

GOOD MORNING: 12/06/17 Farm Direction - VanTrump Report

5 messages

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

Wed, Dec 6, 2017 at 6:10 AM



"Two roads diverged in a wood and I - I took the one less traveled by, and that has made all the difference." - Robert Frost

WEDNESDAY, DECEMBER 06, 2017

[Printable Copy](#) or [Audio Version](#)

Morning Summary: U.S. markets are still witnessing a big money-shift as investors book profits on the recent "tax reform rally" and reallocate funds into companies that are deemed discounted. Major indexes saw very minor pullbacks yesterday, but overall money appears to just be sloshing around as traders try to take advantage of buying opportunities. Investors are anxious to see the latest payroll data from ADP today, which is expected to show the U.S. economy added +186,000 jobs in November. This will provide somewhat of a preview of Friday's official Employment Report that analysts anticipate will come in around +200,000. This is considered the first "unadulterated" look at the U.S. labor market. September and October numbers were skewed by weather-related disruptions, namely the Hurricanes that struck Texas and Florida. Remember, September only gained +18,000 jobs, then the figure shot up to +261,000 job gains in October. The second estimate of Productivity and Costs will also be of interest today, particularly the Unit Labor Costs component. The first estimate showed an increase of +0.5% but that is expected to be revised down to +0.3%, indicating less pressure on wage inflation than initially thought. In Washington, the House has named its conferees that will negotiate a compromise on the two separate tax bills passed by both chambers of Congress. The Senate should be naming their counterparts today or tomorrow. President Trump is reportedly putting additional pressure on GOP leaders to get the legislation passed even sooner than the initial December 22 goal. Republican lawmakers have said they believe the process will go quickly. Things are a little more uncertain on the spending bill, with House leaders announcing yesterday that they will delay the IR vote on a stop-gap measure to keep the government funded past December 8. They will bring it to a vote on Thursday rather than today, giving the Senate very little time to cast their own vote before current funding expires.

Global Leaders Warn Of Violent Reaction To U.S.-Jerusalem Policy: A major issue stoking geopolitical tensions at the moment is President Trump's plan to recognize Jerusalem as the capital of Israel, paving the way for the U.S. embassy to be moved there from Tel Aviv. Trump is expected to announce his decision today. The actual deadline for deciding whether to keep the U.S. embassy at its current location was Monday. Arab and European leaders are raising concerns that it could ignite fresh violence in the region, as Jerusalem is possibly the most disputed city in the world. The city holds great religious importance for Jew, Christians and Muslims. Israel claims all of Jerusalem as its capital. At the same time, Palestinians claim East Jerusalem as the capital of a future Palestinian state. Leaders in both Saudi Arabia and Jordan are warning that a move to recognize Jerusalem as Israel's capital could provoke Muslims around the world. Palestinian leader Mahmoud Abbas warned that such a decision would have "dangerous consequences." Turkey's president has threatened to sever ties with Israel if the U.S. recognized Jerusalem as its capital. U.S. government employees and their families have been barred from personal travel in Jerusalem's Old City and the West Bank for security reasons ahead of planned protests. (Sources: Financial Times, New York Times)

Trucking Companies Are Boosting Big Rig Orders: Trucking companies are bumping up orders for new big rigs, anticipating that 2018 will be a banner year for shipping demand. Trucking fleets ordered 32,900 Class 8 trucks, the kind used on long-haul routes, in November, according to ACT Research, which compiles industry statistics. That was up about +70% from a year earlier. The last two months were also the strongest since the start of 2015. Fleets are adding capacity as strong economic growth fuels surging volumes of freight through the nation's transportation networks. Trucks are in high demand to carry record imports from ports to distribution centers, move machine parts and heavy goods for manufacturers and merchandise during the holiday shopping season. Shippers are paying higher rates as capacity tightens, creating an incentive to put more trucks on the road. However, Eric Fuller, chief executive of trucking company U.S.



Kevin Van Trump
CEO, Farm Direction
The Van Trump Report

I've helped hundreds of producers improve their marketing

Learn-the-Secret Professional One-on-One Training

Special Two-Day Learning Session

You and your spouse will stay at my home for a special "One-on-One" learning and development session. You will walk away with a clear plan as well as my personal cell-phone number for individual coaching during the marketing year.

Strategy is a commodity, EXECUTION is an art.

Learn more by calling my office at (816) 322 - 5300 or e-mail me directly at kvt@farmdirection.com

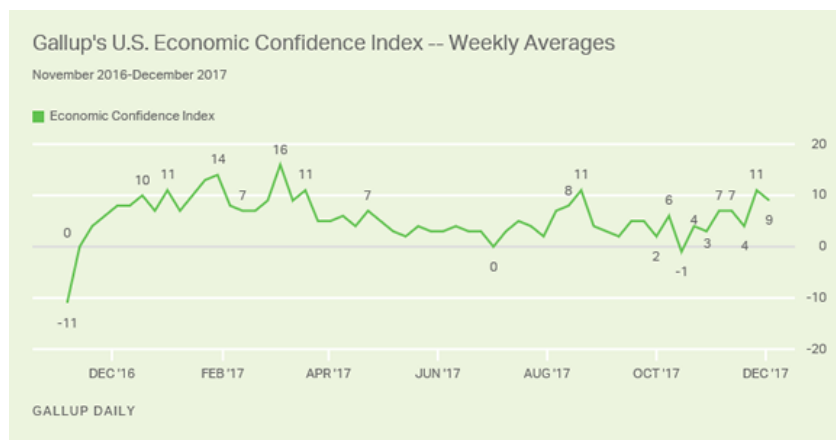
Today In History



1865, Civil War - The 13th Amendment to the U.S. Constitution, officially ending the institution of slavery, is ratified. "Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction." With these words, the single greatest change wrought by the Civil War was officially noted in the Constitution. The ratification came eight months after the end of the war, but it represented the culmination of the struggle against slavery. When the war began, some in the North were against fighting what they saw as a crusade to end slavery. Although many northern Democrats and conservative Republicans were opposed to slavery's expansion, they were ambivalent about outlawing the institution entirely. The

Xpress Enterprises Inc., the real problem is finding enough drivers. Typically, he said his firm might have to turn away 1,000 loads a week, but since August Mr. Fuller said that figure has been more like 6,000 to 7,000. Fuller expects the problem to continue as long as the unemployment rate stays in the 4% range. (Source: Wall Street Journal)

Confidence In The U.S. Economy Remains Strong: Americans' assessments of the economy remain relatively strong, with Gallup's U.S. Economic Confidence Index at +9 for the week ending Dec. 3. This score is similar to the previous week's +11 and slightly above the average weekly level of economic confidence during the year so far (+6). Economic confidence reached its highest levels of 2017 early in the year, with the index averaging +10 between January and mid-March. Gallup's index also recorded a nine-year high over this period, when it hit +16 in early March. Views about the current state of the economy remain much more positive than negative. 37% of Americans described the economy as "good" or "excellent," while 20% characterized it as "poor." Meanwhile, 47% of Americans said the economy was "getting better," while 46% said it was "getting worse." Over the past five weeks, Americans' views on the economy appear to have shifted in a slightly more positive direction. During this period, there have been a number of signs indicating that the economy is strong -- including the lowest unemployment rate in nearly two decades, a stock market that continues to flirt with new highs and stronger-than-expected GDP growth. (Source: Gallup)



Weather forecasts are centered around the arctic blast of air moving eastward across the Midwest toward the Northeast. Later in the week, a secondary surge of cold air will maintain below normal temperatures across the eastern half of the U.S., while warmth will build from the Pacific to the High Plains. The 6 to 10 day outlook for Dec. 10 - 14 calls for the likelihood of below normal temperatures across the majority of the country which should contrast with wetter than normal weather from the Dakotas to northern New England.

war's escalation after the First Battle of Bull Run, Virginia, in July 1861 caused many to rethink the role that slavery played in creating the conflict. By 1862, Lincoln realized that it was folly to wage such a bloody war without plans to eliminate slavery. In September 1862, following the Union victory at the Battle of Antietam in Maryland, Lincoln issued the Emancipation Proclamation, declaring that all slaves in territory still in rebellion on January 1, 1863, would be declared forever free. The move was largely symbolic, as it only freed slaves in areas outside of Union control, but it changed the conflict from a war for the reunification of the states to a war whose objectives included the destruction of slavery. Lincoln believed that a constitutional amendment was necessary to ensure the end of slavery. In 1864, Congress debated several proposals. Some insisted on including provisions to prevent discrimination against blacks, but the Senate Judiciary Committee provided the eventual language. It borrowed from the Northwest Ordinance of 1787, when slavery was banned from the area north of the Ohio River. The Senate passed the amendment in April 1864. A Republican victory in the 1864 presidential election would guarantee the success of the amendment. The Republican platform called for the "utter and complete destruction" of slavery, while the Democrats favored restoration of states' rights, which would include at least the possibility for the states to maintain slavery. Lincoln's overwhelming victory set in motion the events leading to ratification of the amendment. The House passed the measure in January 1865 and it was sent to the states for ratification. When Georgia ratified it on December 6, 1865, the institution of slavery officially ceased to exist in the United States.

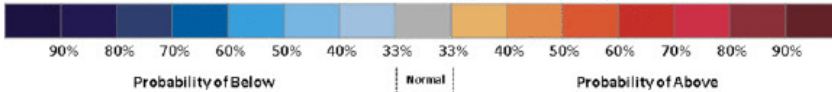
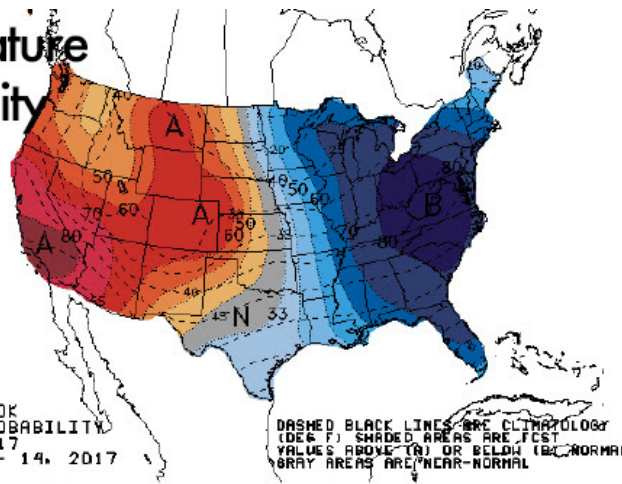


1868, Reno Gang - A guard, who had been shot by brothers Frank, William, and Simon Reno during a train robbery in May, dies of his wounds. His death so infuriated the public that a group of vigilantes yanked the three brothers from their Indiana jail cell five days later and hanged them. Although the Reno gang—which included another brother, John, as well—had a short reign of terror, they are credited with pulling off the first train robbery in American history and are believed to be the inspiration for criminal copycats like the legendary Jesse James. On October 6, 1866, the Reno brothers committed their first heist. After stopping a train outside of Seymour, Indiana, they stole \$10,000 in cash and gold. But they were unable to break into the safe; William Reno vainly shot it with his pistol before giving up. Though fast on their feet, the Reno brothers didn't have much luck evading the authorities, probably because they committed almost all of their crimes in the Seymour, Indiana, area. After the 1866 heist, railroad companies hired Pinkerton detectives to find the perpetrators, and at the end of 1867, John Reno was captured. In January 1868, he pled guilty to robbing a county treasury in Missouri and was sentenced to spend 25 years in prison. In his absence, the other Reno brothers continued to rob banks and trains in the area. On May 22, 1868, they stopped a train near Marshfield and beat a guard with pistols and crowbars before making

