

GOOD MORNING: 11/02/17 Farm Direction - VanTrump Report

1 message

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Thu, Nov 2, 2017 at 7:14 AM



"Any problem is an opportunity. The bigger the problem, the bigger the opportunity." - Vinod Khosla

THURSDAY, NOVEMBER 02, 2017

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Morning Summary: Investors were not at all surprised by the Fed opting to leave interest rates "unchanged", while at the same time signaling one more rate hike is likely this year in December. Headlines are reporting that The White House has notified Federal Reserve governor Jerome Powell that President Donald Trump intends to nominate him as the next chairman of the central bank, probably sometime today. U.S. corporate earnings continue to rollout. Facebook crushed their estimates by reporting a +49% increase in ad revenue with net income up +79%. Facebook's total advertising revenue during the third quarter reached a whopping \$10.14 billion. Net income rose to \$4.71 billion. Interestingly, Facebook now has 23,165 employees, a 43% increase from this time last year. It will be interesting to see how many more employees will need to be added to police "fake news". In the past a lot of this work was being done by the algorithms. On the flip side, Tesla reported its biggest-ever quarterly loss as it spends more money to speed up Model 3 production. The company said it plans to produce 10% fewer units of its Model S and Model X models in the fourth quarter as it reallocates resources to the Model 3, its newest vehicle. From what I understand, Tesla expects to hit a Model 3 production rate of 5,000 vehicles per week by late-March. The stock is down on the revenue losses, but keep in mind it has already rallied +50% this year. Today's big earning spotlight will fall on Apple, who is scheduled to announce results right after the market closes. Other earnings set to be announced today include Activision, Adidas, Alibaba, Cigna, Dow Chemical, Ferrari, Magellan, Royal Dutch Shell, and Starbucks. Data wise, ADP's employment report yesterday showed that hiring remained strong in October, reporting 235,000 jobs gained and making up for sluggish growth in hurricane-hit September. ADP's results reinforce ideas that Friday's official Employment Report will deliver a big number, with consensus calling for a gain of +325,000. Turning to Washington, lawmakers are expected to unveil a draft of their tax reform plan today. President Trump has said he wants the House to pass a bill by Thanksgiving and he hopes to it sign it into law by Christmas. Lawmakers have just ten official legislative days to meet the President's Thanksgiving deadline. Stay tuned for the details...

Congrats To The Houston Astros... *The Houston Astros are World Series champions for the first time in their 56-year history. This is an amazing feat when you consider just a few years back they were the worst team in baseball. They lost 106 games in 2011. They lost 107 games in 2012. They lost 111 games in 2014. This year they became the best and did it by beating some of baseball's most historic franchises, going through the Red Sox, Yankees and Dodgers. I am extremely happy for the fans of Houston and glad we were all able to see an amazing World Series!*

Nickel Prices Are On Fire Thanks To Electric Car Hopes: *Nickel prices rallied to their highest levels in over two years on Wednesday, as traders expect a growing supply shortfall and stronger demand for stainless steel in China. The metal, which is used to make corrosion-proof stainless steel, has jumped more than 10 per cent this week to \$12,573 a tonne. Since hitting its lowest level in a year during June, nickel has appreciated by over +40%. Sentiment has been buoyed by expectations of higher demand for nickel via electric vehicles, as carmakers seek powerful batteries that use more of the metal. Nickel sulphate, a key ingredient in lithium-ion batteries, will see demand increase by half to 3 million tons by 2030, Saad Rahim, chief economist at Trafigura says. Nickel demand for electric vehicles is expected to grow from 10,000 metric tons this year to 45,000 metric tons in 2020 and about 150,000 metric tons in 2025. While*

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analysts at UBS forecast a deficit of 71,000 metric tons this year, some traders expect that the deficit could be over 150,000 metric tons. They say stocks of the metal that are not visible on the London Metal Exchange have actually fallen more rapidly this year because of steady demand in China. "Everyone's deficit forecasts will go up," one trader said. Following years of low prices, total refined supply of nickel has remained flat over the past few years, and is likely to rise only gradually by the end of the decade. (Sources: Financial Times, Bloomberg)

Saudi Arabia Will Need \$70 Per Barrel Oil To Breakeven Next Year: A new report from the International Monetary Fund (IMF) says that Saudi Arabia will need to see average oil prices spike by about 34% next year just to breakeven. The IMF says the price of crude will need to be at least \$70 per barrel in 2018 if the kingdom is to balance its budget and avoid falling back on its dwindling foreign currency reserves. The data highlights the pressure Saudi Arabia is under when compared with its peers to extend OPEC's current production-cut deal despite two years of deep spending cuts and austerity measures. Riyadh also requires higher prices to bolster the valuation of state Saudi Aramco ahead of an initial public offering or private placement expected by the end of 2018. Riyadh hopes the sale of a 5% stake in the company will raise \$100 billion for the public finances, valuing the producer at \$2 trillion. A Platts analysis of the IMF's "Regional Economic Outlook for the Middle East and Central Asia" also shows Saudi Arabia has fallen further behind its regional neighbors in the race to adjust their economies for lower oil prices and become more efficient. Five out of the seven other Middle East countries in OPEC surveyed by the IMF require average prices below the current \$61 level, while the fiscal breakeven gap with Saudi Arabia could widen to \$12.50/b next year from \$10.40/b in 2016. Saudi Arabia's total reserves including gold in its vaults had dropped by 26% to \$547 billion at the end of 2016 from their peak two years earlier, according to World Bank data. (Source: Platts)

Using Beer For Tax Analogy: I've received this video the past several days from several readers and friends and thought I would pass along. It simply shows how perception can easily be changed and swayed depending on how you look at something. In this example it's how the lower and middle class still don't think the rich are doing their fair share. To see short video Click [HERE](#)



