

## GOOD MORNING: 11/27/17 Farm Direction - VanTrump Report

1 message

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

Mon, Nov 27, 2017 at 7:01 AM



*"If you are trying to be a sculptor, I probably wouldn't advise spending a tremendous amount of time selecting just the right chisel." - Jean Paul Getty*

**MONDAY, NOVEMBER 27, 2017**

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**Morning Summary:** U.S. investors remain upbeat amid strong economic data, another positive quarter of earnings and thoughts that leaders in Congress will come together to accomplish their year-end goals. This week should be a busy one, providing a ton of fresh new headlines. The Senate Banking Committee will meet tomorrow to consider the nomination of Federal Reserve Governor Jerome Powell to be the next Fed Chair. Then on Wednesday we will hear from current Fed Chair Janet Yellen testifying before the Congressional Joint Economic Committee on the state of the U.S. economy. Investors seem anxious to hear the central bankers' latest thinking on the country's weak inflation and how that is impacting longer-term thoughts on raising interest rates. Last week, Yellen hinted that price deflation could remain a problem for an extended period, meaning perhaps interest rates don't move higher at the pace some have been forecasting. Let's also keep in mind, Congress is back in session this week and the Senate is expected to begin considering their version of tax reform and thought to be holding a vote by Friday. Keep in mind, Republicans can really only afford to lose two votes from their own party. If it passes, it will have to be reconciled with the House version before legislation can be sent to President Trump's desk. In other words, there's still a lot of moving parts that need to come together. As for economic data, today the trade will be digesting New Home Sales and Dallas Fed Manufacturing. New Home Sales for October are expected to see a boost from increased demand resulting from the hurricanes in Texas and Florida. Later in the week we will be taking a closer look at U.S. consumer and construction spending, U.S. inflation, U.S. manufacturing data and New Auto Sales. Globally, the trade will be interested in the Chinese and European manufacturing numbers due out Thursday and Friday. Let's also not forget the highly anticipated OPEC meeting takes place this Thursday. Thoughts are a decision on extending the production cuts (a combined -1.8 million barrels per day) made last year in an attempt to bring global stockpiles back down to the five-year average, will be extended at this gathering beyond their March 2018 deadline. Supposedly the cartel is still in talks with Russia on the outline of a potential extension and details are still being worked out. From what I'm hearing inside the trade, most aren't looking for much structural change to the agreement, rather a simple nine month extension. I'm hearing some arguments that Russia might want to shorten the extension, as higher oil prices could mean a stronger Russian currency, hurting their overall exports and working against their overall economy, something they don't want to see ahead of next year's presidential election. Oil prices are currently trading at their highest level since June 2015. Adding to the bullish headlines have been disruptions to U.S. oil supply from problems associated with the Keystone pipeline and crude oil being imported from Canada. The U.S. Energy Information Administration recently showed crude stockpiles fell by -1.9 million barrels last week, and may fall again this week, a sign to many in the industry that the rebalancing in the oil market is starting to have a broader impact. Energy bulls seem to have woken up... lets make certain we are paying close attention.

**Bitcoin Nears \$10,000 As Investors Rush Into Cryptocurrency:** While a good deal of Americans opted to avoid talking politics around the Thanksgiving Dinner table this year, one topic filling the void was bitcoin. Whether it was a cousin bragging about buying it more than a year ago, or your uncle adamantly steadfast in his belief that the whole thing is a bubble, there's a good chance someone mentioned it. According to data compiled by Alistair Milne, of the Altana Digital Currency Fund, the number of users of Coinbase has increased from about 5 million at the start of 2017 to 13.1 million today. Over 100k users were added in 24 hours at the start of November, when CME announced that it would launch Bitcoin futures trading. During Thanksgiving weekend, Coinbase again crossed that mark, with another 100k users signed up in 24 hours. Individual investors seem to be afraid of missing out on buying Bitcoin, which might become unaffordable once the institutional money starts flowing in. More at [BESPOKE](#)

**Biggest Shopping Day In U.S. History:** U.S. retailers raked in a record \$7.9 billion in online sales on Black Friday and Thanksgiving, up +17.9% from a year



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The Gartman Letter



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ago, according to Adobe Analytics. Cyber Monday is expected to drive \$6.6 billion in internet sales, which would make it the largest U.S. online shopping day in history. (Source: SeekingAlpha)

**Consumers Remain Extremely Optimistic:** Consumer sentiment in November pulled back slightly from the 13-year high set the month before. While the decline reflects an easing of confidence in both consumers' current financial situation and their expectations, sentiment still matches the second-highest level since 2004. Respondents are voicing more certainty about the outlook for incomes, employment and inflation, according to the survey. The data signal consumer spending will rise 2.7 percent in 2018, adjusted for inflation, as well as "the best runoff to the holiday shopping season in a decade". (Source: Bloomberg)

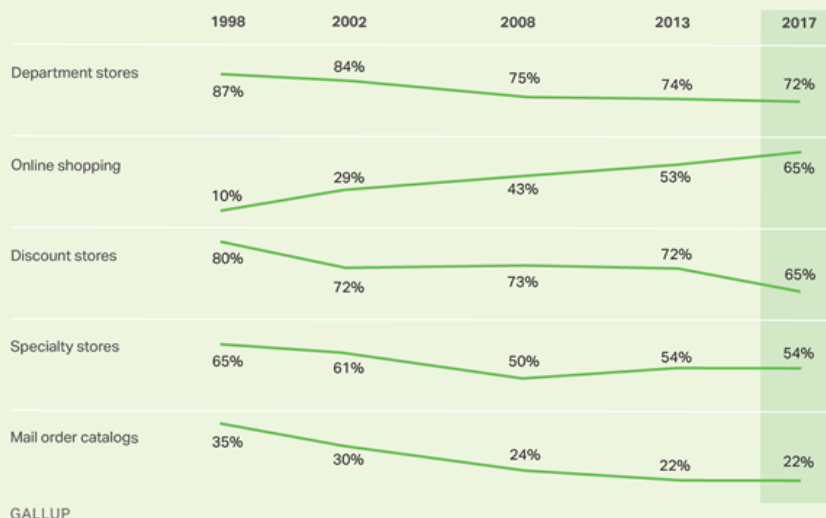
**Jeff Bezos Becomes The Worlds Richest At Over \$100 Billion:** A Black Friday surge in Amazon's stock price sent CEO Jeff Bezos' wealth above \$100 billion, making it the first time anyone has crossed that mark since organizations such as Forbes and Bloomberg began tracking the fortunes of the world's richest. (Source: BusinessInsider)