Temperature Probability



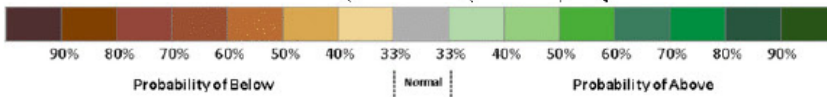
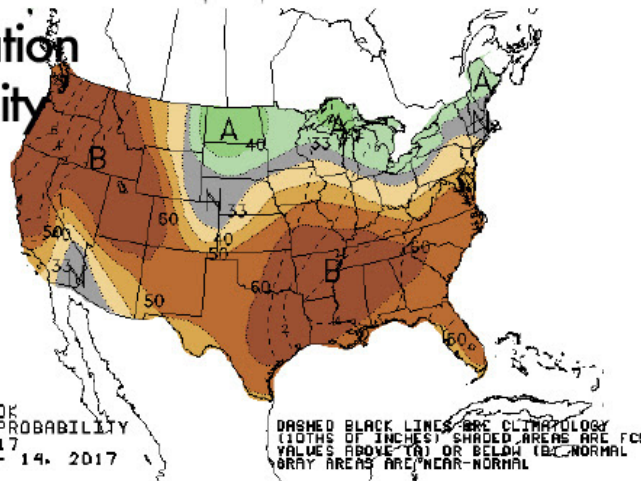
6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 4 DEC 2017
VALID DEC 10 - 14, 2017



Precipitation Probability



6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 4 DEC 2017
VALID DEC 10 - 14, 2017



Corn struggles to catch much of a bid, despite increasing talk and fear surrounding a La Niña weather pattern building more momentum in the headlines. Cool water temps in the Pacific Ocean continue to be heavily monitored as traders consider the possibilities. La Niña weather patterns can be extremely difficult to predict and can often bring about varying results in the field. The one that seems to be on the minds of most in the trade is the one that sparked the wild ride in price back in 2012. However, with supplies overly burdensome the bears are in no hurry to get excited or worried about a shortage. Interestingly, Informa took some early steps and reduced their Brazilian corn estimate from 89 MMTs down to 86 MMTs, which is well below the current USDA forecast and well below the 98.5 MMTs Brazil produced last year. I feel there's a bit more uncertainty in regard to intended second-crop corn acres in Brazil. Maybe not so much the current weather headlines, but perhaps how the weather in the weeks ahead may impact the full-season harvest and how conditions may be extreme or more complicated when it comes time to plant second-crop acres. As a producer I remain patient.

off with \$96,000. In an attempt to lure the predictable criminals in, Pinkerton detectives floated a rumor about a big gold shipment and then nabbed the Renos on December 6, 1868, when they stopped the train. Although Frank and William went rather quietly when the vigilantes hanged them on December 11, their brother Simon put up a bitter fight. He even managed to survive the hanging itself for more than 30 minutes before finally succumbing to the rope.



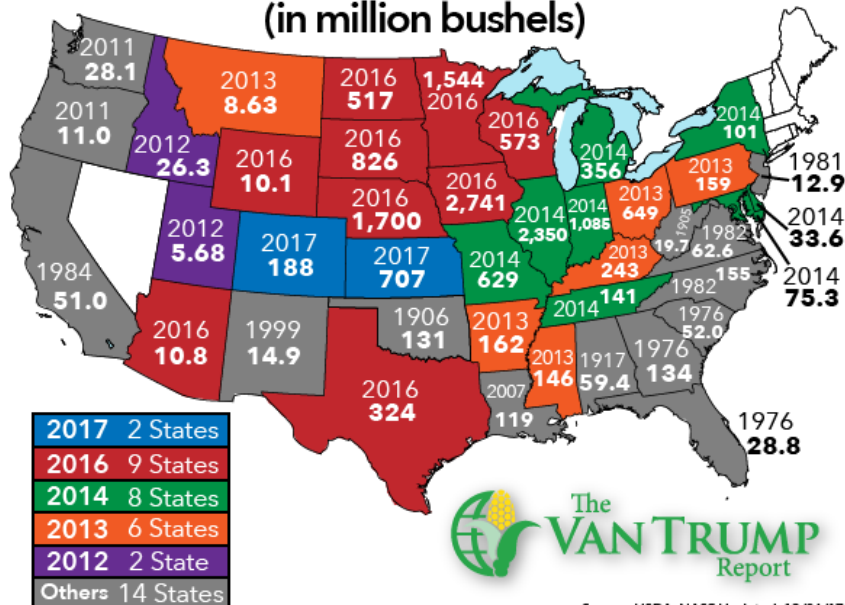
1884, Washington Monument - In Washington, D.C., workers place a nine-inch aluminum pyramid atop a tower of white marble,

completing the construction of an impressive monument to the city's namesake and the nation's first president, George Washington. As early as 1783, the infant U.S. Congress decided that a statue of George Washington, the great Revolutionary War general, should be placed near the site of the new Congressional building, wherever it might be. After then-President Washington asked him to lay out a new federal capital on the Potomac River in 1791, architect Pierre L'Enfant left a place for the statue at the western end of the sweeping National Mall (near the monument's present location). It wasn't until 1832, however—33 years after Washington's death—that anyone really did anything about the monument. That year, a private Washington National Monument Society was formed. After holding a design competition and choosing an elaborate Greek temple-like design by architect Robert Mills, the society began a fundraising drive to raise money for the statue's construction. These efforts—including appeals to the nation's schoolchildren—raised some \$230,000, far short of the \$1 million needed. Construction began anyway, on July 4, 1848, as representatives of the society laid the cornerstone of the monument: a 24,500-pound block of pure white marble. Six years later, with funds running low, construction was halted. Around the time the Civil War began in 1861, author Mark Twain described the unfinished monument as looking like a "hollow, oversized chimney." No further progress was made until 1876—the centennial of American independence—when President Ulysses S. Grant authorized construction to be completed. Made of some 36,000 blocks of marble and granite stacked 555 feet in the air, the monument was the tallest structure in the world at the time of its completion in December 1884. In the six months following the dedication ceremony, over 10,000 people climbed the nearly 900 steps to the top of the Washington Monument. Today, an elevator makes the trip far easier, and more than 800,000 people visit the monument each year. A city law passed in 1910 restricted the height of new buildings to ensure that the monument will remain the tallest structure in Washington, D.C.—a fitting tribute to the man known as the "Father of His Country."

Upcoming Events

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

Record State Corn Production (in million bushels)



Soybeans bulls are talking about the confirmation of La Niña and how it could further intensify drought like conditions in and across South America, Argentina and southern Brazil remain in full focus. From what I'm hearing, Brazil currently has about 95% of their soybeans planted, while Argentina is more like 50% planted. Fear is if weather continues as forecast, some of the soybeans might not get planted, just simply too dry. There's also the fear that if the heat starts to turn higher more crop complications will start be discussed. Informa took the opportunity to slightly reduce their Brazilian soybean forecast from 111 MMTs down to 110 MMTs. Traditionally we worry about the soybean plant late in the growing cycle, but we have to recognize, dry, hot growing conditions can also have an adverse impact on early-planted soybeans, as they may start showing drought stress as the leaves are flipping over to reflect the sunlight. Perdue University tells us, early growth and plant processes, such as photosynthesis, nodule formation and nitrogen fixation are likely reduced under these growing conditions. Germination and emergence of recently planted soybeans could be very uneven in many areas due to variable soil moisture. Here at home, this also brings about more concern of dry conditions possibly expanding, especially in the Plains. Bottom-line, I feel like global demand is good and the funds seems somewhat interested in being long the higher protein soy market. Throw in a legitimate weather concern and the trade believes it now has the ability to trump burdensome ending stocks. Weather rallies can be difficult to hold and the slope often extremely slippery. As a producer, I'm interested in making small 2018 sales on the momentum higher. I don't want to get overly aggressive with my new-crop 2018 sales, but rather trying to slightly feather a few sales on the excitement. For what it's worth I made a recent new-crop sale on the rally.

Tues. 12/12 - USDA Supply and Demand

Mon. 12/25 - Christmas - Markets Closed

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

Fri. 1/12 - USDA Supply and Demand

Thurs. 2/8 - USDA Supply and Demand

Kevin's Song of the Week



About the Report

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.

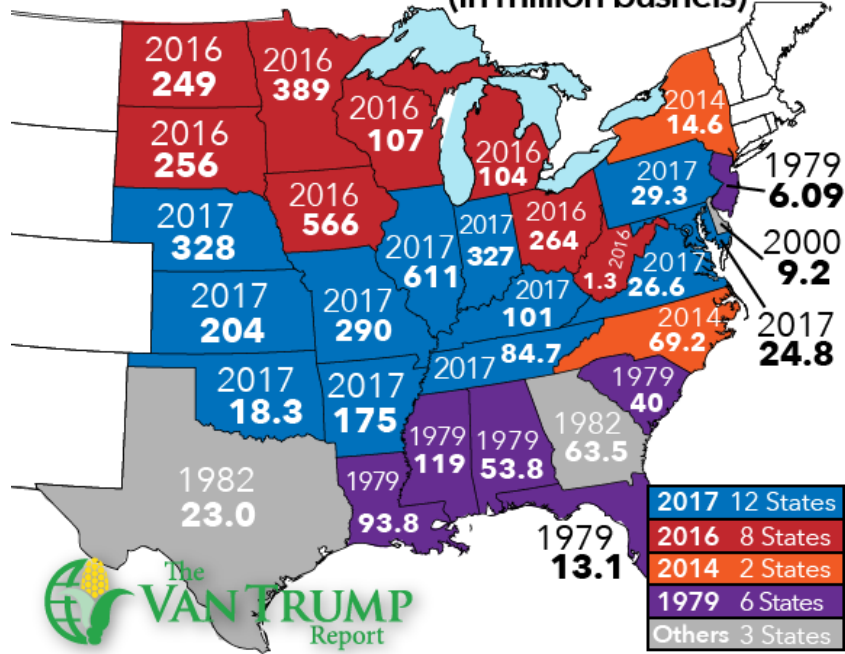
What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific 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!

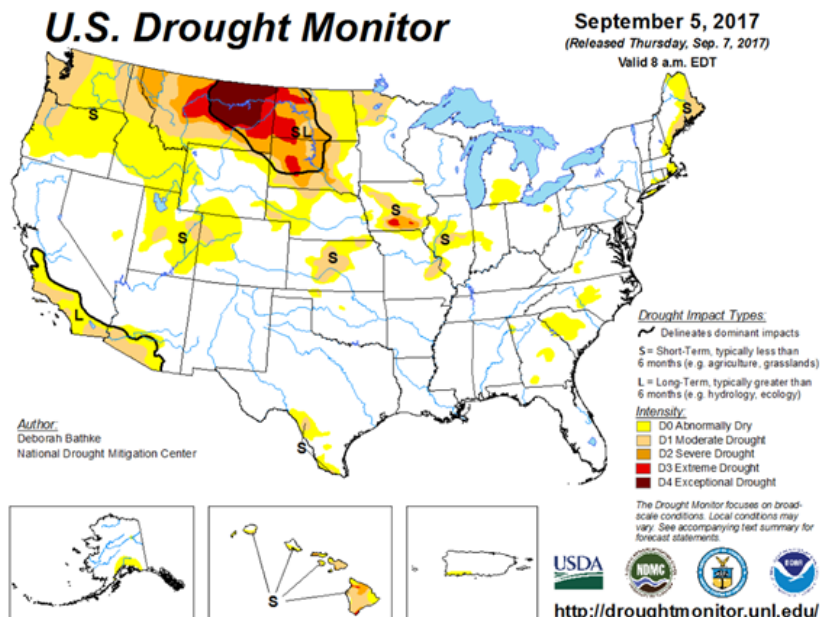
Kevin Van Trump

What Others Are Saying

Record State Soybean Production (in million bushels)



Wheat bears continue to focus on Russian headlines and the fact their record export estimates are moving and their crop is almost 100% harvested and out of harms way. From what I understand, the Russian grain harvest could be +10 to +15 MMTs more than last year. The USDA recently bumped their Russian wheat production estimate higher from 82 to 83 MMTs. This compares to Russia producing 72.53 MMTs last year and just 61.04 MMTs the year before that. As you can see, strong production numbers from one of the worlds top low-cost providers makes it tough to argue the bullish possibilities. Keep in mind, bulls are also battling headlines from India and China, who are also a couple of the worlds largest producers. On the flip side, Australian production continues to shrink, while dry conditions here at home are starting to become more of a concern. As you can see in the graphics I included below, the drought is clearly expanding in the South. The map doesn't really show it, but there are many other areas that I'm hearing are becoming extremely dry. Take Dodge City, KS for example, they had 0.01 inches of rainfall during the entire month of November, since the end of July they've had less than 3.0 inches of total rainfall. I'm staying a stubborn bull and continue to donate to the cause...



