

GOOD MORNING: 11/16/17 Farm Direction - VanTrump Report

1 message

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Thu, Nov 16, 2017 at 7:00 AM



"I can't believe that God put us on this earth to be ordinary." - Lou Holtz

THURSDAY, NOVEMBER 16, 2017

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Morning Summary: Stocks struggle a bit as crude prices remain weak and uncertainty surrounding tax reform grows more widespread. Bears are pointing to the fact the number of New York Stock Exchange companies setting new 52-week lows climbed above the number hitting new highs, representing a "leadership reversal" that some say highlights the deterioration of market internals. Oil continues to struggle, in part due to some bearish forecasts for demand growth as well as increasing uneasiness over whether OPEC and other participating oil producers will extend their output cuts. Inventory updates from the U.S. Energy Information Administration yesterday also weighed on crude, with stocks reportedly climbing +1.9 million barrels compared to expectations for a decrease of -2.2 million barrels. There are also questions surrounding how oil prices might be impacted if Venezuela defaults on its debt. Inflation data is seeing some slight improvement, with Consumer Prices gaining +0.1% in October. That pushed the year-on-year change up to +1.8%, a gain of 1 tenth and a move closer to the Fed's +2% target. Today's economic data includes Weekly Jobless Claims, the Philadelphia Fed Business Outlook, Import/Export Prices, Industrial Production and the Housing market Index. There are also three Federal Reserve officials speaking today - Cleveland Fed President Loretta Mester, Dallas Fed President Robert Kaplan, and Fed Governor Lael Brainard. With inflation data pushing higher, it's expected Fed officials will continue to advocate for hiking interest rates at their upcoming December meeting. More developments on tax reform are coming out of Washington with the first GOP senators announcing their opposition to the plan. Senator Ron Johnson (R-Wis.) said he will not support the Republican tax overhaul legislation. There are also a couple of other GOP members that have raised concerns about how the plan might impact the deficit. Assuming all Senate Democrats oppose the bill, Republicans can only afford to lose votes from two of their members. The Senate Finance Committee is expected to vote on the bill this week, with a full Senate vote expected after the week-long Thanksgiving recess. President Trump today is scheduled to speak on Capitol Hill to the House Republican conference, ahead of the House's expected vote on its tax legislation. Insiders believe the House will easily pass their version.

Tesla to Unveil Its Electric Semi Truck Tonight: *From what I understand, it will be uncovered at their Design Studio in Hawthorne, CA. While it's not the only company with plans to push forward with electric semis, many are eyeing Elon Musk and his efforts to kill the diesel engine. In the works for two years, the vehicle is aimed squarely at cleaning up the freight industry.* (Source: SeekingAlpha)

Fed's Rosengren Says Strong Economy Calls For December Rate Hike: *Falling unemployment and sustained growth mean the U.S. economy has accelerated beyond a sustainable level so the Federal Reserve should continue to raise interest rates, including next month, said Boston Fed President Eric Rosengren. The longtime central banker says it is "quite likely" employment will dip below -4%, increasing pressures on inflation and asset prices. "That suggests the need to continue to gradually remove monetary policy accommodation, which is quite consistent with market expectations of another increase in December." The central bank has raised rates twice this year and faces a leadership overhaul next year when Fed Chair Janet Yellen and New York Fed President William Dudley expect to step down. Rosengren is among only a few top policymakers who held their current jobs during the depths of the 2007-2009 financial crisis.* (Source: Reuters)

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Full MARKET Outlook



On hand will be several leading markets analysts and traders providing their insight and opinions on both short-term and long-term ag prices and outside investment ideas. You do not want to miss this

Will Venezuela's Debt Crisis Create A Tailwind For Oil? Venezuela was once the richest nation in South America due to its crude reserves, the largest in the world. But credit-rating firms this week declared Venezuela in default after it missed about \$200 million in interest payments on its sovereign debt. Russia agreed Wednesday to restructure more than \$3 billion in Venezuelan debt, giving the country 10 years to pay it back. Venezuela still must face other creditors, who can now either wait for payments or begin the process of negotiating to restructure the debt. Michael Tran, director of energy strategy at RBC Capital Markets, said the turmoil was likely to add to pressure on Venezuela's crude oil production, which has already fallen by about 20% since 2012. Oil bulls believe Venezuela's increasing financial distress could provide a boost to oil prices by eating into supply. Restructuring Venezuela's debts should in theory free up more cash, but if the restructuring process drags on or if creditors move to seize the country's assets, it could further constrain Venezuela's ability to extract and export oil. Last month, there were only 39 working oil rigs in Venezuela, according to Baker Hughes, the lowest level since 2003. (Sources: Wall Street Journal, Forbes)

Art Market Strong As Painting Purchased for \$10,000 Just Six Years Ago Sells Last Night In NY For +\$450 Million: A remarkable painting by Leonardo da Vinci was auctioned off last night at Christies auction house in New York. They had thought and hoped the painting would bring close to \$100 million, but when the dust finally settled it had fetched just over \$450 million. Christie's tweeted that it set a world auction record for any work of art sold at auction. Keep in mind, this was a painting that was purchased just six years ago, by art collector Robert Simon, for \$10,000. At the time he thought he was merely purchasing a copy or reproduction of Renaissance master Leonardo da Vinci's long lost work, the "Salvator Mundi" (Italian for "Savior of the World"). Little did he know, it was actually the original. "Salvator Mundi" was also the only da Vinci left in a private collection and has been described as the "Holy Grail of art rediscoveries." The small piece depicts Jesus raising his right hand in blessing and holding a crystal orb, meant to represent the world in his left hand. Keep in mind, this is one of only 16 known surviving paintings by the Italian Renaissance master. The painting was well known in the art world, first recorded in the private collection of King Charles I. It somehow ended up being auctioned off in 1763 and then just disappeared. In the interim, the fact that it was a da Vinci was forgotten. When it resurfaced in 1900, Christ's face and hair had actually been painted over. An American collector snatched it up at a Sotheby's auction in 1958 for around \$60, its origins completely unknown. It did not surface again until an auction in 2005, but was mistakenly identified as an overpainted copy of the "Salvator Mundi". The new owner started the restoration process and after about six years of work and research, it was finally authenticated in 2011 as da Vinci's original masterpiece, believed to have been lost for over 250 years. Alan Wintermute, senior specialist for Old Master paintings at Christie's, says there has never been anything like it sold, which made its value difficult to determine. The auction house guaranteed it to sell for at least \$100 million, meaning if it had sold for less, Christie's would make up the difference. Leonardo has often been described as the archetype of the "Renaissance man", a man whose seemingly infinite curiosity was equaled only by his powers of invention. He is widely considered to be one of the greatest painters of all time and perhaps the most diversely talented person ever to have lived. (Sources: National Geographic, Forbes, Leonardoda-Vinci.org)

year's event.

