

## GOOD MORNING: 11/08/17 Farm Direction - VanTrump Report

1 message

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

Wed, Nov 8, 2017 at 7:00 AM



"Realistic people rarely ever accomplish the impossible. Only unreasonable people do."  
- Steve Blank

WEDNESDAY, NOVEMBER 08, 2017

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**Morning Summary:** With just 30-trading days left in 2017, I'm already starting to see an increase in the "rotation" of funds. There's obviously a bit more "window-dressing" coming into play as larger traders start dumping some of their losers and working to better profile the winners. The benefit of oil rallying might also start pouring over into other asset classes. Economic data is extremely light today with only the EIA's weekly Petroleum Status Report on the calendar. Data released yesterday showed Consumer Credit climbed more than expected in September, surging by +\$20.8 billion to a record \$12.8 trillion. That is a big number, but keep in mind it is not adjusted for inflation and economists say household debt remains below past levels in relation to the size of the overall U.S. economy. Revolving credit outstanding, which is mostly credit cards, increased at a +7.7% annual pace in September. Non-revolving credit outstanding, which is composed of mainly student and auto loans, rose at a +6.3% annual pace. Earnings today are also fairly quiet but a few releases of note include Humana, Monster Beverage and Regeneron. Oil prices have been on a steady rise this week on worries about political tensions inside Saudi Arabia and with other Middle Eastern neighbors, especially Lebanon and Iran. However, both Brent and WTI futures seem to have stalled as traders await any further developments. In Washington, some concerns are being raised about the GOP's tax reform plan. A report from the Joint Committee on Taxation showed that 20% of taxpayers would pay more by 2027. The news has Republicans in the Senate already pushing their House counterparts to make significant changes. That, in turn, is raising questions as to whether the GOP will be able to push the legislation through by the end-of-the-year. President Trump today is in China where he is sure to discuss trade and problems involving North Korea with Chinese President Xi Jinping. Trump has often pointed to China being an "unfair" trade rival. Trump also has expressed how China's role is key in resolving the ongoing standoff with North Korea over its nuclear ambitions. In South Korea yesterday, President Trump expressed his belief that U.S. led international efforts to pressure the North are "making a lot of progress." He also said that he hopes North Korea will "come to the table", implying he has warmed up to the idea of trying to resolve the situation through more peaceful diplomatic measures. At the same time, he made it clear that military action was still an option, though he did not get into any details.

**Twitter Expanding To 280-Characters:** After experimenting with longer tweets in September, Twitter is now doubling its longstanding 140-character count to all languages where "cramming" was an issue. "In addition to more Tweeting, people who had 280 characters received more engagement, got more followers, and spent more time on Twitter," the company said in a blog post. Users will see the change roll out over the next few days. (Source:SeekingAlpha)

**EIA Lifts 2018 World Oil Demand Forecast:** The U.S. Energy Information Administration on Tuesday raised its 2018 world oil demand growth forecast by 80,000 barrels per day (bpd) to 1.66 million bpd. For 2017, the agency cut its oil demand growth estimate by 40,000 bpd to 1.31 million bpd. The EIA estimates U.S. crude production in October fell by -90,000 bpd to 9.3 million bpd. Crude oil production in the Gulf of Mexico averaged 1.4 million bpd in October, which was 260,000 bpd lower than the September level. The lower production reflected the effects of Hurricane Nate. At the time of publication, most oil production platforms in the Gulf of Mexico had returned to operation following the hurricane, and EIA forecasts overall U.S. crude oil production will continue to grow in the coming months. EIA forecasts total U.S. crude oil production to average 9.2 million bpd for all of 2017 and 9.9 million bpd in 2018, which would mark the

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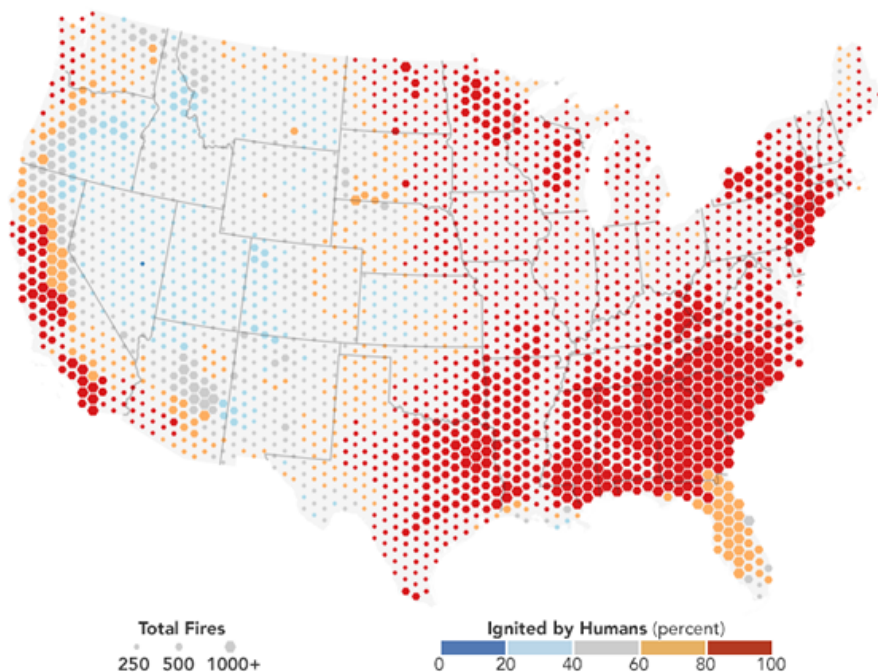