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

A.M., FDIC

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

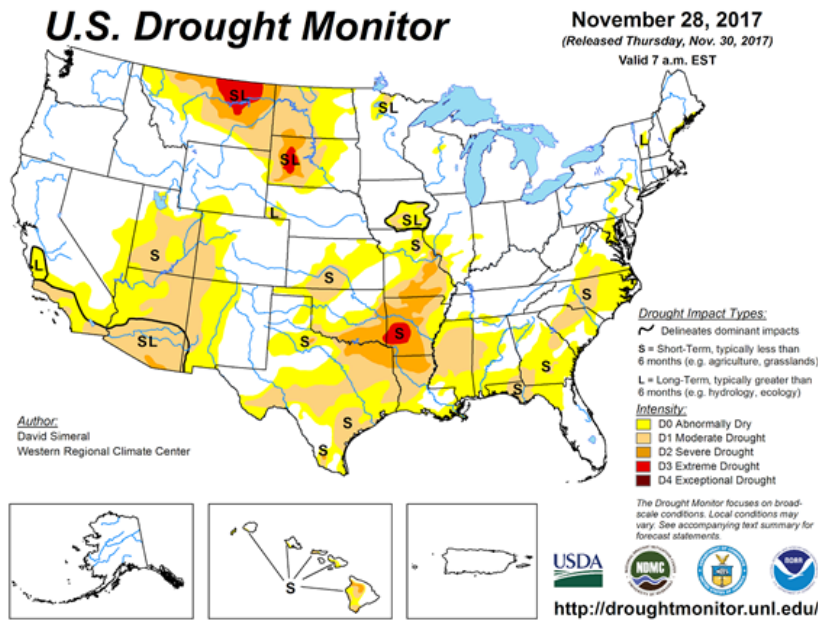
"Bulls make money, Bears make money, but pigs get slaughtered..."

"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.

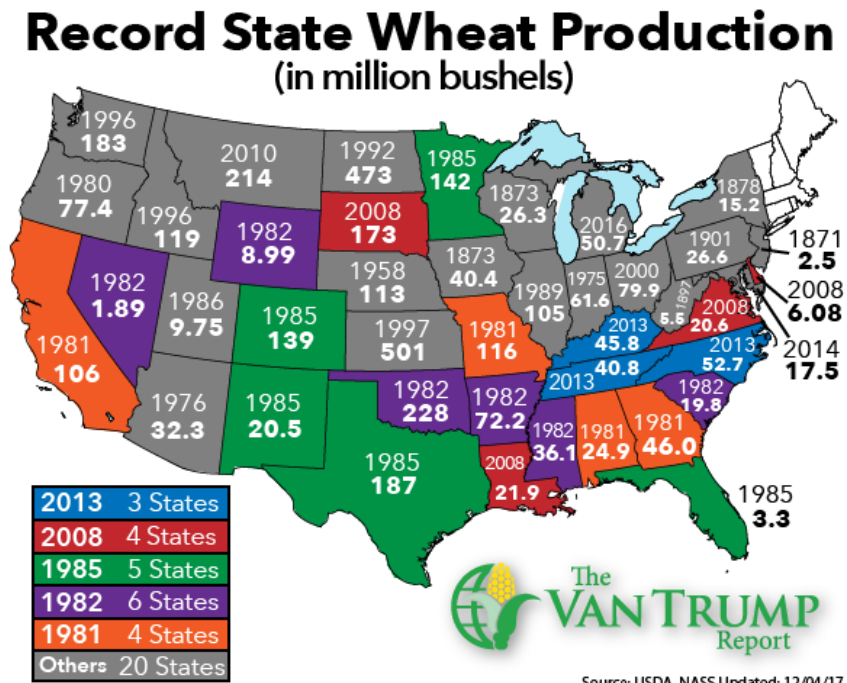


Farm Direction
RECIPES

★ **FAMILY FAVORITES** ★
-SENT IN BY OUR READERS-

Quick Black Forest Cherry Cake

[CLICK TO SEE RECIPE](#)



> **Russia Harvests Record Amount Of Grain:** Grain harvesting in Russia is now 97.6% complete at 139.5 million metric tons, an increase of 14.9 million metric tons year on year, marking the biggest harvest in Russia's history, the Ministry of Agriculture said Tuesday. By December 4 the country had harvested 88 million metric tons of wheat, 12.1 million metric tons more than at the same point last year, the ministry said. Russia has also harvested 21.7 million metric tons of barley, up 2.6 million metric tons year on year, and 12 million metric tons of corn, down 2.1 million metric tons. The corn harvest was affected by a delay to the start of harvesting and unfavorable weather conditions. With the record harvest, exports are expected to also reach a record level. Russia is set to export around 45 million metric tons of grains in the 2017-18 marketing year, of which 35 million metric tons will be wheat. (Source: Platts)

> **Australian Winter Crop Forecast Lower In 2017-18:** Total Australian winter crop production is forecast to fall by -41% in 2017-18 to 35.1 million metric tons, primarily

reflecting an expected decline in average yields from the exceptionally high yields of 2016-17, according to the December quarterly report from the Australian Bureau of Agricultural and Resource Economics and Science (ABARES). Wheat production is forecast to fall by -42% in 2017-18 to 20.3 million metric tons. Australian canola production is forecast to decline by -31% in 2017-18 to 2.9 million metric tons. (Source: World Grain)

> State Attorneys General Take Egg Lawsuit To Supreme Court: Twelve states have joined together to challenge California in the U.S. Supreme Court regarding California's egg production law. The suit claims that California's regulations violate both a federal law prohibiting states from imposing their own standards on eggs produced in other states, and the Commerce Clause of the U.S. Constitution, which gives Congress exclusive authority to regulate commerce among and between states. Missouri and other states claimed their farmers have already or will incur costs between \$228 million to \$912 million to comply with California's regulation. The Bill of Complaint claims "... egg prices have increased nationwide by as much as 1.73% to 5.12%." The states also claim that California's regulations have cost U.S. consumers approximately \$351 million per year and that welfare recipients have had to pay \$96.5 million more for eggs as a result of the California regulations. (Source: Feedstuffs)

> La Nina Pattern Forms In Tropical Pacific Ocean: A weak La Nina weather pattern has formed in the Pacific Ocean, Australia's weather bureau declared, and the event may bring wet weather to cropping and coal mining regions in the nation. Climate models suggest this La Nina will be short-lived, persisting until early in the southern hemisphere autumn of next year (North America's spring), the Bureau of Meteorology said on its website. The central to eastern Tropical Pacific Ocean has cooled steadily since winter and has now reached La Nina thresholds. La Ninas typically deliver colder winters across the northern U.S., drought in Brazil's soybean-growing areas and flooding rains across the coal-mining regions of Australia. The U.S. last month said a weak La Nina formed in October and had a 64 percent chance of lasting through March. (Source: Bloomberg)

> China To Phase Out More Pesticides In Push To Improve Food Safety: China plans to eliminate another 12 highly toxic pesticides from use within five years, state media reported, as the government looks to improve the safety of its farm produce. That comes amid an ongoing campaign to improve the environment and, in particular, tackle severe soil pollution. Beijing has already withdrawn 22 highly toxic pesticides from use, and it prohibits the use of any such products on fruit, vegetables and tea. The ministry has already issued a notice banning the highly toxic substances endosulfan and methyl bromide by 2019. Three others - aldicarb, phorate and isocarbophos - will be withdrawn in 2018, while substances including omethoate and aluminium phosphide should be removed by 2020, said the report. Chloropicrin, carbofuran and methomyl will be phased out by 2022. (Source: Reuters)

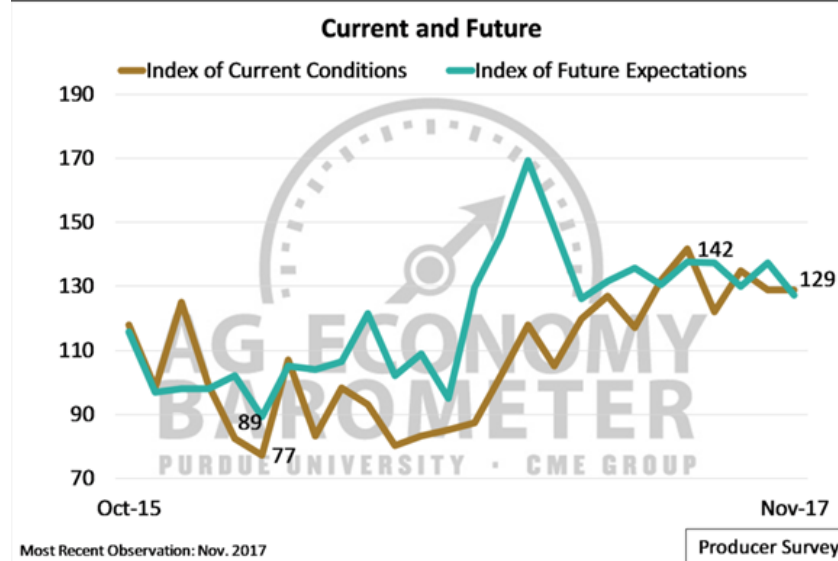
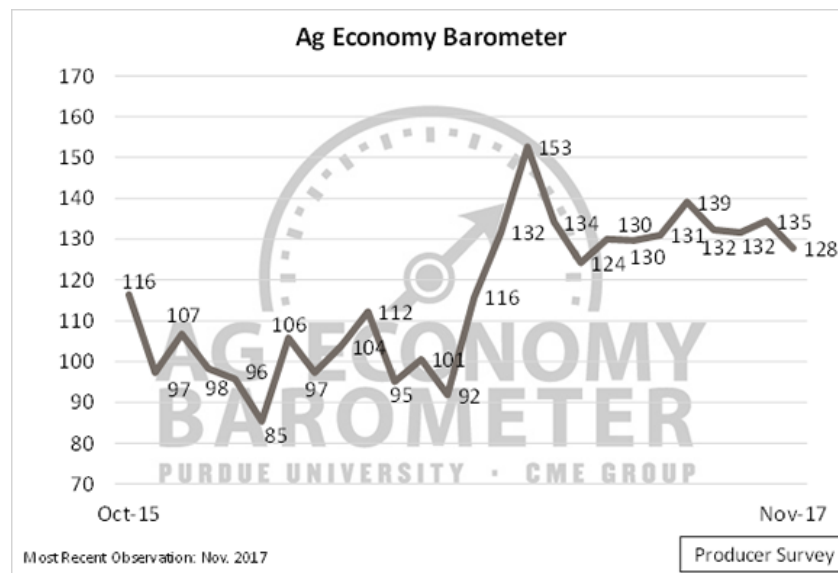
> China Infrastructure Binge Set For Major Slowdown: China's frenzied construction of roads, bridges and subways is set for a major slowdown, adding a headwind to economic growth in 2018. The cooling construction fever is taking shape as authorities renew a pledge to focus on debt management following the Communist Party Congress in October. In a rare move, China has suspended subway projects in some cities, and scrutiny has also toughened on public-private partnerships -- until now a widespread way to fund projects. (Source: Bloomberg)