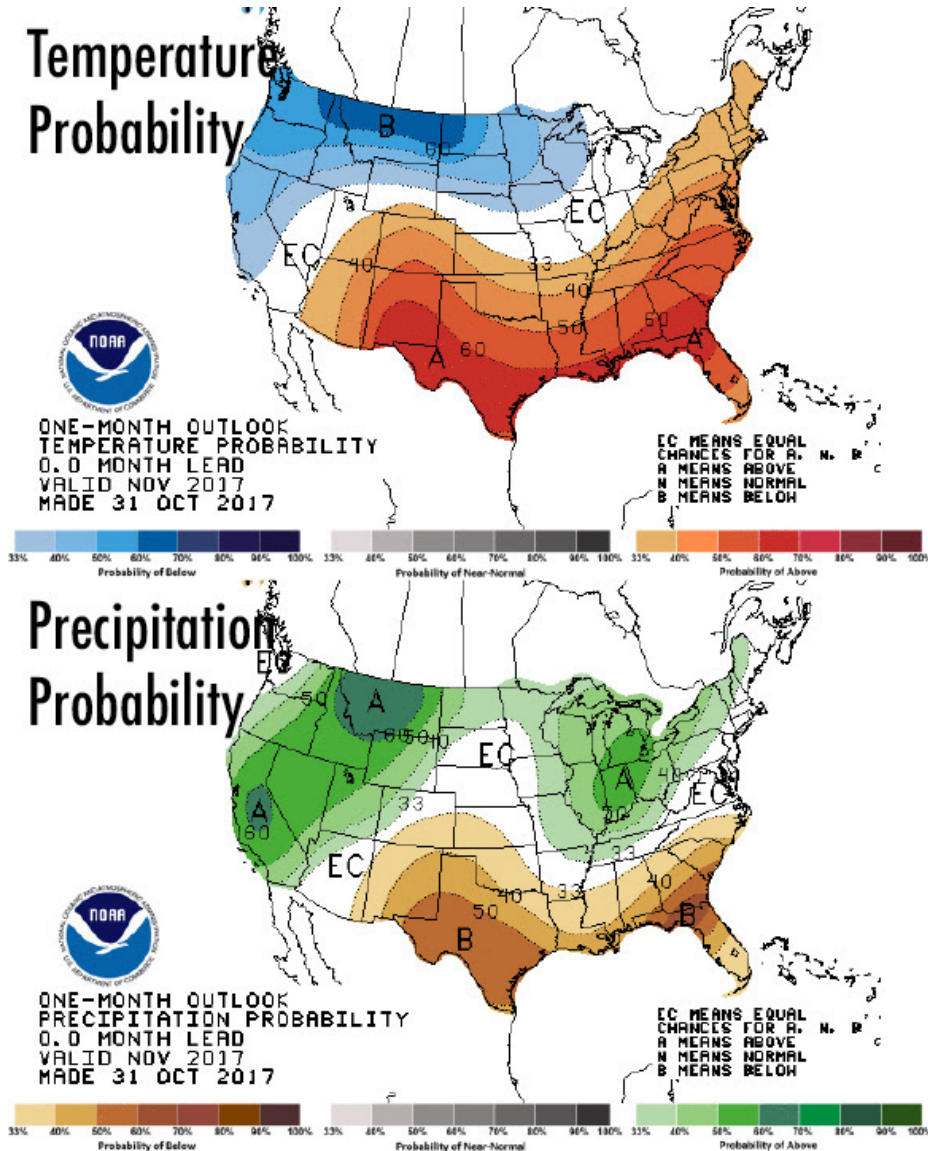
Here are a few of this year's early sponsors



Weather on the Plains has seen mild, breezy conditions return to areas from Nebraska southward. Yesterday saw temperature reach 80 degrees F as far north as the central High Plains. In stark contrast, cold, snowy weather is developing on the northern High Plains, boosting topsoil moisture and hampering winter wheat development. In the Corn Belt, cool, mostly cloudy conditions prevail. Harvest activities continue west of the Mississippi River, but soggy fields along with rain showers in the Ohio Valley are curtailing most fieldwork in the eastern Corn Belt. In the South, warm, dry weather across the lower Southeast is promoting fieldwork, including winter wheat planting and cotton, peanut, and soybean harvesting. During the late week, cold air will continue to settle across the northern Plains and much of the West. Over the weekend, sub-zero temperatures could affect northern portions of the Rockies and High Plains. Initially, heavy snow will accompany the cold surge, especially in the northern Rockies. During the weekend, however, a southward-shifting storm track will result in the season's first significant precipitation event -- including high-elevation snow -- across northern and central California. Farther east, dry weather will prevail through the weekend across the southern Plains and the Desert Southwest, as well as the southern Atlantic region. Elsewhere, periods of rain will affect the mid-South, while weekend precipitation could become heavy -- totaling 1 to 3 inches -- from the eastern Corn Belt into northern New England. The 6 to 10 hasn't changed much from yesterday, calling for below normal temperatures along and northwest of a line from California to Minnesota, while warmer

than normal weather will prevail across the remainder of the U.S., including the South, East, and lower Midwest. Near to above normal precipitation across much of the country will contrast with drier than normal conditions across the northern Plains and the Deep South.

November Outlook Updated: The CPC released their latest outlook for this month and have come up with cooler, wetter weather up North and warmer, drier weather in the South and East. This forecast lines perfectly with a La Nina forecast which usually brings colder and wetter weather to the Northwest, along with dry and mild conditions form the Southwest to the Southeast. The upper Midwest and Northeast tend to see below average temperatures.



Corn bears are talking about respected source, INTL FC Stone, bumping their corn yields estimate higher from 169.2 to 173.7 bushels per acre, ultimately pushing their total corn production number to 14.434 billion bushels. Bears are pointing to improved weather conditions both here at home and in South America. There's clearly more moisture falling across a wide-spread portion of Brazil, Argentina looks as if it will be drying out, while producers here at home, especially in the Western Corn Belt, look as if they will get more of an open-window needed to get a bigger percentage of the corn crop harvested and out of the fields. On the flip side, bulls are talking about continued strength in the ethanol space, when many, including myself thought we might start to see a pullback in production. Weekly ethanol output last week was again north of 1.0 million barrels per day, with monthly production averaging about +4% higher than last year. Unfortunately, ethanol stockpiles are now almost +9% larger than last year. Meaning it will be interesting to see if plants will be able to keep production running this strong into yearend? There's also a few bullish headlines circulating in the export space, as South Korea has been an active buyer in the global market, and many suspect a good portion of the option origin corn they are buying will be sourced from the U.S. Don't forget, the trade is looking for Informa to deliver their latest U.S. and world crop estimates today around 10:30 am CST. the next Thursday the trade will be chewing on the latest USDA estimates.

