

## GOOD MORNING: 12/01/17 Farm Direction - VanTrump Report

1 message

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

Fri, Dec 1, 2017 at 7:06 AM



"I've learned that good-byes will always hurt, pictures will never replace having been there, and words can never substitute action." - Paulo Coelho

FRIDAY, DECEMBER 01, 2017

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**Morning Summary:** Asset reallocation continues! Stocks are pulling back this morning on more talk and rumors that the new proposed tax bill has hit a snag, this follows both the Dow and S&P 500 hitting new record highs. The S&P is up +17%, the Dow is up +22% in 2017. The Dow has actually marked another major milestone, breaking above 24,000 for the first time. Oil bulls were happy to see OPEC extend their production cuts through all of 2018. Russia appears to be on board with the OPEC cuts, but seems a bit hesitant, worried that if oil prices push too high it will again encourage more U.S. shale production and a deeper dive into alternative oil solutions. OPEC also decided to cap the combined output of Nigeria and Libya at 2017 levels below 2.8 million barrels per day. To this point both countries have been exempt from the cuts. Here at home, investors seem uncertain about tax reform on concerns about how the tax bill might impact and increase the national debt. Most are expecting the Senate will put it to a full vote today. Economic data includes Motor Vehicle Sales, PMI and ISM Manufacturing indexes, and Construction Spending. Fed-speak is fairly heavy today, with Fed Presidents James Bullard of St. Louis, Robert Kaplan of Dallas and Patric Harker of Philadelphia all on the calendar. Next week will be a busy on several fronts and also marks the first full week of December. The highlight will be the November Employment Report due out next Friday. Other data out next week includes Factory Orders on Monday; International Trade and ISM Non-Manufacturing on Tuesday; ADP Employment and Productivity and Costs on Wednesday; Consumer Credit on Thursday; and Consumer Sentiment and Wholesale Trade on Friday. There will be no Fed speakers next week as the central bank will be in the "black out period" before their upcoming policy meeting on December 12-13. I fully expect tax reform and the spending bill to again dominate the headlines out of Washington next week. Congress still needs to pass a funding package or they risk a partial government shutdown starting December 8 when the current bill expires. Rumors out of Washington indicate that GOP leaders want to pursue a short-term bill that would keep the bills paid into January, giving lawmakers more time to craft a trillion-dollar omnibus package for fiscal 2018. Republicans in the House are already saying they will not vote for a spending bill that contains any ObamaCare payments, highlighting deep divisions between GOP members and making some wonder if they will be able to work out a deal and pass it before the end of this year. On the international front, the U.S. and South Korea will begin joint military exercises as of Monday, a move that is sure to anger North Korea. It is also worth noting that a payment from Britain to the E.U. is supposed to be paid by Monday or else the E.U. says it will not begin trade talks in the Brexit negotiations. The first full-week of Dec should be an interesting one...

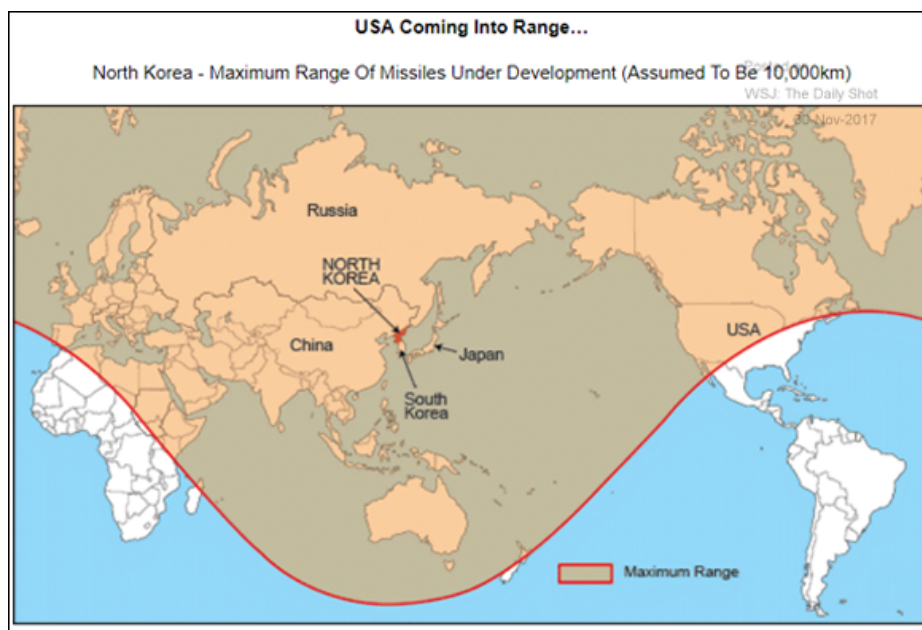
**U.S. Rejects China's Bid For Market Economy Status In WTO:** *The Trump administration has opposed China's bid for recognition as a "market economy" in the World Trade Organization, citing decades of legal precedent and what it sees as signs the country is moving in the opposite direction under Xi Jinping. The U.S. opposition to China's efforts came in a legal submission in a case brought by Beijing against the EU. Market economy status would make it more difficult for the U.S. to defend its anti-dumping rulings against Chinese companies at the WTO. If China wants to be treated like a market economy in the WTO it should behave like a market economy, US officials argue. The case in which China is challenging the EU's refusal to grant it market economy status is seen by the Trump administration as an important test of the WTO's dispute system. China's case against the EU also illustrates the slow process of hearing disputes at the WTO. China took the first step to register the case in December 2016. US officials*



doubt an initial decision will come before 2019, with any appeal likely to drag on beyond that. (Source: Financial Times)

**Venezuelan Crude Exports To U.S. Fall By A Third:** Venezuelan crude exports into U.S. refineries fell by -33.2% in the last four weeks compared with the prior-year period as Venezuela's oil output continues a years-long decline. Venezuelan crude exports to the U.S. averaged 503,000 barrels per day over the last four weeks compared to 753,000 barrels per day over the same period last year, U.S. Energy Information Administration (EIA) data shows. For the week ending 24 November, Venezuela exported 339,000 barrels per day to the U.S. compared to 713,000 barrels per day in the same period of 2016. Venezuelan crude volumes to key customers in China have also fallen. Lower Venezuelan crude production contributed to the large declines, as the country's output hit at least a two-year low in October amid US financial sanctions that are restricting the country's ability to fund operations and restructure debt. Venezuelan president Nicolas Maduro threatened this week to cut crude exports to the US in response to the sanctions. Much of Venezuela's oil production goes to meet debt obligations with China and Russia, making the US one of the few crude export destinations that generates cash flow. (Source: Argus)

**North Korea released a slew of photos Thursday, showing off the record-breaking intercontinental ballistic missile** the isolated nation launched a day earlier. Missile experts were impressed. "This is the biggest development in a year of big developments," said Jeffrey Lewis, an analyst at the Middlebury Institute of International Studies. The missile, called the Hwasong-15, is the biggest yet, which explains its long range, Lewis said. The first stage appears to have two large engines, capable of about 80 to 100 tons of thrust, Lewis said. The Hwasong-15 tested Wednesday reached an altitude of 2,780 miles, the highest yet. It would have had a range of 8,100 miles had it flown in a flat trajectory, according to calculations by David Wright, an expert at the Union of Concerned Scientists. That would make it capable of reaching Washington, D.C. The upper stage is also large, allowing the North Koreans to choose between outfitting it with a larger thermonuclear bomb, decoys that could help avoid defending against U.S. interceptors or multiple warheads. (Source: USA Today)



**Weather** forecasts are calling for mild temperatures to continue across the Midwest through the first weekend of December. A round of light to moderate rain is also indicated over the five-day period. Rainfall will favor soil moisture but will disrupt any late harvests. In the southern Plains crop areas have been significantly drier as of late and will continue for the next week. This means further loss of soil moisture in winter wheat areas. Winter wheat conditions are notably worse this year than a year ago, especially in Oklahoma and Texas. Across Brazil, continued rain and warm temperatures through major soybean and first crop corn areas will favor development. A dry area of the Argentina crop belt, Cordoba, received timely and beneficial rainfall with moderate to locally-heavy intensity in the past 24 hours. This is easing concerns about crop stress due to the recent drier and hotter trend.