> Goldman's An Oil Bull In 2018 With 9% Total Returns Forecast: Goldman Sachs Group Inc. predicts oil prices will retain their strength, at least through 2018. The bank raised its forecast for U.S. West Texas Intermediate as well as global benchmark Brent crude, saying OPEC and its allies showed a stronger commitment than expected to extending their output curbs at the producer group's meeting last week. It expects positive total returns of +9% from crude over the next 12 months. The bank's bullishness is in contrast to Citigroup Inc., which signaled it's bearish on prices as it predicts the Organization of Petroleum Exporting Countries, Canada, Brazil, Russia and the U.S. will look to add supplies. While Goldman believes that OPEC and its partners will fully comply with their output deal, it cautioned that shale and other producers will start to respond to stronger crude by 2019. (Source: Bloomberg)

> Russia Banned From 2018 Winter Olympics: Russia's Olympic team has been barred from the 2018 Winter Olympics in South Korea as punishment for alleged state-backed doping at the 2014 Sochi Games, the International Olympic Committee (IOC) announced Tuesday. The IOC will allow individual athletes from Russia to compete as neutrals "under strict conditions" at the PyeongChang Games, with uniforms bearing the name "Olympic Athlete from Russia." Russia has repeatedly denied that a state-sponsored doping program ever existed. Russian President Vladimir Putin said last month that the flurry of Russian sports doping allegations could be an American attempt to interfere in next year's Russian presidential election. (Source: NBC)

> Ag Producer Optimism Falls: U.S. agricultural producer sentiment turned lower in November, driven by a decline in optimism about future economic conditions in agriculture, according to the Purdue/CME Group Ag Economy Barometer, which was released on Dec. 5. Ag producer sentiment dropped seven points in November, signaling a slump in U.S. agricultural producers' confidence compared to the prior month. At a reading of 128, the measure of producer optimism in November was the second weakest observed during 2017 and stood just 4 points above the 2017 low of 124, set in March. The percentage of producers expecting "bad times" for the agricultural economy in the year ahead climbed to 62% on the November survey. The percentage of producers expecting bad times for the agricultural economy has been increasing since July, when it hit a summertime low of 50%. At the same time, the percentage of producers expecting good times for the agricultural economy in the

upcoming year dipped to 28% in November, down from 35% in October. (Source: Purdue.edu)



Central Illinois - We had a decent year. The corn was better than expected at between 180-210bpa across all acres. We ended up replanting nearly 60% of our corn with 104 day that was in the ground by middle of May. Most of the replanted were the better crop, yielding around 200bpa. The beans were highly variable across our fields from the high 40's to mid-50's mostly but there were some acres producing 70bpa. We are looking to pick up 400 more acres this winter. We sold around 80% of the beans and only 50% of the corn.

Central Iowa - We are going to need to see some government programs to get some corn acres removed from production in my opinion. We are sticking with same rotation at 50/50 as most do in our area. We had some challenging weather with a stretch of extremely dry weather this summer. We would have been happy with 150 corn with our lack of moisture and ended up with 200+ in some fields. The beans did well with 65bpa yields at the home farm. Most of our crops actually got in the ground early this year.

Northwest Indiana - We had some good yields this season reaching over 180bpa corn. Our weather was variable but on the wet side for sure. The cooler summer temps I'm sure had something to do with the results. Our beans did about well also bringing in mid 50'sbpa. It was hard to say how things would turn out with the inconsistent weather we encountered. We have mostly finished our field work and are looking forward to a bit of a rest. Nothing is changing in our production next year, staying the same and will be a bit heavier on corn acres.

CROSSING WIRES

A place to share intelligent thoughts...

U.S. Strains To Ship Record Grains: America's worst traffic jam this fall occurred on the Ohio River, where a line of about 50 miles of boats hauling grains and other products turned into a waterborne parking lot, as ship captains waited for the river to reopen. Such delays are worsening on the nation's waterways, which are critical to commerce for the United States, the largest grain exporter in the world. Of the country's \$40 billion in annual grain and soybean exports, about 60 percent is moved by barges on rivers, including the Ohio. The shutdown, caused by worn or missing sections of a dam, snarled traffic from early September into early November through Locks & Dam No. 52 near Paducah, Kentucky. It was the second shutdown in two months at No. 52, which is among the country's busiest locks with about \$22 billion a year of commodities flowing through it. Read more [HERE](#).

Crisper-Cas9 Tackles Antibiotic Resistance: Roughly 23,000 people die in the U.S. each year from bacteria resistant to some antibiotics, or superbugs. The annual death rate totals 700,000 globally, according to one British government estimate, as overuse of antibiotics in medicine and livestock breeds bugs increasingly resistant to the most powerful drugs. As a practicing physician in Boston, Timothy Lu cared for very sick patients who returned repeatedly to the hospital with stubborn, serious infections that wouldn't respond to antibiotics. He grew increasingly perplexed. "Why can't we tackle this?" he wondered. See [HERE](#) how Crisper-Cas9 holds hope for the future.

Insurance Companies Feel Better With Auto Pilot On: Insurers are starting to offer discounts for drivers who enable the autonomous options on their vehicles. The latest is Britain's largest motor insurer, Direct Line. According to Reuters, it is now offering a 5 percent discount for turning on those features in a Tesla. Direct Line's small discount is meant to help it and the rest of the insurance industry learn about self-driving habits. Read more [HERE](#).

'Time Capsule' Found in Jesus Statue: While restoring an 18th century statue, Spanish historians found what appears to be a time capsule in an unlikely place—the buttocks of a statue. The statue portrayed the image of Jesus Christ during the crucifixion and had been hanging in the church of St. Águeda in northern Spain. While removing a section of the statue carved into the image of a cloth, historians discovered that the artwork was hollow and contained a document that details life in late 18th century Spain. Two handwritten letters, yellow with age, were in the statue's hollow bottom. They're dated from 1777 and signed by Joaquín Mínguez, a chaplain from the Burgo de Osma cathedral. Read more [HERE](#).

Spam Is Back: For a while, spam — unsolicited bulk messages sent for commercial or fraudulent purposes — seemed to be fading away. The 2003 CAN-SPAM Act mandated unsubscribe links in email marketing campaigns and criminalized attempts to hide the sender's identity, while sophisticated filters on what were then cutting-edge email providers like Gmail buried unwanted messages in out-of-sight spam folders. In 2004, Microsoft co-founder Bill Gates told a crowd at the World Economic Forum that "two years from now, spam will be solved." In 2011, cybersecurity reporter Brian Krebs noted that increasingly tech savvy law enforcement efforts were shutting down major spam operators. These efforts meant that the proportion of all emails that are spam has slowly fallen to a low of about 50 percent in recent years, according to Symantec research. But it's 2017, and spam has clawed itself back from the grave. It shows up on social media and dating sites as bots hoping to lure you into downloading malware or clicking an affiliate link. It creeps onto your phone as text messages and robocalls that ring you five times a day about luxury cruises and fictitious tax bills. Read more [HERE](#).

Where Does Your Medicine Come From? Drugs and medicine are big business. In 2016, there was a 1.5% global decline in the total value of drug and medicine exports. Even with that drop, the industry's players exported \$318B, making drugs and medicine one of the world's top industries. But where do all those pills, serums, and creams come from? HowMuch dissected the data from 2016 and broke it down by continent, country, and export totals. For most of the world's population, medicine comes from somewhere else. This is truest among residents of the Southern Hemisphere. As the map reveals, there is a big disparity between the industry's export totals in the north and the south. The Northern Hemisphere exports 55 times more drugs and medicine than the Southern Hemisphere. While Europe holds a dominating 79.2% market share, the entirety of Central America, South America, Africa, and Oceania export only 1.8% of the world's drugs and medicine. Africa exports the fewest (0.2%), despite having 15% of the world's population. Check out more details and a larger view of the graphic [HERE](#).

World Map of Drugs and Medicine Exports 2016

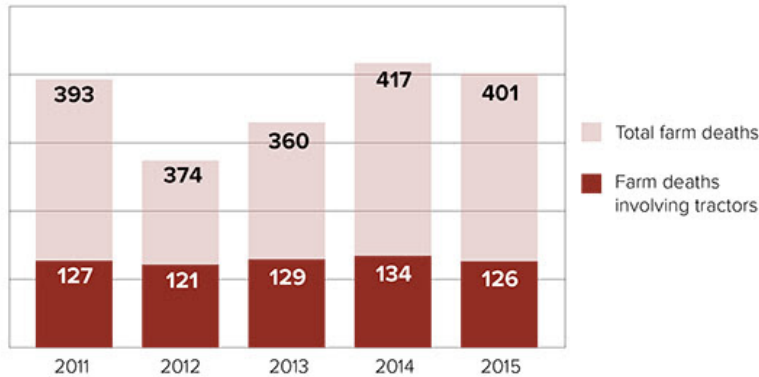


Understanding the Dangerous Job of a Small Farmer

I came across a very interesting story detailing what a dangerous profession farming is and what is being done to help producers stay safe. According to the latest figures from the Center for Disease Control (CDC) 22 of every 100,000 farmers die in a work-related accident. Farmers are nearly twice as likely to die on the job as police officers are, five times as likely as firefighters, and 73 times as likely as Wall Street bankers. Farming death rates may be high, but the injury rates are even higher. In 2014, the most recent year for which data are available, the CDC estimated there were 58,000 adult farm injuries -- nearly 6,000 more than the number of U.S. soldiers wounded in all the years since 9/11. Many of those injuries last a lifetime, driving up disability rates among rural Americans, who are 50% more likely to have some form of disability than their urban counterparts. A lot of folks who don't live in a farming community usually don't know that farms were such dangerous places. Much of this disconnect can be attributed to the fact that the small farmer occupies a hallowed place in the American story, part of the reason farms are excluded from virtually all workplace safety requirements. Understand, small farms have been exempted from federal oversight for so long that it's virtually impossible for anyone to understand fully the extent of workplace injuries and deaths that has plagued rural America for at least a century. Farming is the rare industry rendered more dangerous -- rather than less -- by mechanization. Today, nearly one-third of all agriculture deaths involve tractors, according to the Bureau of Labor Statistics. While all modern tractors are equipped with them, we know that a lot of smaller farms use older tractors that don't have them. It's thought that fewer than 60% of tractors in use in the U.S. have rollover protection. When some hear these statistics, they may ask why more isn't being done to promote safety on small farms. Again, a big reason is reverence for the agrarian ideal. For decades, groups like the American Farm Bureau Federation have lobbied Congress successfully to exempt small farmers from most workplace regulations. The fear is that the government is going to come in and overregulate -- a legitimate concern. Nobody loves being regulated by the government, and small farmers hate it more than most. It's seen as an affront to their way of life in which skills are passed down from generation to generation. And in an industry where weather determines success and failure, farmers are accustomed to dealing with risk. I completely understand the sentiment of the small farmer, but these statistics are quite eye-opening to a problem that may be too overlooked in the ag community. I encourage you to read the article [HERE](#) for yourself. It's quite enlightening.

Death by Tractor

Farming is one of the deadliest professions in America, and tractor accidents are a leading cause, accounting for about one-third of farm fatalities every year.