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highest annual average production, surpassing the previous record of 9.6 million bpd set in 1970. West Texas Intermediate (WTI) crude oil prices are forecast to average almost \$5 per barrel lower than Brent prices in 2018. After averaging \$2 per barrel lower than Brent prices through the first eight months of 2017, WTI prices averaged \$6 per barrel lower than Brent prices in September and October. The spread between Brent and WTI prices is expected to remain at this level through the first quarter of 2018 before narrowing to \$4 per barrel during the second half of 2018. (Source: U.S. EIA)

**Banks Are Warning Trump Team Of Brexit "Point Of No Return":** A group of large financial institutions with big London operations, led by Wall Street's pre-eminent banks, have told the U.S. commerce secretary that Britain's unstable government and slow progress in Brexit planning may force them to start moving thousands of jobs out of City in the near future. The warnings came during a closed-door meeting between executives from the banks, which included JPMorgan Chase, Goldman Sachs and HSBC, and Wilbur Ross during the U.S. commerce secretary's visit to London, according to people briefed on the discussions. The sources said the banks were particularly concerned by the failure of Britain to provide clarity over whether it will secure a transition deal to smooth the changing regulatory regime after the U.K. leaves the E.U. They warned they had even less clarity over what a final Brexit deal will look like. Absent clarity from the government about post-Brexit plans, the executives said jobs would move back to the U.S. or to other European capitals as banks begin to enact their worst-case contingency plans, the sources said. The banks warned Mr Ross that a "point of no return" is fast approaching when they must start moving jobs, capital and infrastructure in order to meet the March 2019 Brexit deadline if no transitional deal is secured. (Source: Financial Times)

**Humans Start The Majority Of Wildfires, Not Lightning:** Humans—not lightning—trigger most wildfires in the United States. According to a study published in the Proceedings of the National Academy of Sciences, 84 percent of the blazes that firefighters were called to fight between 1992 and 2012 were ignited by people. Some common ways that people start fires include discarding cigarettes, leaving campfires unattended, and losing control of prescribed burns or crop fires. Sparks from railroads and power lines, as well as arson, also routinely cause wildfires. University of Colorado scientists came to their conclusion after analyzing reports of 1.6 million wildfires from a comprehensive's fire occurrence database maintained by the U.S. Forest Service. As shown by the map below, almost all (80 percent or more) of the fires in the Mediterranean ecosystems of central and southern California, the temperate forests of the eastern United States, and the temperate rainforests of the Pacific Northwest are caused by humans. In contrast, lightning started the largest percentage of fires in the forests of the Rocky Mountains and the Southwest. In Florida, which is moist but has a great deal of lightning, between 60 and 80 percent of wildfires were caused by people. (Source: NASA)



**Weather** continues with persistent rains disrupting fieldwork across the Corn Belt, especially in the eastern regions. Cool, dry weather covers the remainder of the Midwest. On November 5, the corn harvest was more than 10 percentage points behind

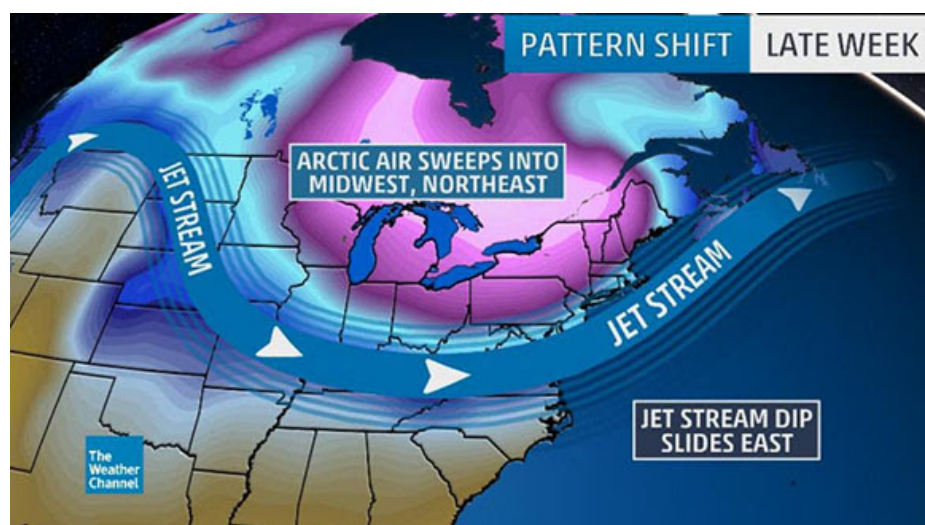
Here are a few of this year's early sponsors





the 5 year average in all Midwestern States except Illinois, Michigan, and Missouri. On the Plains, cold, mostly dry weather prevails. However, some patchy light snow is developing across the central Plains. Sub-zero temperatures were noted early today in parts of Montana and North Dakota. In South Dakota, nearly half of the winter wheat was rated in poor to very poor conditions (43%). Some of the northern Plains' wheat is poorly established due to drought followed by sudden cold. In the South, lingering warmth is confined to areas from the western Gulf Coast region to the southern Atlantic States, where harvest efforts continue for a variety of summer crops such as cotton, peanuts, and soybeans. During the next few days, cold air will continue to settle across the South, while warmth will return across much of the West. By Friday, above normal temperatures will spread as far east as the High Plains, while very cold air will engulf the Northeast. Meanwhile, showers in the vicinity of a cold front will linger across the South for a few days. Additional rainfall could total an inch or more from central Texas to the Middle and the southern Atlantic States. Mostly dry weather will cover the remainder of the country, except for late-week snow squalls downwind of the Great Lakes.