**Cold Is Coming:** The latest 6 to 10-day outlook for December 5 - 9 calls for near to below normal temperatures nearly nationwide, while warmer than normal weather will be limited to New England, the northern High Plains, California and the Desert Southwest. Meanwhile, below normal precipitation in the West and

Here are a few of this year's early sponsors



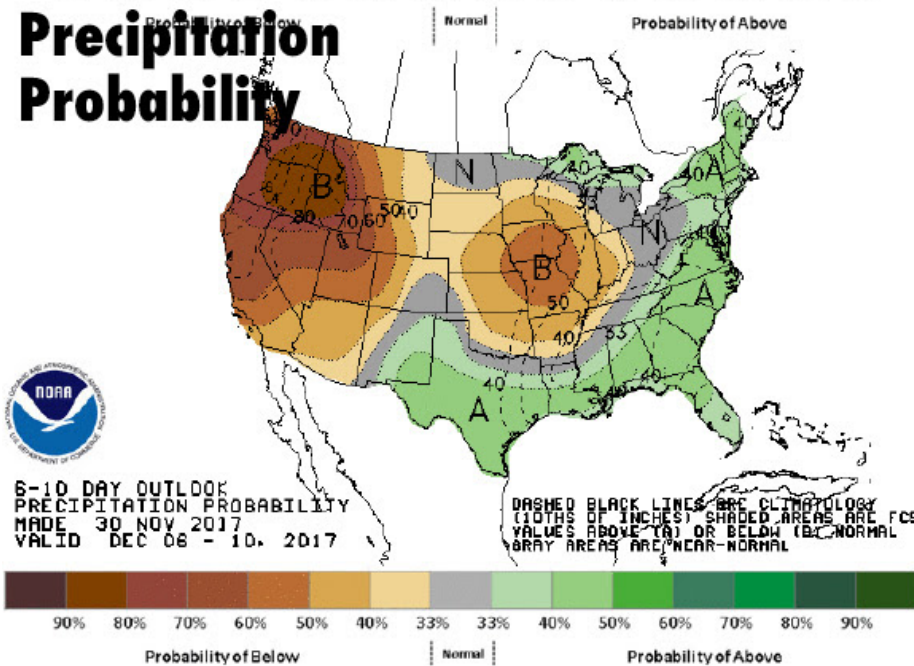
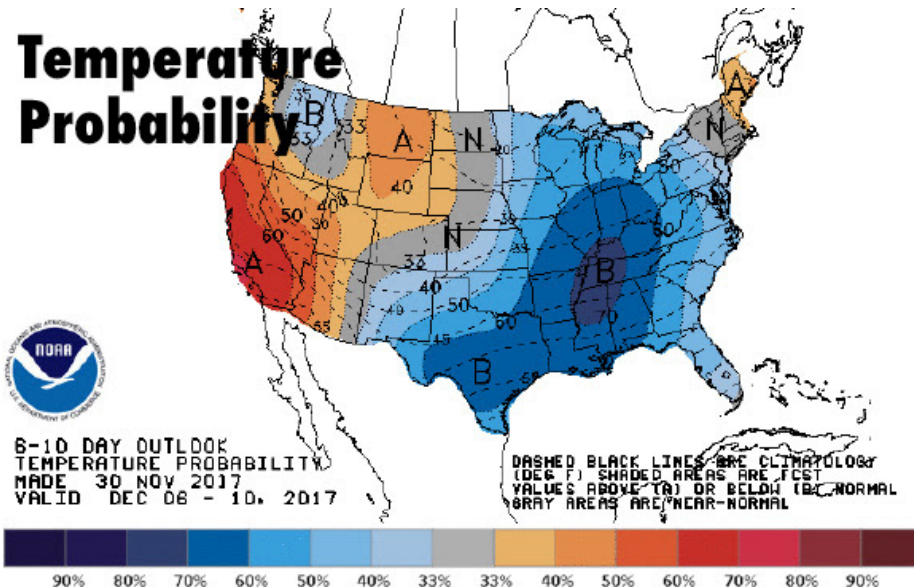


portions of the nation's mid-section should contrast with wetter than normal weather in the Rio Grande Valley and across the eastern one-third of the U.S.

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**Corn** traders are considering the fact large players might be rolling out of a portion of their short-corn vs. long-soybean spreads. I continue to hear talk from the macro players that the "reflation trade" might try to make another run. Bulls are also talking about the fact OPEC and Russia have agreed to extend its production cuts through all of 2018. The cuts are intended to limit global supply and to help drive up crude oil prices, which you have to believe is ultimately good for ethanol and the countries who are looking to push their policy deeper into the space. As I mentioned in the opening morning macro paragraph. The fear is that oil prices rally too far too fast and bring on a massive wave of U.S. shale production which could again drop the bottom out of price or encourage more technology to dive into the space of finding an oil alternative, which would not be good for ethanol longer-term. There's just a ton of bullish and bearish moving parts in the ethanol space right now and many of the large traders I know seem to have more questions than answers about the next 5 to 10 years? More nearby, bears are talking about weaker than expected export sales and no official word of the Chinese buying U.S. corn in the latest weekly data from the USDA. In fact, several traders I know think the USDA's current export estimate might be a bit overstated, certainly weaker than last year and will eventually need to be trimmed. As both a producer and a spec I still believe the MAR18 contract could test the \$3.65 to \$3.75 area before ultimately expiring. In areas where I've seen the basis strengthen the past few weeks, I still like the thought of selling the "cash" and re-owning the board with some inexpensive bullish strategy. I'm just worried that if prices on the board continue moving higher, some end users might back off the basis. As a spec, I'm still wanting to play the bullish side, but have been waiting for one more break to the downside. I'm