Source: Bureau of Labor Statistics for POLITICO | Graphic by Christina Animashaun

POLITICO

How Tech Companies May Disrupt Retail Banking

Bill Gates said it best when claiming that people don't need banks, they need banking...and the tech industry seems poised to provide just that. According to a survey by consultant Bain & Co. nearly 60% of U.S. bank customers are willing to try a financial product from tech firms they already use. From what I understand, respondents are saying that if they can get the same 'easy' experience as they do shopping, they're in. Bain reports that they are seeing this transition happen in China, where folks do many of their banking activities through WeChat and Alipay. I suspect it won't be long and we are using our home assistants like Alexa to simply make our deposits and payments with a simple statement. For now, banks have yet to catch up with the digitization that other industries have but with 73% of people aged 18-34 saying they would try a tech firms credit card, deposit account, investment or mortgage, it won't be long before we see innovations take hold and be accepted. Interestingly, while tech giants like Amazon, Google and Facebook already have expanded into such areas as payments or lending, they have yet to amass deposits. And that's because federal laws prevent companies from combining commercial ventures with fully fledged banks. Gerard du Toit, a Bain partner and co-author of the report, predicts, banks will partner with Amazon and others, with lenders manufacturing financial products, and tech giants serving as a distribution and servicing channel. In other words, what Amazon already does with consumer goods. I imagine banks would prefer not to be mere factories for mortgages and credit cards but will take what they can get in that new environment. Millennials will continue to shape and direct the future development of all industries and companies who aren't customer-centric and are deemed untrustworthy will get left behind. In the wake of recent banking events such as Wells Fargo sales tactics, phony account creations and pushy sales associates across financial industries, that practically amount to fraud, many Americans don't trust banks like they once did. What helps companies like Amazon, is that they wouldn't have to lure customers as they have millions already, most of whom would welcome a new approach to handling their money and future major purchases. As we move to a cashless society and a QR code world like China has embraced, the battle between traditional banks and tech firms will escalate as each seeks to control as much market as they can in retail banking. Though it could be an interesting battle, I'm probably leaning towards the tech giants who have the hearts and minds of the millennials and will probably benefit from that trust. ([Bloomberg](#), Michael Spencer)



Give A Gift That Keeps On Giving

If you're looking for something unique to gift this Christmas, you may want to consider a monthly delivery subscription. The variety of services offered have these days is massive. Thousands of sites provide to-your-door delivery of everything from wine to dog treats to luxury leather goods. There is truly something for every interest or style imaginable. Some of them can be a great way to try out new things in a relatively risk-free manner, while others guarantee your giftee never runs low on their favorite thing. Below are some ideas that folks here in the office liked:

Women: *For the fitness-minded women in your life, FabFitFun delivers women's beauty, wellness, fashion and fitness products every few months. Some of the products include elastic bands and workout DVDs, and fun things like candles, coloring books and scarves. They promise \$200 worth of products each time. \$49.99 a month, 4 times a year, [FabFitFun](#). The overworked-overstressed women on your list will appreciate Revival Kit, a monthly subscription with 5-8 full sized essentials to help her relax & unwind. Revival Kits have a combination of healthy snacks, natural/organic beauty and body products, and tools completely dedicated to the art of relaxation. This is perfect for anyone who is always on the go and just needs an all-in-one tool to unwind after those long days. Starting at \$39.95 a month, [Revival Kit](#).*

Outdoorsy Guys: *Kinderbox is tailored for the adventurous man. Every month, they deliver high quality, every day carry items like knives, pens, and bottle openers as well as great grooming products. There's even a military discount! Starting at \$37.45 a month, [Kinderbox](#).*

Fashion-Forward Men: *From Sprezza Box, a stylist handpicks 5-6 different products every month. Typical items will include ties, socks, pocket squares, grooming products & more. Total product values are typically going to be over \$100, but the monthly subscription is just \$28.00, [SprezzaBox](#). A stylist will handpick 5-6 different products, all yours to keep. Typical items will include ties, socks, pocket squares, grooming products & more. For the man in your life that loves accessories, check out The Loaded Vault, which sends products ranging from watches to ties, crazy socks, belt buckles, and more. Recipients can expect at least 4 of these every month. Starting at \$19.99 a box, [The Loaded Vault](#).*

Whiskey Connoisseurs: *Taster's Club will send your whiskey expert (or would-be expert) something new to sip on every month, plus information about the featured product. Think whiskey profiles, tasting notes and production techniques. Starting at \$69.00 a month, [Taster's Club](#).*

Coffee Fiends: *MistoBox is ideal for coffee lover, featuring 50 craft coffee roasters across the U.S. Subscribers can pick their own coffee every month, or the service will choose a coffee based on personal preferences. For gift subscriptions, recipients can customize their deliveries as far as the roast and types of coffee they prefer, as well as how often they want it delivered. From \$20.00 a month, [MistoBox](#).*

Cookie Monsters: *Cravory delivers six cookies each month with each box full of different flavors. Think pumpkin pie in October and citrus shortbread in April. You can order a dozen or half a dozen for three, six or 12 months from \$12.95 a month, [Cravory](#).*

Major Foodies: *Try the World delivers a curated selection of gourmet foods such as tapas from Spain, pastries from Turkey, spreads from Argentina and soup from Thailand. Seven foods from other countries and exotic places can be at your loved one's doorstep starting from \$39.99 a month. The service also puts out a magazine that features recipes for each month's ingredients, plus provides interesting tidbits about that regions culture. [Try the World](#).*

Pet Lovers: *Help them pamper their best friend with a subscription to Bark Box or Kit Nip! Bark Box delivers two toys two treats and a surprise based on their dog's size. Kit Nip boxes deliver toys, all-natural treats and anything else they think a cat might like. [Bark Box](#) runs \$35.00 for one month, or \$249.00 for a full year. [Kit Nip](#) is \$29.99 for one box, or get a whole year for \$19.99 per month.*

Pop Culture Junkies: *LootCrate sends your pop culture lover a handful of authentic licensed collectibles and gear. Every month, the service picks a concept and sends an assortment of schwag to compliment it. For instance, November's theme was "Unite 2.0" with featured items from Power Rangers, Voltron, DC Comics, and Overwatch. From \$34.99 a month, [LootCrate](#).*

New Parents: *Bluum places a high priority on product reviews, choosing from top items for infants and their mothers. This subscription box is great for parents who want to discover new products, but don't have the time to sort through thousands of reviews to find the best. Every month, 4 baby, toddler, and/or mom products are delivered. Subscriptions can begin during pregnancy and continue until a baby reaches preschool age. MOnthly plans start at \$34.99, [Bluum](#).*

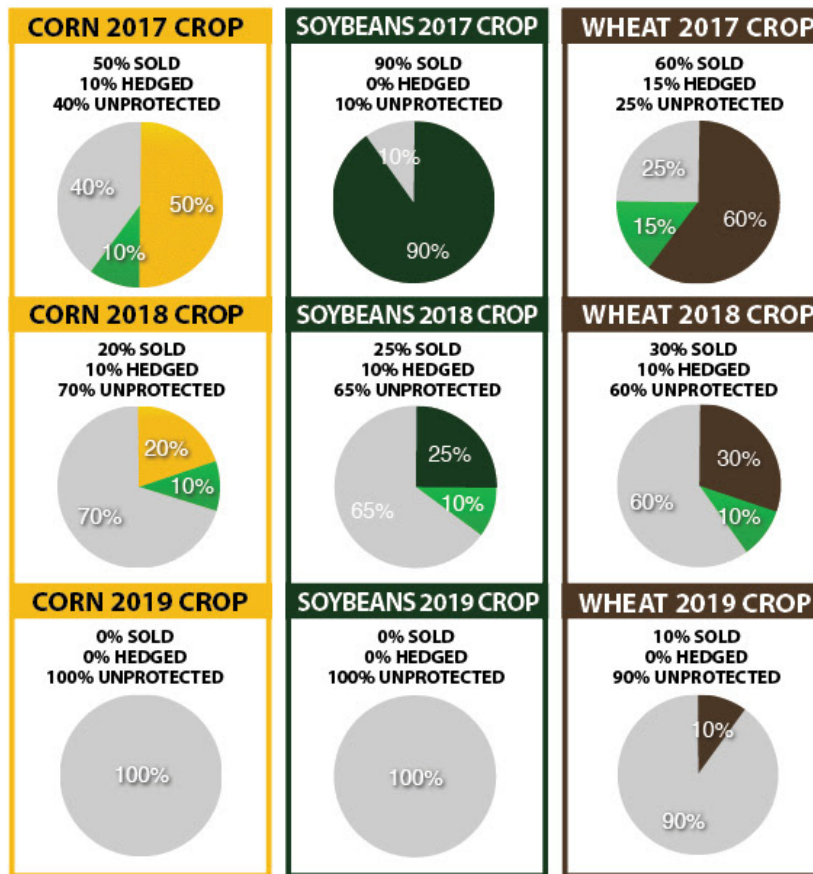
Kids: *A My First Reading Club box arrives each month with books geared specifically toward the age of the child. Every age and reading level is*

available including picture books for the pre-readers to books perfect for preteens. Starting at \$9.99 per month, [My First Reading Club](#).

Something Quirky: Is there such a thing as "too many socks?" For anyone on your list that would answer "No" to that question, Say It With A Sock delivers a new pair of fun, quirky, brand name, high-quality socks every month. They have socks for kids and grown-ups both, and the subscription can be customized as far as the type of patterns or graphics preferred. \$11.99 a month, or prepay for 6 months (\$72.00) or 12 months (\$144), [Say It With A Sock](#).



CASH SALES & HEDGING TOTALS



PLEASE READ The Van Trump Report is a publication intended to give analytical research to the Agricultural community. The Van Trump Report is not rendering investment or hedging advice based on individual portfolios or individual business operations. Kevin Van Trump is NOT registered as a stock or commodity advisor in any jurisdiction. You need to consult with your own registered advisor for specific strategies and ideas that are appropriate to your specific portfolio or business entity. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete. This report is not intended, and shall not constitute, or be construed as an offer or recommendation to "buy", "sell" or "invest" in any securities or commodities referred to in this report. Rather, this research is intended to identify issues and macro situations that those invested in the agricultural industry should be aware of to help better assess and improve their own risk management skills. Please read the entire [DISCLAIMER PAGE](#) for full risk-disclosure and copyright laws.



© FARM DIRECTION 2011

[About Us](#) | [Testimonials](#) | [Subscribe](#) | [Contact Us](#) | [Disclaimer](#)

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

Wed, Dec 6, 2017 at 6:16 AM

[Quoted text hidden]

Kevin Van Trump <info@farmdirection.com>
 To: vtr-commercial.subscriber-commercial-non-private-label@lists.farmdirection.com

Wed, Dec 6, 2017 at 6:20 AM

[Quoted text hidden]

Kevin Van Trump <info@farmdirection.com>
 To: vtr-commercial.subscriber-van-horn@lists.farmdirection.com

Wed, Dec 6, 2017 at 6:25 AM

[Quoted text hidden]

"Two roads diverged in a wood and I - I took the one less traveled by, and that has made all the difference." - **Robert Frost**

Morning Summary: U.S. markets are still witnessing a big money-shift as investors book profits on the recent "tax reform rally" and reallocate funds into companies that are deemed discounted. Major indexes saw very minor pullbacks yesterday, but overall money appears to just be sloshing around as traders try to take advantage of buying opportunities. Investors are anxious to see the latest payroll data from ADP today, which is expected to show the U.S. economy added +186,000 jobs in November. This will provide somewhat of a preview of Friday's official Employment Report that analysts anticipate will come in around +200,000. This is considered the first "unadulterated" look at the U.S. labor market. September and October numbers were skewed by weather-related disruptions, namely the Hurricanes that struck Texas and Florida. Remember, September only gained +18,000 jobs, then the figure shot up to +261,000 job gains in October. The second estimate of Productivity and Costs will also be of interest today, particularly the Unit Labor Costs component. The first estimate showed an increase of +0.5% but that is expected to be revised down to +0.3%, indicating less pressure on wage inflation than initially thought. In Washington, the House has named its conferees that will negotiate a compromise on the two separate tax bills passed by both chambers of Congress. The Senate should be naming their counterparts today or tomorrow. President Trump is reportedly putting additional pressure on GOP leaders to get the legislation passed even sooner than the initial December 22 goal. Republican lawmakers have said they believe the process will go quickly. Things are a little more uncertain on the spending bill, with House leaders announcing yesterday that they will delay the IR vote on a stop-gap measure to keep the government funded past December 8. They will bring it to a vote on Thursday rather than today, giving the Senate very little time to cast their own vote before current funding expires.