Economic & Ag Forecast

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Dennis Gartman
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Weather continues to focus on rain in the eastern portions of the Corn Belt, which has halted late-season corn and soybean harvest efforts. Meanwhile, cold, windy weather is sweeping across the far upper Midwest, including the Red River Valley. On the Plains, cold, windy weather is overspreading the Dakotas and northeastern Montana. Elsewhere, mild, dry weather continues to promote fieldwork, including summer crop harvesting and final winter wheat planting efforts. The mild weather also favors development of late-planted winter wheat, except in areas where topsoil moisture is lacking. On November 12, topsoil moisture in Oklahoma was rated 43% short to very short. In the South, dry weather favors harvest activities and other autumn fieldwork in advance of an approaching cold front. However, a few rain showers are developing across the mid-South, including parts of Arkansas. In the South, dry weather favors harvest activities and other fieldwork in advance of an approaching cold front. However, a few rain showers are developing across the mid-South, including parts of Arkansas. Stormy weather will continue for much of the week across northern and central California and the Northwest. Five-day precipitation totals could reach 4 to 8 inches or more in the Sierra Nevada and the PNW. In contrast, mostly dry weather will prevail through week's end across the Plains, Southwest, and southern Atlantic region. Below is a rainfall map showing what you can expect through the end of the week and into the weekend as we head into Thanksgiving.

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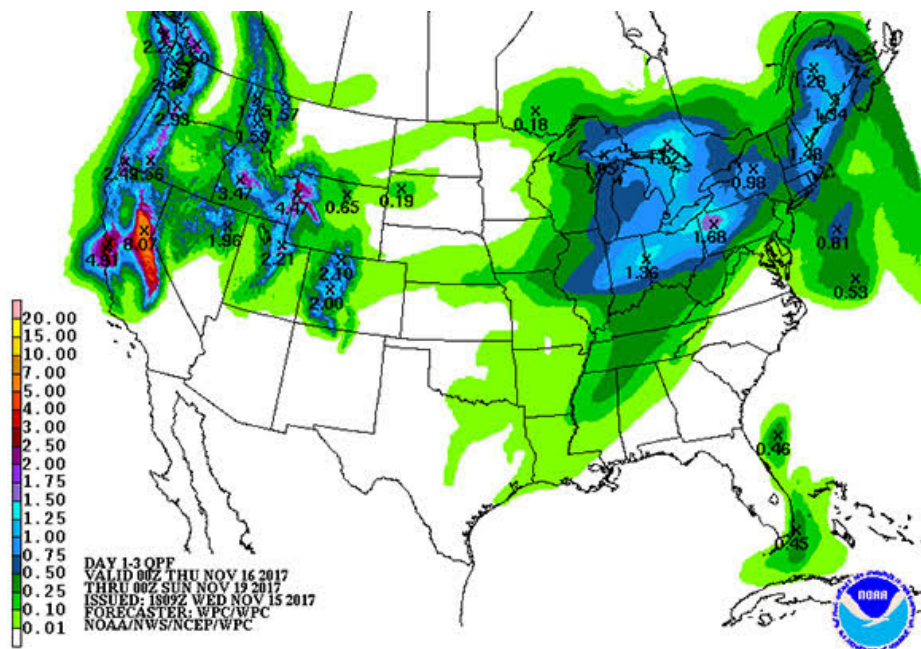
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Today In History



1776, American Revolution
- Hessian Lieutenant General Wilhelm von Knyphausen and a force of 3,000 Hessian mercenaries and 5,000

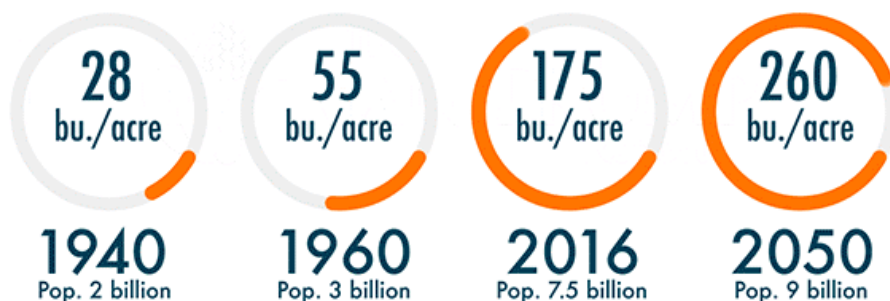
Redcoats lay siege to Fort Mifflin at the northern end and highest point of Manhattan Island. Throughout the morning, Knyphausen met stiff resistance from the Patriot riflemen inside the fort, but by afternoon, the Patriots were overwhelmed, and the garrison commander, Colonel Robert Magaw, surrendered. Nearly 3,000 Patriots were taken prisoner, and valuable ammunition and supplies were lost to the Hessians. The prisoners faced a particularly grim fate: Many later died from deprivation and disease aboard British prison ships anchored in New York Harbor. Among the 53 dead and 96 wounded Patriots were John and Margaret Corbin of Virginia. When John died in action, his wife Margaret took over his cannon, cleaning, loading and firing the gun until she too was severely wounded. The first woman known to have fought for the Continental Army, Margaret survived, but lost the use of her left arm. Two weeks earlier, one of



Corn traders continue to debate valuation. Bears believe extremely burdensome domestic supply warrants lower price. I've heard some thinking the U.S. crop gets larger into yearend and without a more widespread South American weather issue prices could push towards \$3.00 per bushel. Bulls believe that strong demand coupled with the funds already holding a record short position, makes the downside somewhat limited. In fact, many longer-term bulls believe Argentine weather could turn out to be too dry, while many parts of Brazil might end up being too wet. Meaning the market may eventually need to add back in some weather premium. There's been a bit more debate and talk about NAFTA and what type of direct impact it could have on corn prices should there be a major fallout. From most sources I speak with, the consensus seems to be if NAFTA falls apart the initial knee jerk could bring a -10 to -20 cent reaction by the trade, followed by perhaps a -10 cent drift the following couple of weeks. For soybeans, it seems like more of a -50 cent knee jerk reaction to the downside, followed by perhaps another -25 to -50 cents the following couple of weeks. Fundamentally, there's really very little fresh or new to report this morning. I think we have to continue keeping a close eye on weather and Washington. I still think there's more nearby downside ahead...