**Putin Wins Backing From Iran, Turkey In New Syria Peace Push:** Russia's Vladimir Putin won the backing of Turkey and Iran to host a Syrian peace congress, taking the central role in a major diplomatic push to finally end a civil war all but won by Moscow's ally, President Bashar al-Assad. Syrian opposition groups, meeting in Saudi Arabia to seek a unified position ahead of peace talks, decided to stick to their demand that Assad leave power, Al Arabiya television reported, following speculation they might soften their stance after their hardline leader quit. Two days after being visited by Assad in the Black Sea resort of Sochi, President Putin hosted his counterparts Tayyip Erdogan and Hassan Rouhani there. Syria's civil war, in its seventh year, has killed hundreds of thousands of people and created the world's worst refugee crisis, driving more than 11 million people from their homes. All previous efforts to achieve a diplomatic solution have swiftly collapsed. The other major power with troops in Syria, the United States, has so far kept its distance. The U.S. has firmly supported the stance that al-Assad be removed from power. (Source: Reuters)

**Christmas Shopping Intentions - Online Up, Discount Stores Down:** Sixty-five percent of U.S. adults say they are likely to shop online for Christmas gifts this year, up +12% points from four years ago and continuing steady growth in this form of shopping over the past two decades. Still, more Americans, 72%, say they are likely to shop at department stores this year, more than any of the other four shopping options tested in the survey. Since 2013, Americans' intention to shop at discount stores has declined by seven points to 65%, and it is now tied with online shopping. Meanwhile, shopping by the two least-used means -- at specialty stores and via mail order catalogs -- has held steady. Longer term, intentions to Christmas shop online have grown, from 10% indicating they were "very" or "somewhat" likely to do so in 1998 to 65% today. As online shopping intentions have increased +55 points over the past 20 years, intentions to shop in other ways all have decreased between -11 and -15 points. The top-ranked holiday shopping venue differs by income group. Among upper-income Americans, it is online shopping. For middle-income Americans, it is department stores; for lower-income Americans, it is discount stores. Click the graph for a larger view. (Source: Gallup)

Christmas Shopping Intentions by Venue, Selected Trend

% Very/Somewhat likely to shop using each venue



**Weather** for the final few days of November will see very little precipitation. This drier pattern along with generally above-normal temps will allow for harvest completion in many areas. Some lingering harvest bushels will still be likely in the northern and eastern areas. The southern Plains will remain abnormally warm and dry through the end of the month. This combination will continue to extract soil moisture from winter

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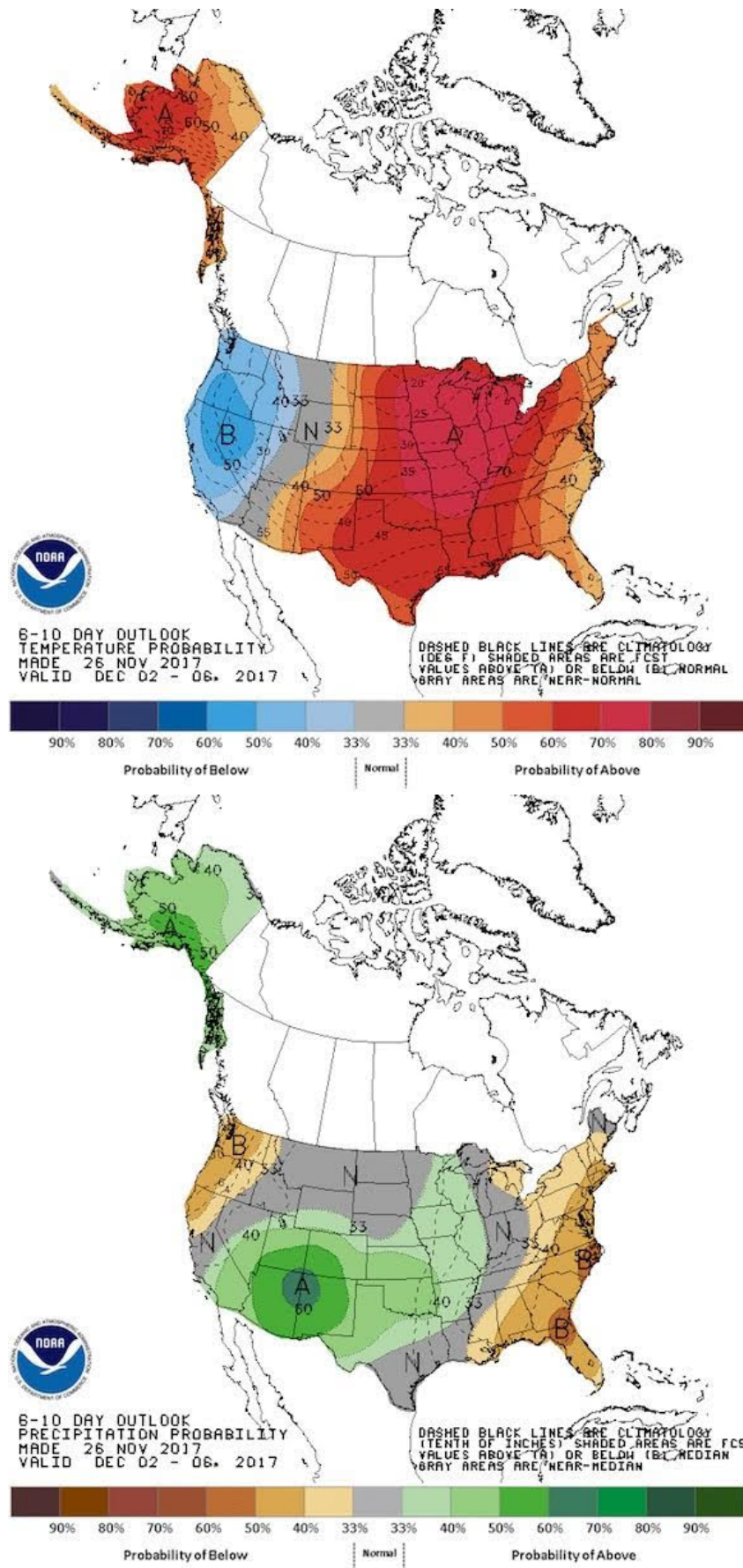
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wheat areas. The most recent U.S. Drought Monitor shows that Kansas is an increase in areas of the state with the beginning stages of drought. Below is the 6-10 day outlook for December 2 - 6. As you can see, warm weather dominates the nation's mid-section along with little chances for rain through much of the Midwest. Below is the 6-10 day:



Corn bulls are talking about freezing conditions in Argentina over the weekend. Several inside sources thinking damaged corn acres might be re-planted with soybeans instead. Bears are believing it's not that big of deal as Argentina corn acres are only 50%

## Today In History



**1746, The Chancellor** - On this day in 1746, Robert R. Livingston—later known as “the Chancellor”—becomes the first of nine children eventually born to Judge Robert Livingston and Margaret Beekman Livingston in their family seat, Clermont, on the Hudson River in upstate New York. The Livingston family were proprietors of large land claims in the Hudson Valley and their attempt to enforce restrictive leases led to tenant uprisings in 1766, during which tenant farmers threatened to kill the lord of Livingston Manor, Robert Livingston (R.R.’s relative), and destroy his opulent homes. The British army suppressed the revolt, saving the Livingstons. In 1777, the British army burned down Clermont and another of R.R.’s estates, Belvedere, in retribution for Livingston’s decision to side with the Patriots. During the 11 years between the tenant uprising and the burning of Clermont, Robert R. Livingston, who had graduated from King’s College (now Columbia University) in 1764, had established himself as a lawyer and political leader. He represented the Provincial Congress of New York at the Continental Congress in 1776 and helped to draft the Declaration of Independence, although he returned to New York before he was able to sign the document. During the War of Independence, Livingston served as secretary of foreign affairs under the Articles of Confederation. In 1783, he accepted the post of chancellor of the state of New York; he bore the title as a moniker for the rest of his life. “The Chancellor” was a Federalist delegate to the ratification convention in New York, and as New York’s senior judge administered President George Washington’s first oath of office. Under President Thomas Jefferson, Livingston negotiated the Louisiana Purchase and, while minister to France, sponsored Robert Fulton’s development of the steamboat. Livingston died on February 26, 1813. Today, both a bust in the U.S. Capitol and the name of New York’s Masonic Library memorialize R.R. Livingston as “the Chancellor.”



**1863, Civil War** - Confederate cavalry raider John Hunt Morgan and several of his men break out of the Ohio state prison and escape to the South. Morgan was raised in Kentucky and served in the Mexican War (1846-48) under General Zachary Taylor. A successful hemp manufacturer before the Civil War, Morgan moved to Alabama when Kentucky did not secede with the rest of the South. He became a hero in the South when he made four daring raids on Northern-held territory in 1862 and 1863. Though these raids were of limited strategic value, they boosted Southern morale and kept thousands of Federal troops occupied trying to hunt down Morgan. On his last raid, however, Morgan’s reach exceeded his grasp. He took a large band and headed through Kentucky, Indiana, and Ohio. After riding past Cincinnati, Morgan and his men tried to cross the Ohio River back into

planted. Bears are also talking about rainfall in several parts of Argentina over the weekend, and the very real possibility, if South American weather continues to cooperate, global ending stocks in 2018 could once again top +200 MMTs. Bulls find that argument extremely hard to swallow, believing the global balance sheet should shrink in 2018, especially if production in South America or the U.S. run into any type of hiccup. Chinese, Japanese and South American political policy could continue to increase global demand, especially on the ethanol side of the equation. There's a lot of talk circulating in regard to changes in the Argentine ethanol policy. Keep in mind Argentina's ethanol production has surged by about +30% already this year and some inside sources believe it could continue to push much higher. Another positive is the fact Japan recently announced they will allow gasoline blenders to use ethanol sourced from the U.S. in blending. Up to this point, Japan had been allowing blenders to use Brazilian sugar ethanol, but with U.S. ethanol 25-35% less expensive it seems to be a no-brainer. China is also acting as if they are going to start increase U.S. sourced ethanol. Lets also not forget U.S. domestic ethanol production set a fresh new weekly record last week at 1.074 million barrels per day. In other words we chewed through roughly 112 to 113 million bushels of corn last week producing ethanol...impressive! It's hard to imagine, but from 2001 to 2016, global ethanol production grew +400%, from 5 billion gallons to almost 27 billion gallons, I suspect that number is going to grow larger with China, Japan and others upping their bets. As a producer, I'm staying extremely patient. Even though U.S. and global supplies remain overly burdensome, demand remains strong and I think we could eventually get another shot at the MAR18 contract up between \$3.65 and \$3.75 per bushel. More longer-term, I'm waiting on DEC18 prices to move back north of \$4.00 per bushel before considering any additional sales. As a spec, I continue to like the thought of being a longer-term bull and a small buyer on the bigger breaks in price.

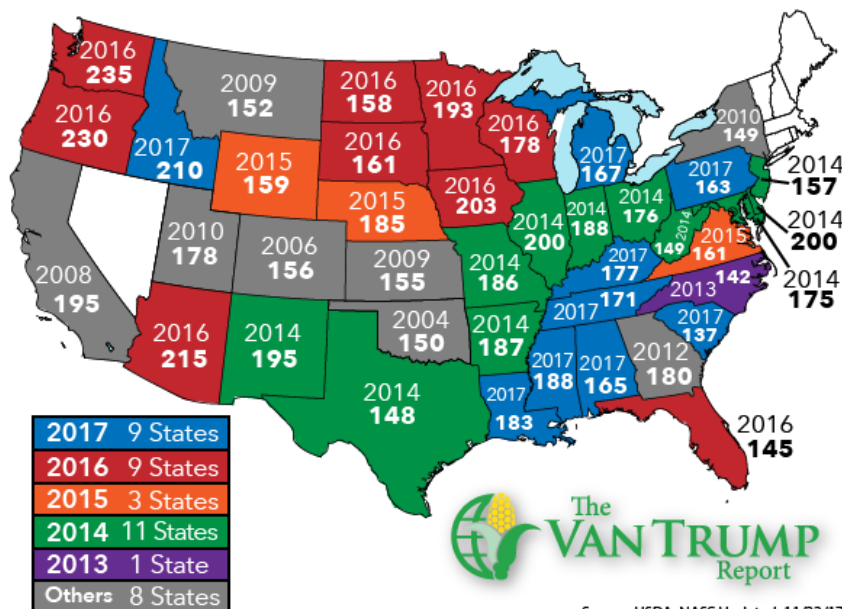
Kentucky, but they were surprised and routed by a larger Federal force at Buffington Island, Ohio. With his escape blocked, Morgan turned into northeastern Ohio but was finally surrounded by pursuing Yankee cavalry at Salineville on July 26, 1863. Morgan and several of his top officers were incarcerated in the newly constructed Ohio State Penitentiary at Columbus, while the rest of his men were sent to various Northern prisoner-of-war camps. In November 1863, Morgan and his men burrowed out of the prison by cutting a hole in a prison cell. Below the cell was a crawl space for ventilation through which they tunneled to the outside and journeyed safely to Confederate territory. Morgan returned to his cavalry activities in Tennessee after his escape. However, at Greeneville, Tennessee, in 1864, he was killed by Yankee cavalry.