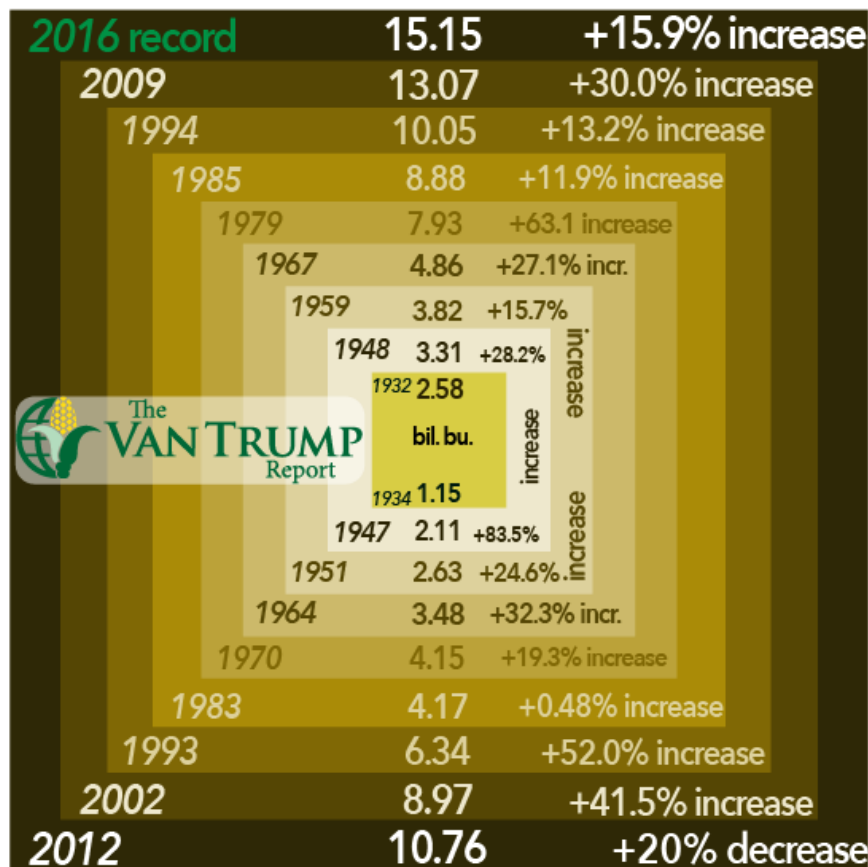
## Today In History



**1824, U.S. Presidency** - Congress acts to decide a presidential election for the first time in history, giving the presidency to John Quincy Adams. A clause in the Constitution's 12th Amendment puts the power of deciding an election in the hands of Congress if no candidate receives a majority of the Electoral College votes. Four candidates had originally campaigned for the presidency in 1823-24 and each man's support base generally reflected the geographic region from which he came. John Quincy Adams, the son of former president and founding father John Adams, was a New Englander and a Federalist who believed in a strong centralized government. Andrew Jackson, who had gained popularity in the wake of his successful military leadership in the War of 1812 against Britain, represented the western "frontier" state of Tennessee and espoused the Democratic Party ideal of strong states' rights without undue federal interference. A third candidate, William Crawford, was from the deep southern state of Georgia; he was slightly more conservative than Jackson. The fourth candidate was Henry Clay, the speaker of the House, who hailed from Kentucky and leaned closer to John Quincy Adams in political philosophy. On Election Day, Adams and Jackson led the pack in electoral votes, but Clay and Crawford had garnered enough votes to prevent either from winning a majority. Adams received 84 electoral votes; Jackson won 99. By the terms of the 12th Amendment, Congress was tasked with deciding between the two candidates, who could not have been more different in style or policy. Adams, described by his opponents as a cold, calculating Yankee elitist contrasted with Jackson, who was portrayed (not inaccurately) as hot-headed and hell-bent on destroying federal institutions (such as the National Bank) that George Washington and the Federalists had worked hard to establish. In the end, Speaker Clay used his influence to convince fellow lawmakers to cast their vote for Adams and he emerged victorious. Not surprisingly, Adams chose Henry Clay to be his secretary of state, an act that enraged Jackson and helped to

starting to wonder if I got a bit too greedy and waited too long to be a buyer. Regardless, I have no desire to chase this market higher with U.S. ending stocks thought to be moving near 2.6 billion bushels.

# U.S. Decade High/Low Corn Production



Source: USDA, Crop Production Historical Track Records

**Soybean** bears want to argue that South American weather is not nearly as concerning as some bulls want to advertise. Bulls argue things in Argentina and southern Brazil are getting more worrisome as dry conditions continue to expand. I personally feel like there's still a ton of time and uncertainty ahead in regard to South American weather and production, so whatever you think about the current situation, it could change several times between now and then. I'm not allowing myself to get overly opinionated in either direction, at least not yet. The recent EPA biodiesel headlines were somewhat of a non-event. U.S. weekly export sales were as expected. The Chinese are still buying some U.S. beans, but the bears still believe the current USDA export estimate is overstated. I should also note the recent weakness in the Brazilian currency is also bringing more concern to U.S. exports. For the moment the current U.S. and global balance sheet appears more than ample. That could all change however if production in South America hits a couple of hiccups or the yield in the U.S. next year is off by -2 or -3 bushels. The point I'm trying to make is with global demand this strong, it doesn't take a whole lot to excite the trade and paint a more bullish picture. As a producer I'm staying extremely patient. Keep in mind, I was lucky, having made several good sales way early on, so I have very little left to price. I've also already priced 25% of my estimated 2018 production. On the downside, I'm worried there could be some additional risk associated with a NAFTA fallout. There's also the fear that weather ultimately cooperates in South America and all of the current weather risk-premium ends up being removed. From my perspective this is a tough market to trade and understand right now. I could honestly argue from a fundamental perspective that prices need to be a -\$1.00 lower. On the flip-side, understanding and seeing the underlying landscape, and the fact the funds seem overly eager to jump the bullish headlines to gain some ag diversification, hence a +\$1.00 to +\$2.00 rally wouldn't be out of the question with the right mix. From a spec perspective it feels like a market that could easily chew through some equity as it tries to find itself. Traditionally, with these types of thoughts I might look to sell some option premium, but I just can't pull that trigger with volatility so cheap and margins on the farm so thin.

unite what had been a fragmented Democratic Party. In the election of 1828, Jackson easily beat the incumbent Adams, and went on to serve until 1837.



## 1959, Antarctica Treaty -

Twelve nations, including the United States and the Soviet Union, sign the Antarctica Treaty, which bans military activity and weapons testing on that continent. It was the first arms control agreement signed in the Cold War period. Since the 1800s a number of nations, including Great Britain, Australia, Chile, and Norway, laid claim to parts of Antarctica. These competing claims led to diplomatic disputes and even armed clashes. In 1948, Argentine military forces fired on British troops in an area claimed by both nations. Incidents of that sort, together with evidence that the Soviet Union was becoming more interested in Antarctica, spurred the United States to propose that the continent be made a trustee of the United Nations. This idea was rejected when none of the other nations with interests on the continent would agree to cede their claims of sovereignty to an international organization. By the 1950s, some officials in the United States began to press for a more active U.S. role in Antarctica, believing that the continent might have military potential as an area for nuclear tests. President Dwight D. Eisenhower, however, took a different approach. U.S. diplomats, working with their Soviet counterparts, hammered out a treaty that set aside Antarctica as a military-free zone and postponed settling territorial claims for future debate. There could be no military presence on the continent, and no testing of weapons of any sort, including nuclear weapons. Scientific ventures were allowed, and scientists would not be prohibited from traveling through any of the areas claimed by various nations. A dozen nations signed the document. Since the treaty did not directly tamper with issues of territorial sovereignty in Antarctica, the signers included all nations with territorial claims on the continent. As such, the treaty marked a small but significant first step toward U.S.-Soviet arms control and political cooperation. The treaty went into effect in June 1961, and set the standard for the basic policies that continue to govern Antarctica.