Earth's POPULATION Growth

Depends on Increased Corn Yields



Source: USDA Historical Corn Yield Data

Soybean bulls are talking about Washington and how biodiesel credits might get attached to tax legislation and in turn get approved sooner than some had been anticipating. Bulls are also pointing to headlines circulating that talk about Chinese soybean crushing volumes perhaps doubling or tripling next year. Which ultimately means Chinese soybean imports could continue pushing aggressively higher. There's also some rumors and uncertainty surrounding Chinese GMO certificates for soybean imports. On the flip side, bears continue to talk about China's pig herd shrinking by more than -6% during the past year. Keep in mind, China produces about half the world's pork supply, so a major setback in the herd could definitely impact feed

Magaw's officers, William Demont, had deserted the Fifth Pennsylvania Battalion and given British intelligence agents information about the Patriot defense of New York, including details about the location and defense of Fort Washington. Demont was the first traitor to the Patriot cause, and his treason contributed significantly to Knyphausen's victory.



1901, Torpedo Racer - A spare, low-slung car called the "Torpedo Racer"—basically a square platform on bicycle wheels—breaks the world

speed record for electric cars in Coney Island, New York. The car's builder and pilot, an engineer named Andrew Riker, managed to coax his machine one mile down the straight dirt track in just 63 seconds, or about 57 mph. The battery-powered Torpedo Racer held onto its record for ten years. Riker's Torpedo Racer was the fastest, but not the first, working electric car in the U.S. The first one was built in 1891 by an Iowan named William Morrison. It had a 4-horsepower motor, a 24-cell battery that weighed almost 800 pounds (the whole car weighed about twice that), and could go about 14 miles per hour at top speed. The Morrison car was an amazing innovation, but not many people were ready to buy one. A few years later, however, the Pope Manufacturing Company of Connecticut sold quite a few of its Columbia Electric Phaetons, which were heavier than Morrison's machines but could still travel at a whopping 15 miles per hour. Unlike Morrison and the engineers at the Pope Company, Riker concentrated on building electric racecars. In September 1896, one of his machines won the country's first-ever automobile race, five laps around a one-mile dirt horse-racing track in Cranston, Rhode Island. (The Riker electric finished the race in a little more than 15 minutes.) Riker cars could maintain reasonably fast speeds over long distances, too: In April 1900, a relative of the Torpedo Racer won a 50-mile cross-country race on Long Island. It was the only battery-powered car in the field of racers. The Torpedo Racer was the only electric car in the 1901 Long-Island-Automobile-Club-sponsored race at Coney Island. Against eight gas-powered cars and six steam-powered ones, all stripped down to frames and wheels to eliminate unnecessary weight (Riker's navigator didn't even have a seat; he just sat on the back of the car, clinging to its side as it whizzed down the track), the Torpedo Racer finished the race in third place



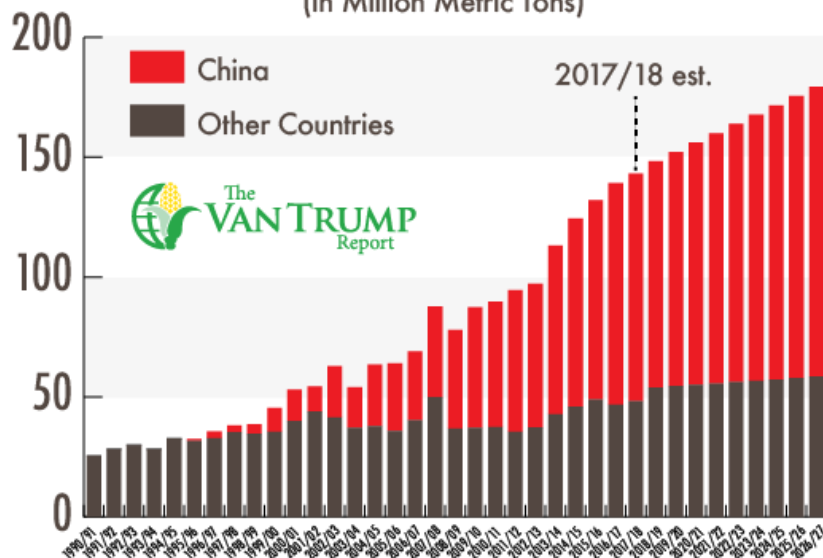
1957, College Football - Notre Dame beats Oklahoma 7-0, ending the Sooners' 47-game, 1,512-day college football winning streak. The

game also marked the first time in more than 120 games that Oklahoma didn't score a single point. Sooners fans were stunned. But, as Sooners coach Bud Wilkinson said in the locker room after the game, "There wasn't anything mysterious about it. We just got beat." At

demand. Here at home, NOPA's domestic crush numbers remain strong, but the trades now seem much more interested in South American production. Weather in South America will obviously be a "wild-card" moving forward. As I mentioned above in the corn section, things could eventually get too dry in Argentina and too wet in portions of Brazil. Weather headlines will definitely be monitored in the weeks ahead, perhaps Argentine weather more than Brazil. I still think psychological support down near the \$9.50 level could will be tested. As a producer I want to remain patient in regard to making any additional sales. As a spec I'm waiting for lower prices before I start to build a longer-term bullish position.

China Will Continue To Dominate Global Soybean Imports

(in Million Metric Tons)



Source: USDA, NASS Long-Term Projections through 2026/27

Wheat bears continue to talk about Russian and EU prices getting more competitive and very little in the way of production hiccups. Russian exports were recently raised by +500,000 tons to 33.0 million due to the robust early pace of trade. Several insiders believe that estimate by the USDA is too conservative and will need to be raised once again. Keep in mind, state-owned Russian Railways has introduced a rail tariff discount to encourage additional grain shipments. Meaning exports may continue to push higher. Lets also remember, world wheat production in 2017/18 is forecast at 752.0 million tons, up +0.8 million this month, and just 1.9 million tons behind last year's record. The bears are also talking about more uncertainty coming from Egypt, the worlds top buyer of wheat, has again reinstated a zero-tolerance policy for ergot fungus in its wheat import shipments. Meaning the move could ultimately keep more wheat available in the global marketplace. Here at home, I continue to think U.S. wheat acres are getting smaller and that the crop might be suffering in some areas due to weather complications involving poorly emerged and unprotected crops.

the beginning of the 1953 season, the Fighting Irish had beaten [Oklahoma 28-21](#). The next week, the Sooners had tied Pitt 7-7. The week after that, they'd beaten [Texas 19-14](#), and they hadn't lost since. For their part, the Irish were coming off of a humiliating 1956 season—their worst ever—in which they'd lost to the Sooners 40-0. That smarted, and the Notre Dame team was out for revenge. Even though they were playing better in 1957 (they arrived in Norman with a 4-2 record), no one really expected them to win. Oklahoma was the 18-point favorite, and momentum was certainly in the Sooners' favor. At the beginning of the game, it looked like it was going to be another Oklahoma rout: Wilkinson's team had possession three times near the end zone but couldn't manage to score. Then, early in the next quarter, Notre Dame fullback Nick Pietrosante sacked the Sooners' quarterback, grabbed the fumble and ran the ball 19 yards. After that, Wilkinson's team just seemed to fold. The Irish won the game on their first possession of the fourth quarter: They chugged forward steadily, covering 80 yards in 20 plays, until Dick Lynch caught a toss and ran the touchdown in standing up. Monty Stickles scored the extra point. "Even the nuns were astounded," the newspaper wrote. Oklahoma still holds the NCAA record for the most consecutive wins by a major college football team.