**1954, Cold War** - After 44 months in prison, former government official Alger Hiss is released and proclaims once again that he is innocent of the

charges that led to his incarceration. One of the most famous figures of the Cold War period, Hiss was convicted in 1950 of perjury for lying to a federal grand jury. Specifically, Hiss was judged to have lied about his complicity in passing secret government documents to Whittaker Chambers, who thereupon passed the papers along to agents of the Soviet Union. Upon his release, Hiss immediately declared that he wished to "reassert my complete innocence of the charges that were brought against me by Whittaker Chambers." He claimed that his conviction was the result of the "fear and hysteria of the times," and stated that he was going to "resume my efforts to dispel the deception that has been foisted on the American people." He was confident that such efforts would "vindicate my name." Some observers remained skeptical of Hiss's protestations. Senator Karl Mundt felt that further investigation of the matter would probably be a waste of time unless Hiss decided "to come clean and tell the whole story." Chambers issued a brief statement in which he declared that the "saddest single factor about the Hiss case is that nobody can change the facts as they are known...They are there forever. That is the inherent tragedy of this case." The controversy over the facts in the Hiss case is also here forever. It remains a highly charged issue. His defenders argue that Hiss was a victim of the Red Scare that swept through the U.S. during the 1940s and 1950s. Others are equally adamant in maintaining his guilt, claiming that documents recently released from Soviet archives strongly support the case that Hiss was a spy for the Soviet Union.

## Record State Corn Yields



## TOP 5 CORN PRODUCING STATES, 2017



(in 1,000 bushels)

2,541 2,187 1,664 1,453 944



SOURCE: USDA, NASS UPDATED WITH NOV. 12, 2017

**Soybean** bears are pointing to slightly improved weather conditions in South America over the extended-weekend. They also continue to point to the large increase in tax being applied to palm oil imports into India as a major longer-term headwind. Keep in mind, India accounts for roughly 20% of all global palm oil imports. From what I understand, India will increase import taxes on crude palm oil (CPO) from 15% to 30%,

### Upcoming Events

**Tues.-Wed. 12/12-12/13** - FOMC Meeting

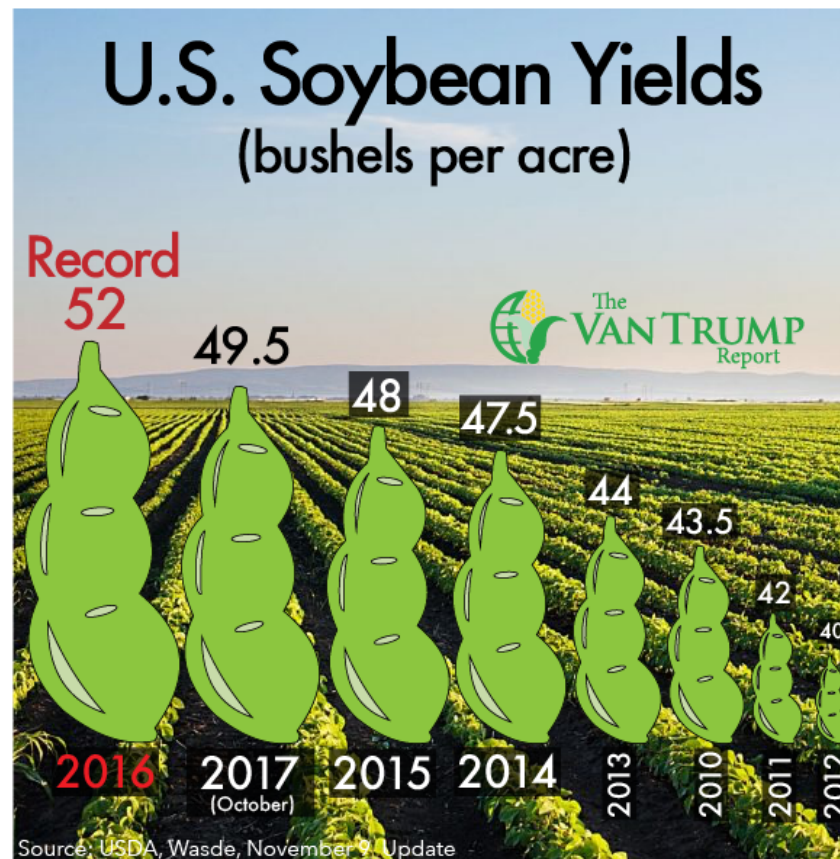
**Tues. 12/12** - USDA Supply and Demand

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

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



refined palm from 25% to 40%, and crude soybean oil from 17.5% to 30%. Officials in India continue to say the move is designed to protect their domestic farmers. Local oilseed crushers have been struggling to compete with cheaper edible oil imports from Indonesia, Malaysia, Brazil and Argentina, reducing demand for local rapeseed and soybeans and pushing prices below the government set price level in the physical market, this obviously has farmers upset. On the flip side, bulls are thinking a La Niña weather pattern could cause more extreme weather conditions in southeastern Asia (too much rain) and create complications for Asian producers, hence leading to an increase in import demand. Bulls also remember the last major La Niña, which occurred in 2012, helping to push soybean prices to \$18 and corn prices to \$8 per bushel. The trade will obviously be keeping a close eye on conditions in Argentina and parts of southern Brazil for further signs of drought like conditions. Personally, I continue to hear conflicting rhetoric in regard to La Niña conditions. There's currently respected weather guru's on both sides of the argument. Some say La Niña conditions will continue to gain strength, while others believe it will soon start to fizzle out. As usual, weather remains a major "wild-card". The good news is the NOV18 contract is still trading north of \$10.00 per bushel, offering producers an opportunity to reduce a portion of our longer-term risk. Those who feel they are currently undersold might want to be paying close attention...

