through the past few years.

Central Iowa - The weather has changed here and we were down to 25 degrees on Saturday morning. Both corn and beans are seeing very good yields which have surprised most producers this year. We were able to get things planted on time and some may consider it early. There were decent rains early and then got into a drier trend and not bringing any rains most of the summer. We did have really good subsurface moisture levels that allowed this crop to root in deep from the get-go. The cool August helped during the grain fill stage for the corn which should have yields that are 200+bpa. I think most in these parts would say that this year's crop is better than expected but a little shy of bettering last season. It was like last year's crop was under a pivot as we would get rains right about the time we needed it.

Southwest Kansas - We are out cutting milo now as we finished corn last week. Our milo was fantastic this season finishing with 140bpa. Around here 100bpa is real good and last season we came in with 131bpa, so needless to say we are excited to see the numbers keep getting better. Our corn numbers on our dryland acres average 125-130bpa and on our limited irrigations acres we will average 175bpa. We have to manage water different than most as we do not have as much as we used to but we have the land to use it on.

Indiana - Can't keep a good man down!! Bob Akers, 90, Pine Village, IN getting more time at the wheel of his son Dwain's JD670 combine. Great stuff!!!!



CROSSING WIRES

A place to share intelligent thoughts...

Avocado Farmers Falling Victim To Mexican Cartels? *An investigation by Mexico's attorney general shed light on how Mexican drug cartels access government agriculture records to extort and kidnap avocado farmers. The investigation, first reported by Mexican daily Reforma on Sunday, concluded that organized crime cells in the 1990s illicitly obtained agriculture ministry records of avocado farmers, then used them to track down and coerce the avocado farmers into giving the cartel a quota of all earnings or risk getting kidnapped. Fight for the control of Mexico's burgeoning avocado industry has been ongoing since the mid-'90s, when the North American Free Trade Agreement lifted import restrictions on Mexican avocados in the United States, leading to a boom in the industry. Mexican avocado exports are up 400 percent since 2005, according to the USDA. As a result, Mexican avocado growers generated \$2.2 billion in profit in 2016 alone. They also generated unwanted attention from Mexico's notorious criminal and drug cartels. Read the full story [HERE](#).*

Lights On-Lights Out: *At their core, night lights are a generally human phenomenon. As such, they are tempting proxies for things like standard of living and economic activity. An illuminated place, sufficient to be detected by an orbiting satellite, represents the substantial influence we have on pushing back the darkness of the*

nighttime sky. Whether it is an intentional effort or the byproduct of industry, we emit a glow that strongly echoes our footprint on the earth. We are a moving people – creatures that continually strive for improvement, vie for resources, flee from danger, and generally spread out on the surface of the earth. What if we could isolate that flickering, and directly compare the changing location and amount of our night lights over time? Would patterns of expansion and contraction arise? Would it tell us something about ourselves? Check out these [Night Imagery maps](#) from 2012 and 2016, comparing where the lights went on and where they went off.

Why Faking The Moon Landing Was Impossible: It's understandable that many people over the years have questioned the validity of the 1969 Apollo 11 moon landing. It was an incredible, unprecedented triumph for NASA and a monumental achievement for humanity in general—and one we haven't bothered to repeat since the end of Apollo. The general idea behind most moon landing conspiracy theories is that the landing was faked on a sound stage, with actors, a set, and professional lighting taking the place of the real deal. There are all kinds of articles and YouTube videos dedicated to this argument—and plenty dedicated to debunking it, too. This new video from TruTV's *Adam Ruins Everything* is a quick distillation of the case against the hoax theory. It would've been harder to fake the landing on Earth than it would have been to actually go to the moon. In fact, in 1969 it would have been impossible. Read more [HERE](#).