Global Leaders Warn Of Violent Reaction To U.S.-Jerusalem Policy: A major issue stoking geopolitical tensions at the moment is President Trump's plan to recognize Jerusalem as the capital of Israel, paving the way for the U.S. embassy to be moved there from Tel Aviv. Trump is expected to announce his decision today. The actual deadline for deciding whether to keep the U.S. embassy at its current location was Monday. Arab and European leaders are raising concerns that it could ignite fresh violence in the region, as Jerusalem is possibly the most disputed city in the world. The city holds great religious importance for Jew, Christians and Muslims. Israel claims all of Jerusalem as its capital. At the same time, Palestinians claim East Jerusalem as the capital of a future Palestinian state. Leaders in both Saudi Arabia and Jordan are warning that a move to recognize Jerusalem as Israel's capital could provoke Muslims around the world. Palestinian leader Mahmoud Abbas warned that such a decision would have "dangerous consequences." Turkey's president has threatened to sever ties with Israel if the U.S. recognized Jerusalem as its capital. U.S. government employees and their families have been barred from personal travel in Jerusalem's Old City and the West Bank for security reasons ahead of planned protests. (Sources: Financial Times, New York Times)

Trucking Companies Are Boosting Big Rig Orders: Trucking companies are bumping up orders for new big rigs, anticipating that 2018 will be a banner year for shipping demand. Trucking fleets ordered 32,900 Class 8 trucks, the kind used on long-haul routes, in November, according to ACT Research, which compiles industry statistics. That was up about +70% from a year earlier. The last two months were also the strongest since the start of 2015. Fleets are adding capacity as strong economic growth fuels surging volumes of freight through the nation's transportation networks. Trucks are in high demand to carry record imports from ports to distribution centers, move machine parts and heavy goods for manufacturers and merchandise during the holiday shopping season. Shippers are paying higher rates as capacity tightens, creating an incentive to put more trucks on the road. However, Eric Fuller, chief executive of trucking company U.S. Xpress Enterprises Inc., the real problem is finding enough drivers. Typically, he said his firm might have to turn away 1,000 loads a week, but since August Mr. Fuller said that figure has been more like 6,000 to 7,000. Fuller expects the problem to continue as long as the unemployment rate stays in the 4% range. (Source: Wall Street Journal)

Confidence In The U.S. Economy Remains Strong: Americans' assessments of the economy remain relatively strong, with Gallup's U.S. Economic Confidence Index at +9 for the week ending Dec. 3. This score is similar to the previous week's +11 and slightly above the average weekly level of economic confidence during the year so far (+6). Economic confidence reached its highest levels of 2017 early in the year, with the index averaging +10 between January and mid-March. Gallup's index also recorded a nine-year high over this period, when it hit +16 in early March. Views about the current state of the economy remain much more positive than negative. 37% of Americans described the economy as "good" or "excellent," while 20% characterized it as "poor." Meanwhile, 47% of Americans said the economy was "getting better," while 46% said it was "getting worse." Over the past five weeks, Americans' views on the economy appear to have shifted in a slightly more positive direction. During this period, there have been a number of signs indicating that the economy is strong -- including the lowest unemployment rate in nearly two decades, a stock market that continues to flirt with new highs and stronger-than-expected GDP growth. (Source: Gallup)



Products That Work...

- Precision Ag Products
- Fertilizer
- Seed
- Chemicals
- Custom Application

8 LOCATIONS

Cerro Gordo	Macon
1-800-252-1615	1-217-764-3339
Bethany	Sullivan
1-217-665-2320	1-217-728-2625
Dewitt	Warrensburg
1-877-482-6467	1-217-672-3539
Findlay	Goodwine
1-217-738-2680	1-815-457-2116

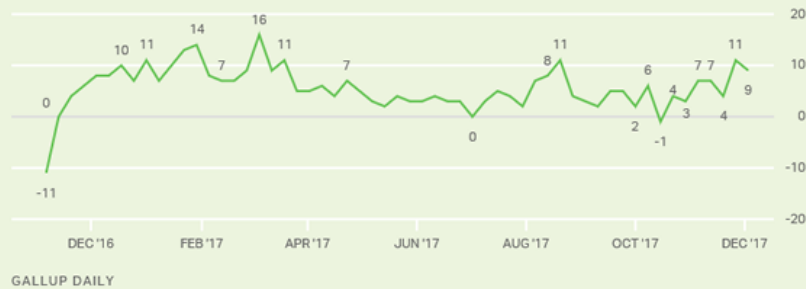
[CLICK HERE FOR MORE INFO](#)

[Quoted text hidden]

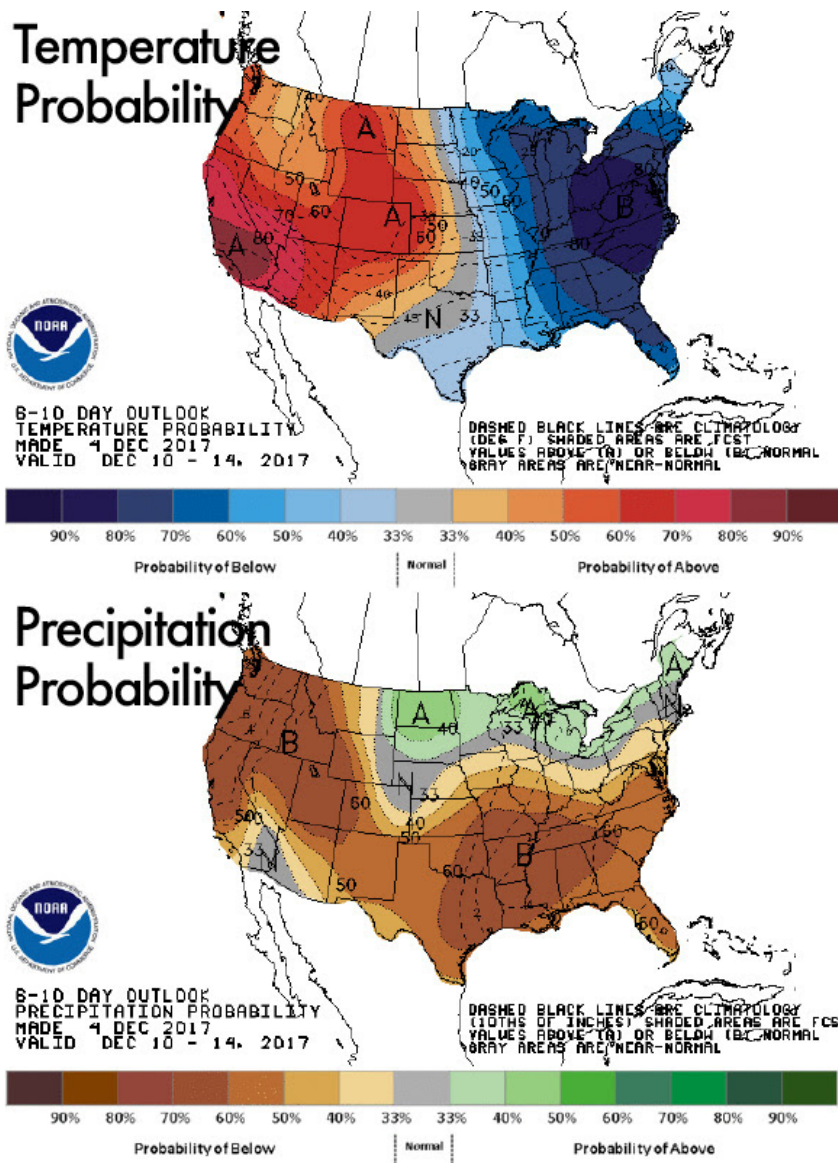
Gallup's U.S. Economic Confidence Index -- Weekly Averages

November 2016-December 2017

■ Economic Confidence Index



Weather forecasts are centered around the arctic blast of air moving eastward across the Midwest toward the Northeast. Later in the week, a secondary surge of cold air will maintain below normal temperatures across the eastern half of the U.S., while warmth will build from the Pacific to the High Plains. The 6 to 10 day outlook for Dec. 10 - 14 calls for the likelihood of below normal temperatures across the majority of the country which should contrast with wetter than normal weather from the Dakotas to northern New England.

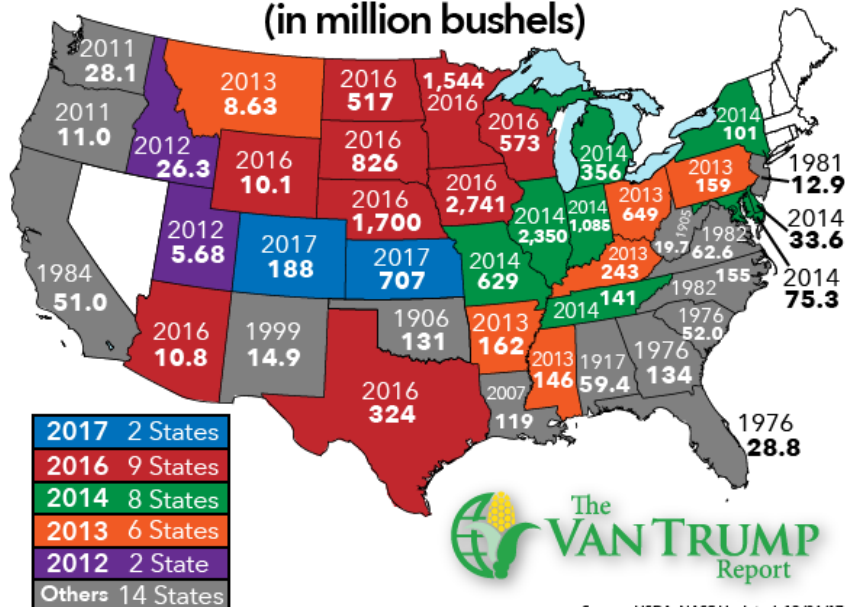


Corn struggles to catch much of a bid, despite increasing talk and fear surrounding a La Niña weather pattern building more momentum in the headlines. Cool water temps in the Pacific Ocean continue to be heavily monitored as traders consider the possibilities. La Niña weather patterns can be extremely difficult to predict and can often bring about varying results in the field. The one that seems to be on the minds of most in the trade is the one that sparked the wild ride in price back in 2012. However, with supplies

overly burdensome the bears are in no hurry to get excited or worried about a shortage. Interestingly, Informa took some early steps and reduced their Brazilian corn estimate from 89 MMTs down to 86 MMTs, which is well below the current USDA forecast and well below the 98.5 MMTs Brazil produced last year. I feel there's a bit more uncertainty in regard to intended second-crop corn acres in Brazil. Maybe not so much the current weather headlines, but perhaps how the weather in the weeks ahead may impact the full-season harvest and how conditions may be extreme or more complicated when it comes time to plant second-crop acres. As a producer I remain patient.