GROUP



Today In History

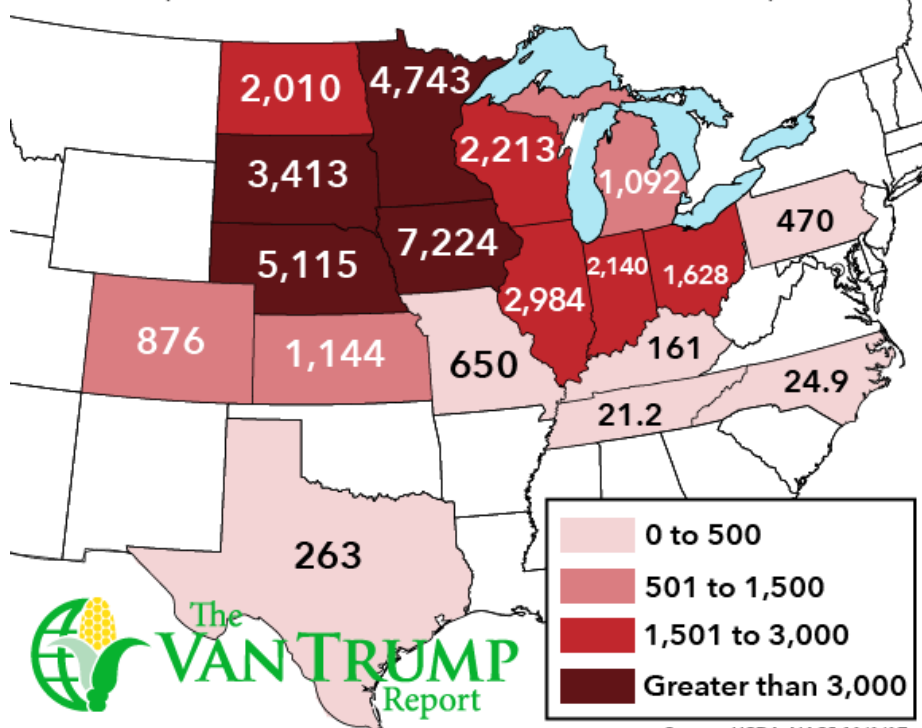


1912, Old West - The XIT Ranch of Texas, once among the largest ranches in the world, sells its last head of cattle. Despite the popular image of the cattle rancher as an independent and self-reliant pioneer, big-city capitalists and stockholders owned many of the most important 19th century ranches. The Chicago capitalists behind the XIT—also known as the Capitol Syndicate Ranch—were trying to get rich by catering to the growing American passion for fresh western beef. They received the land in exchange for financing a state capitol building in Texas. Given the aridity of the region, the Chicago capitalists determined that ranching would be the only profitable use for their new land. They quickly built up a massive but highly efficient cattle-raising operation that stretched over parts of nine Texas counties. At its peak, the XIT had more than 160,000 head of cattle, employed 150 cowboys, and encompassed nearly 3 million acres of the Texas panhandle—an unusually large tract of land even by western standards. As land prices increased in Texas and cattle prices fell, the owners of the XIT realized they could make more money by selling their land. By 1912, the XIT abandoned ranching altogether with the sale of its last herd of cattle. The corporate managers gradually sold the remainder of their property to farmers and smaller ranchers throughout the first half of the 20th century. By 1950, the once-mighty XIT had control of only 20,000 acres.



1947, Aviation - The Hughes Flying Boat—the largest aircraft ever built—is piloted by designer Howard Hughes on its first and only flight. Built with laminated birch and spruce, the massive wooden aircraft had a wingspan longer than a football field and was designed to carry more than 700 men to battle. Howard Hughes was a successful Hollywood movie producer when he founded the Hughes Aircraft Company in 1932. He personally tested cutting-edge aircraft of his own design and in 1937 broke the transcontinental flight-time record. In 1938, he flew around the world in a record three days, 19 hours, and 14 minutes. Following the U.S. entrance into World War II in 1941, the U.S.

Corn Left to Harvest (in thousand acres)



Soybean traders continue to debate the size of the U.S. crop. After the close yesterday, INTL FC Stone, updated their soybean yields forecast and left it "unchanged" at 49.9 bushels per acre. They estimated total soybean production at 4.467 billion. Compared to the USDA who is currently forecasting an average yield of 49.5 bushels per acre and a total production of 4.431 billion bushels. Today the trade will be eager to hear estimates from Informa which should also include global numbers. From my perspective, weather conditions in South America are improving. Some of the wet areas in Argentina seem to be drying out and some of the drier areas in Brazil are seeing more wide-spread moisture. Interestingly, just as many weather forecasters were talking about weeks ago, some of the wetter areas in Argentina and southern Brazil might end up being the areas that ultimately become too dry. And some of the drier areas in central and northern Brazil might end up being too wet. From what I'm hearing, the Brazilian crop is thought to be getting close to +40% planted, and close to on-pace. Argentina still probably has less than 5% of their soybean crop planted. As a producer, I continue view prices above \$10.00 per bushel as opportunities to reduce a portion of our longer-term risk and lock in small profits. As a spec, I continue to feel we are rangebound. Bulls will try and argue the range is somewhere between \$9.50 and \$10.50 per bushel. Bears on the other hand believe we are currently near the high-end of the range and the downside could ultimately be sub-\$9.30 per bushel. I still see no need to get in a major hurry. I'm comfortable as a producer reducing a portion of our longer-term risk. As a spec, I want to fade or play a breakout... I should note, the NOV18 contract is back above \$10.00 this morning.

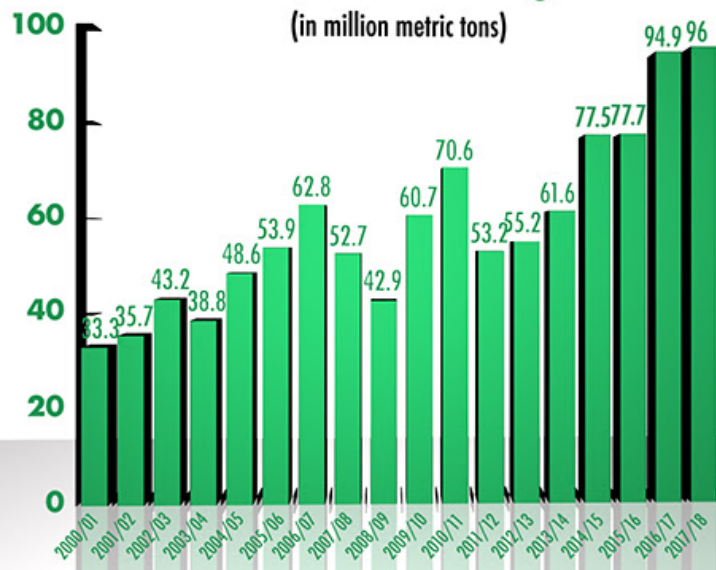
government commissioned the Hughes Aircraft Company to build a large flying boat capable of carrying men and materials over long distances. The concept for what would become the "Spruce Goose" was originally conceived by the industrialist Henry Kaiser, but Kaiser dropped out of the project early, leaving Hughes and his small team to make the H-4 a reality. Because of wartime restrictions on steel, Hughes decided to build his aircraft out of wood laminated with plastic and covered with fabric. Although it was constructed mainly of birch, the use of spruce (along with its white-gray color) would later earn the aircraft the nickname Spruce Goose. It had a wingspan of 320 feet and was powered by eight giant propeller engines. Development of the Spruce Goose cost a phenomenal \$23 million and took so long that the war had ended by the time of its completion in 1946. The aircraft had many detractors, and Congress demanded that Hughes prove the plane airworthy. On November 2, 1947, Hughes obliged, taking the H-4 prototype out into Long Beach Harbor, CA for an unannounced flight test. Thousands of onlookers had come to watch the aircraft taxi on the water and were surprised when Hughes lifted his wooden behemoth 70 feet above the water and flew for a mile before landing. Despite its successful maiden flight, the Spruce Goose never went into production, primarily because critics alleged that its wooden framework was insufficient to support its weight during long flights. Nevertheless, Howard Hughes, who became increasingly eccentric and withdrawn after 1950, refused to neglect what he saw as his greatest achievement in the aviation field. From 1947 until his death in 1976, he kept the Spruce Goose prototype ready for flight in an enormous, climate-controlled hangar at a cost of \$1 million per year. Today, the Spruce Goose is housed at the Evergreen Aviation Museum in McMinnville, Oregon.