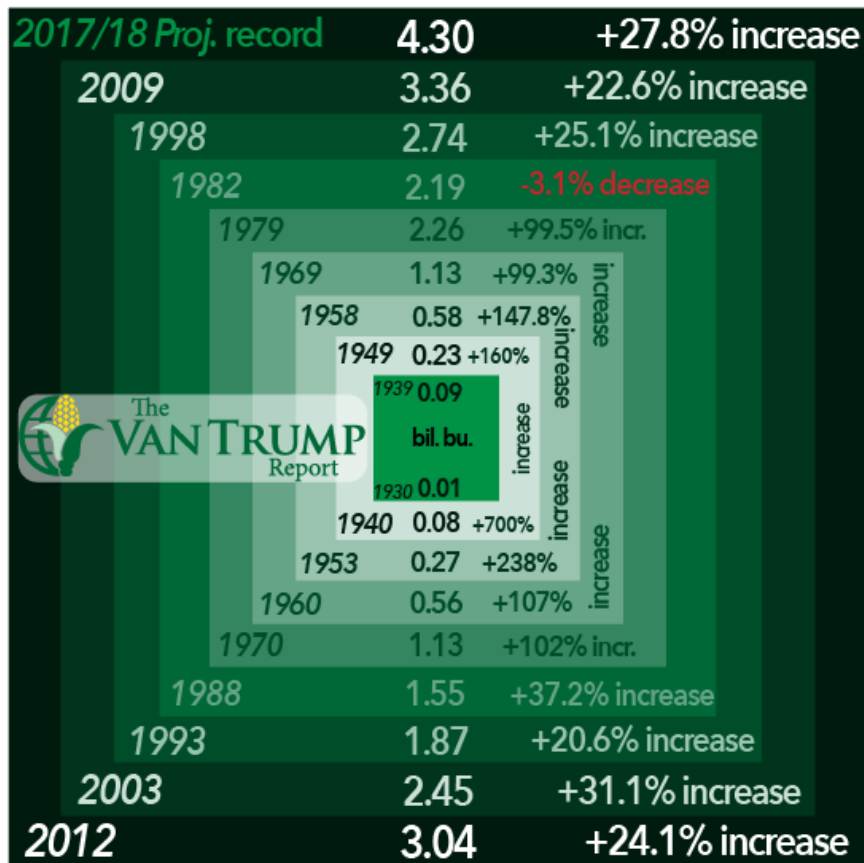


## 1990, The Channel Tunnel -

Shortly after 11 a.m. on December 1, 1990, 132 feet below the English Channel, workers drill an opening the size of a car through a wall of rock. This was no ordinary hole--it connected the two ends of an underwater tunnel linking Great Britain with the European mainland for the first time in more than 8,000 years. The Channel Tunnel, or "Chunnel," was not a new idea. It had been suggested to Napoleon Bonaparte, in fact, as early as 1802. It wasn't until the late 20th century, though, that the necessary technology was developed. In 1986,



# U.S. Decade High/Low Soybean Production



Source: USDA, Crop Production Historical Track Records

**Wheat** bulls are talking about a headline that stated France has stopped a shipment of mushrooms thought to have originated from inside the Black Sea region, perhaps Ukraine, Russia, Belarus area that may have been contaminated with low-level radioactivity. Keep in mind, there has been a lot of talk inside the industry as of late that a cloud containing radioactive ruthenium had recently blown over large parts of Europe, that many believe originated somewhere in Russia. Remember, just last month French and German radiation safety officials identified the southern Ural Mountain region, home of Mayak nuclear plant, as the likely source of a cloud of a radioactive isotope, ruthenium 106. The German Federal Office for Radiation Protection reported the radiation cloud, and on Oct. 9 pinpointed its likely origin as the southern Ural Mountains in Russia or Kazakhstan. Even though there is reportedly no real danger to people because of its short half-life, 373 days, and harmless at the low concentrations that have turned up in Europe, it seems there's starting to be a bit more concern about food safety or possible contamination coming from potential buyers. It will be interesting to see how these headlines play themselves out and if they will start a string of more stringent inspections on imports coming from the Black Sea region. I've personally heard two sides to the story, one obviously worried and concerned, while the other side is saying this shall soon pass and it's nowhere near a game-changer. I suggest we monitor the headlines closely. Outside of this, there's really nothing fresh or new in the headlines. The U.S. winter wheat crop continues to struggle, acres are record low, but the trade continues to seem much more concerned about global production. Most of the global production cards have already been turned over, so nobody is getting overly excited. U.S. and EU exports remain weak, global supply burdensome and no major production hiccups for the world's low-cost providers. The trade is hungry for something new!



Britain and France signed a treaty authorizing the construction of a tunnel running between Folkestone, England, and Calais, France. Over the next four years, nearly 13,000 workers dug 95 miles of tunnels at an average depth of 150 feet (45 meters) below sea level. Eight million cubic meters of soil were removed, at a rate of some 2,400 tons per hour. The completed Chunnel would have three interconnected tubes, including one rail track in each direction and one service tunnel. The price? A whopping \$15 billion. After workers drilled that final hole on December 1, 1990, they exchanged French and British flags and toasted each other with champagne. Final construction took four more years, and the Channel Tunnel finally opened for passenger service on May 6, 1994, with Britain's Queen Elizabeth II and France's President Francois Mitterrand on hand in Calais for the inaugural run. A company called Eurotunnel won the 55-year concession to operate the Chunnel, which is the crucial stretch of the Eurostar high-speed rail link between London and Paris. The regular shuttle train through the tunnel runs 31 miles in total--23 of those underwater--and takes 20 minutes, with an additional 15-minute loop to turn the train around. The Chunnel is the second-longest rail tunnel in the world, after the Seikan Tunnel in Japan.

## Upcoming Events

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

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

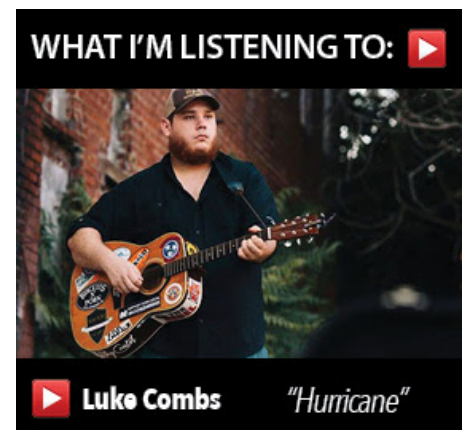
**Mon. 12/25** - Christmas - Markets Closed

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

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

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

## Kevin's Song of the Week



**> Renewable Fuel Standard On Par With 2017:** The amount of renewable fuels required to be blended into the nation's gasoline supply next year will be roughly the same as this year, according to a final rule published by the U.S. Environmental Protection Agency yesterday. In 2018, according to the new rule, 19.29 billion gallons of renewable fuels will be required under the Renewable Fuel Standard, up from 19.28 billion for 2017. The amount of advanced biofuels will be 4.29 billion gallons, with biomass-based diesel the same as set in July at 2.1 billion gallons and cellulosic biofuel at 288 million gallons — 50 million gallons higher than the July proposal. The 2019 amount for biomass-based diesel also was set at 2.1 billion gallons. (Source: The Gazette)

**> EPA Chief To Visit Iowa:** Scott Pruitt plans to visit an Iowa farm on Friday, a day after the head of the Environmental Protection Agency released the latest quotas under the RFS mandate. Pruitt is scheduled to meet with farmers and biofuel groups in Nevada, Iowa, according to people familiar with the meeting, who asked not to be named because the details haven't been made public. Bill Couser, the farm owner, declined to comment. Iowa is the biggest producer of renewable fuels, and its senators and other political leaders pushed Pruitt to abandon ideas that would have revamped the Renewable Fuel Standard. Trump ordered Pruitt to assuage concerns from the farm-state lawmakers delegation after Iowa Republican Senator Charles Grassley decried a "bait and switch" by the administration amid reports that the agency was considering changes to the program. (Source: Bloomberg)

**> Argentine Farmers Worried About Increasingly Dry Weather:** Dry weather is becoming an increasing concern in Argentina, with the most immediately impacted provinces being Cordoba and Sao Luis. Longer term, there are risks for the provinces of Santa Fe, Entre Rios, and northern Buenos Aires. Generally, the driest areas are in the western and northwestern production areas, but it is now also becoming a concern in the heart of Argentina's production areas. It was reported last week that soybean planting had come to a halt in Sao Luis and parts of Cordoba due to excessively dry conditions. The Office of Risk Assessment indicated last week that there is a high risk of moisture shortage in both provinces over the next 15 days. The soils of Argentina hold water very well, so there is still adequate subsoil moisture for the crops that have already been planted. The problem is that the topsoil is drying out to the point where germination and stand establishment of newly planted crops could not be assured without additional moisture. As a result, farmers in the dryer regions have parked their planters and they will wait for 1-2 inches of rainfall before they resume planting. The Buenos Aires Grain Exchange indicated that approximately 37% of the soybean acreage in Argentina is in need of additional moisture. (Source: Soybean & Corn Advisor)