The Most Annoying Corporate Buzzwords You Should Stop Using Now: Ever find yourself leveraging value-added buzzwords in an effort to move the needle or make your messages pop? If you work in an office, you probably know someone who has. You may have even caught yourself repeating some of those corporate clichés in meetings. Where did they come from and why does anyone still talk like this? Bart Egnal, CEO of the Humphrey Group, a leadership coaching and training firm, has a theory. Corporate-speak, he says, works as “a shared social identity that acts as a barrier to entry...Once you're in, it's a badge of belonging.” On the flip side, of course, it can be alienating and annoying to those on the receiving end — even when we're aware of what the jargon means. Eliminating corporate speak entirely may not happen anytime soon. But cutting these common offenders — some of which have been around for decades — from our collective vocabulary is a start. Check out the list [HERE](#).

Fossil Of 18 Foot Sea-Monster Found In India: An exquisitely preserved fossil of an ichthyosaur — a dolphin-like reptile that lived during the dinosaur age — found alongside the remains of hard-shelled ammonites is one of a kind: It's the only Jurassic ichthyosaur ever found in India, according to a new study. The nearly 18-foot-long (5.5 meters) ichthyosaur lived during the Kimmeridgian, an age within the Jurassic period lasting from about 157 million to 152 million years ago, the researchers said. Read more [HERE](#).

New Discovery Of Cave Art Found On Uninhabited Island Near Puerto Rico: Experts have uncovered a vast array of mysterious pre-Columbian rock art in the caves of a remote uninhabited Caribbean island. Archaeologists explored around 70 cave systems on Puerto Rico's Mona island. The thousands of designs, created centuries ago, comprise the largest concentration of indigenous pre-Columbian rock art in the Caribbean, according to experts. “Most of the work we have identified in this scientific study is done during an intense period of indigenous activity in the caves between AD1200 and European arrival after AD1492,” explained Dr. Jago Cooper, curator of the Americas at the British Museum, who worked on the paper. Read more [HERE](#).

Waymo Says Its Transformative Technology Will Be On The Streets Sooner Than Later: John Krafcik's, CEO of Waymo optimism comes as automakers like Tesla market features like Autopilot, which allows drivers to take their hands off the wheel for short periods of time. General Motors' Super Cruise allows hands-free driving on the highway. While GM CEO Mary Barra says her company is “quarters, not years” from being to able to remove drivers from the autonomous-drive vehicles it's developing, no auto or tech firm has yet to roll out a self-driving vehicle that can pick up riders, take them in a trip and drop them off with no one behind the wheel, but keep your eyes and ears open as it won't be long. Read more [HERE](#).

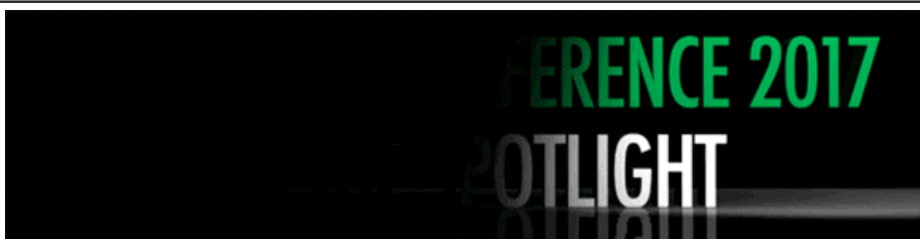
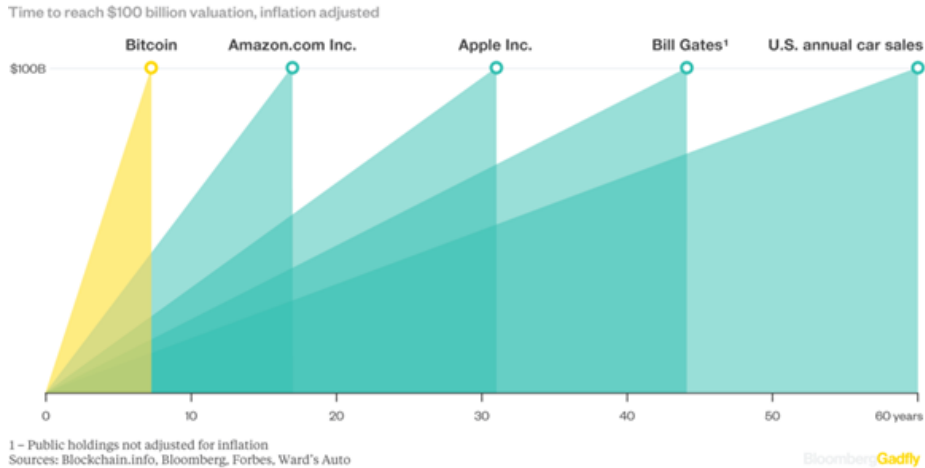
7 Year-Old Throws First Pitch In World Series With 3D Printed Hand: Hailey Dawson was born without three fingers on her throwing hand, but that hasn't stopped her from living out her dream of throwing out first pitches at Major League parks all across the country. And on Saturday night Dawson was on hand at Minute Maid Park to throw out the first pitch prior to Game 4 of the World Series. Dawson uses a prosthetic made by a 3D-printer. Before she took the mound, she got some pointers from Astros ace Justin Verlander. See Hailey make the pitch [HERE](#).