**Colder Weather Is Coming:** *By late week, a pronounced southward dip in the jet stream will develop over the Midwest and Northeast. This will bring a blast of arctic air to portions of the northern tier late this week into the weekend. The result will be the coldest air so far this season in parts of the Midwest and Northeast, including the possibility of record lows. This will allow for little drying of wet fields, creating even more fieldwork delays across the Midwest.*



**Corn** can do very little to get out of its own shadow. Prices in the DEC17 contract have stayed at or around \$3.50 per bushel for the past 60-days. Essentially this market has traded between \$3.40 and \$3.60 per bushel since mid to late-August. Bears believe the USDA is about to raise their average yield estimate in tomorrow's report and in turn create an even more burdensome ending stock number. Regardless of the USDA's next step, you have to imagine U.S. ending stock will remain burdensome at levels north of 2.3 billion bushels. World stocks might also inch higher to levels north of 201 MMTs. If that's not enough, there's now rumpus circulating that Argentina might soon pass legislation that gives farmers a tax break on fertilizer, which could ultimately increase their corn acres. Back a few months ago, I heard that fertilizer demand in Argentina could show double digit growth for the 2017/18 crop year. Weather will obviously be the ultimate "wild-card" in determining Argentina corn acres, but as I sit here today it feels like the acres are getting larger not smaller. From a traditional fundamental perspective, the upside seems fairly limited, especially with early talk that U.S. producers are also going to grow more corn next year. As a producer, I continue to look for late-Q1 of 2018 as perhaps my next opportunity to reduce additional risk. Keep in mind, we only have a bout 13 or 14 actually trading days left before First Notice Day in the DEC17 contracts (Nov 30th), depending on how you view the Thanksgiving holiday. With domestic and global supplies extremely burdensome, there just doesn't seem to be enough time on the clock in 2017 to generate the headlines needed to sustain an extended rally north of \$3.75. And yes I realize that the funds are holding a near record short-position and could provide an upside spark if flushed to the sideline...

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#### Today In History




**1895, X-Rays** - Physicist Wilhelm Conrad Röntgen (1845-1923) becomes the first person to observe X-rays, a significant scientific

advancement that would ultimately benefit a variety of fields, most of all medicine, by making the invisible visible. Röntgen's discovery occurred accidentally in his Würzburg, Germany, lab, where he was testing whether cathode rays could pass through glass when he noticed a glow coming from a nearby chemically coated screen. He dubbed the rays that caused this glow X-rays because of their unknown nature. X-rays are electromagnetic energy waves that act similarly to light rays, but at wavelengths approximately 1,000 times shorter than those of light. Röntgen holed up in his lab and conducted a series of experiments to better understand his discovery. He learned that X-rays penetrate human flesh but not higher-density substances such as bone or lead and that they can be photographed. Röntgen's discovery was labeled a medical miracle and X-rays soon became an important diagnostic tool in medicine, allowing doctors to see inside the human body for the first time without surgery. In 1897, X-rays were first used on a military battlefield, during the Balkan War, to find bullets and broken bones inside patients. Scientists were quick to realize the benefits of X-rays, but slower to comprehend the harmful effects of radiation. Initially, it was believed X-rays passed through flesh as harmlessly as light. However, within several years, researchers began to report cases of burns and skin damage after exposure to X-rays, and in 1904, Thomas Edison's assistant, Clarence Dally, who had worked extensively with X-rays, died of skin cancer. Dally's death caused some scientists to begin taking the risks of radiation more seriously, but they still weren't fully understood. During the 1930s, 40s and 50s, in fact, many American shoe stores featured shoe-fitting fluoroscopes that used to X-rays to enable customers to see the bones in their feet; it wasn't until the 1950s that this practice was determined to be risky business. Wilhelm Röntgen received numerous accolades for his work,

# Global Corn Production

(in million bushels)

<b>United States</b> 14,280	<b>Brazil</b> 3,740	<b>EU</b> 2,338
	<b>Argentina</b> 1,653	<b>India</b> 984
	<b>Ukraine</b> 1,063	<b>Russia</b> <b>Canada</b>
	<b>Mexico</b> 1,031	

**World Total: 40,895.32 million bushels**

Source: USDA, FAS, PS&D, WASDE

**Soybean** bulls continue to hope and believe the USDA will reduce their current average yield forecast in tomorrow's report. In return both the domestic and global balance sheet could become a bit less burdensome, placing more pressure and importance on South American weather. Hence the bullish argument for a bit more weather related risk-premium needing to be added, especially with a La Niña pattern brewing. On the flip side, the bears argue that both domestic and global supplies are more than adequate, South American weather is cooperating, and U.S. exporters appear to be losing some additional market share to South America, meaning that overall 17/18 demand for U.S. beans might not be as strong as the USDA is currently forecasting. From a larger macro perspective, I can argue that continued strength and support in crude oil might eventually start spilling over into other asset classes. With soybeans having really the only fundamental story or potential "bullish story", it seems to be garnering the most attention of the row crop markets. I'm hoping this continues to keep the downside fairly limited. If crude oil prices start to fall under more heavy pressure, all bets are off on if the larger macro players will still have a vested interest in soybeans? Bottom-line, we have strong global growth, strong buying from China, strength in oil and some uncertainty in regard to South American weather that's keeping the bull intrigued. More short-term, we also have continued talk that the USDA might lower their U.S. yield estimate and slightly reduce ending stocks. As a producer and a spec I continue to stay extremely patient. Spread trading long soybeans vs. short corn, wheat or another ag market still seems to be the most popular song and dance.

including the first Nobel Prize in physics in 1901, yet he remained modest and never tried to patent his discovery.