Upcoming Events

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

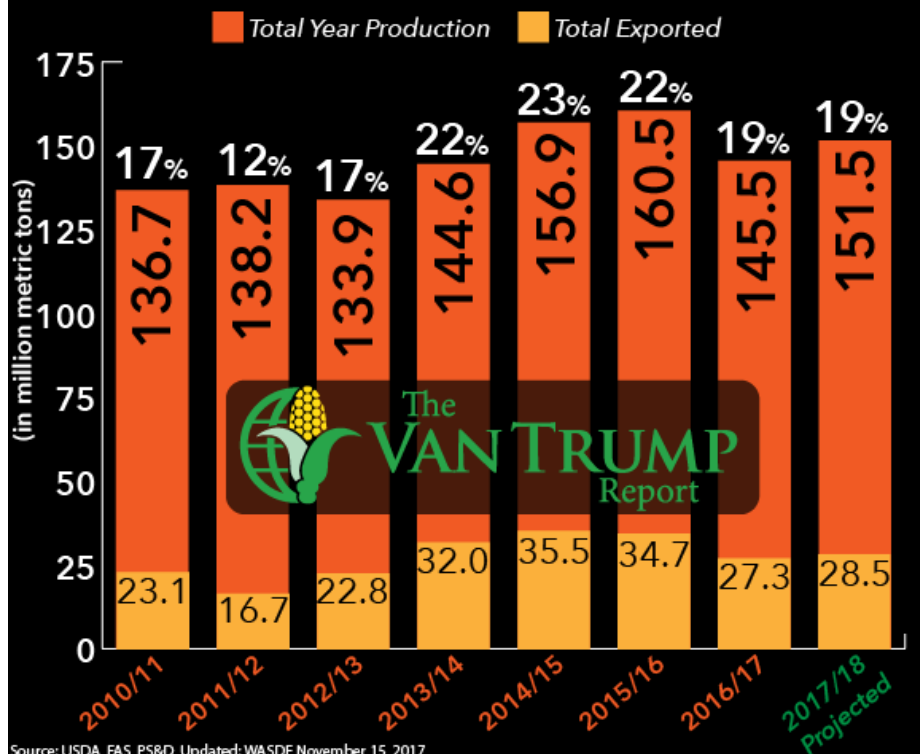
Mon. 1/1 - New Year's Day - Markets Closed

Fri. 1/12 - USDA Supply and Demand

Thurs. 2/8 - USDA Supply and Demand

Kevin's Song of the Week

EU Wheat % Exported (out of total production)



> **NOPA Soybean Crush The Fifth Highest Ever Reported:** NOPA yesterday reported that the U.S. crushed 164.242 million bushels of soybeans in October, the 5th highest ever for any month. Soybean stocks were reported at 1.224 billion lbs, compared to trade expectations of 1.41 billion.

> **Brazil's Soybean Planting Progress Advances +14%:** AgRural reports that Brazilian farmers have planted 57% of the 2017-18 soybean crop, up +14% from last week but still trailing last year's pace of 63%. Meanwhile in Argentina, the soybean crop is reported to be 12% complete, the same as where they stood at this time last year. Argentina's corn crop is 35% complete, advancing only +1% for the week, a bit slower than normal due in large part to dry conditions in some key growing regions.

> **COFCO Pegs China's Soybean Imports Above USDA Estimate:** China's grain trader, COFCO, said the country would import 100 million metric tons of soybeans, compared to the Chinese ag ministry's estimate of 95.97 million metric tons and the 97 million estimated by the USDA. COFCO expects soybean demand in 2018 to remain at a "high rate of growth." (Source: Reuters)

> **China's Pig Herd Shrinks The Most In Almost Two Years:** China's pig herd shrank in October by the most in close to two years, said the agriculture ministry, amid a crackdown on farm pollution that has forced hundreds of thousands of farms to close in the past year. The world's largest pig herd contracted by -6.6% in October, which was more than the previous month's drop of -6.1%, and a reduction pace not seen since January 2016. The sow herd fell -5.3% last month, also more than September's decline, and the largest drop since March 2016. Both sow and hog herds have registered a year-on-year drop each month since at least the start of 2016 but the pace of shrinkage has accelerated since July this year, as efforts to comply with new environmental regulations gather pace. China produces about 55 million tons of pork a year, about half the world's supply. (Source: Reuters)

WHAT I'M LISTENING TO: ▶



About the Report



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

> Argentina To Reduce Cost Of Docking Services In Rosario Ports: Argentina's government will cut the cost of docking services in the ports of Rosario, the country's main agricultural hub, by 70 percent when it implements a maximum rate for entry and exit guide services in December, an official told Reuters on Wednesday. The official decision is part of Argentine President Mauricio Macri's crusade to lower the costs of producing and exporting grains to boost economic growth. The cost of docking services in Rosario, the point of departure for 80 percent of Argentina's agricultural exports, is about \$108,000 per vessel, which represents about 30% of the port costs attached to ships that travel to the ports. (Source: Reuters)

> Monsanto, Farm Groups Sue California Over Glyphosate Warnings: Monsanto Co. and U.S. farm groups sued California on Wednesday to stop the state from requiring cancer warnings on products containing the widely used weed killer glyphosate. The government of the most populous U.S. state added glyphosate, the main ingredient in Monsanto's herbicide Roundup, to its list of cancer-causing chemicals in July and will require that products containing glyphosate carry warnings by July 2018. In the lawsuit, filed in federal court in California, Monsanto and groups representing corn, soy and wheat farmers reject that glyphosate causes cancer. They say the state's requirement for warnings would force sellers of products containing the chemical to spread false information. (Source: Reuters)

> Bunge Says U.S. Grains Handling Industry Needs Fixing: In a presentation at Morgan Stanley's Global Chemicals and Agriculture Conference, Bunge CEO Soren Schroder said he believes the grains industry is mostly caught up in a cyclical period. Schroder said it is "highly unusual" for industry to go through three or four years of global glut, a scenario that has played out across the entire spectrum of commodities. Schroder said he was convinced that "we will get back into a market eventually where tension in the supply chain and shifts in trade will bring about the value in our global footprint that we have built exactly for that reason." He did add that the U.S. grain handling industry "is one place in the world where we do see that there's a shift and there is a structural amount of overcapacity that somehow has to be rationalized." (Source: World Grain)