Bitcoin's Bewildering Race To \$100 Billion: There is no official measurement of a market bubble, but one could be the speed and force of the rise, a technique borrowed from the physical realm. Dot-com stocks rose 680 percent from the beginning of 1996 to the end of March 2000. Bitcoin has risen nearly 825 percent in the past year alone, to about \$5,700. In that run, it has added roughly \$90 billion in value, crossing above \$100 billion for the first time on Friday before dropping back a bit. It's only a matter of time before it becomes a permanent member of the \$100 billion club. Bitcoin is now

worth more than a number of financial firms that would be its rivals, like American Express Co. (\$81 billion) and PayPal Holdings Inc. (\$84 billion). You can read more and view a larger version of the graphic [HERE](#).

Billions and Billions

It has taken bitcoin far less time than others to join the \$100 billion club.



Come See What They Are Doing At The 2017 Van Trump Conference #VTC17

In this section I will feature a few of the companies that will be attending this years conference in Kansas City on December 6th. There will be many ag executives and leaders in the space attending this event. I've tried to invite and include a wide array of influencers and leaders so we can better understand the rapid consolidation, change and transparency that is now upon your doorstep. This is an event you will not want to miss! To learn more Click [HERE](#)

Farmland Partners: I met Luca Fabbri, CFO, and Paul Pittman, CEO a while back and have been nothing but impressed by their efforts. In case you didn't know, Farmland Partners Inc., is a publicly traded real estate investment trust traded under the symbol FPI on the NYSE. They own, manage and seeks to acquire high-quality farmland and land with excellent agricultural development potential located throughout North America. The company was founded by farmers, and its management team has hands-on farm operations experience. One of their primary goals is to align themselves with top-quality operators in various parts of the U.S. in an effort to build a diverse portfolio of agricultural assets across the spectrum of crops. This diversification, combined with stable rental income and potential value appreciation, provides an attractive risk-adjusted return for investors over time. What I like most, and continue to hear from producers, is how closely they work with their tenants. They clearly take pride in their farming heritage, and see their partnership with the farmer as a key to their long term success. As of this summer, Farmland Partners was said to own or have under contract over 154,000 acres located in Alabama, Arkansas, California, Colorado, Florida, Georgia, Illinois, Kansas, Louisiana, Michigan, Mississippi, Nebraska, North Carolina, South Carolina, Texas and Virginia. This land is currently being farmed by over 110 tenants who grow more than 30 major commercial crops. If you are a producer and there's a piece of farmland you are interested, but don't have the financing, you can always call Farmland Partners to see if they might be interested in buying the ground and renting it back to you to farm. Certainly something to

consider... You can learn more at their website [HERE](#) or visit with them at our KC conference.