**1960, JFK** - John F. Kennedy becomes the youngest man ever to be elected president of the United States, narrowly beating Republican Vice

President Richard Nixon. He was also the first Catholic to become president. The campaign was hard fought and bitter. For the first time, presidential candidates engaged in televised debates. Many observers believed that Kennedy's poised and charming performance during the four debates made the difference in the final vote. Issues, however, also played a role in the election, and the nation's foreign policy was a major bone of contention between Kennedy and Nixon. Nixon took every opportunity to characterize Kennedy as too young and inexperienced to handle the awesome responsibilities of America's Cold War diplomacy. (Nixon was, in fact, only a few years older than Kennedy.) He defended the past eight years of Republican rule, arguing that Soviet power had been contained and America's strength increased. Kennedy responded by portraying foreign policy during the Eisenhower years as stagnant and reactionary. In particular, he charged the Republicans with losing Cuba and allowing a dangerous "missile gap" to develop, in which the Soviets had overtaken the United States in the building of missiles capable of delivering nuclear warheads. Kennedy promised to reinvigorate America's foreign policy, relying on a flexible response to changing situations and exploring options ignored by the staid and conservative Eisenhower administration. Kennedy claimed during the campaign that he looked forward to meeting the challenges facing the strongest nation in the Free World. He did not have long to wait before those challenges were upon him. During the first few months of the Kennedy presidency, Nixon's criticisms seemed to have some validity. Kennedy appeared overwhelmed, first by the catastrophic failure of the Bay of Pigs invasion, then by a blustering Nikita Khrushchev during a summit meeting in Europe, and finally by the construction of the Berlin Wall. And there was also the deteriorating situation in Southeast Asia to consider.




**1994, Republican Revolution** - For the first time in 40 years, the Republican Party wins control of both the U.S. House of Representatives

and the Senate in midterm congressional elections. Led by Representative Newt Gingrich of Georgia, who subsequently replaced Democrat Tom Foley of Washington as speaker of the House, the empowered GOP united under the "Contract with America," a 10-point legislative plan to reduce federal taxes, balance the budget, and dismantle social welfare programs established during six decades of mostly Democratic rule in

# Global Soybean Production

(in million bushels)

<b>United States</b> 4,431		<b>Argentina</b> 2,094	
		<b>China</b> 522	<b>Canada</b> 301
		<b>India</b> 367	<b>Ukraine</b>
		<b>Paraguay</b> 345	<b>Russia</b>
		<b>Bolivia</b>	

**World Total: 12,782.55 million bushels**

Source: USDA, FAS, PS&D, WASDE

**Wheat** bears jump back on the bandwagon as the USDA shows improved weekly U.S. crop-conditions and Russian export prices have become perhaps more competitive and gaining even more attention from world buyers. There's also continued talk that the USDA is currently too conservative with their Russian wheat estimate. There's also talk that the USDA is hoping to bump the Canadian crop a hair higher. On a bullish note, the USDA will probably make another cut to their Australian wheat production estimate and small cut the Australian crop. I also continue to believe U.S. acres are getting smaller not larger and that extremely cold temps in some important production areas might be doing a small bit of damage to an unprotected and recently emerged crop. How much damage and to what and or any extent will this make come harvest time next summer, who knows? There's just not a lot fundamentally to excite the bulls. Perhaps we could see an ever so slight reduction in U.S. ending stocks in tomorrows report, but with U.S. exports highly debatable, I doubt it does a lot to influence the trade. A larger than anticipated reduction in global ending stocks would certainly hold more water, I'm just not sure it's going to be in the cards. As a producer, I continue to look longer-term and believe better opportunities are on the horizon. As a spec, despite the obvious bearish fundamentals, I still believe upside has more potential reward than does downside risk.

Congress. Gingrich's House of Representatives, home to the majority of the Republican freshmen, led the "Republican Revolution" by passing every bill incorporated in the Contract with America—with the exception of a term-limits constitutional amendment—within the first 100 days of the 104th Congress.

## Upcoming Events

**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

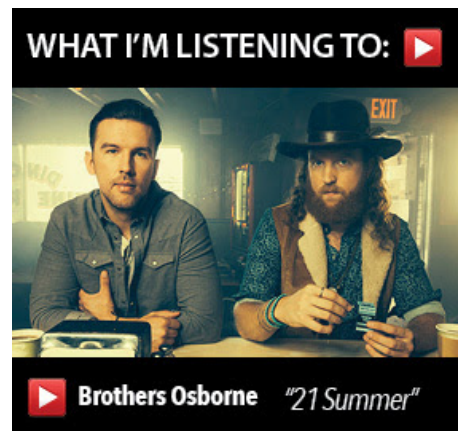
**Mon. 12/25** - Christmas - Markets Closed

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

**Fri. 1/12** - USDA Supply and Demand

**Thurs. 2/8** - USDA Supply and Demand

## Kevin's Song of the Week




## About the Report



# Global Wheat Production

(in million bushels)

<b>European Union</b> 5,550	<b>India</b> 3,615	<b>Russia</b> 3,013
	<b>United States</b> 1,741	<b>Ukraine</b> 974
	<b>Canada</b> 992	<b>Pakistan</b> 963
	<b>Australia</b> 790	<b>Turkey</b> 772
<b>China</b> 4,777		

**World Total: 27,601.32 million bushels**

Source: USDA, FAS, PS&D, WASDE

## 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

**Vegan Slaughterhouse!** Couldn't help but pass along:)



### USDA Supply and Demand

	Nov. Est.	Avg. Guess	Trade Range	USDA October	USDA 2016
<b>Corn Production</b>	???	14.333	14.250 - 14.459	14.280	15.1
<b>Yield</b>					

	???	172.4	171.7 - 174.0	171.8	174.6
<b>Harvested Acres</b>	???	83.103	83.00 - 83.20	83.119	86.748
<b>Soybean Production</b>	???	4.408	4.375 - 4.467	4.431	4.307
<b>Yield</b>	???	49.3	48.9 - 49.9	49.5	52.1
<b>Harvested Acres</b>	???	89.486	89.40 - 89.50	89.471	82.696