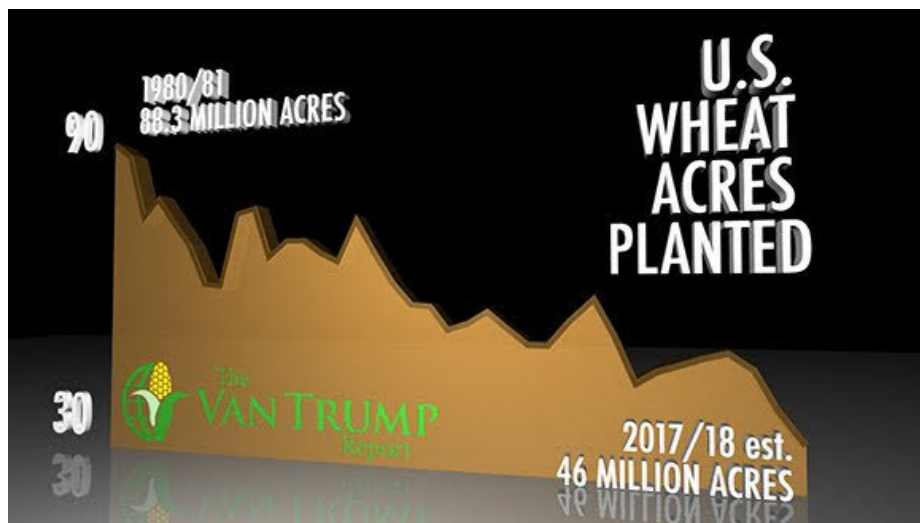
1948, President Harry Truman - In the greatest upset in presidential election history, Democratic incumbent Harry S. Truman defeats his

Republican challenger, Governor Thomas E. Dewey of New York, by just over two million popular votes. In the days preceding the vote, political analysts and polls were so behind Dewey that on election night, long before all the votes were counted, the Chicago Tribune published an early edition with the banner headline "DEWEY DEFEATS TRUMAN." Harry Truman was thrust into the presidency by Franklin D. Roosevelt's death in 1945. Approaching the 1948 presidential election, he seemed to stand a slim chance of retaining the White House. Despite his effective leadership at the end of World War II and sound vision in the confused postwar world, many voters still viewed Truman as an ineffectual shadow of his four-term predecessor. He also antagonized Southern Democrats with his civil rights

Global Soybean Ending Stocks



Wheat bulls are talking more assuredly about fewer U.S. winter wheat acres being planted than the USDA is currently forecasting. Bulls are also pointing to the fact U.S. wheat is fairly competitive in the global marketplace. Unfortunately the bears are seeing continued weakness in European prices and are not in any hurry to release their stranglehold on the market, continuing to point to record global surplus and no major production worries from the world's low-cost suppliers. Of course, Australian production is thought to be down some 13 to 15 MMTs compared to last year, but the trade has already accounted for those headlines. There's some concerns in South America, but again it seems like those headlines are fairly well advertised. Again, there's just not a lot to overly scare the bears or overly excite the bulls.



> **Rabobank Cuts Australian Wheat Export Prospects:** Rabobank lowered the bar on forecasts for Australian wheat exports, and canola output, as it highlighted the setback from frost, as well as dryness, to crops. The bank pegged Australia's ongoing wheat harvest at 20.9 million metric tons, a drop of some -14 million metric tons year on year and a result which would be the weakest in a decade. The USDA estimates the harvest at 21.5 million metric tons. Rabobank estimates available wheat exports at 17 million metric tons, -1 million below the USDA's estimate. (Source: Agrimoney)

initiatives. Most were sure that Dewey would take the White House. In the last weeks before the election, Truman embarked on a "whistle-stop" campaign across the United States in defiance of his consistently poor showings in the polls. He traveled to America's cities and towns, fighting to win over undecided voters by portraying himself as an outsider contending with a "do-nothing" Congress. Truman, a one-time farmer who was elevated to the pinnacle of American politics because of his reputation for honesty and integrity, won the nation's affection, and he narrowly won a second term.

Upcoming Events

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

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

Kevlin's Song of the Week



About the Report

> Chinese Ethanol Push Seen Boosting Imports Of Biofuel And Corn: China's plans to bump up ethanol consumption will create scope for fresh imports of the biofuel, Archer Daniels Midland said, seeing scope for purchases of U.S. corn too. China's plans to roll out so-called E10 – a blend of 10% ethanol in gasoline – will see consumption of the biofuel rise from the current 2.6 million metric tons a year to "about" 12 million metric tons by 2020, said Juan Luciano, the ADM chairman and chief executive. Luciano says the drive will prompt a limited increase in corn ethanol production capacity. However, he said it appeared "difficult to see" why China's biofuels industry - faced with the idea that "by 2025, they're going to be 100% cellulosic" - would build the extra 8 million metric tons of output of conventional bioethanol needed to meet the 12 million metric ton target, because it would only be needed for a couple of years. (Source: Agrimoney)

> Soy Groups Respond To FDA Proposal To Revoke Health Claim: The Soy Nutrition Institute and the American Soybean Association pointed out evidence of soy protein's heart-health benefits after the U.S. Food and Drug Administration on Oct. 30 said it was proposing to revoke a health claim related to soy protein and the reduced risk of heart disease. "In a time when heart disease is the No. 1 cause of death both in the United States and the world, we can't afford to discourage people from taking steps to improve their diets with heart-healthy ingredients," said Ron Moore, president of the American Soybean Association and Illinois farmer. The FDA authorized a health claim for soy protein in October of 1999. In a recent re-evaluation, which included investigating studies published after 1999, the FDA has tentatively concluded the evidence does not support its previous determination and has proposed revoking the health claim. (Source: World Grain)

> Goldman Turns To Hiring Spree For Commodities Trading Fix: Goldman Sachs Group Inc. isn't throwing in the towel on its commodities business just yet. The bank has hired a slate of traders from rivals to turn around that business after it suffered the worst quarterly performance in the firm's history as a public company. Goldman is bolstering the ranks at the roughly 180-person commodities unit after this year's poor performance led to an internal review and sparked some high-profile departures. Goldman has for decades boasted the leading commodities franchise among Wall Street banks. Its revenue from commodities rose from less than \$500 million a year between 1981 and 2000 to a peak of \$3.4 billion in 2009. Goldman Sachs saw its commodities trading revenue plunge by more than \$600 million in the first nine months of this year. (Source: Bloomberg)

> AgBiz Reveals More Signs Of Stress After "Very Challenging Year": The chief executive of ED&F Man, Phil Howell, is leaving the group as part of a senior management reshuffle after "a very challenging year", the company said. The employee-owned agricultural commodities and brokerage group, which was established in 1783, said in a statement that Rafael Muguero will lead the group through the next phase of growth and development as group executive chairman. Earlier this month the company announced that the managing director of its commodities division, Jan Kees van der Wild, had decided to step down. (Source: Reuters)