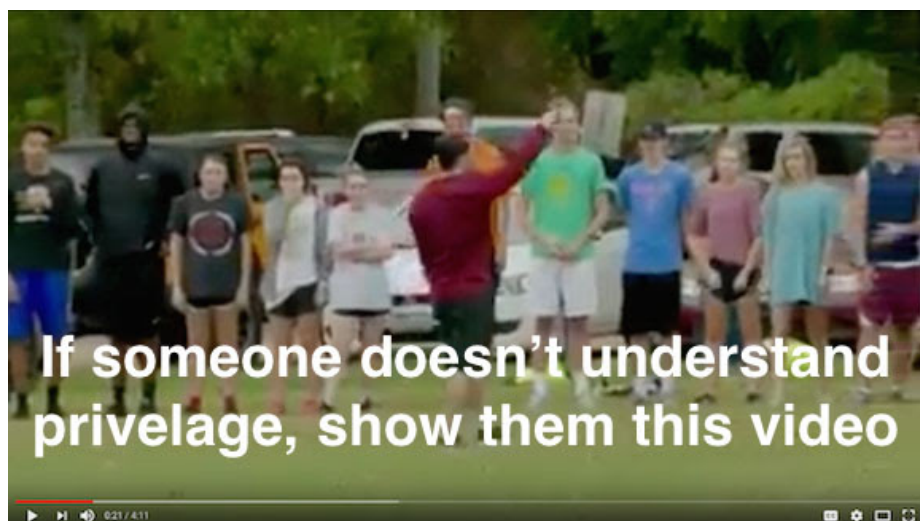
The Booming Industry Of "Sleeponomics"

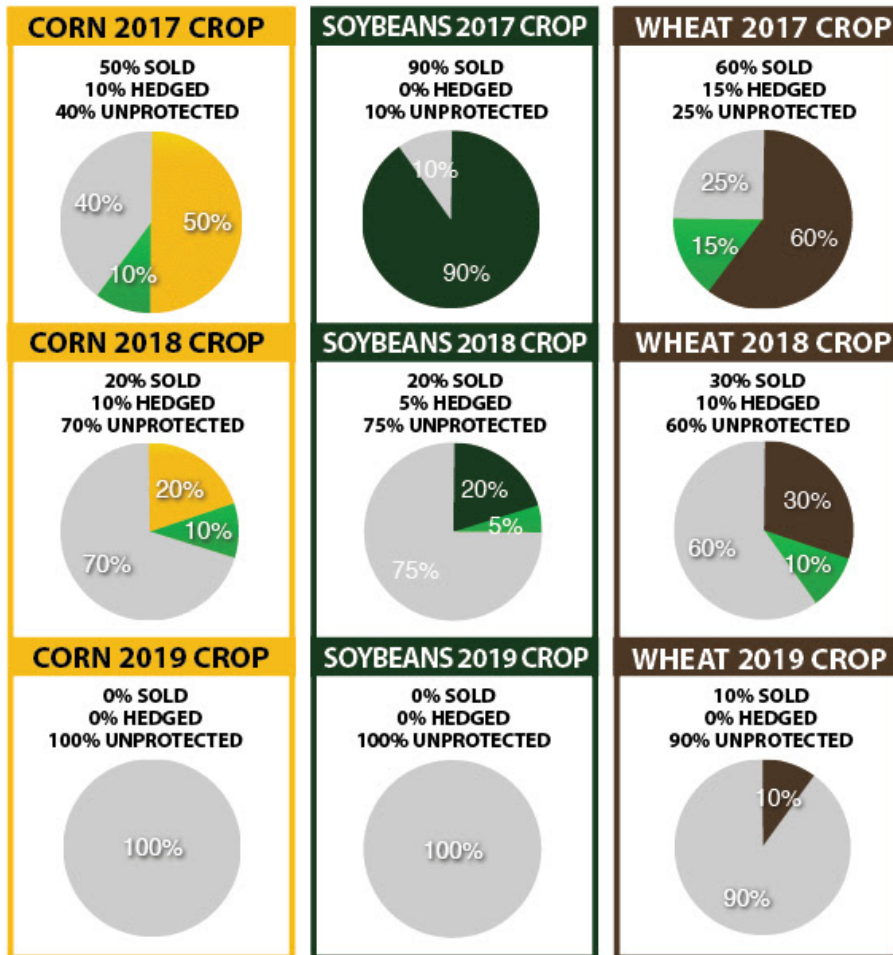
South Koreans are trying to prevent themselves from completely burning out by taking naps. The exhaustion is so widespread that a new industry has sprung up to offer the nation "public convenience lounges", where stressed out and overworked Koreans can catch a quick nap. One company, called Shim Story, charges \$6.20 for an hour snooze. There is a theater in Seoul that has decided it is more lucrative to just provide an hour and a half of shut-eye for \$8.80 rather than actually playing films during lunch hours. These and other nap cafes are part of a growing industry called "fast healing." It encompasses a lot of different areas, ranging from massage chairs to yoga classes to crafting, but is basically described as quick fixes to soothe the body and mind. The nap cafes fit into a specific niche of the industry that is being called "sleeponomics." There is an increasing number of products that aim to help people overcome all manner of sleep disorders, such as insomnia. One of the consumer products that has been gaining popularity is "motion beds", which allow users to adjust angles of the mattress' top, middle and bottom sections. Very much like a hospital bed, these adjustable mattresses are widely available now under such names as Serta's "Motion Perfect" or Terpu-Pedic's "TEMPUR-Ergo". The industry extends to high-thread-count bedding, goose down pillows, microfiber blankets, heated eye masks, perfume for pillows, sleep essence for faces, sprays that eliminate snoring and black-out curtains. Wearable devices such as smart bands and smartwatches which can check biorhythmic states including sleeping hours, twisting and turning and wake-up time are also becoming increasingly popular among consumers. Of course, we can't forget the sleep consultancy leg of the industry, which encompasses everything from self-help books explaining how to get your best nights sleep to therapists that will literally come to your home and offer suggestions on how to create a better sleeping environment. Nap cafes have not made it into the mainstream here in the U.S., although they can be found in larger cities. New York, for instance, now has a handful. Nap cafes are also starting to become very popular promotional gimmicks. To mark World Sleep Day, Nescafe Harajuku partnered with a Paris-based bedding company to open a pop-up nap cafe in Tokyo, where would-be-nappers were required to order at least one food item in order to score a two-hour nap on the luxury bedding. However you slice it, the economy of sleep is a big one, growing to a value of over \$20 billion annually in the U.S. alone. That seems a small price to pay considering lack of sleep is estimated to cost the economy \$50 billion in lost productivity and \$16 billion in health-care costs every year. I never would have guessed that naps and sleeping would have been such a big business. When I was young, all I ever heard was that there was plenty of time to sleep when we were dead. There certainly weren't any naps being taken or sleeping in at my house! (Sources: Quartz, CNN, AEI)