*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.*

#### U.S. Ending Stocks

	Nov. Est.	Avg. Guess	Trade Range	USDA October
<b>Corn</b>	???	2.366	2.286 - 2.438	2.340
<b>Soybeans</b>	???	0.420	0.377 - 0.461	0.430
<b>Wheat</b>	???	0.957	0.940 - 0.980	0.960

#### World Ending Stocks

	Nov. Est.	Avg. Guess	Trade Range	USDA October
<b>Corn</b>	???	201.18	197.60 - 203.50	200.96
<b>Soybeans</b>	???	95.50	93.00 - 97.00	96.05
<b>Wheat</b>	???	266.78	261.00 - 269.00	268.13



**> China's JD.com To Import \$2 Billion Worth Of U.S. Food Products:** *Chinese e-commerce company JD.com plans to import \$2 billion worth of U.S. beef and other food products, a person familiar with the matter said, in one of a number of agreements tied to President Donald Trump's China summit. Due to be signed Wednesday, the deal calls for JD to spend about \$1.2 billion over three years on beef from the Montana Stockgrowers Association and pork from U.S.-based and China-owned Smithfield Foods Inc., the person said. The rest of the money, he said, will go to purchase other U.S. agricultural goods. (Source: MarketWatch)*

**> Russian Wheat Exports Up +22.7%:** *Russian wheat exports in the 2017-18 marketing year -- which began July 1 -- were up +22.7% year on year to 13.015 million metric tons as of November 1, ministry of agriculture data showed. Export volumes have been picking up as harvesting is almost completed, with 87.9 million metric tons of wheat harvested, the ministry said. Between the start of the marketing year on July 1 and November 3, the total grains harvest is already 15.8 million metric tons higher than the 120.0 million metric tons harvested in the whole of 2016-17. Russian exporters have also shipped 1.2 million metric tons of corn in the current marketing year, up +19.5% year on year. (Source: Platts)*



**> USDA Pulls Biotech Regs:** U.S. Ag Secretary Sonny Perdue heeded the advice of many farm-state lawmakers and agrochemical companies by announcing on Monday that he would withdraw and reevaluate an Obama-era proposal to modernize the way the federal government regulates genetically engineered crops and other biotech products. The proposal -- known as 7 CFR part 340 -- was introduced in January just before the Trump administration took over, and part of a broader effort by its predecessor to streamline the approval process for biotech products by USDA, FDA and EPA. In October, a bipartisan group of 80 House lawmakers asked Perdue, EPA Administrator Scott Pruitt and FDA Commissioner Scott Gottlieb to rework the proposal in order to better account for new and emerging technologies like gene editing. (Source: Politico)

**> Farmers Urge Trump To Implement GIPSA:** A coalition of 82 agricultural organizations including National Farmers Union, the National Family Farm Coalition, and Organization for Competitive Markets sent a letter yesterday asking President Trump to implement proposed GIPSA rules. On Oct. 17, Ag Secretary Sonny Perdue decided to end the Obama-era proposals that were aimed to help protect livestock and poultry growers, farmers and ranchers. They're now even more concerned about what may happen to the ranking system draft GIPSA rule that remains. The coalition says the decision to withdraw from GIPSA "is releasing the abusive market power of foreign corporations and foreign countries onto family farmers and consumers alike." (Source: Politico)

**> WHO Takes Strong Stand Against Antibiotics Use In Food Animals:** The World Health Organization (WHO) issued a strong recommendation against the use of antibiotics in healthy food-producing animals in order to stem the spread of antibiotic resistance in humans. The global health watchdog noted in a statement that the overuse and misuse of antibiotics in animals and humans is contributing to the rising threat of antibiotic resistance. WHO noted that some types of bacteria that cause serious infections in humans already have developed resistance to most or all of the available treatments and there are "very few promising options in the research pipeline." (Source: MeatingPlace)

**> Macri Plans Tax Break In Latest Move To Boost Argentine Farmers:** Argentina's President Mauricio Macri is pushing a bill that would allow farmers to recoup money from fertilizer purchases, the government's latest move to sustain an agricultural revival in the country, one of the world's top producers of corn and soybeans. The proposed legislation would make some fertilizer costs tax-deductible, an incentive for growing corn. The government wants to encourage corn planting to prevent an over-reliance on soybeans, according to the ag officials. Too much planting could risk creating a monoculture and bring with it environmental problems. The tax break will be one of the Agroindustry Ministry's priorities as it rolls out a "second phase" of policies to help farming after Macri stormed to victory in midterm elections last month. Other priorities through 2020 include simplifying bureaucracy, expanding irrigation by 4.8 million hectares (11.9 million acres), and getting a much-awaited bill through Congress that would ensure royalty payments for seed companies to foster investments. (Source: Bloomberg)

**> Anglo American Considers Bid For Louis Dreyfus Metals Unit:** Mining giant Anglo American is among several companies interested in buying commodity trader Louis Dreyfus's metals business, three trading and banking sources told Reuters. Dreyfus started an official sale process for a stake in the business, which could be a majority shareholding, by hiring Citi and ING earlier this year to assist it. Its metals business had a book value of \$314 million as of 2016, according to filings. Chinese conglomerate HNA Holding Group Co has also shown an interest in the business, one of the sources said, while another source said that Swiss steel trader Duferco was another possible bidder. (Source: Reuters)

**> India's Gold Imports Slump On Inventory Pile-Up:** Gold imports by India, the world's biggest consumer after China, dropped -31% last month from a year earlier, according to a person familiar with the information. Inbound shipments fell to 66.8 metric tons in October, from 96.7 tons, said the person, who asked not to be identified because the data aren't public. The figure would leave imports for the first 10 months at 777.1 tons, still +91% higher on the year, according to data compiled by Bloomberg. Shipments had surged this year on purchases ahead of a new national tax regime, and as some buyers looked to benefit from bilateral duty-free trade agreements with nations like South Korea and Indonesia, avoiding the 10% levy applied to imports from other countries. The subsequent build-up in inventories, coupled with slow domestic demand, has led to an easing off in overseas purchases. (Source: Bloomberg)