**> U.S. Has Record Pork Exports:** Pork exports have hit an all-time high this year with nearly 30 percent of pork products being exported. Bill Evans, CEO of the National Pork Board, explains that 20 some years ago the US was a net pork importer. Now, fast forward to 2017 and we have 27 percent of our product moving. "That is the reason why we're getting the new packing plants built and why we're getting the new barns built in the countryside- it's an incredible growth story." As pork supplies increase, Evans says strong trade remains vital to producers' bottom line. He says that's why the organization is working to increase both domestic and global demand for U.S. pork. (Source: Brownfield)

**> Brazil's Soybean Crop Might Get Even Bigger:** Brazilian analysts are likely to raise soybean output forecasts in coming weeks as weather fears have subsided and the crop is developing well, four consultancies told Reuters this week. As seeding began about two months ago large areas were dry, but rain so far this season has been good and soil moisture has recovered. Consultancies tend to be cautious early in the planting season, said Luiz Fernando Roque at Safras & Mercado, explaining some factor in potential weather issues into initial projections. Roque said Brazil would "effortlessly" reach 110 million tonnes of soy production even in the advent of minor weather adversities this season. Ana Luiza Lodi, a soy expert with INTL FCStone, does not rule out the possibility of Brazil matching last season's output levels, and is set to revise her own forecasts this week. The next factor influencing estimates is related to the La Nina weather pattern, which could limit rains in the south of Brazil and in Argentina and potentially damage crops depending on if and when it hits. (Source: Reuters)

**> Brazil Tops Food Safety Offender List:** Brazil and Italy topped the charts for food safety recalls in Europe in the third quarter of the year, according to auditing firm Stericycle Expert Solutions. Brazil accounted for some 85 recalls in the third quarter, of which 75 were poultry. Italy registered 84. Spain, India and the U.S. came next. Other sectors of recalls were fish/fish products (106) and nuts/nut products/seeds (104). (Source: Food Quality News)

**> SpaceX Will Deliver Cargo On Used Rocket:** In December, SpaceX will again send cargo to the International Space Station — but this time, it will use a Falcon 9 rocket that has already flown to space and back. NASA officially confirmed the decision during a meeting, noting that SpaceX's upcoming resupply mission will fly on a Falcon 9 that already launched to the ISS in June. It marks the first time SpaceX will launch a used rocket for NASA, further validating the company's reusable rocket technology.

## NEXT level THINKING



My goal at "The Van Trump Report" is to help readers better identify the moving parts and dynamics associated with the financial markets, geopolitical events, economics, media and culture that is currently influencing and shaping the direction of the agricultural markets. I like to believe I "Challenge the Traditional" and encourage our readers to think outside the box.

I use story telling techniques that are written in an easy to read format to help convey my current thoughts about business, markets, technology, weather, sports and life. I also like to include links, filter the noise, and pass along in-depth research and information that I believe could challenge your current thought process and help you make more informed decisions. In addition I include valuable lessons I have learned from other traders, executives and investors, along with an occasional inspirational piece about life, family and faith.

What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific individual needs. For specific investment or hedging advice please seek the help of a licensed representative that can better understand your particular situation, individual needs and overall risk tolerance. This information should ONLY be used for educational and entertainment purposes.

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

Kevin Van Trump

## What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

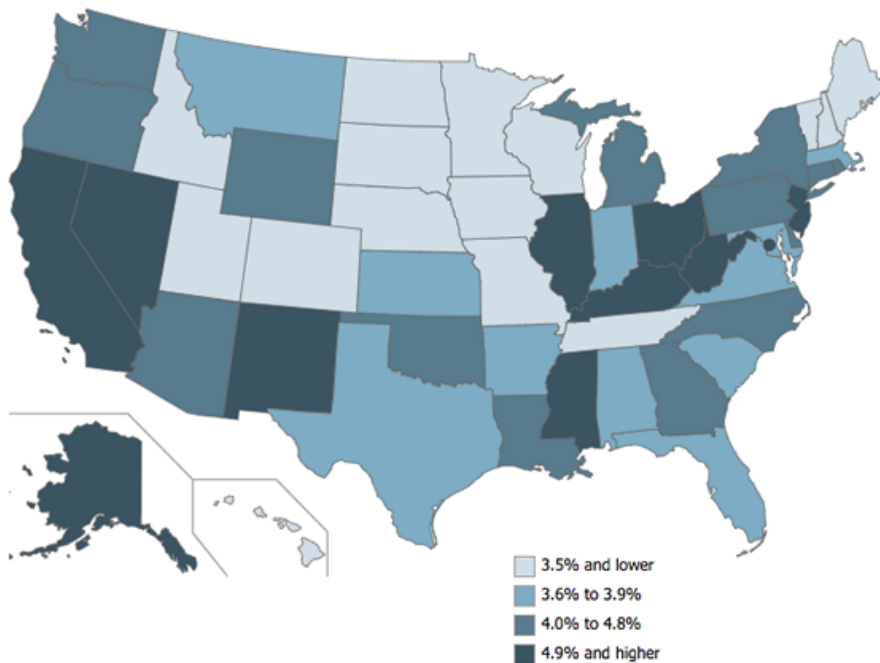
A.M., FDIC

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

Throughout 2017, SpaceX has been proving that its Falcon 9 rockets are just as capable of flying to space a second time around. The company launched three previously flown boosters this year, all of which sent satellites to orbit and then landed back on one of SpaceX's drone ships post-launch. (Source: The Verge)

**> Three States At Historically Low Unemployment Rates:** Unemployment rates were lower in October in 12 states, higher in 1 state, and stable in 37 states and the District of Columbia in October 2017. Compared with a year earlier, jobless rates decreased in 23 states, increased in 2 states and the District, and had little or no change 25 states. The national unemployment rate edged down to 4.1 percent in October and was 0.7 percentage point lower than a year earlier. Hawaii had the lowest unemployment rate in October, 2.2 percent, followed by North Dakota, 2.5 percent. The rates in Alabama (3.6 percent), Hawaii (2.2 percent), and Texas (3.9 percent) set new series lows. Alaska had the highest jobless rate, 7.2 percent. (Source: BLS)

State unemployment rates, October 2017, seasonally adjusted



Hover over a state to see data.  
 Hover over legend items to see states in a category.  
 Source: U.S. Bureau of Labor Statistics.



**Southeast Kentucky** - We farm corn, beans, wheat for straw and run some cattle. We had a good year overall and were finished with harvesting corn in September. We can store over 60% of our crops with the rest going to town. The downside to getting done with harvest while it is still warm out is having the grain stored in that condition for too long. Unfortunately, after our 300+ mile trip to drop our corn off, we were told we had a bug infestation. So turned it around and took it home to fix the problem. The corn was good to go the next time around and the \$1.25 premium we get is more than worth the trip.

**Southwest Illinois** - We farm some low ground in our area and average 125-200bpa corn across all our fields. We would call it an average year overall. It started with some replanting as we had a 3-4" rain event right after we got the corn in the ground. Because the area floods often, we plan to stick some milo in the spot instead of beans. We did well with beans but will stick with a normal rotation as we do not like to chase acres. We keep hearing rumors of guys getting cut off and having to sell, but no one is seeing anything like that yet. What we are seeing is land that continues to sell and rent for way too much. I'm not sure how folks think they can produce a profit with the high cost of production we have based on land, chemicals, equipment, and seeds.