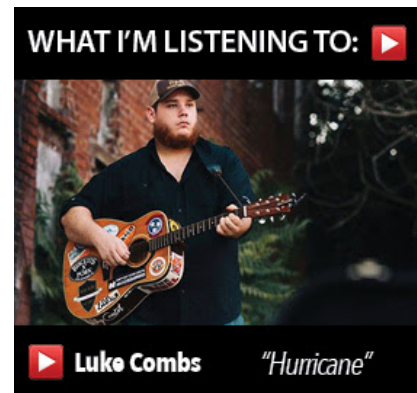


**Wheat** bears continue to talk about an oversupplied global environment, pointing to the fact this was the fifth consecutive year of stock-building for China, the Black Sea region and the European Union. Just remember, China is thought to own somewhere between 45% and 50% of the global balance sheet. Take China out of the equation and global supplies are roughly equal to that of last year. The problem is low-cost providers continue to harvest extremely strong crops. Bulls are hoping poor production ahead in parts of Australia, Argentina, Brazil, Canada, France, and the U.S. might be enough to tighten the global balance sheet a bit in 2018. More interesting perhaps is the underlying current, not the traditional fundamentals. The funds continue to hold a large net-short position, making a short-covering rally a very real possibility. The U.S. crop, though still early in the game, seems to be battling tough conditions in many key locations. U.S. winter wheat acres are at historically low levels. South American wheat production is struggling. Russia and Brazil seem to be moving towards a geopolitical scuffle in regard to tariffs and import restrictions, meaning perhaps more wheat sourced from the U.S. If any widespread production or logistical problems hit the headlines in regard to Russia or the European Union, the bears will certainly be caught offside. I still feel like most of the bearish cards have already been turned over and the deck is filling up with more bullish possibilities. As a producer I want to stay patient, hoping for a weather or geopolitical rally during the next 60-90 days. As a spec, I continue to hold an extremely conservative bullish position.

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

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

### Kevin's Song of the Week



### About the Report

## 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.

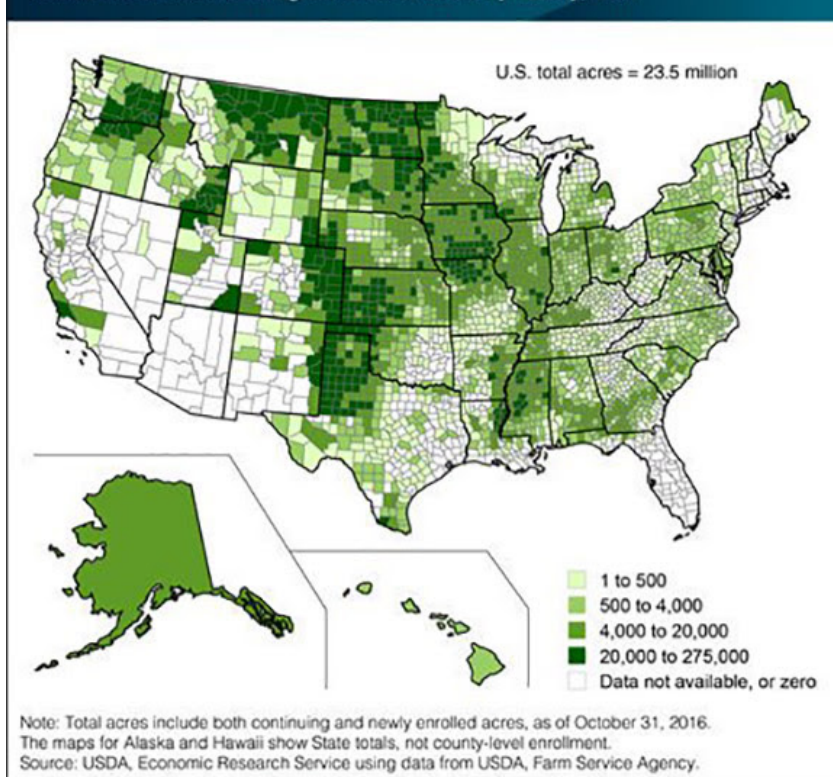
My family and I would like to thank you again for your support!

*Kevin Van Trump*

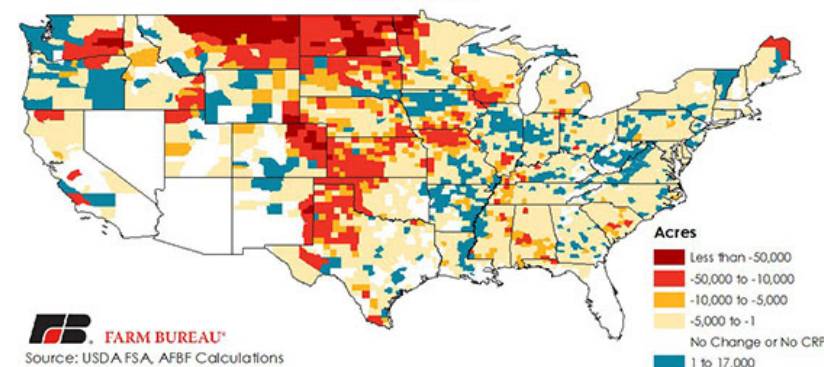
### What Others Are Saying

"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

## Conservation Reserve Program enrolled acres by county, 2016



**Figure 1. Change in Conservation Reserve Program Enrollment 2007 to 2016**



**> Soggy Corn Raises Costs For U.S. Grain Exporters:** Wet corn is piling up in the U.S. Midwest, boosting premiums for dry grain and raising costs for exporters who already have been undercut in global markets by cheaper Argentine supplies, traders said on Tuesday. The slowest U.S. corn harvest in three years was beset by rains and cool weather during the past two months that prevented later-planted crops from drying naturally in the fields. Corn supplies going into the harvest were the largest since 1988 and space in on-farm storage and dryers is at a premium. (Source: Reuters)

**> Argentina Sees No Change to Pace of Soy Export Tax Cut:** Argentina's Agroindustry Minister Luis Miguel Etchevehere reiterated the government's plans to help lighten the tax burden on farmers, saying the soy export tax cut was set to continue as planned. The country plans to cut the export tax by 12% points to 18% by 2020. This will be achieved by cutting the tax -0.5% per month in both 2018 and 2019. The initial plan was to lower the tax 5% per year, but the 2016 reduction was postponed.

**> Argentina Reduces November Price Cut On Ethanol:** Argentina's energy ministry partially backtracked on a price cut on ethanol introduced earlier this month for refiners who mix the biofuel into gasoline at a 12% ratio. The price cut has been shaved to

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.