**> Target Closing a Dozen Stores across a handful of states,** including Michigan, Florida, Illinois and Texas, but not until after the holidays. Meantime, the company is vastly expanding its portfolio of smaller-format stores, which CEO Brian Cornell called more profitable than big-box locations. This year, Target will have opened 32 pint-sized outlets, with 35 openings planned for 2018. (Source: Wall Street Journal)

**> What States Provide The Most Jobs?** If you are in the market for a job and you don't know where to start, this map might come in handy. Olivet Nazarene University





earlier this month published an infographic that showed who employed the most people in each state. Their data showed that retailers, universities, and healthcare companies were among the biggest employers."Here in the United States of America, many of us are told that we can be whatever we want to be. But do you ever wonder what most of us end up becoming? Where do most Americans work — in business, healthcare, manufacturing or retail? And for whom?" the university said in a report. The Bourbonnais, Illinois-based university set out to answer those questions and concluded that there are distinct regional trends. Read more [HERE](#).

## Largest Employers By State

Who's Providing The Most Jobs?



**Central Iowa** - We have had an up and down this year after weather complications. There were a lot of guys just south of us that didn't catch near the rains and saw much less on yields. The bean yields have responded with some late rains that have pushed yields higher. I think that we will see a whole farm average of 56bpa. This would make this year yields better than last year. The corn yields have been the big surprise this year after going two extended periods of not much rain. This year's yields will not be greater than last year but could have if we didn't have a couple fields that were complete disasters. I think that we will see across the board yields of 220bpa. Like I said we had two fields that had been hit by some hail, were very dry, and widespread stalk blight that only made 150bpa to 160bpa.

**Northwest Kansas** - We have caught some great rains all spring and summer, allowing the corn crop to be stress-free all year. I think that we only had one hot week of temperatures that were over 90 degrees. We had some near-record yields on some fields. The corn on corn acres were some of the highest yields we have ever seen, which was 150bpa to 180bpa, normally seeing yields between 140bpa to 150bpa. These are surprising yields considering that we plant 15k on population and basically only fertilize for 100bpa to 120bpa. On the other side of things, the milo was needing some additional heat units and only yielded 80bpa to 120bpa, which is considerably off from previous years. This was the first year we never planted any wheat acres.

**Northwest Indiana** - We are hoping to get back in the fields tomorrow after thunderstorms moved through yesterday. Most of the beans are done and the corn has 90% left to cut. We are seeing some good yields considering the 15" of rain we received earlier this year causing damage to about 10% of our fields. We are in our second year of doing high population corn doing twin row 20's. That is where you put 40-50,000 seeds per acre 8" side to side and 12" apart in the rows. My neighbor's test plot yielded 290bpa this year and even with all the water damage I received, we managed to get over 200bpa.



**It's Time To Pay Attention To Commodities:** *The commodities market is on the move. It had one of its biggest gains of the year on Monday. Although the big jump in oil prices and metals goes a long way toward explaining why the Bloomberg Commodities Index has risen to its highest level since early March, the current rally is about much more than just energy. The 11 percent surge in the Bloomberg Commodities index since late June is becoming more broad-based, with even some parts of the long suffering agricultural part of the market starting to see some strength. In short, it appears that commodities investors are starting to join with equity investors in buying into the rare, synchronized global economic recovery theme. What makes the current rally all the more impressive is that it coincides with a rising dollar. Read more [HERE](#).*

**Humans Are Becoming Less Important in the World's Biggest Market:** *The \$5.1 trillion-a-day currency market is losing its human touch. That's the conclusion of trading and foreign-exchange heads surveyed by the organizers of the TradeTech FX conference in Miami. Of the 100 North America-based respondents, 94 said they aimed to automate more of their foreign-exchange trading operations in the next three years. The market is embracing electronic and algorithmic trading, and Coalition Development Ltd. estimates that from 2012 to 2016 banks cut front-office sales, trading and research headcount by about a quarter in the "Group-of-10" foreign exchange. Automation has also gained favor after some of the world's biggest banks were entangled in currency-rigging scandals that resulted in more than \$10 billion in penalties. Last month, a former HSBC Holdings Plc executive was the first individual to be convicted for front-running after the revelations prompted investigations around the world. "These scandals just accelerated that move" toward technology which enables investors to execute orders online and get better prices more rapidly. Read more [HERE](#).*

**Navy Tests Hypersonic Weapons That Could Hit Anywhere on Earth in an Hour:** *The U.S. Navy is testing technology that could deliver a conventional warhead anywhere on Earth in as little as an hour. As first reported by US Naval Institute News, the Navy performed a flight test last week featuring Prompt Global Strike, a hypersonic weapon system designed to give the U.S. the ability to quickly strike targets worldwide with almost no notice. Read more [HERE](#).*

**Astronomers Are Figuring Out How To Detect Life On Alien Worlds:** *Stephen Kane spends a lot of time staring at bad pictures of a planet. The images are just a few pixels across and nearly featureless. Yet Kane, an astronomer at the University of California, Riverside, has tracked subtle changes in the pixels over time. They are enough for him and his colleagues to conclude that the planet has oceans, continents, and clouds. That it has seasons. And that it rotates once every 24 hours. He knows his findings are correct because the planet in question is Earth. The images are a glimpse into a future when telescopes will be able to just make out rocky, Earth-sized planets around other stars. Kane says he and his colleagues are trying to figure out "what we can expect to see when we can finally directly image an exoplanet." Their exercise shows that even a precious few pixels can help scientists make the ultimate diagnosis: Does a planet harbor life? Read more [HERE](#).*