> Bunge Cuts Agribusiness Earnings Forecast Amid Grains Glut: U.S. agricultural commodities trader Bunge Ltd BG.N on Wednesday cut its 2017 earnings forecast for its core agribusiness unit amid a four-year slump in grain prices due to a series of bumper harvests. The company said it now expects earnings before income tax (EBIT) of \$425 million to \$500 million in its agricultural business, its biggest unit. The company had previously forecast EBIT at the unit to be between \$550 million and \$650 million. Bunge, however, said it expects earnings to improve sequentially in the seasonally strong fourth quarter. Bunge said net income available to shareholders fell to \$84 million, or 59 cents per share, in the quarter ended Sept. 30 from \$116 million, or 83 cents per share, a year earlier. (Source: Reuters)

> Land O'Lakes Reports Increased Q3 Results: Land O'Lakes announced quarterly net earnings of \$47.5 million, up from 2016 third-quarter net earnings of \$8.1 million. Year-to-date net earnings were also higher, at \$270.4 million, on sales of \$10.2 billion, compared with net earnings of \$246.4 million on sales of just under \$10 billion for the same time period in 2016, reflecting an overall increase of approximately 9.8%. Third-quarter sales remained constant at \$2.8 billion for both 2017 and 2016. The company said third-quarter earnings benefited from strong performance in the Crop Inputs and Animal Feed segments, which was partly offset by lower earnings in Dairy Foods and investments in Land O'Lakes SUSTAIN. (Source: Feedstuffs)

> California Wildfire Toll Climbs Even Higher: Insured losses from this month's wildfire disaster in Northern California topped \$3.3B, and the figure will rise, according to the California Department of Insurance. That's a three-fold jump from figures released two weeks ago by the state agency. Insurers affected include Farmers Insurance, CSAA Insurance Group, Travelers, Allstate and Chubb.

> Buffett Streak of 'Free' Insurance Money Seen Ending: The insurance business has been good to Warren Buffett. For decades, his stable of carriers at Berkshire Hathaway Inc. have provided him billions of dollars to invest. They've also turned an underwriting profit every year since 2002. That streak could be coming to an end. On

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

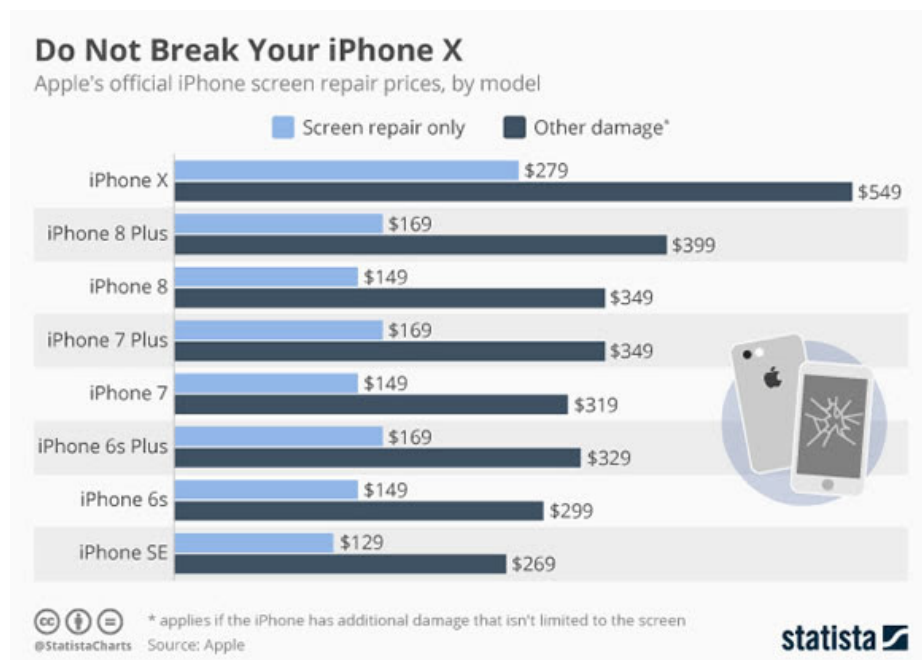
"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found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

Friday, Berkshire is likely to report big claims costs during the third quarter at its insurance subsidiaries because of natural disasters including Hurricanes Harvey and Irma. (Source: Bloomberg)

> SpaceX Doubles Launch Record With Its 16th Mission This Year: SpaceX sent a Korean satellite into orbit on October 30, making its 16th launch of the year. The Falcon 9 rocket's first stage returned to earth about eight minutes after putting the satellite into orbit. I'm told upon landing the rocket on the "Of Course I Still Love You" barge, it was initially covered in flames which were eventually put out. It still amazes me, the technology to land a rocket on a barge in the middle of the ocean!

> Bots Makes Up More Than 50% Of Internet Traffic: Of that, the "bad" bots used to spread the fake news, make of roughly 29%. Not all bots are bad of course, as many are used to make your search experience more accurate. But, in order to offer and maintain free speech, the big three: FB, Twitter, and Google have made it easy for users all over the world to get on their platforms which of course opens the door for the bad guys.

> Do NOT Break Your iPhone! When the iPhone X, Apple's re-designed anniversary iPhone, officially launches on Friday, we'll see the familiar images of people lining up in front of Apple Stores around the world to be among the first ones to get their hands on the new device. Despite the X's lofty price – it starts at \$999 for the smaller 64 GB model, making it the most expensive iPhone to-date – it's safe to say that Apple could sell a lot more units on Friday than it can possibly produce by then. When the iPhone X became available for pre-order last Friday, it was sold out within minutes and the estimated delivery time currently stands at 5 to 6 weeks. To all those quick or lucky enough to get an iPhone X anytime soon, our advice is: do not drop it. According to Apple's official support website, the company's latest smartphone is just as expensive to repair as it is to acquire. Repairing the screen alone will set you back \$279 or nearly twice what you pay for a new iPhone 8 screen. If you're unlucky enough to break more than just your screen, you'll be out \$549 to get your phone fixed. (Source: Statista)



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.



Southeast Missouri - We are down in the bootheel and raise corn, beans, wheat and a little rice. There are a lot of folks around me that grow cotton but we have not had any for a long time. We finished up harvest two nights ago at midnight. It feels good to have harvest behind us for a year. We have avoided major weather issues this year and that has really allowed both corn and beans to be stress-free all year. We have very flat land in these parts and do a lot of flood irrigation. Last year was a disaster corn crop as we got about 9" of rain on corn that was knee high. It was soon completely under water for some time. We only averaged 100bpa after that. We did have some replant but even with that, we are having a bumper crop with most fields 230bpa to 240bpa,

with the whole farm average being 200+bpa. Our second crop beans behind our wheat are making between 65bpa and 70bpa. We will typically be 60bpa across all the farms so when we get up above 70bpa things are good.