7.5% from 15% for sugarcane-derived ethanol, and to 10.5% from 21.1% for supplies made from corn, the ministry said. They said the move came after ethanol producers provided information about production costs that "had not been contemplated" in the original price calculation. (Source: Platts)

> **Russian Ban On Brazilian Beef May Be Short-Lived:** A temporary ban imposed by Russia on Brazilian beef and pork exports may be reversed soon, potentially minimizing the impact on local producers, an industry group and a market analyst told Reuters. Russia's agriculture safety watchdog Rosselkhoznadzor said on Monday it would place temporary curbs on pork and beef imports from Brazil starting Dec. 1, after the feed additive ractopamine was found in some shipments. (Source: Reuters)

> **GAO Says USDA Must Do More On Checkoff Oversight:** GAO notes in a report that while improvements have been made when it comes to the 22 federal agricultural research and promotion programs known as checkoffs, USDA must still increase oversight efforts. GAO found that USDA did not routinely review checkoff program subcontracts, and that the Agricultural Marketing Service failed to consistently document reviews of independent economic evaluations. (Source: Politico)

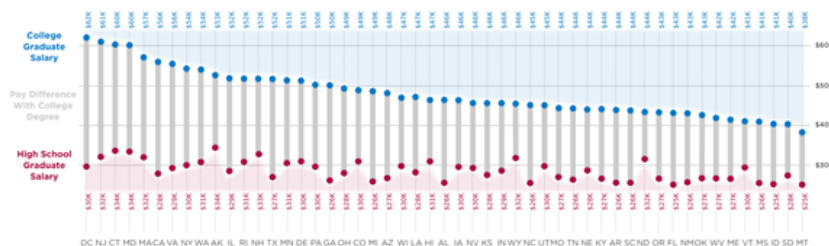
> **Deere Beats Estimates, Forecasts Strong Earnings In 2018:** Deere & Co forecast strong earnings on Wednesday for the coming fiscal year as it reported fourth-quarter results that exceeded analyst expectations amid improving demand for farm machinery. Deere forecast net sales for fiscal 2018 to jump +19% - translating to sales of \$35.39 billion - and earnings to rise to about \$2.6 billion. Deere said equipment net sales in the United States and Canada surged +23% in the fourth quarter ended Oct. 29, while sales in other markets jumped +30%. Net income attributable to the company rose +79% to \$510.3 million or \$1.57 per share in the fourth quarter, while total net sales rose +25.5% to \$7.09 billion.

> **Venezuela Arrests Citgo Execs, Including American Citizens:** Venezuela's military intelligence agency on Tuesday arrested six top executives of the U.S. subsidiary of state-oil company Petróleos de Venezuela SA, as part of what authorities are calling an anticorruption purge. Four of the six executives are naturalized U.S. citizens, said the Citgo official, who asked to remain anonymous because he wasn't authorized to speak to the press. Venezuelan Attorney General Tarek Saab on Tuesday said the acting president and five directors of Citgo, the U.S. refining arm of PdVSA, tried to defraud the nation through a planned \$4 billion financing deal with three little-known foreign investment funds. (Source: The Wall Street Journal)

> **Egypt was hit by its deadliest ever terrorist attack** this past weekend after gunmen - linked to Islamic State - opened fire and set off explosives at a mosque in the Sinai Peninsula, killing more than 300 people. While the violence is unlikely to threaten the stability of the El-Sisi government, it has devastated the tourist sector, a crucial source of hard currency for the economy. (Source: SeekingAlpha)

> **Why Going to College is the Best Investment Decision of Your Life:** Spoiler alert: going to college is still the best way to get a good job, and the investment you make to get your degree will more than pay for itself anywhere you go. Surprisingly, a lot of people are still turning out articles decrying why college isn't worth the cost, or that student debt loads are too high to merit the investment. Cost estimation site HowMuch looked into the most recent numbers and created an easy viz to put this debate to rest. The most obvious fact about our graph is that college graduates make more money than those with only a high school education everywhere in the country. The question isn't whether there is an ROI; the only question is how big the ROI is. Consider the smallest ROI for getting a college degree: \$11,543 in Vermont. That means you would make \$11,000 more than the non-college graduate every single year (all things being equal). At the other extreme, Washington DC carries a pay difference of \$32,511. These numbers suggest that going to college is a no-brainer. Click the graphic for a larger view. (Source: HowMuch)

**The Best Return on a College Degree by State**



Article & Source:  
<https://howmuch.net/articles/the-best-return-on-college-degree-by-state>  
<https://studentloanhero.com/featured/college-roi-top-20-states/>

howmuch<sup>net</sup>

*Farm Direction*

RECIPES

★ **FAMILY** ★

**FAVORITES**

-SENT IN BY OUR READERS-



**Baked White-Cheddar Mac**

CLICK TO SEE RECIPE



**Northwest Iowa** - The crops were extremely good this year even as we started the season very wet, pushing back on some plantings. Things went on to get very hot in the summer to the point we began worrying about damage, but the subsoil moisture definitely made a difference. In truth, our corn hit record numbers, making 250bpa which was 20bpa above our 2016 yields. The corn mostly goes to the ethanol plant so it only leaves me a small amount that needs marketing. We have a third of the beans sold. We are looking at picking up some more land at an upcoming sale. Looks like 16K an acre will be the asking price. That's a drop in price from some land I bought a couple of years back. Simply too much competition if you want get the available land.

**Northeast Colorado** - We are cleaning equipment, ordering parts and getting ready for winter. Our winter wheat has emerged nicely and I am hoping we get some moisture to put them to bed with. I much prefer rain over snow as snow generally has stronger winds that follow bringing damage along with them. We have been cutting back on the wheat acres and are doing so again this year. We had very good year with our corn and sugar beets, yielding over 265bpa with the corn. We were able to get 50% of the corn marketed and will sit back and wait for better opportunities.

**Northwest Wisconsin** - We are way behind getting crops out of ground having just finished beans last week and starting corn now. The weather has been horrible and we have had to wait for beans to dry down as best we could and they still shook the combine the whole time. I'll most likely leave some of the corn in the field to dry down as it is full of moisture as well. Our beans yielded average numbers in the mid-50's and our corn will help pull us up for the year averaging over 180bpa. Only sold 50% of corn so far and with cash prices at \$2.80 now, we will be sitting tight for a bit. Things have been very cold up here last week so we are not even getting in the field until mid-day.