**Super Sports Car Goes Electric: The Lamborghini Terzo Millennio:** *Purists may call it blasphemy as they consider an electric super sports car with the Lamborghini moniker. EV and "eco" are no longer classified as dull, as they are drag racing gas powered hot rods and winning. With that in mind, Automobili Lamborghini inked a deal with two labs at the Massachusetts Institute of Technology (MIT). If a thoroughly modern supercar sporting the raging bull was to be electrified, so the justification went, then it would need to be a thoroughly modern sort of electrification. Read more [HERE](#).*




iSELECT FUND

The VAN TRUMP Report

## Featured Ag-Tech Startups

**iSelect Webinar Series**

The Van Trump Report has partnered with iSelect to help bring ag-tech to the farmer in the field. My good friend Carter Williams, CEO of iSelect, is making a difference in agriculture and I wanted to share some of his insight. Carter was the former director and founder of Boeing Ventures where he led Boeing's technology planning process. Carter is also the past president and founder of the MIT Corporate Venturing Consortium and Co-founder of the MIT Entrepreneurship Society. Today Carter is using his team's talents and abilities to help some of the most innovative in agriculture. Through this process he has the opportunity to see some of the latest innovations and technological shifts that are heading our direction, many times before they ever hit the mainstream market. Each week I will be featuring one of the NEW ag-tech companies and passing along an invitation for readers to join a webinar that will further explain the start-up. Keep in mind the webinars are geared towards investors who are thinking about providing start-up capital and seed funding. I personally find it interesting to hear about the technology and innovation that is being discussed. Some of the technology may be of interest to you, while some may not. I feel it's important to pass along what Carter and his team are seeing happen in the ag space. Remember, we don't have to be in agreement with every thought or idea but we do need to understand and be aware of the changes that are happening.

**"Developing New Tools to Help Indoor Farmers Thrive"**  
**Presentation: Thursday, November 9 - 3pm CST. Click [HERE](#) to register**

In many ways, indoor farming represents the future of food production. It is capable of producing more yield with drastically less land, pesticide, and fertilizer usage, compared to traditional farming methods, and can be adapted to support a wide variety of different crops. However, indoor farming as it is now is an inefficient, difficult process to manage, leaving many facilities short of their potential. Learn how one company is bringing new efficiencies to this fast-growing industry at "Developing New Tools to Help Indoor Farmers Thrive," a free webinar to be held tomorrow November 9th at 3PM CT with Allison Kopf, founder, and CEO of Agrilyst. The world has lost a third of all arable land in the last 40 years due to erosion and pollution damage, but we remain on track to double our food production needs by 2050. Indoor farming -- a large-scale method of cultivating crops in controlled building environments such as greenhouses, warehouses, and shipping containers represents a potential solution to this problem, but it remains an inefficient, costly process. Still, it is growing rapidly, from \$1.4 billion globally in 2016 to \$6.4 billion in 2023. Agrilyst is developing a new SaaS platform that provides



indoor farmers with data-driven insights so that they can make more profitable production decisions, optimizing labor cost efficiency and improving crop yield. With Agrilyst, indoor growers can create seeding plans, schedule harvests, assign tasks, manage climate and nutrient density, and forecast yield, sales, and varietal performance. Even if you can't make the live broadcast, registered users will be able to view a recording on [our website](#) after the fact.



### **How "La Croix" Became One Of The Biggest Trends Among Millennials... Now Making Millions!**

La Croix is a soda water that has been around since the early 80s. The sparkling water comes in a slew of flavors and until recently was rarely found outside the Midwest. For over 30 years, the beverages main fans were health and budget-conscious women in middle America. It was named for the city in which it was born, La Crosse, Wisconsin and the nearby St. Croix River. It's a fairly unassuming beverage - carbonated, lightly flavored and free of sugar. That stands in stark comparison to traditional sodas like Coca-Cola and Pepsi, that has garnered more and more bad-press over the years as unhealthy. As Americans have sought to decrease their consumption of sugar and artificial sweeteners, soda-lovers have increasingly turned to carbonated alternatives. La Croix competitor Perrier was the option of choice outside the Midwest for decades and it was the carbonated water that restaurants everywhere were most likely to serve. Around 2010, Perrier and another competitor, Poland Springs, launched traditional advertising campaigns to increase brand awareness and take advantage of the shifting health attitudes surrounding soda. La Croix, however, made a decision to reach way outside the box and focus on social media, consciously targeting a younger consumer. One of the first steps they took in making the transition was to completely redo their packaging. Ditching their classic minimalist look, they went with the design that the company executives favored the least - a pastel-neon color pallet with a sort of paint-splatter pattern that harkens back to the 1990s. The new cans were ideal for social media feeds on Instagram and Facebook and they quickly caught the attention of Millennials. The beverage also appealed to this massive consumer demographic because of its "all natural" flavors, of which there are around 20 with new concoctions being introduced all the time. La Croix has subsequently become a "lifestyle brand", meaning the sparkling water's target Millennial audience sees it as a product that embodies their interests, attitudes and ideology. Between 2010 and 2014, the amount of domestically produced sparkling water Americans consume increased 58% and La Croix is now the number one brand. National Beverage acquired La Croix in 1996. To that point, the company's leading brand was Shasta sodas, from which the company had a modicum of success by not only being cheaper than Coke and Pepsi products, but also constantly creating new flavors and retiring old ones. They bet the same strategy would be effective with sparkling water, and it's one that has paid off. National Beverages is today on track to gross over \$1 billion in revenue this year, with revenues having grown +60% over the last 10 years. The company does not break down its sales figures by beverage brand, but industry experts equate the success almost entirely to La Croix. There's simply no denying the buying power of the largest generation in U.S. history. We have to make certain we continue to pay close attention to trends and shifts in their buying style. (Sources: Vox, Forbes, Wikipedia)