Northeast Nebraska - We are in the middle of harvest and last week had some high winds that seemed to do some major damage around here. There are a lot of fields that have a majority of ears laying on the ground. We had 50mph gusts that shook the plant causing ears to fall off. It is hard to tell what the damage is but certain varieties did not perform well and it will be a reduction of 10bpa to 20bpa. We took out some early wet corn that made 260bpa across the scale. The irrigated actually performed worse than the dryland. We are on some of our better ground that will normally make 260bpa to 270bpa but this year it is only making 220bpa to 230bpa. I have heard there are quite a few guys that have seen numerous fields with ears on the ground. The beans came in at 65bpa after seeing a few disease problems, with white mold. We did have some hail that didn't help. We have seen some of the better ground make up to 75bpa.

Southeast Texas - Things are starting to get back to normal for a lot of the folks affected by the hurricanes. We were very fortunate as we were on the right side of the river and didn't have any flooding where we are at. We run a 2,300 head dairy and supply ourselves 60% of our silage. We got some great yields on our irrigated corn this year with nearly 260bpa. We also have some dryland wheat and milo and leave a field in CRP. Our water supply has been dropping down here significantly faster than it will ever refill. Right now it is regulated but that comes second to the costs of utilities to get it out of the ground.

CROSSING WIRES

A place to share intelligent thoughts...

Monsanto, BASF Weed Killer Complaints Strain U.S. States: U.S. farmers have overwhelmed state governments with thousands of complaints about crop damage linked to new versions of weed killers from Monsanto and BASF. The United States has faced a weed-killer crisis this year caused by the new formulations of dicamba-based herbicides, which farmers and weed experts say have harmed crops because they evaporate and drift away from where they are applied. Monsanto and BASF say the herbicides are safe when properly applied. Read more [HERE](#).

U.S. And Russian Military Make Show Of Force: Both the United States and Russia sent nuclear-capable bombers on a mission near North Korea as tensions mount over dictator Kim Jong Un's threats. A U.S. B-2 stealth bomber flew from Whiteman Air Force Base in Missouri to the Pacific area over the weekend, according to The U.K. Sun. U.S. Strategic Command said in a statement the long-range mission was carried out to "familiarize aircrew with air bases and operations in different geographic combatant commands, enabling them to maintain a high state of readiness and proficiency." Read more [HERE](#).

Why Area Codes Seem To Have No Rhyme Or Reason: From a distance, at least, there seems to be no rhyme or reason to the way we got our telephone numbers. And it's becoming even less clear thanks to the increasing sophistication of the phone technologies we use. In particular, the layout of the area code system seems to have been picked at random, with no thought as to how the broader system should work. When the system - formerly known as the Numbering Plan Areas (NPAs) - was first put in place, only 86 codes were assigned. Bell put the system into place starting in the 1940s as a replacement for a far-more-complicated system that relied on operators to manually move calls through the system. The phone company wanted to make it possible for anyone to call anyone, anywhere, in an automated way. Read more [HERE](#).

Funny People Are More Intelligent Than Humorless Peers: Albert Einstein attributed his brilliant mind to having a child-like sense of humor. Indeed, a number of studies have found an association between humor and intelligence. Researchers in Austria recently discovered that funny people, particularly those who enjoy dark humor, have higher IQs than their less funny peers. They argue that it takes both cognitive and emotional ability to process and produce humor. Their analysis shows that funny people have higher verbal and non-verbal intelligence, and they score lower in mood disturbance and aggressiveness. Not only are funny people smart, they're nice to be around. Evidence suggests that having a good sense of humor is linked to high emotional intelligence and is a highly desirable quality in a partner. Evolutionary psychologists describe humor as a "heritable trait" that signals mental fitness and intellectual agility to prospective mates. Read more [HERE](#).

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



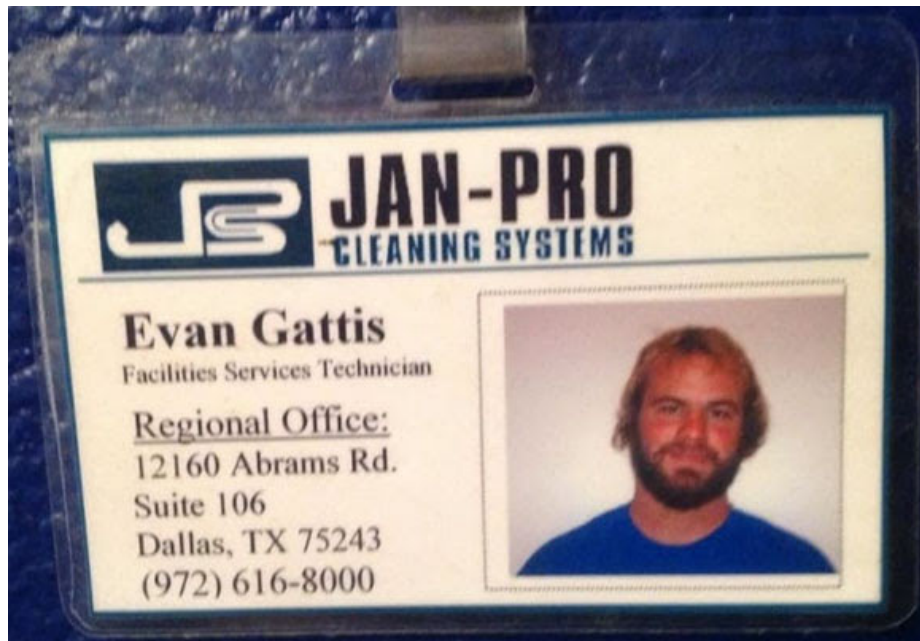
Cheesy Brat Casserole

CLICK TO SEE RECIPE

Hit the Kentucky Bourbon Trail and Sip the World-Famous American Spirit: *If you're a bourbon drinker — or want to learn about the spirit — the Kentucky Bourbon Trail should be on your list. Started in 1999 by the Kentucky Distillers' Association, the trail consists of 10 distilleries, each offering tours and tastings of Kentucky's signature spirit. If you're thinking of heading to the Bluegrass State to sample its world-famous bourbon, Popular Mechanics has compiled a list of what you need [HERE](#).*

Check Out Northface's Release Of A Must See Urban Skiing Short Film: *There are places where you just shouldn't be able to ski: across busy intersections, over school buses, on the back of a tow truck. Apparently, pro freeskier Tom Wallisch doesn't know this. If there's a tiny amount of snow blanketing his surroundings (or sometimes, even if there's not), Wallisch can turn it into a run. You'll want to see this 5-minute film for sure by clicking [HERE](#).*