> Winning \$34 Million Bid Viewed As A "Disappointment" In Diamond Auction: A flawless 163-carat clear diamond fetched \$34 million at Christie's in Geneva — not enough to dispell concerns about the health of the market. The stone, the centerpiece of a gem-studded necklace designed by De Grisogono founder Fawaz Gruosi, was the largest of its kind ever auctioned. It's 40% bigger than a diamond Sotheby's sold in 2013 for only \$3 million less. Christie's sold 27 lots for more than \$1 million Tuesday, though a quarter of the items it offered went unsold. The total sale raised \$106 million. (Source: Moneyweb)

> The number of people diagnosed with Legionnaires' disease after spending time in Anaheim or Disneyland increased to 15, according to Orange County health officials. While two of patients have died, neither of them visited Disneyland. Legionnaires' disease is a form of atypical pneumonia that is usually spread by breathing in mist that contains Legionella bacteria. (source:SeekingAlpha)

> Global Shifts Expected In The Energy System: The International Energy Agency just released their World Energy Outlook 2017, in which they say global energy needs will move more slowly than in the past but still expand by 30% between today and 2040. This is the equivalent of adding another China and India to today's global demand. A global economy growing at an average rate of 3.4% per year, a population that expands from 7.4 billion today to more than 9 billion in 2040, and a process of urbanisation that adds a city the size of Shanghai to the world's urban population every four months are key forces that they say underpin their projections. The largest contribution to demand growth — almost 30% — comes from India, whose share of global energy use rises to 11% by 2040 (still well below its 18% share in the anticipated global population). Southeast Asia is another rising heavyweight in global energy, with demand growing at twice the pace of China. Overall, developing countries in Asia account for two-thirds of global energy growth, with the rest coming mainly from the Middle East, Africa and Latin America. The full report is available [HERE](#). (Source: IEA)

influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

**L.T., Assistant Deputy Administrator
for Farm Programs USDA**

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..."

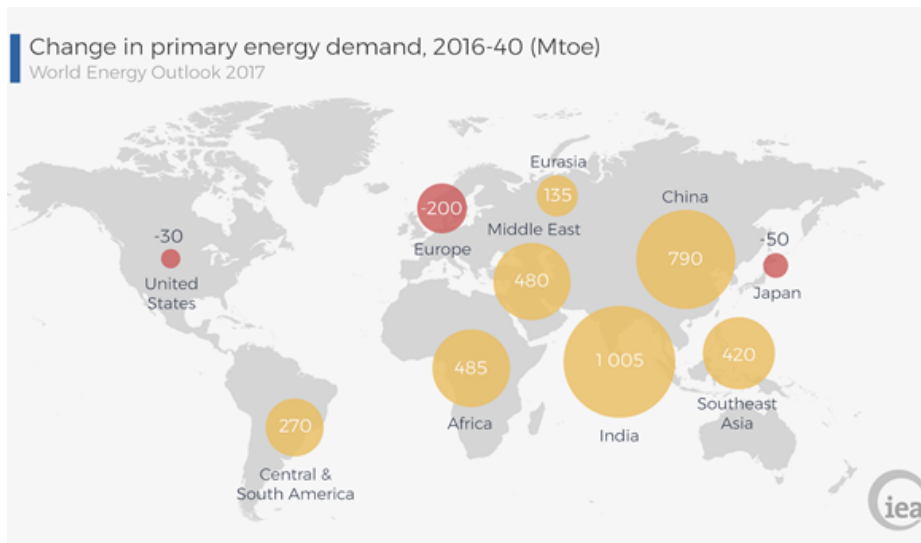
"Bulls make money, Bears make money, but pigs get slaughtered..."

"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.



Central North Dakota - The weather has gotten much better in November after being cold and snowy towards the end of October. Here of late, we have only been able to combine at night when things would freeze up. We have soil types that are on the sandier side which has been better for wheat and beans compared to corn. The beans have performed well the past few years. Our bean APH is around 35bpa but we made 50bpa this year. It is pretty amazing after only having 1.5" of rain all of August. July was even drier and on the hot days, you would see the beans roll up, showing signs of stress. I am a believer that the stress that we did have was beneficial for the bean plant, causing increased root development which allowed the plant to fill the pods properly. With the bean yields that we have seen, we may add some more bean acres next year.

Northwest Missouri -I think that our area is like a lot of others that are seeing better than expected yields. It is looking like the corn production may end up being better than last year. We put up a new bin that we thought would allow us to store all of our corn but we still had to take some in town with the extra bushels. We averaged 190bpa across all of the farms. We had some fields make 240bpa on very good ground and some lesser ground make 160bpa. The beans were good but not as good as the corn. We ended up getting dry in late July which carried into August. We ended up with bean yields between 58bpa to 63bpa, missing out on a bumper crop because of no late August rains.

Northcentral Ohio -We have just gotten started on picking any corn. Harvest seems to be a little late this year, with most corn not going in until the first week of June. Normally, we chop all of our corn for our dairy, but this year we sold all of our cows, so will need to make sales commercially. The corn that we are taking out is still very wet with moisture levels coming in at 25% to 27%. I think that our yields will be 200+bpa, which I think will be better than the last three years. Most guys have not finished up harvest and there are a lot of beans still left in the field to be cut. We are normally done with harvest by this time of year but we still have maybe 10 to 14 days to finish. I think that you will see guys going back and forth between corn and beans to be the most effective in finishing up harvest.



Ex-Google Exec Has A Plan To Create A String Of Tech Hubs Across Rural America: It's no secret that while Silicon Valley is gaining jobs, rural America is losing

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Snickerdoodle Cobbler

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them. A September report from the Economic Innovation Group found that nearly 90 percent of the ZIP codes in the U.S. that qualify as "economically distressed" have fewer than 50,000 people. There have been a number of publicized efforts this year from the big five tech companies — Amazon, Apple, Facebook, Microsoft, and Alphabet — to create more tech jobs in places outside of Silicon Valley. But many of them are tailored to metropolitan and suburban communities. An office that needs up to 50,000 employees isn't going to open in a town of 15,000. Matt Dunne, Google's head of community affairs from 2008 to 2016, says that there's more opportunities for Silicon Valley and rural communities to work together than they might initially think. Read more [HERE](#).

\$5 Billion Startup Makes Its First Cancer Vaccine - For One Person: Six weeks ago, a 1-millimeter cube of cancer tissue collected by doctors from the right lung of 67-year-old retiree Glenda Cleaver was packed in a box at the Sarah Cannon Research Institute in Nashville, Tennessee. It was the beginning of a journey Moderna hopes will lead to a long-sought goal: a vaccine that trains the body to attack tumors. Novel cancer drugs often come with six-figure price tags, so success could be lucrative. Numerous companies are chasing a cancer vaccine. Others have been ruined by the pursuit. Read more [HERE](#).