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.



**Southwest Missouri** - I just finished beans and harvest this week. It was definitely a challenging year with the wet spring. It rained 51" this year which is 11" over our average and we have a saying that we have never had a beneficial rain, meaning, it's either a tenth or 4"+. We replanted 30% of everything which includes corn, bean and wheat. There are probably on 30% of the guys in the area who still plant wheat when it used to be near 80%. Wheat is a good way for us to diversify as we have a good relationship with an area mill who takes all the wheat in the area if it is suitable. Should we have any issues there is a turkey production facility not far away we can deliver to. Our corn did quite well averaging 215bpa which matches 2014 and our best numbers to date.

## CROSSING WIRES

A place to share intelligent thoughts...

**Tiger Woods Comeback To Golf May Be Different This Time:** Tiger Woods has won 14 majors and 79 PGA Tour titles and said he's pain-free following spinal fusion surgery on his lower back April 19. His swing looks effortless and powerful and his mood couldn't be in a better place. Will this comeback be different for Woods this time.....Read more [HERE](#).

**Second Generation Clones Of Dogs Alive And Well:** Purebred puppies from the same litter tend to look pretty much the same. But a trio of littermates born recently in Korea don't just closely resemble each other — they're clones that share nuclear DNA from the same cells. In fact, those cells originated in a dog that was also a clone, making the puppies second-generation clones. The cell donor, the first cloned dog in the world, was a male Afghan hound named Snuppy. Read more [HERE](#).

**When You Go 1,000 Mph, You Don't Need Rubber Tires:** It's a fact of physics that has confounded tire makers for years: Spinning bodies gain more weight while they're spinning. So how do you make a tire durable enough to withstand extreme speeds when the tire itself is getting heavier the faster the car moves? This problem vexes the makers of hypercars like the Bugatti Chiron, and it especially vexes the team trying to build a 1,000-mph land speed record car. Here, Real Engineering accelerates into the problem. Read more [HERE](#).

**10 Of The Most Covered Songs In Music History:** Unlike movies, where it's rare that a second (or third) attempt at remaking a film can ever match—let alone top—the original, music is different sort of creative beast. Just because The Beatles did a bang-up job on one song doesn't mean that Joan Baez or Elvis Presley couldn't do the same tune justice in their own unique way. Which is a very good thing, as The Beatles' catalog is one of the most copied in music history. While not an exhaustive list, here are 10 of the most covered songs. Read more [HERE](#).

**Johns Hopkins Scientists Piece Together Bread Wheat Genome:** Johns Hopkins scientists reported that they have successfully used two separate gene technologies to assemble the most complete genome sequence to date of *Triticum aestivum*, the most common cultivated species of wheat used to make bread. A report on the achievement was published in the Oct. 23 issue of *GigaScience* -- just a few weeks before a related report on the sequencing of bread wheat's "ancestor," *Aegilops tauschii*, was published Nov. 15 in *Nature*. Together, the wheat genome sequences may help biologists not only better understand the evolutionary history of wheat but also advance the quest for hardier, more pest- and drought-resistant wheat types to help feed the world's growing population, the scientists said. Read more [HERE](#).

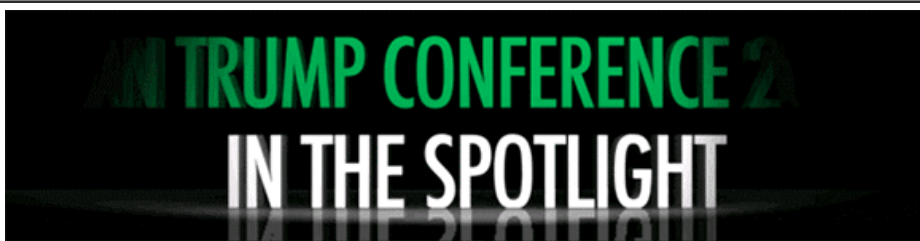
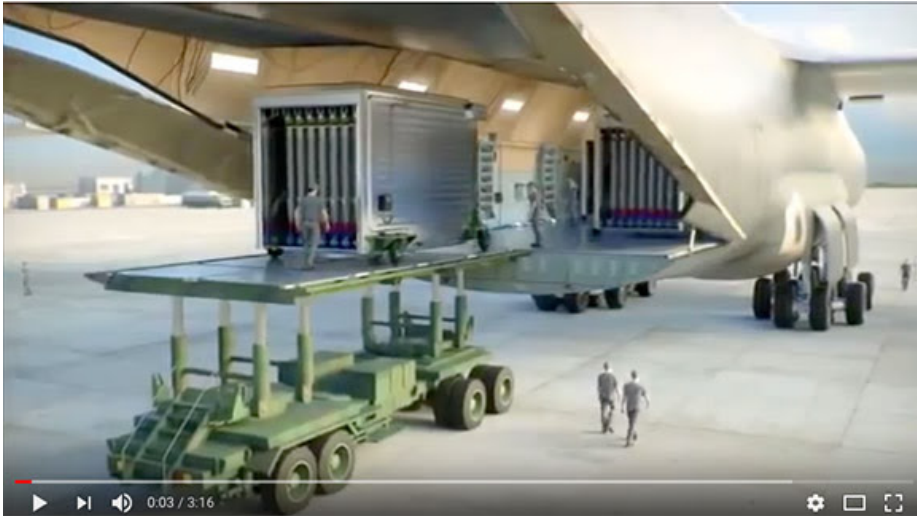
**Ukrainian Shipping Company Plans to Accept Bitcoin:** Ukrainian shipping firm Varamar will start accepting payment in bitcoin, an early sign that the cryptocurrency could be used for international commodity trading. Varamar Ltd. is negotiating its first deal in bitcoin with a client, according to Alexander Varvarenko, founder of the Odessa-based shipper. Bitcoin will make it easier to do business with customers in countries affected by sanctions, and means less paperwork than traditional bank deals, he said. "Paperwork for transactions is a complicated issue with banks, and bitcoin payments will help solve that by being faster," Varvarenko said. "It could also help solve payment problems in countries like Pakistan, Russia, Sudan, Yemen, and Qatar, which have safe companies but are victims of sanctions being imposed against their governments." Read more [HERE](#).

**Bitcoin's Trading Star Is Chicago High-Speed Firm That Nods to the Grateful Dead....** Here is a firm that uses high-speed quantitative models to buy and sell Bitcoin and other digital-currency. Cumberland, DRW's digital-currency unit, says it has traded more than \$20 billion worth of Bitcoin, Ethereum and other cryptocurrencies in the past year. To read more Click [HERE](#)

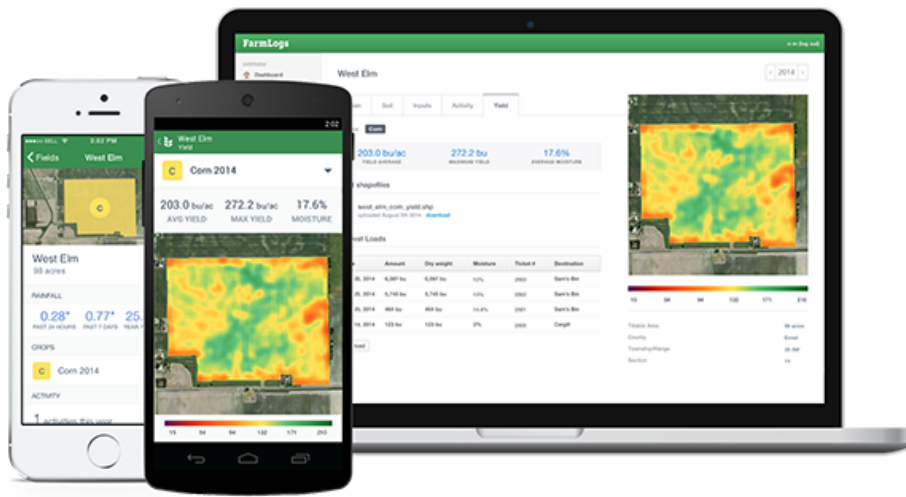




**MUST SEE: Interesting Military Video** - I received this video the other day and thought it was worth passing along. Certainly makes you stop and think about technology and how important it will be moving forward. Click [HERE](#)