How A 26-year-old Former Janitor Went From Trying To Kill Himself To The World Series: *In case you haven't heard the story of Houston Astro's, Evan Gattis, make certain you pay close attention. Gattis was a former janitor, who, over four years, meandered through life before signing for a \$1,000 bonus with the Atlanta Braves. Gattis says, "I was in a mental hospital in 2007, I couldn't sleep for an entire week, and I knew something was wrong with me. So I got admitted. I was so depressed, all I could think about was killing myself. I wanted to kill myself for a long time." He was diagnosed with clinical depression and anxiety, through medication, therapy and time, he eventually discovered what he wanted out of life. Gattis, 6-4, 235 pounds, openly wept when Braves manager Fredi Gonzalez told him at the end of spring training that he made the team. Gattis says he started abusing alcohol and marijuana during his senior year of high school. He sank into a deep hole, torn by his parents' divorce, his father says, and, his mother says, self-imposed pressure to excel. Gattis says he spent the next four years after high school working as a car valet in Dallas; a ski lift operator at the Eldora Mountain Resort in Colorado and Taos, N.M.; a pizza cook at Nick-N-Willy's in Boulder, Colo.; a housekeeper at the Abominable Snowmansion hostel in Taos, and another in Flagstaff, Ariz.; a machinery operator at Kimbrell's Kustom Machine Shop in Garland, Texas; a golf cart attendant at the Firewheel Golf Course in Garland and a janitor for Jan-Pro Cleaning Systems in Plano, Texas. There might have been other jobs, but he can't keep track. "Months would go by when I wouldn't hear from him," says his mother, Melynda Gattis, 50, an assistant escrow officer at a Dallas law firm. "But I wasn't really worried about him. I knew he'd be OK. I just wanted him to be happy. "I just never thought he'd find that happiness playing baseball." Gattis says, "When I look back, I'd probably do everything different. But I don't regret any of it. There's supposed to be a reason for everything, right?" To read more Click [HERE](#)*





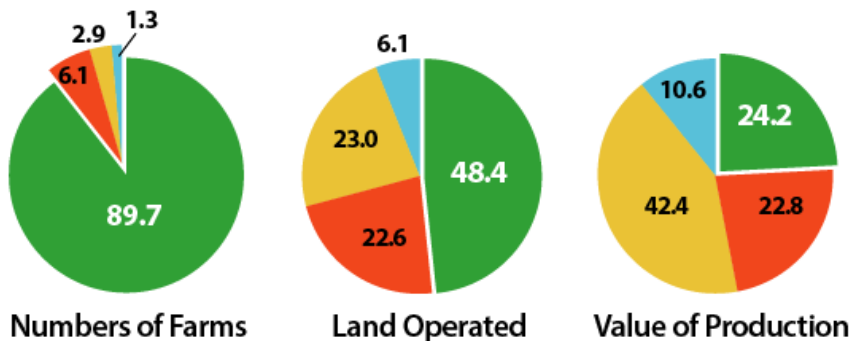
Family Farms Continue to Dominate U.S. Agriculture

Family farms remain an essential feature of agriculture in the U.S. In fact, family farms still make up close to 99% of America's 2.1 million farms and 89% of all agricultural production. While only 24% of the Nation's agricultural production was attributed to "small" family farms in 2015, these "small" farms produced more eggs and hay than mid-size or large-scale family farms. Together, mid-size and large-scale family farms accounted for 65% of total U.S. agricultural production, but consisted of only 9% of the total farms. In other words, there are a ton of "small" farms across the U.S., but the mid-size and large-scale farms are doing most of the production, outside of eggs and hay. Non-family farms, which account for 1% of our nation's farms, produces about 11% of our total agricultural production. All data since 1991, consistently shows U.S. agricultural production shifting to more of the million dollar farms -- those either family owned or non-family owned with gross cash farm income (GCFI) of \$1 million or more. In fact, million dollar farms now account for half of all U.S. farm production, up from just one-third in 1991. Unfortunately, when those not in our industry think of farms on this scale, they immediately think they are "corporate owned" and immediately have a negative connotation. However, as data shows, still over 90% of these million dollar farms are family owned and operated. Bottomline, family farms continue to dominate the farm count in the U.S. and most all of their owners continue to work towards being great stewards of the land and passing down their farms and passion for agriculture to their children. I wish the mainstream media would do a better job of representing the medium and large-scale family farmers. For more information on this, check out the USDA's Economic Research Service report [America's Diverse Family Farms: 2016 Edition](#).

Family Farms Dominate U.S. Agriculture, 2015

Percent of U.S. farms, acres operated, or value of production

■ Small family farms ■ Large-scale family farms
■ Midsize family farms ■ Nonfamily farms



Source: USDA, Economic Research Service and NASS, 2015 ARMS



Samuel Adams' Latest High-End Beer Is Banned In 12 States

Samuel Adams just released the latest iteration of its "extreme barrel-aged" beer Utopias. The brewer began the tradition back in 2002 and now launches a new Utopias every two years, making this year's vintage the 10th. It also happens to be one of the world's most expensive beers at \$199 a bottle. At 28% alcohol by volume (abv), it is one of the most potent beers in the world and has subsequently been banned in at least 12 U.S. states! The beer is made with three varieties of noble hops - Spalt Spalter, Hallertau Mittelfrueh and Tettnang, by way of a complicated process of barrel-aging and blending. Once the beer is brewed, special yeasts are added, one strain of which is typically used in making champagne. The mix is then divided up, with part of it placed in single-use bourbon casks from the Buffalo Trace Distillery for up to a year, while the rest is aged in a variety of barrels including Bourbon, White Carcavels, Ruby Port and, for the first time, Aquavit barrels - a Scandinavian spirit. Throughout the year, the brewers practice "barrel turns," meaning beer is moved from one barrel to another, to continually impart complex flavors from the barrels to the brew. The final brew is created by blending this freshly brewed beer with older, barrel-aged beers, including a 24-year-old Triple Bock and 17-year-old Millennium, as well as previous Utopias vintages and a variety of barrel-aged blends. This year's final blend included a portion of Kosmic Mother Funk, a one-of-a-kind Belgian ale that ferments for two years in Hungarian Oak. Finally, after they decided on the perfect blend, the mixture is finished in Moscat barrels. Obviously, this is not your average everyday beer! Sam Adams describes it as "reminiscent of a rich vintage Port, old Cognac, or fine Sherry with notes of dark fruit, subtle sweetness, and a deep rich malty smoothness." Due to its staggering ABV, the brewer recommends sipping just a one-ounce taste in a sitting. For comparison's sake, the average alcohol content in a typical craft beer is 5.9%. Only 13,000 bottles of Utopia have been produced for this year. Alabama, Arkansas, Georgia, Mississippi, Montana, North Carolina, South Carolina, Tennessee, Vermont and Washington have all banned its sale due to the high alcohol content, but with the limited supply, it may prove nearly impossible to find even in the states that allow its sale! Out of curiosity, I went and tracked down some of the other high ABV beers that have been released this year and listed them below. They are all considered highly collectible, so if you're interested, it could be extremely tough - and expensive - to track any of them down! (Sources: Proof, SimpleMost)

BrewDog, Tactical Nuclear Penguin - 32% ABV
De Struise Brouwers, Black Damnation VI, Messy - 39% ABV
BrewDog, Sink The Bismarck - 41% ABV
Schorschbräu, Schorschbock 42% - 42% ABV
Schorschbräu, Schorschbock 57% - 57% ABV
Brewmeister, Armageddon - 65% ABV
Brewmeister, Snake Venom - 67.5% ABV