Amazon's Cashierless Store Is Almost Ready for Prime Time: For the past year, Amazon employees have been test driving Amazon Go, an experimental convenience store in downtown Seattle. The idea is to let consumers walk in, pick up items and then pay for them without ever standing in line at a cashier. Amazon is vague on the mechanics, but the store relies on a mobile app and some of the same sensing technology that powers self-driving cars to figure out who is buying what. The e-commerce giant unveiled Amazon Go last December, saying it planned to open the store to the public early this year. However, the company encountered technical difficulties and postponed the launch to work out the bugs. Seven months later, challenges remain, but the "just walk out" technology has improved markedly. And in a sign that the concept is almost ready for prime time, hiring for the Amazon Go team has shifted from the engineers and research scientists needed to perfect the platform to the construction managers and marketers who would build and promote the stores to consumers. Read more [HERE](#).

Missouri Girl Accidentally Shoots An Elk: She saw the antlers and a big brown body in the bushes. And with one shot from her rifle Saturday, Abby Wilson, 14, killed what she thought was a very large white-tailed buck. It wasn't. "She called her dad, who was hunting nearby, and her dad realized it was an elk," said Tom Strother, protection regional supervisor for the Missouri Department of Conservation. "The dad called our agent in Boone County, Adam Doerhoff, and said, 'We think we just shot an elk.'" Read more [HERE](#).

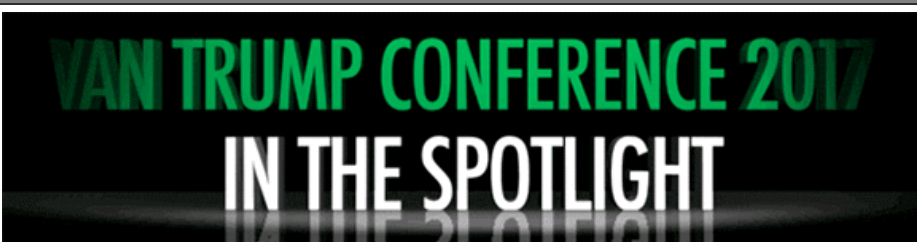
Beer And Bikes.... A New Venue For Enjoying Your Favorite Pastimes: I must admit I thought this was a pretty cool idea, assuming it is done responsibly. You can now coast into southeastern Ohio's beer scene via Brewed on the Bikeway, a new ale trail that connects four breweries and one cider house along an old railroad line in Athens County. Created by the Athens County Visitors Bureau, the trail offers a nifty way to sample quality craft brews while cycling a 21-mile, scenic path from Athens, Ohio, to Nelsonville, Ohio. I'm told it's one of the only bike-way brew tours in the U.S.. I'm thinking this might catch on!! Read more [HERE](#).

Tasmanian Treasure: Rare 17th-Century Map Of Australia Resurfaces: A rare map of Australia from the 17th century —before Europeans had fully explored the continent —resurfaced after 350 years. Now, it's finally been restored and put on public display in Australia's capital, Canberra. It was created more than 100 years before Captain James Cook sailed uncharted parts of the Pacific Ocean, and completed the map of Australia's coast. Only a handful of complete copies of Blaeu's map are known to exist. [HERE](#).

How the Jeep Evolved From Military Vehicle to Today's Wrangler: The current Jeep Wrangler is way more high-tech than its WWII-era forefather, but there's a direct link between the two. Now, you can watch the Jeep's history unfold in this lovely animation from the people at Donut Media. Donut actually starts with two cars that competed with the original Willys for the US military contract—the Ford Pygmy and the American Bantam Reconnaissance Car. Then, we get into Willys-Overland's first Civilian Jeep (CJ), which gave birth to the legendary CJ5. Eventually, we see the Jeep evolve through the 1970s with more colors and body styles than ever before, courtesy of American Motors, which bought Willys-Overland in 1970. See the animation and read more [HERE](#).

Boston Dynamics' New Robot Dog: Boston Dynamics hasn't talked much since it changed hands from Google's ailing robotics wing to the deep pockets of SoftBank, but the cutting-edge robotics firm happily gave the world a sneak peek of what it's been working on in the meantime. The company posted a 24-second teaser trailer showcasing a sleek new version of its latest offering, the electric-powered SpotMini. From that cursory glance, the underlying hardware appears mostly the same from the earlier iteration of the company's first all-electric quadrupedal bot. The exterior,

however, has been given a pretty dramatic makeover — making the new SpotMini far and away the most polished product out of the company yet. Check out the video [HERE](#).



CaptiveOne... You Might Want To Form Your Own "Captive"

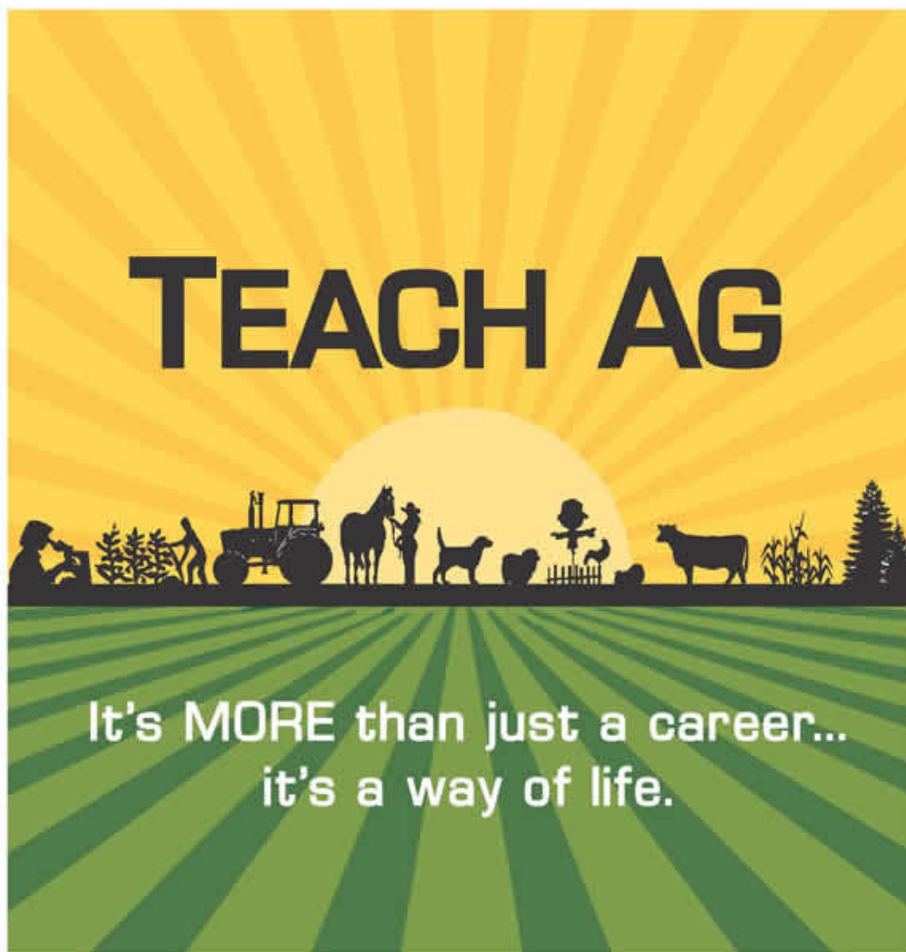
I was introduced recently to the folks at CaptiveOne and found their concept extremely intriguing. I'm certainly no expert, but the elementary way I understand it, instead of paying premiums to a commercial insurance carrier, you pay premiums to your own "captive". Any money that is not utilized or paid in claims stays in reserves, is investable, and may become profit in your captive. I invited them to attend our upcoming conference, believing they may have some solutions or ideas that can help many in attendance. I'm learning that under the right circumstance a captive can be an extremely smart risk management solution that, when executed in compliance with state insurance regulations and IRS guidelines, may provide more cost effective business risk coverage while simultaneously helping to build equity, improve cash-flow and reduce operating costs. Make sure you pick up some information at our conference on December 6th in KC or you can learn a bit more at CaptiveOne's website [HERE](#). There's certainly some interesting takeaway's...