**FarmLogs... Come See What We Are Doing At The Van Trump Conference:** I've known Jesse and the FarmLogs team for five years and continue to be impressed with how they are moving the ball forward. FarmLogs is the only remaining independent farm management technology platform and they have more than 75 million acres under management. FarmLogs recently announced the release of new lower cost plans as well as two new farm financial products that aim to solve the time-consuming challenges of managing the relationship between crop marketing decisions, production costs, and profit. From what I understand, the two new tools, "Planner" and "Marketing," allow customers to create a flexible and adjustable plan that connects to a sound marketing strategy and allows them to manage their changing cost of production, profit opportunities and value at risk throughout the season. In addition to the company's completely free "standard" package that includes rainfall, record keeping, soil maps, yield map uploads and growing degree days, FarmLogs will now offer two extremely affordable subscription plans. FarmLogs Essentials, which now bundles Planner and Marketing together with Automatic Activity Recording, is available for a monthly fee of \$49. FarmLogs Premium, which adds in-season satellite imagery, is available for a monthly fee of \$99. In addition, FarmLogs has also announced a new 14-day free trial program allowing growers to upgrade their subscriptions from FarmLogs Standard to FarmLogs Essentials or FarmLogs Premium through their mobile devices or web browser. "In the past few years, companies have been overwhelming farmers with hype around big data and missing out on an opportunity to solve more fundamental problems in agriculture with a great software platform. Until now, there hasn't been a truly easy to use resource that helps growers tie all this data together in a way that helps them better manage what really matters: the price they need to sell their crops at in order to be profitable," said Jesse Vollmar, CEO and co-founder of FarmLogs. Learn more details at their website [HERE](#) and be sure to visit with them at the #VTC17 conference.



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## Budweiser Wants To Brew The First Martian Beer

As ambitious entrepreneurs like Elon Musk push ahead with plans to put humans on Mars, Budweiser aims to provide the beer that they might drink to celebrate the first colony. Before they can figure out how to brew it in space, though, they need to know how to grow the ingredients. On December 4, the company will send some barley seeds to the International Space Station (ISS) aboard SpaceX cargo rocket. Part publicity



stunt, part science experiment, the company began touting their space-brew back in March during the South By Southwest festival. Budweiser says they hope their research can also provide insights for agriculture on our own planet. The Center for Advancement of Science in Space (CASIS), which manages the ISSm and a space payload development company called Space Tango will both participate in the microgravity ag research. The 20 barley seeds will be subjected to two experiments. The first will expose the seeds to the microgravity environment to determine whether storage conditions are adequate. The second experiment will test germination. ABI Voyager barley grows 6 to 10 inches on Earth after two weeks. Astronauts will compare with this baseline to see if space barley grows any faster or slower. The barley will remain on the station for 30 days, then returned to Earth for further analysis. This will obviously just be the first step toward the ability to make a decent brew in space. While no one has crafted an alcoholic beverage in microgravity, a couple have been in space. Scottish distiller Ardbeg sent some whiskey to the ISS in 2011. They later discovered that the exposure actually altered its chemical ratios. Oregon-based Ninkasi Brewing crafted a brew called Ground Control from yeast that had made a trip into space and back. You can actually watch the launch of Budweiser's barley on the SpaceX Website live on December 4. Check it out [HERE](#). (Sources: Engadget, The Manual)



### **Billions Of Dollars Worth Of Bitcoin Sits In A Secret Vault In Switzerland**

Somewhere in the mountains of Switzerland is a secret "bunker" that stores billions of dollars worth of bitcoin. The owner of the vault, Xapo, won't reveal exactly how much is actually stashed there, but they claim they regularly serve customers that have "millions" of dollars worth of the digital currency. Considering that bitcoin is "virtual", it's kind of hard to wrap one's head around the idea of how it is stored in a physical vault. What they actually store are the digital "keys" that allow clients to access their digital currency funds. On the bitcoin network, these cryptographic keys form a pair with other particular public keys and provide access to coins stored there. It is not unheard of that these keys can be stolen, though. Successful cryptocurrency hacks happen on a pretty consistent basis, though it seems only the most costly hacks make global headlines. Mt. Gox is one such legendary theft. The bitcoin exchange collapsed in 2014 after hackers made off with around \$500 million worth of the digital currency. Individual investors are just as much at risk, though. One of the things that make cryptocurrencies so attractive to many investors is the fact that transactions are instantaneous and irreversible. Transactions can not be censored by any government or bank, and they can not be stopped. That also means it's mostly impossible to recover them if they are stolen. If a hacker gets an investor's private key, there is no way to get the stolen funds back, not even from a company that was supposed to be storing them. Obviously, the more bitcoin an individual or firm has, the higher the stakes are for them. And as you can imagine, they also become prime targets for hackers. In 2016, \$28 million in losses from crimes involving virtual currency were reported to the FBI's Internet Crime Complaint Center, more than triple the 2015 total. And that figure is based only on voluntary reports by individual victims. It also doesn't include large-scale thefts like Mt. Gox and others. Enter Xapo, which offers cold-storing of digital assets in a 10,000-square-foot data-center deep inside a decommissioned Swiss military bunker. The facility was built in 1947 and served as the military's secret headquarters during the Cold War. A foot of concrete marks the entrance to the granite facility. The data center itself is behind four-ton steel doors that are designed to withstand a nuclear attack. All who enter must pass multiple biometric scans and pass through a "man trap" - a phone booth-sized cylinder made of bullet-proof glass that is not opened on the other side until the operator has approval. The data center is lined with rows of data storage systems that are protected by steel slabs that form a Faraday cage, which is a barrier that protects against electromagnetic pulses (EMP). An EMP

could be used by hackers, terrorists or any other kind of bad actor to completely wipe out all the data, meaning the bitcoin keys would be lost. This so-called "cold room" is never entered by any humans. The door is actually sealed with tape to make sure it has not been breached. The storage units are never connected to the internet and can only be accessed using "special cabling" that Xapo won't reveal details about. Transactions are conducted via that cabling system. Before they are approved though, two sign-offs are required in two other vaults that are on separate continents. The man who designed the vault, Xapo head of security Carlos Rienzi, explains that none of these measures is extreme and in the end they might not be enough. "We are under attack 24/7," he said in a recent interview. "This is not a race. It is a chess game. You have to think about the opponent's next movement. You can never relax." (Sources: Quartz, Forbes)