**MUST READ: Lots of Great Ethanol Information:** As of late there's been a ton of talk about the future of ethanol. Interestingly global demand continues to surge. Before 2001, only Brazil and Paraguay required ethanol to be blended with gasoline for fuel use. From 2001 to 2010, ethanol-use mandates adopted by the United States and the European Union (EU), along with favorable market conditions, stimulated a rapid increase in ethanol production. By 2016, an additional 26 countries had adopted mandates, and others had set ethanol targets or were using ethanol without an official requirement. Many of these countries have difficulty meeting their mandates with domestic production. If these countries strive to meet their mandates and open their borders to trade, they could present strong export opportunities for U.S. ethanol, assuming the United States can sufficiently expand production. Read more at ["Global Ethanol Mandates: Opportunities for U.S. Exports of Ethanol and DDGS,"](#) released by USDA's Economic Research Service

**IBM & Nvidia Team To Build World's Fastest Computer:** There is an arms race in computing, which has implications in international relations and geopolitics as significant as any conventional arms race. Supercomputers are used for everything from long-range weather forecasting to the modeling and design of nuclear weapons. Currently, the fastest supercomputer in the world is China's Sunway TaihuLight, capable of 93 PetaFLOPS, or  $93 \times 10^{15}$  floating point operations per second. In 2018, the US plans to overtake Sunway with a new supercomputer now under construction at Oak Ridge National Laboratory (ORNL) in Tennessee. This computer, called Summit, will be capable of about 200 PetaFLOPS. A sister computer, Sierra, which is similar in design to Summit, is also being built at Lawrence Livermore National Laboratory in California. Read More at [Tom's Hardware](#)

**China's Pig Farmers Go North:** China's largest pig farming companies and new entrants are racing to build vast, modern hog farms in the north-eastern cornbelt, expanding the world's biggest pork market and upending traditional trade flows in meat and grain. At least eight listed companies have announced or confirmed plans to produce around 17 million pigs annually in the north-east in coming years. Many more companies, including the country's biggest pig farmer, Guangdong Wen's Foodstuff Group Co Ltd, are building farms in the area, suppliers and sources say, adding to China's annual \$1 trillion pork market. Some researchers expect output in the northeast to hit nearly 120 million pigs a year, almost double the 69 million head produced in the area's provinces last year. Read more [HERE](#).

**What's Happening In These Photos?** German photographer Max Leitner has published a project titled "Misleading Lines." It's a series of architectural photos shot in Warsaw, Poland. They're not standard architectural images, though: Leitner photographed an urban gymnast from unusual angles/perspectives to create mind-bending optical illusions. See photos [HERE](#).

**Try Out This Brain 'Skill' To Be More Creative:** Creativity is not genetic. It is not a talent, either. It is a skill. There is a process for it, and here is one skill that will help you get there. The most common form of creativity is the combinational creativity. That's when old ideas in your head combine in your medial prefrontal cortex into new ideas. Although it seems accidental, this process is far from it. There are four steps



that, if you followed them, would increase the quantity and quality of your ideas. Read more [HERE](#).

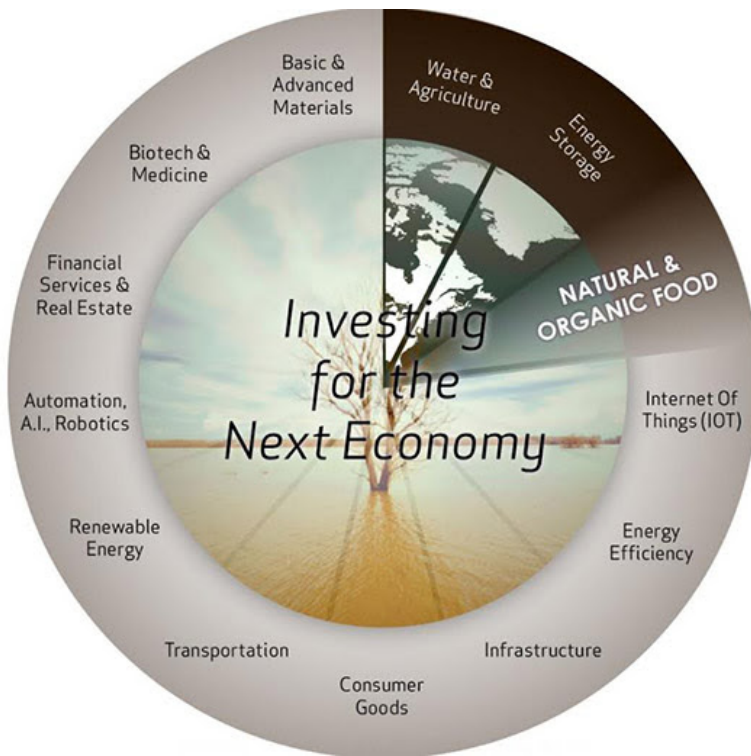
### **Bad Boy Mower From Brielmaier Machines Will Tackle Your Toughest Jobs:**

*When I first saw a video with the Brielmaier machine at work, I couldn't stop watching as I was impressed with all the challenging and "unique" work situations it was asked to complete. I figured some of you out there may be interested in seeing the many options offered by Brielmaier and how it could possibly be a safe and productive solution to some of your more challenging landscapes. Their [website](#) has multiple videos demonstrating all that the machine can do. You can also Click [HERE](#) to see is a short youtube video, compiling all it can do. Definitely worth a look!*