Another "Perspective"... Lesson Learned!

My son sent me this video from college yesterday and I felt I should pass along and share with all of my friends. He's grown up a lot while at school and to say I'm proud of him would be a huge understatement. While many of his friends were out doing internships at big time companies their sophomore year, I encouraged him to do something much different. So he worked the entire summer doing concrete and flatwork. He had never done anything like that and I thought it would help provide him more "perspective" about life. He woke up every morning at 4:00am as his crew would try to beat the heat. He was clearly the grunt carrying and tying rebar, drilling holes and dragging mud. He came home several days during the middle of summer and I would ask him if it was crazy hot, he said, "not too bad, they just hosed us down like dogs every hour and we kept on working." At the end of the summer he had developed a true friendship with everyone on the crew. Most importantly he gained many new perspectives. One night we were at a concert together when he told me he had a whole new respect for those doing manual labor, he also said he had a whole new understanding about the privileges he has been blessed with. Once he really got to know each of the individuals on his crew and hear their stories and how difficult a mountain each have had to climb, his opinion on many subjects were altered. They all loved him working there, and wanted him to stay, but at the same time told him he couldn't. They told him if he wasted the opportunities and privileges he had been given they would never forgive him. Let's just keep it simple and say it was the best "internship" he could have had as he gained a new "perspective". To see this thought provoking video Click [HERE](#).





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