### **The Worlds All-Time Best Selling Album Turns 35**

Michael Jackson's "Thriller" was released on this day back in 1982. It explored genres similar to Jackson's previous album, *Off the Wall*, including pop, post-disco, rock and funk. Recording sessions took place about six-months prior to the release, with a production budget of \$750,000. Quincy Jones produced the album and Jackson wrote four of its nine songs: "Wanna Be Startin' Somethin'", "The Girl Is Mine", "Beat It" and "Billie Jean". In just over a year, *Thriller* became—and currently remains—the world's best-selling album, with estimated sales of nearly 70 million copies, possibly more than 150 million, if you count bootlegs and other unauthorized versions. The album won a record-breaking eight Grammy Awards in 1984, including Album of the Year. It produced seven singles—"The Girl Is Mine", "Billie Jean", "Beat It", "Wanna Be Startin' Somethin'", "Human Nature", "P.Y.T. (Pretty Young Thing)", and "Thriller"—all of which reached the top 10 on the US Billboard Hot 100 chart. The album was also one of the first to use music videos as successful promotional tools, and the videos for the songs "Thriller", "Billie Jean", and "Beat It" all received regular rotation on MTV. Below are a few interesting additional interesting facts:

**Keeps On Selling:** *Still popular today, Thriller sells close to 150,000 copies in the U.S. per year. Songs from Thriller also helped Jackson become the first artist to sell more than one million song downloads in a week.*

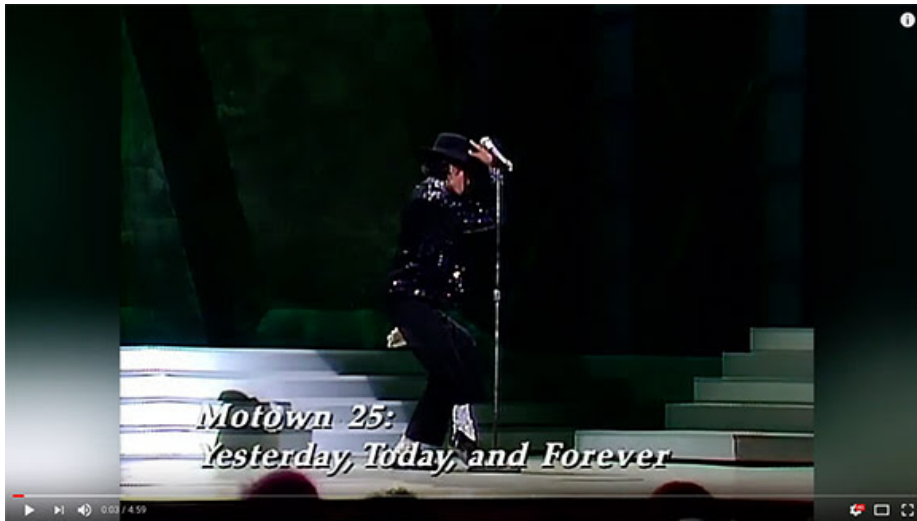
**Rock Twist for "Beat It":** *Both Quincy Jones and Michael Jackson were determined to make a rock song that would appeal to all tastes and spent weeks looking for a suitable guitarist for the song "Beat It". Eventually, they found Steve Lukather of Toto to play the rhythm guitar parts and Eddie Van Halen of the rock band Van Halen to play the solo. The anti-gang-violence "Beat It" became a homage to West Side Story and was Jackson's first successful rock cross-over piece. Believe it or not, real gang members from the Bloods & Crips were brought in to be extras in the "Beat It" video.*

**"Thriller" & Vincent Price:** *When Rod Temperton wrote the song "Thriller", he wanted to call it "Starlight" or "Midnight Man", but settled on "Thriller" because he felt the name had merchandising potential. Wanting a notable person to recite the closing lyrics, Jones brought in actor Vincent Price, an acquaintance of Jones' wife; Price completed his part in two takes. Temperton wrote the spoken portion in a taxi on the way to the recording studio. In case you always wondered what he said... "The demons squeal in sheer delight / It's you they spy, so plump, so right / For though the groove is hard to beat / Yet still you stand with frozen feet / You try to run, you try to scream / But no more sun you'll ever see / For evil reaches from the crypt / To crush you in its icy grip."*

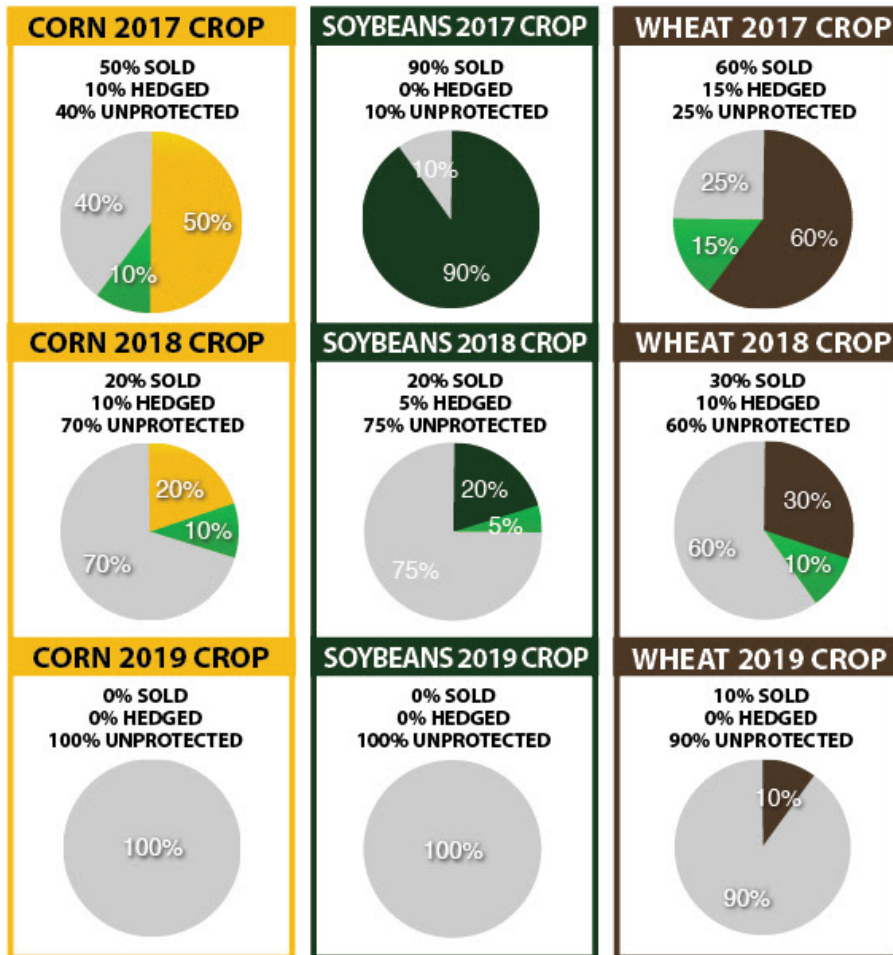
**The Most Famous Music Video Of All Time:** *The famous video for "Thriller" wasn't released until a full year after the album had been released. It premiered on MTV to huge fanfare 367 days later, on December 1st, 1983. At the height of "Thriller's" popularity, MTV would run the 14-minute video twice an hour. I remember it like it was yesterday. Click [HERE](#)*

**Who Is "Billie Jean":** Jackson stated several times that "Billie Jean" was based on the groupies he and his brothers encountered while part of The Jackson 5. "Billie Jean is kind of anonymous. It represents a lot of girls. They used to call them groupies in the '60s." He added: "They would hang around backstage doors, and any band that would come to town they would have a relationship with, and I think I wrote this out of experience with my brothers when I was little. There were a lot of Billie Jeans out there. Every girl claimed that their son was related to one of my brothers." Interestingly, Jones had Jackson sing overdubs through a six-foot cardboard tube and brought in jazz saxophonist Tom Scott to play the lyricon, a wind-controlled synthesizer. Bassist Louis Johnson ran through his part on a Yamaha bass guitar.

**The Moon Walk:** Michael Jackson did his famous moonwalk for the first time while performing "Billie Jean" in the 1983 Motown TV special. Click [HERE](#) to see the video.







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