Ag Educators Remain In Short Supply

America has an agriculture problem - teachers in the field are in short supply. The lack of ag educators has been an issue for years now, but the situation just continues to get worse. According to the National Teach Ag Campaign, there were 769 open agricultural education teaching positions in 2016. The shortfall was exacerbated by the net creation of 76 new ag programs created in 2016-17. At the same time, 721 agricultural

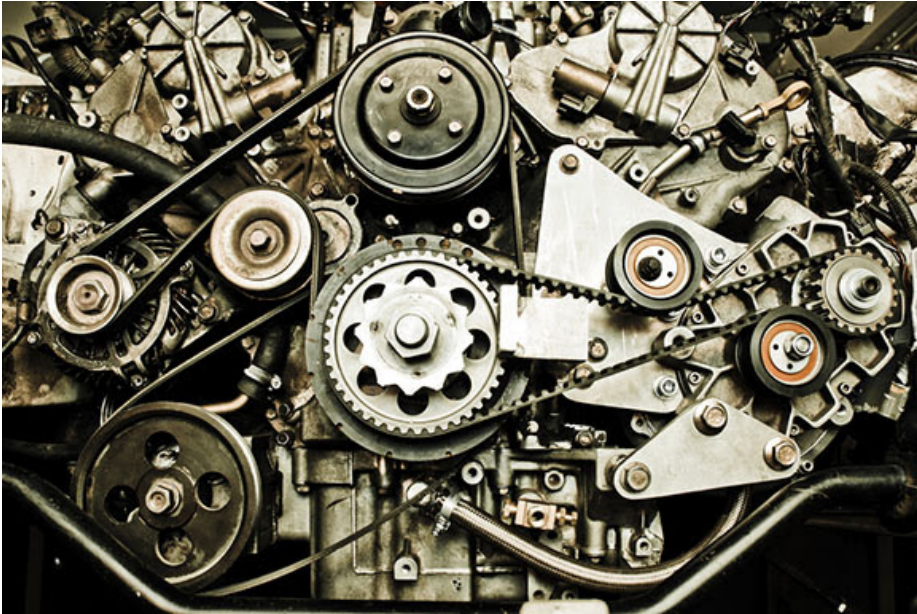
educators who taught in the 2015-16 school year did not return to the classroom in 2016-17. The biggest reason for leaving was retirement, followed by finding employment with a business. Nationwide, U.S. colleges and Universities only produced 772 ag education graduates and only 569 of those actually took teaching positions. The NAAE says on average, only about 75% of agricultural education graduates go on the teach. Additionally, about 40% of those that do teach leave the profession within five years of starting. The supply shortage has led to some positions being filled with alternatively certified or non-licensed teachers. Robert Torres, president-elect of the American Association for Agricultural Education, explains that the lack of qualified teachers has a multiplier effect - "If we don't have quality teachers in the classroom (then) it affects agricultural education and the ability to attract students to the agriculture career field and preparing them to function through that career." In some instances, ag teacher positions are simply left unfilled and programs are shut down. Ag education has dramatically changed over the years. There is a lot less focus on production agriculture and more focus on technical science aspects, such as biotechnology and agriscience, which the NAAE says has helped to attract more students. Still, the increased enrollment has not solved the supply problem. Compensation is cited as one major reason the field is failing to attract enough interest. The average annual starting salary in 2016 was \$40,142. Industry advocates are pushing for school administrators to rethink compensation levels in order to head-off what many feel is developing into a crisis. They point out that education is a critical component in our ability to feed a global population of 9 billion people by 2050. (Source: NAAE, Western Farm Press, FarmWeekNow)



China The Latest Country To Phase Out Combustion Engines

China recently announced that it plans to ban the sale of combustion engine vehicles, joining a growing list of countries that are phasing out the traditional technology. France and the U.K. both announced similar plans in July. China has not given a target date for the move, but France and the U.K. are both aiming for 2040. China's vice minister of industry and information technology, Xin Guobin, said that his ministry has begun work on a timetable to phase out fossil fueled vehicles. The Xinhua news agency also reports that Xin told automakers they need to begin to "readjust their strategies" accordingly. China is the world's largest new car market, with over 28 million purchased in 2016. Compare that to the 17.5 million in the U.S. China already began putting pressure on manufacturers to move away from fossil fuels. Rules for 2017 required car makers to have 8% of their vehicles EV or hybrid, rising to 10% in 2019, 12% in 2020 then 20% in 2025. China's domestic auto makers have already experienced great success in the electric car space, which has been boosted by generous government

subsidies. Still, it is a huge market and it will take foreign car makers to help make such a massive conversion. Foreign competitors are already launching plans to get a jump on the space. Honda and Nissan both plan to start selling their electric cars in China in 2018. Tesla is looking to actually open a factory in China to produce the cars it wants to sell in the country. Many industry insiders seeing even more countries joining China, France and the U.K. to get consumers into cleaner cars. In fact, the Netherlands and Norway are considering various options to phase out combustion engine vehicles. Some car manufacturers are betting on it being a growing trend as well. Volvo just recently announced that every new car in its portfolio will have an electric power train available starting in the 2019 model year. The plan to launch five fully electric models between 2019 and 2020. The rest of Volvo's models will be available with "plug-in hybrid" power trains and 48-volt "mild hybrid" systems. Bottom line, they will have no cars that are powered solely by fossil fuels. Mercedes just announced that its entire fleet will have either a hybrid or fully electric versions available by 2020. Its projected that by 2050, the number of electric vehicles on the road will match internal combustion engines. (Sources: Popular Mechanics, Bloomberg, Telegraph)