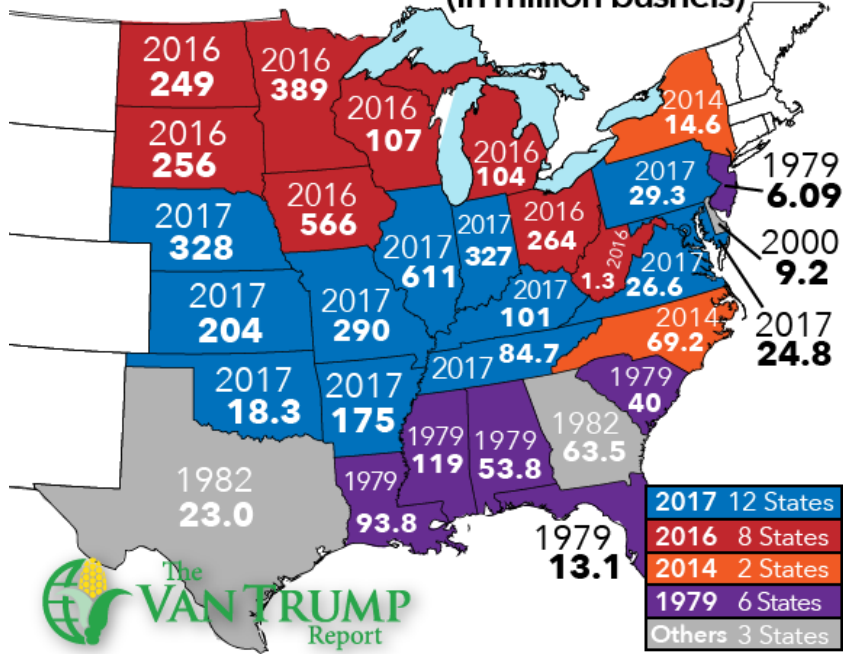
Record State Corn Production

(in million bushels)

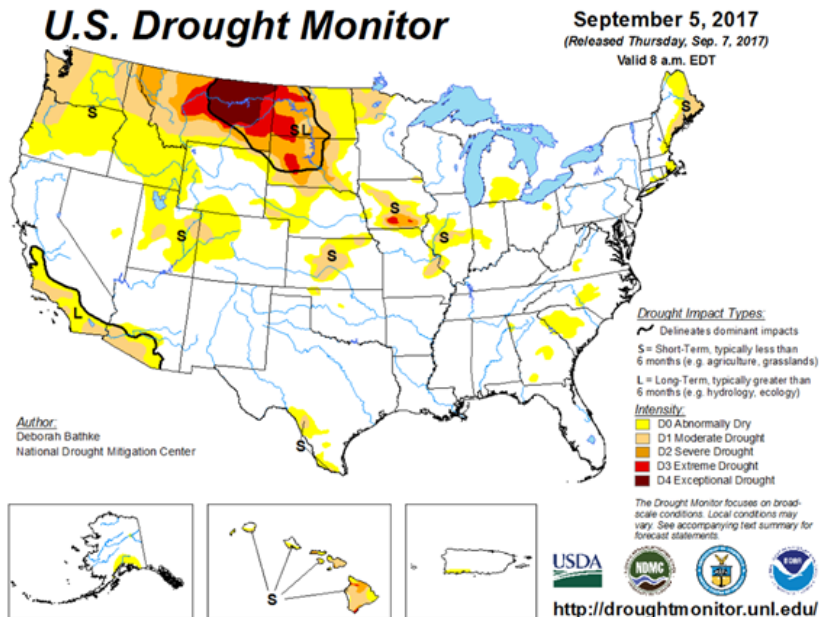


Soybeans bulls are talking about the confirmation of La Niña and how it could further intensify drought like conditions in and across South America, Argentina and southern Brazil remain in full focus. From what I'm hearing, Brazil currently has about 95% of their soybeans planted, while Argentina is more like 50% planted. Fear is if weather continues as forecast, some of the soybeans might not get planted, just simply too dry. There's also the fear that if the heat starts to turn higher more crop complications will start be discussed. Informa took the opportunity to slightly reduce their Brazilian soybean forecast from 111 MMTs down to 110 MMTs. Traditionally we worry about the soybean plant late in the growing cycle, but we have to recognize, dry, hot growing conditions can also have an adverse impact on early-planted soybeans, as they may start showing drought stress as the leaves are flipping over to reflect the sunlight. Perdue University tells us, early growth and plant processes, such as photosynthesis, nodule formation and nitrogen fixation are likely reduced under these growing conditions. Germination and emergence of recently planted soybeans could be very uneven in many areas due to variable soil moisture. Here at home, this also brings about more concern of dry conditions possibly expanding, especially in the Plains. Bottom-line, I feel like global demand is good and the funds seems somewhat interested in being long the higher protein soy market. Throw in a legitimate weather concern and the trade believes it now has the ability to trump burdensome ending stocks. Weather rallies can be difficult to hold and the slope often extremely slippery. As a producer, I'm interested in making small 2018 sales on the momentum higher. I don't want to get overly aggressive with my new-crop 2018 sales, but rather trying to slightly feather a few sales on the excitement. For what it's worth I made a recent new-crop sale on the rally.

Record State Soybean Production (in million bushels)

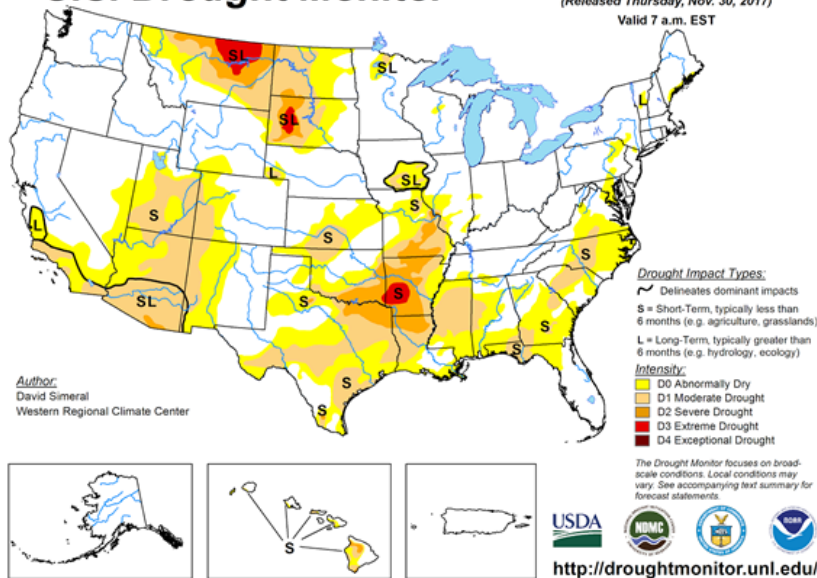


Wheat bears continue to focus on Russian headlines and the fact their record export estimates are moving and their crop is almost 100% harvested and out of harms way. From what I understand, the Russian grain harvest could be +10 to +15 MMTs more than last year. The USDA recently bumped their Russian wheat production estimate higher from 82 to 83 MMTs. This compares to Russia producing 72.53 MMTs last year and just 61.04 MMTs the year before that. As you can see, strong production numbers from one of the worlds top low-cost providers makes it tough to argue the bullish possibilities. Keep in mind, bulls are also battling headlines from India and China, who are also a couple of the worlds largest producers. On the flip side, Australian production continues to shrink, while dry conditions here at home are starting to become more of a concern. As you can see in the graphics I included below, the drought is clearly expanding in the South. The map doesn't really show it, but there are many other areas that I'm hearing are becoming extremely dry. Take Dodge City, KS for example, they had 0.01 inches of rainfall during the entire month of November, since the end of July they've had less than 3.0 inches of total rainfall. I'm staying a stubborn bull and continue to donate to the cause...

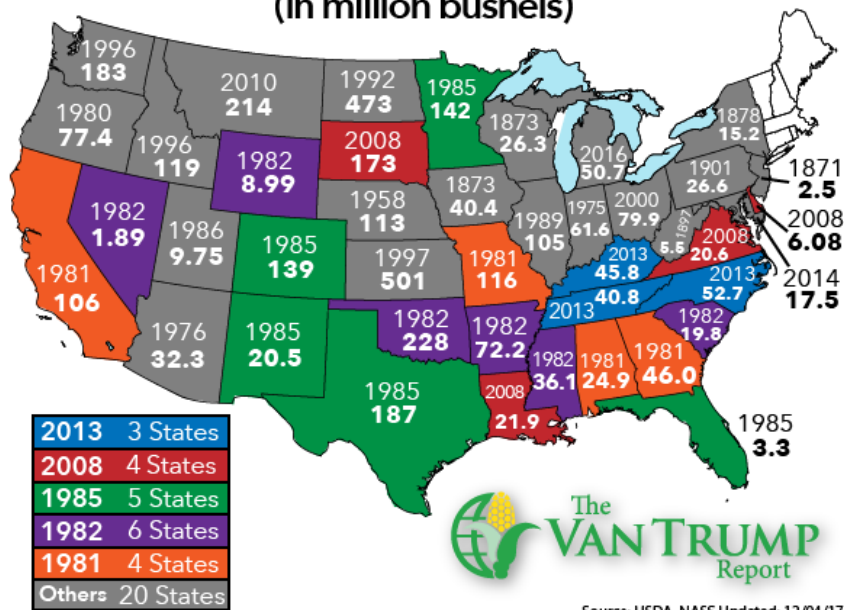


U.S. Drought Monitor

November 28, 2017
(Released Thursday, Nov. 30, 2017)
Valid 7 a.m. EST



Record State Wheat Production (in million bushels)



Connecting the Dots

> **Russia Harvests Record Amount Of Grain:** Grain harvesting in Russia is now 97.6% complete at 139.5 million metric tons, an increase of 14.9 million metric tons year on year, marking the biggest harvest in Russia's history, the Ministry of Agriculture said Tuesday. By December 4 the country had harvested 88 million metric tons of wheat, 12.1 million metric tons more than at the same point last year, the ministry said. Russia has also harvested 21.7 million metric tons of barley, up 2.6 million metric tons year on year, and 12 million metric tons of corn, down 2.1 million metric tons. The corn harvest was affected by a delay to the start of harvesting and unfavorable weather conditions. With the record harvest, exports are expected to also reach a record level. Russia is set to export around 45 million metric tons of grains in the 2017-18 marketing year, of which 35 million metric tons will be wheat. (Source: Platts)

> **Australian Winter Crop Forecast Lower In 2017-18:** Total Australian winter crop production is forecast to fall by -41% in 2017-18 to 35.1 million metric tons, primarily

reflecting an expected decline in average yields from the exceptionally high yields of 2016-17, according to the December quarterly report from the Australian Bureau of Agricultural and Resource Economics and Science (ABARES). Wheat production is forecast to fall by -42% in 2017-18 to 20.3 million metric tons. Australian canola production is forecast to decline by -31% in 2017-18 to 2.9 million metric tons. (Source: World Grain)

> State Attorneys General Take Egg Lawsuit To Supreme Court: Twelve states have joined together to challenge California in the U.S. Supreme Court regarding California's egg production law. The suit claims that California's regulations violate both a federal law prohibiting states from imposing their own standards on eggs produced in other states, and the Commerce Clause of the U.S. Constitution, which gives Congress exclusive authority to regulate commerce among and between states. Missouri and other states claimed their farmers have already or will incur costs between \$228 million to \$912 million to comply with California's regulation. The Bill of Complaint claims "... egg prices have increased nationwide by as much as 1.73% to 5.12%." The states also claim that California's regulations have cost U.S. consumers approximately \$351 million per year and that welfare recipients have had to pay \$96.5 million more for eggs as a result of the California regulations. (Source: Feedstuffs)

> La Nina Pattern Forms In Tropical Pacific Ocean: A weak La Nina weather pattern has formed in the Pacific Ocean, Australia's weather bureau declared, and the event may bring wet weather to cropping and coal mining regions in the nation. Climate models suggest this La Nina will be short-lived, persisting until early in the southern hemisphere autumn of next year (North America's spring), the Bureau of Meteorology said on its website. The central to eastern Tropical Pacific Ocean has cooled steadily since winter and has now reached La Nina thresholds. La Ninas typically deliver colder winters across the northern U.S., drought in Brazil's soybean-growing areas and flooding rains across the coal-mining regions of Australia. The U.S. last month said a weak La Nina formed in October and had a 64 percent chance of lasting through March. (Source: Bloomberg)