### Attention Music Lovers - Can't Miss Auction Coming Up

An impressive auction of music memorabilia is fast approaching. Just in time for the holidays, the event features famous guitars from Jimi Hendrix, Bruce Springsteen, Jerry Garcia, Johnny Winter and Steve Miller, among others. Scheduled for December 2 at New York City's Bohemian Hall, and hosted by Guernsey's auction house, other sale items will include some unreleased tape recordings, vintage vinyl and other rare items from music history such as several classical and parlor guitars from the 1800's onward. Other collectibles include vintage Gibson and Martin guitars, a rare late 1950's Stratocaster with "blue sparkle" finish and several guitars that the legendary Les Paul owned. The latter collection is a group of guitars that Paul had intended to give as gifts to Bob Dylan, Prince, George Harrison and Paul Simon. One of the most notable items in the auction is the sticker-covered Guild that Jimi Hendrix played after the 1968 Miami Pop Festival, at the Wreck Bar in the Castaways Hotel. Guernsey says they will also be auctioning off the "most extensive collection known of Hendrix lifetime-issued vinyl records, unreleased studio tapes, and acetate recordings." One collection that is really generating a lot of buzz is the Charles Lewis Tapes. Lewis was a sound engineer at the famed Hollywood Bowl in the 1960's, where he recorded the live performances of some of the biggest names in music. His family recently discovered a trove of these recordings that include The Beatles, The Rolling Stones, Aretha Franklin and Ella Fitzgerald, just to name a few. These original recordings probably haven't even been listened to in over 50 years, and are the only authorized live recordings of these

musicians as they performed at one of the most legendary venues in music history. The Legendary Guitars & Musical Treasures sale is without a doubt a can't miss auction for everyone that has a music lover on their gift-list this year! You can find more info [HERE](#). Some of the other exceptional items on the block include:

*Tom Petty and the Heartbreakers signed Fender Stratocaster*

*Madonna's first performance used Gibson Les Paul.*

*Foghat Warwick prototype bass.*

*Vicente Guyun extremely rare handmade Cuban electric guitar.*

*Elmer Snowden banjo, with the headstock signed by numerous jazz greats, including Buddy Guy and Thelonius Monk.*

*Original Charlie Parker saxophone case.*

*Gerry Mulligan Jazz Collection, that includes saxophones, handwritten music and other artifacts from his personal collection.*

*Thelonious Monk recordings of live performances at San Francisco's iconic Keystone Korner*

*Unreleased live recordings from the late 1960's by artists such as the Grateful Dead and Jefferson Airplane*

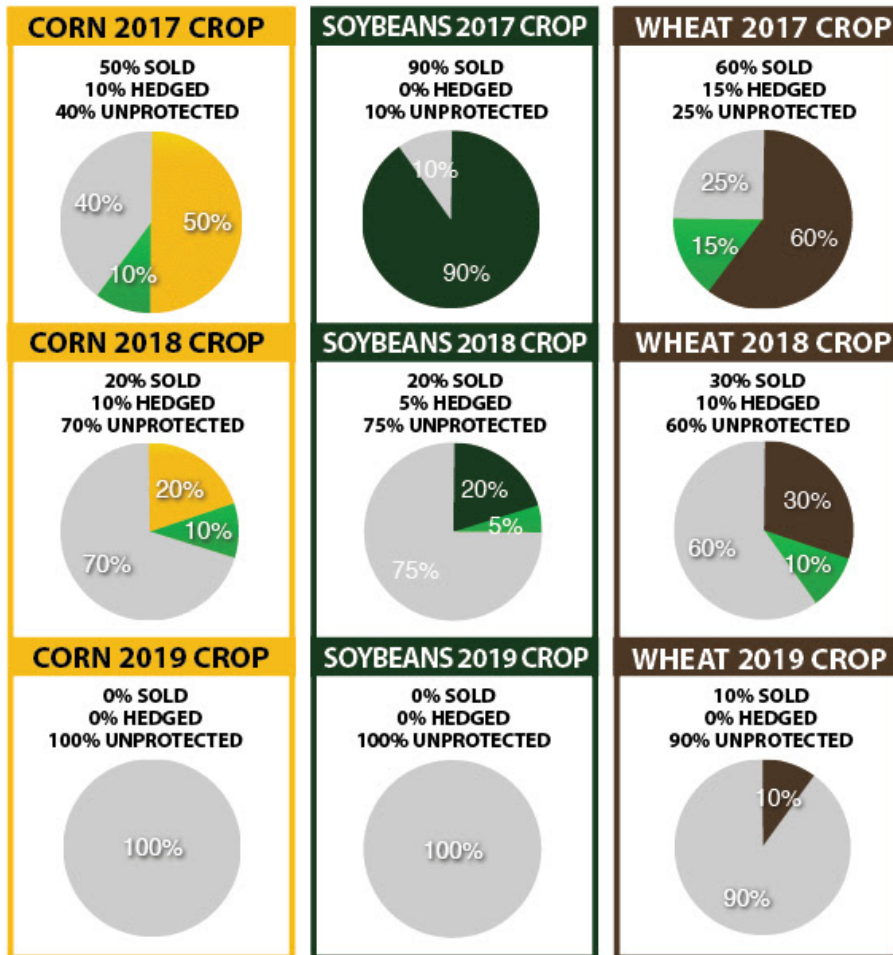
*Original studio master reels from Elvis Presley and James Brown, including the soundtrack from Presley's Blue Hawaii and Brown's 1964 album Soul & Grit.*







**CASH SALES & HEDGING TOTALS**



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