Can You Believe The First Harry Potter Movie Is 16 Years Old

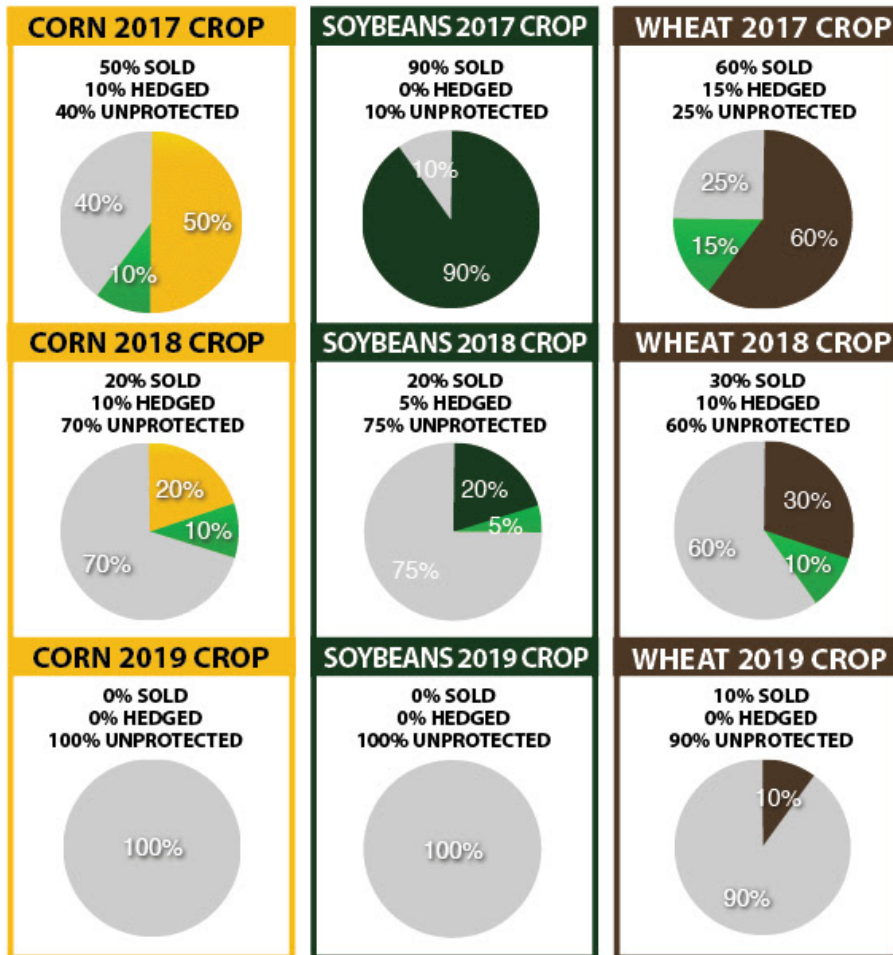
Harry Potter and the Sorcerer's Stone debuted on this day back in 2001 and went on to become one of the highest-grossing movies in all of history. I suspect British author J.K. Rowling's never dreamed of such fame and fortune when she was creating the bespectacled boy wizard Harry Potter. The first Harry Potter book, Harry Potter and the Philosopher's Stone, debuted in Great Britain in 1997 and was released in the United States the following year under the name Harry Potter and the Sorcerer's Stone. Children and adults alike were captivated by the story of Harry, his friends Ron Weasley and Hermione Granger, their adventures at the Hogwarts School of Witchcraft and Wizardry and Harry's struggles against his main enemy, the evil Lord Voldemort. I was personally mesmerized by the story of J.K Rowling herself. How she first got the idea for Harry Potter while she was riding a train from Manchester to London in 1990. She began writing the first book that night and finished it while living in Edinburgh, Scotland, where she struggled financially as a single mother, battled deep bouts of depression, buried her mother, and endured extreme poverty. Her completed manuscript was turned down by a number of publishers before she got a book deal with Bloomsbury Publishing in August 1996. Although Bloomsbury agreed to publish the book, their editor Barry Cunningham says that he advised Rowling to get a day job, since she had little chance of making money in children's books. Rowling went on to pen a total of seven Harry Potter novels, all of which became international blockbusters, selling more than 400 million copies and being translated into some 60 languages. The books also spawned a series of movies, video games and other merchandise that made Rowling one of the wealthiest people in the entertainment industry. I should note that in the summer of 1997, Bloomsbury published Philosopher's Stone with an initial print run of about 1,000 copies, 500 of which were distributed to libraries. Today, such copies are valued between \$30,000 and \$50,000. In the winter of 1998, an auction was held in the United States for the rights to publish the novel, that auction was won by Scholastic Inc., for a mere \$105,000 dollars. Scholastic Inc. still holds the perpetual U.S. publishing rights to the entire Harry Potter series. To say this is a "rags to riches" story would be a gross understatement. Below are few additional J.K. Rowling and Harry Potter facts:

- *Born Joanne Rowling (pronounced roll-ing), she has said that her publishers wanted another initial so she gave herself the middle name Kathleen, after her paternal grandmother.*

- J.K. Rowling went from being unemployed to becoming a multi-millionaire in five years.
To date, it's estimated that the Harry Potter movies have earned approximately \$7.7 billion worldwide, making it the highest grossing film series ever.
- Six of the eight Harry Potter films were nominated for a total of 12 Academy Awards but none of them were won.
- Rowling and Harry share a birthday - July 31.
- She invented the names of the Hogwarts Houses on the back of an airplane barf bag.
- The Dementors - creepy creatures that feed on human emotion - are based on Rowling's own struggle with depression after her mother passed away.
- Plants in Harry Potter's wizarding world come from a real book, Culpeper's Complete Herbal, which was written in the 17th century by an English botanist named Nicholas Culpeper.
- The American version of the first book was almost titled 'Harry Potter and the School of Magic'.
- When Steven Spielberg was attached to direct the film adaptation, he wanted Sixth Sense star Haley Joel Osment to play Harry.
- Daniel Radcliffe, the actor that played Harry Potter, was discovered in a theater. He was sitting behind producer David Heyman, who convinced Radcliffe's parents to bring him by for an audition.



CASH SALES & HEDGING TOTALS



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