Stranded At Sea For Nearly Six-Months... As Their Dogs Help Them Survive

Jennifer Appel and Tasha Fuiava were drifting in the Pacific Ocean for nearly six months before someone finally received their distress call, an ordeal they say they would not have survived if their dogs had not been with them. At the end of May, the pair, along with their dogs Zeus and Valentine left Honolulu on their sailboat. Their destination was Tahiti, and they expected it to take no more than month to make the 2,600 mile journey. Almost immediately after setting sail, a storm packing 50 to 70-mile-per-hour winds damaged their sails and mast and flooded the boats engine. The pair believed they could still make it to land, believing they were on course for Tahiti. Two months into the trip, they decided it was time to start issuing daily distress calls but for months, no ships were within range. They fired off 10 signal flares, to no avail. Their only cellphone had washed overboard during the storm, but they were well out of cell range anyway. They also had a new VHF radio, a ham radio, a weather satellite and a radio telephone. All means of communication failed to work, something Appel said, "exceeds Murphy's Law." Appel credited their survival in part to the veteran sailors in Hawaii who had warned them to prepare well for their journey. Appel says they were advised to pack every square inch of the boat with food, and once they thought they had enough, shove in some more. It's a good thing, too. They thought they had packed enough to last a year but with the six-month mark approaching they discovered they had gone through 90% of it. The dogs' food had run out and they were sharing theirs with the pets. They also had a water purifier onboard. One thing Appel says did not fail them was their dogs, which she says gave them the willpower they needed to keep going, even at their lowest moments, the dogs would never let us give up. On October 25, the stranded sailors finally got the attention of a Taiwanese fishing boat, which alerted the U.S. Coast Guard. The next day, the pair and their dogs climbed aboard the USS

Ashland. Appel believes the rescuers found them just in time. "I honestly believed we were going to die within the next 24-hours . . . When I saw the gray boat on the edge of the horizon, my heart leapt because I knew that we were about to be saved." (Sources: Associated Press, Today)

With the story told above, I felt it was a good time to pass along "Why Dogs Live Longer Than Humans", from the perspective of a 6-year old. For those who have read it before, I hope you enjoy once again.

Being a veterinarian, I had been called to examine a ten-year-old Irish Wolfhound named Belker. The dog's owners, Ron, his wife Lisa, and their little boy Shane, were all very attached to Belker, and they were hoping for a miracle.

I examined Belker and found he was dying of cancer. I told the family we couldn't do anything for Belker, and offered to perform the euthanasia procedure for the old dog in their home.

As we made arrangements, Ron and Lisa told me they thought it would be good for six-year-old Shane to observe the procedure. They felt as though Shane might learn something from the experience.

The next day, I felt the familiar catch in my throat as Belker 's family surrounded him. Shane seemed so calm, petting the old dog for the last time, that I wondered if he understood what was going on. Within a few minutes, Belker slipped peacefully away.

The little boy seemed to accept Belker's transition without any difficulty or confusion. We sat together for a while after Belker's Death, wondering aloud about the sad fact that animal lives are shorter than human lives.

Shane, who had been listening quietly, piped up, "I know why."

Startled, we all turned to him. What came out of his mouth next stunned me. I'd never heard a more comforting explanation. It has changed the way I try and live.

He said, "People are born so that they can learn how to live a good life — like loving everybody all the time and being nice, right?" The Six-year-old continued,

"Well, dogs already know how to do that, so they don't have to stay as long."

Live simply, Love generously, Care deeply and Speak kindly.

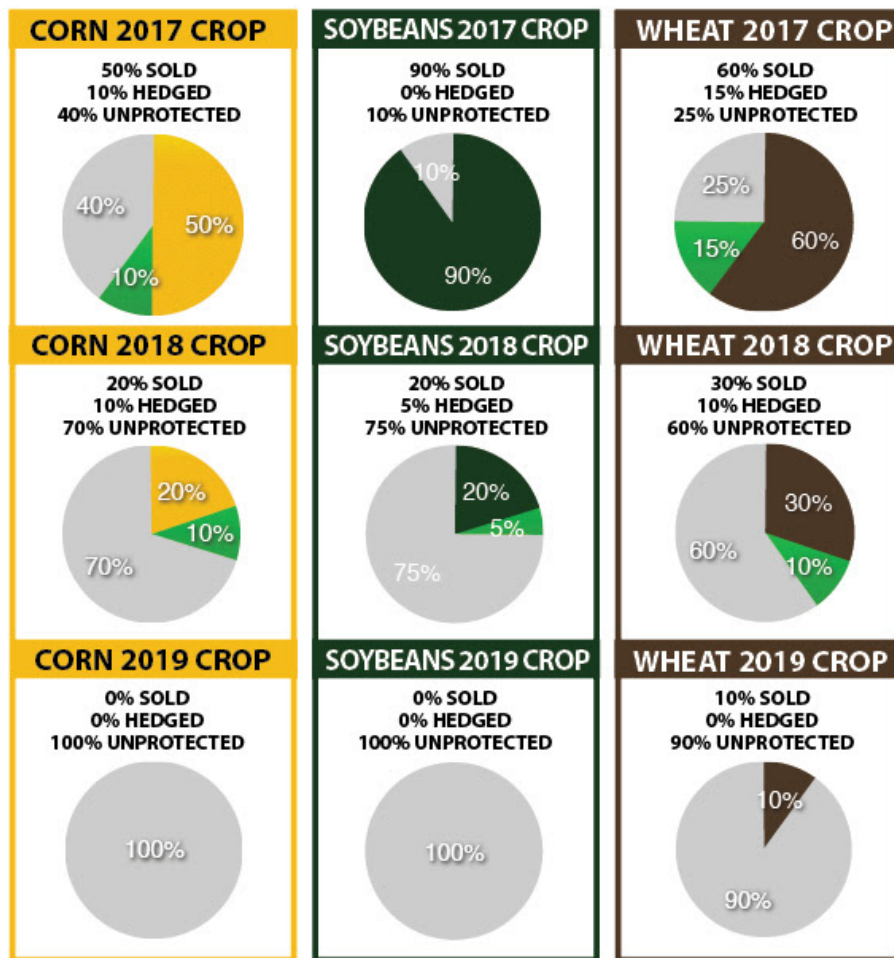
Remember, if a dog was the teacher you would learn things like:

- *When loved ones come home, always run to greet them.*
- *Never pass up the opportunity to go for a joyride.*
- *Allow the experience of fresh air and the wind in your face to be pure Ecstasy.*
- *Stretch before rising and take a few naps.*
- *Run, romp, and play daily.*
- *Thrive on attention and let people touch you.*
- *Avoid biting when a simple growl will do.*
- *On warm days, stop to lie on your back on the grass.*
- *On hot days, drink lots of water and lie under a shady tree.*
- *When you're happy, dance around and wag your entire body.*
- *Delight in the simple joy of a long walk.*
- *Be loyal. Never pretend to be something you're not.*
- *If what you want lies buried, dig until you find it.*
- *When someone is having a bad day, be silent, sit close by, and nuzzle them gently.*

ENJOY EVERY MOMENT OF EVERY DAY!



CASH SALES & HEDGING TOTALS



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