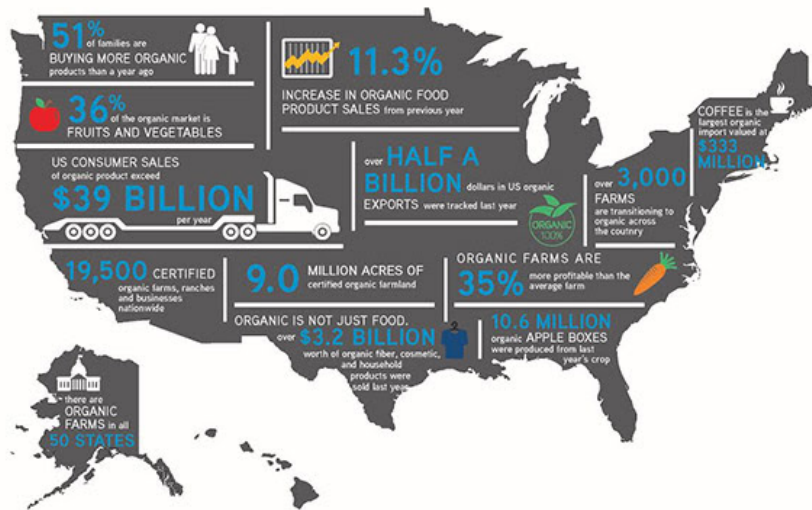


### **Capital Markets Are Being Moved To Build Organic Infrastructure**

Americans are spending over \$50 billion dollars a year on organic products and that number is expected to rise for the foreseeable future. Currently, 82% of households purchase some form of an organic product while shopping. It is because of these numbers, that some in the organic industry have begun to address the need for infrastructure. As I understand it, there are just under 200 facilities that are certified for organic grain and oilseeds. Furthermore, of those only about 50% are on rail and finally, only 50% of those are of commercial scale. It is clear that the growth of organics isn't going anywhere but up in the foreseeable future as consumers continue to ask for the environmentally sustainable and healthy crops. In order to support this growth and provide the needed efficiencies, it seems infrastructure is a logical step and Pipeline Foods' CEO Erik Jackson is leading the charge with his recent comments at the Organic & Non-GMO Forum in St. Louis in early November. Pipeline is seeking to add value to upstream & midstream supply chain solutions as well as for organic and non-GMO producers, through investments of \$300-\$500 million over the next three to five years. According to Jackson, there is an opportunity to create a shared value approach for everyone along the supply line. This new approach will offer a transparent and open means to communicate this value. This is welcome news for the many organic and non-GMO growers who have been worried about the future of their premiums under the current consolidations occurring in the space. Most notably, the recent acquisition of Whole Foods by Amazon and the dropping of organic prices has some concerned. Interestingly, it is believed that a hub supply chain, similar to the conventional marketplace, will allow for a high degree of traceability and thus provide much lower operating expenses. According to Jackson, it is these efficiencies that will provide the margin structure that all parties along the supply chain will benefit from. Keep in mind that infrastructure improvements are needed not only for domestic production but our imports as well, which make up 75% of all organics consumed in the U.S. I believe there is definitely an opportunity for those that do their homework, put pencil to paper and seek out end users to sell to. I'm told that experts believe the projected growth rate for organics and non-GMO's for the next 10 years will be 15%. Meaning, millions of domestic acres could be transitioned to organic or non-gmo. As you consider the future of your operation, this could be an area to explore, so my advice would be to find someone who is doing it and pick their brain.(Source: World-Grain, foodnavigator, Bloomberg)







### I Tried Walmart's Online Grocery Pickup... You Might Want To Give It A Go!

A few of us in the office recently tried Walmart's online grocery ordering and pick-up business. One of my guys who used it for the first time last week said it will forever change his Sunday afternoons. He and his wife had always gone grocery shopping after church on Sundays. In the past, the entire process - driving there, walking all of the aisles, buying things you didn't come for, etc. - would generally take a couple of hours and always ended up costing more than anticipated. The new process is insanely simple and saves a ton of time. I would recommend downloading the Walmart Grocery app so you can place your order from anywhere if you have your phone or iPad. Simply enter your zip code and select a local store for pickup, then begin creating your shopping list. Once you are finished ordering you choose the pickup time you desire from the list of options presented. Depending on the size of your location, they may have a limited number of orders they can handle in a day. South of town where we live for instance only 50 orders can be fulfilled in a day and my buddy says the store hit that number for the first time that weekend. As I understand it, the larger locations can handle nearly 150 a day. You must remember, the older stores were not designed to refrigerate separate orders in the back so that has definitely been the limiting factor for some locations. I'm told for most stores, if you want your groceries by that evening you will want to order in the morning to be safe. Usually by 1pm stores booked for that day. For everyone in the office who has tried it, the experience has been a game changer. I suspect this is one big reason WalMart's quarterly online sales recently increased by 50%. I suspect some of the impulse buying revenue will decrease, but probably will be more than offset by previous shoppers coming back for the convenience. The convenience of ordering from the comfort of your home is hard to overcome especially when one considers the long lines and other "frustrating" encounters you can now avoid. I should also mention they load the items in the car, meaning mom and grandma can make the trip a bit easier.



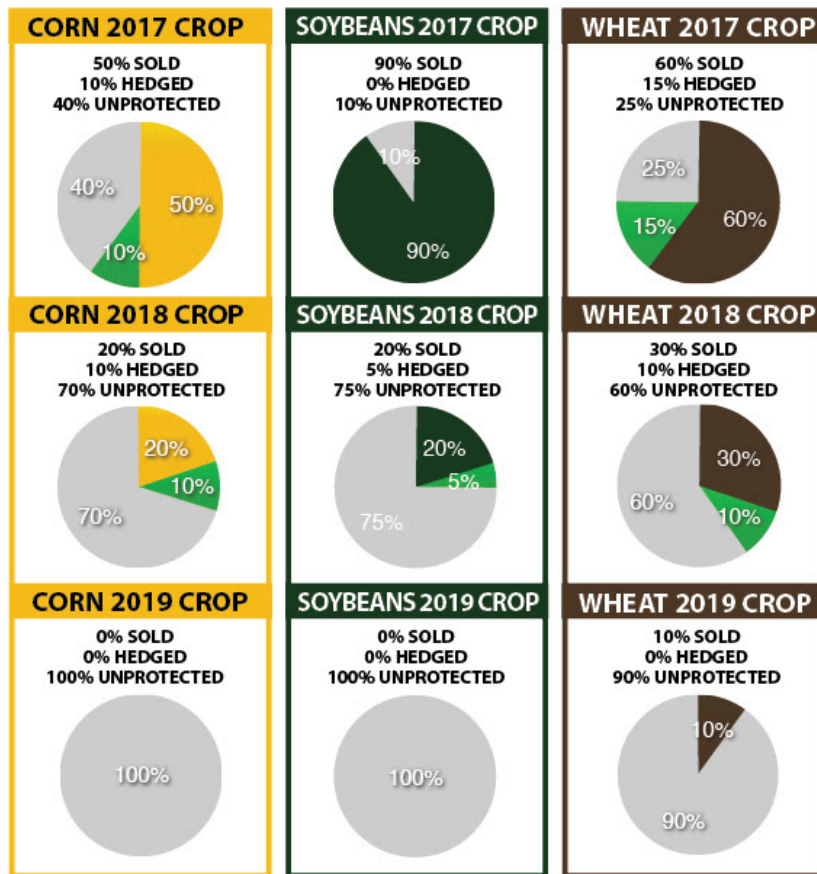
### Make Your Weaknesses Your Strength

I was always told my entire life, if you want to become one of the best, you have to try and make your weaknesses your strengths. All of my personal friends who have won World Series and Super Bowl rings all say the same thing. Interestingly, most people try and play into their strengths and avoid their weaknesses. Unfortunately, that works for a period of time, but once you start to compete against the best, they always find a way to exploit any of your hidden weaknesses. I was always taught by those who competed at the highest level of sport or business, to constantly be self-reflecting and trying to find your weaknesses. Once you have it pinpointed you have to work to make that somehow become one of your strengths. If you can make that happen then perhaps you have found the winning way. I always encouraged my kids to try things

they were not good at. As in trading, anybody can play a winning hand. It's how you play your losing hands that determines your ultimately outcome. The video below was sent my direction the other day and it remind me of this valuable lesson... "Make Your Weaknesses Your Strength" Click [HERE](#)







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