> China To Phase Out More Pesticides In Push To Improve Food Safety: China plans to eliminate another 12 highly toxic pesticides from use within five years, state media reported, as the government looks to improve the safety of its farm produce. That comes amid an ongoing campaign to improve the environment and, in particular, tackle severe soil pollution. Beijing has already withdrawn 22 highly toxic pesticides from use, and it prohibits the use of any such products on fruit, vegetables and tea. The ministry has already issued a notice banning the highly toxic substances endosulfan and methyl bromide by 2019. Three others - aldicarb, phorate and isocarbophos - will be withdrawn in 2018, while substances including omethoate and aluminium phosphide should be removed by 2020, said the report. Chloropicrin, carbofuran and methomyl will be phased out by 2022. (Source: Reuters)

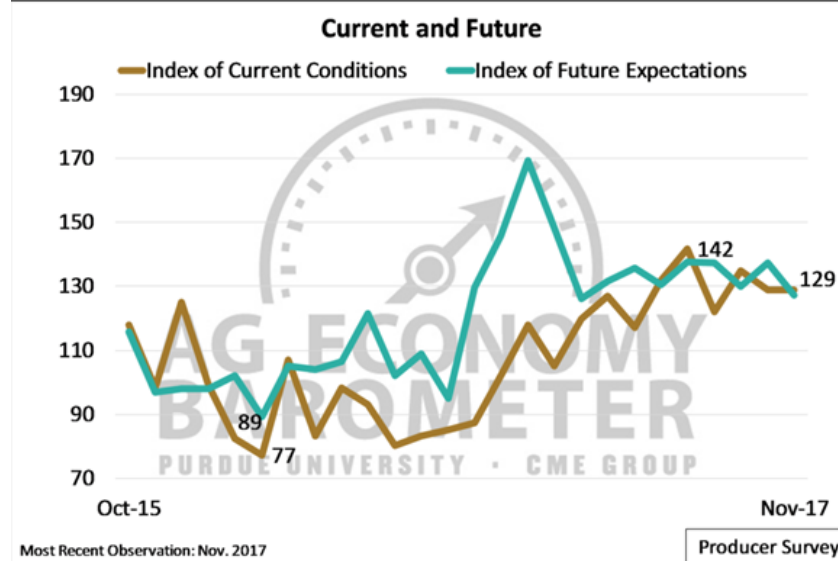
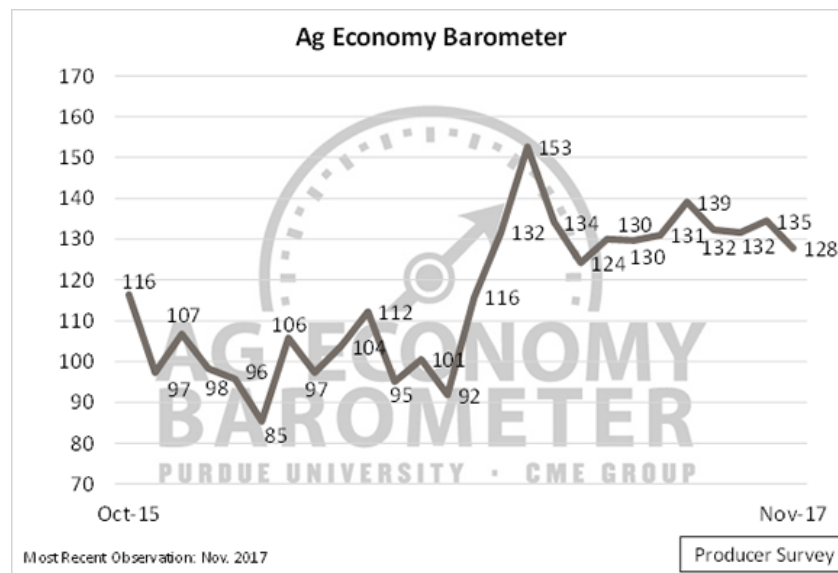
> China Infrastructure Binge Set For Major Slowdown: China's frenzied construction of roads, bridges and subways is set for a major slowdown, adding a headwind to economic growth in 2018. The cooling construction fever is taking shape as authorities renew a pledge to focus on debt management following the Communist Party Congress in October. In a rare move, China has suspended subway projects in some cities, and scrutiny has also toughened on public-private partnerships -- until now a widespread way to fund projects. (Source: Bloomberg)

> Goldman's An Oil Bull In 2018 With 9% Total Returns Forecast: Goldman Sachs Group Inc. predicts oil prices will retain their strength, at least through 2018. The bank raised its forecast for U.S. West Texas Intermediate as well as global benchmark Brent crude, saying OPEC and its allies showed a stronger commitment than expected to extending their output curbs at the producer group's meeting last week. It expects positive total returns of +9% from crude over the next 12 months. The bank's bullishness is in contrast to Citigroup Inc., which signaled it's bearish on prices as it predicts the Organization of Petroleum Exporting Countries, Canada, Brazil, Russia and the U.S. will look to add supplies. While Goldman believes that OPEC and its partners will fully comply with their output deal, it cautioned that shale and other producers will start to respond to stronger crude by 2019. (Source: Bloomberg)

> Russia Banned From 2018 Winter Olympics: Russia's Olympic team has been barred from the 2018 Winter Olympics in South Korea as punishment for alleged state-backed doping at the 2014 Sochi Games, the International Olympic Committee (IOC) announced Tuesday. The IOC will allow individual athletes from Russia to compete as neutrals "under strict conditions" at the PyeongChang Games, with uniforms bearing the name "Olympic Athlete from Russia." Russia has repeatedly denied that a state-sponsored doping program ever existed. Russian President Vladimir Putin said last month that the flurry of Russian sports doping allegations could be an American attempt to interfere in next year's Russian presidential election. (Source: NBC)

> Ag Producer Optimism Falls: U.S. agricultural producer sentiment turned lower in November, driven by a decline in optimism about future economic conditions in agriculture, according to the Purdue/CME Group Ag Economy Barometer, which was released on Dec. 5. Ag producer sentiment dropped seven points in November, signaling a slump in U.S. agricultural producers' confidence compared to the prior month. At a reading of 128, the measure of producer optimism in November was the second weakest observed during 2017 and stood just 4 points above the 2017 low of 124, set in March. The percentage of producers expecting "bad times" for the agricultural economy in the year ahead climbed to 62% on the November survey. The percentage of producers expecting bad times for the agricultural economy has been increasing since July, when it hit a summertime low of 50%. At the same time, the percentage of producers expecting good times for the agricultural economy in the

upcoming year dipped to 28% in November, down from 35% in October. (Source: Purdue.edu)



Central Illinois - We had a decent year. The corn was better than expected at between 180-210bpa across all acres. We ended up replanting nearly 60% of our corn with 104 day that was in the ground by middle of May. Most of the replanted were the better crop, yielding around 200bpa. The beans were highly variable across our fields from the high 40's to mid-50's mostly but there were some acres producing 70bpa. We are looking to pick up 400 more acres this winter. We sold around 80% of the beans and only 50% of the corn.

Central Iowa - We are going to need to see some government programs to get some corn acres removed from production in my opinion. We are sticking with same rotation at 50/50 as most do in our area. We had some challenging weather with a stretch of extremely dry weather this summer. We would have been happy with 150 corn with our lack of moisture and ended up with 200+ in some fields. The beans did well with 65bpa yields at the home farm. Most of our crops actually got in the ground early this year.

Northwest Indiana - We had some good yields this season reaching over 180bpa corn. Our weather was variable but on the wet side for sure. The cooler summer temps I'm sure had something to do with the results. Our beans did about well also bringing in mid 50'sbpa. It was hard to say how things would turn out with the inconsistent weather we encountered. We have mostly finished our field work and are looking forward to a bit of a rest. Nothing is changing in our production next year, staying the same and will be a bit heavier on corn acres.

CROSSING WIRES

A place to share intelligent thoughts...

U.S. Strains To Ship Record Grains: America's worst traffic jam this fall occurred on the Ohio River, where a line of about 50 miles of boats hauling grains and other products turned into a waterborne parking lot, as ship captains waited for the river to reopen. Such delays are worsening on the nation's waterways, which are critical to commerce for the United States, the largest grain exporter in the world. Of the country's \$40 billion in annual grain and soybean exports, about 60 percent is moved by barges on rivers, including the Ohio. The shutdown, caused by worn or missing sections of a dam, snarled traffic from early September into early November through Locks & Dam No. 52 near Paducah, Kentucky. It was the second shutdown in two months at No. 52, which is among the country's busiest locks with about \$22 billion a year of commodities flowing through it. Read more [HERE](#).

Crisper-Cas9 Tackles Antibiotic Resistance: Roughly 23,000 people die in the U.S. each year from bacteria resistant to some antibiotics, or superbugs. The annual death rate totals 700,000 globally, according to one British government estimate, as overuse of antibiotics in medicine and livestock breeds bugs increasingly resistant to the most powerful drugs. As a practicing physician in Boston, Timothy Lu cared for very sick patients who returned repeatedly to the hospital with stubborn, serious infections that wouldn't respond to antibiotics. He grew increasingly perplexed. "Why can't we tackle this?" he wondered. See [HERE](#) how Crisper-Cas9 holds hope for the future.

Insurance Companies Feel Better With Auto Pilot On: Insurers are starting to offer discounts for drivers who enable the autonomous options on their vehicles. The latest is Britain's largest motor insurer, Direct Line. According to Reuters, it is now offering a 5 percent discount for turning on those features in a Tesla. Direct Line's small discount is meant to help it and the rest of the insurance industry learn about self-driving habits. Read more [HERE](#).

'Time Capsule' Found in Jesus Statue: While restoring an 18th century statue, Spanish historians found what appears to be a time capsule in an unlikely place—the buttocks of a statue. The statue portrayed the image of Jesus Christ during the crucifixion and had been hanging in the church of St. Águeda in northern Spain. While removing a section of the statue carved into the image of a cloth, historians discovered that the artwork was hollow and contained a document that details life in late 18th century Spain. Two handwritten letters, yellow with age, were in the statue's hollow bottom. They're dated from 1777 and signed by Joaquín Mínguez, a chaplain from the Burgo de Osma cathedral. Read more [HERE](#).

Spam Is Back: For a while, spam — unsolicited bulk messages sent for commercial or fraudulent purposes — seemed to be fading away. The 2003 CAN-SPAM Act mandated unsubscribe links in email marketing campaigns and criminalized attempts to hide the sender's identity, while sophisticated filters on what were then cutting-edge email providers like Gmail buried unwanted messages in out-of-sight spam folders. In 2004, Microsoft co-founder Bill Gates told a crowd at the World Economic Forum that "two years from now, spam will be solved." In 2011, cybersecurity reporter Brian Krebs noted that increasingly tech savvy law enforcement efforts were shutting down major spam operators. These efforts meant that the proportion of all emails that are spam has slowly fallen to a low of about 50 percent in recent years, according to Symantec research. But it's 2017, and spam has clawed itself back from the grave. It shows up on social media and dating sites as bots hoping to lure you into downloading malware or clicking an affiliate link. It creeps onto your phone as text messages and robocalls that ring you five times a day about luxury cruises and fictitious tax bills. Read more [HERE](#).

Where Does Your Medicine Come From? Drugs and medicine are big business. In 2016, there was a 1.5% global decline in the total value of drug and medicine exports. Even with that drop, the industry's players exported \$318B, making drugs and medicine one of the world's top industries. But where do all those pills, serums, and creams come from? HowMuch dissected the data from 2016 and broke it down by continent, country, and export totals. For most of the world's population, medicine comes from somewhere else. This is truest among residents of the Southern Hemisphere. As the map reveals, there is a big disparity between the industry's export totals in the north and the south. The Northern Hemisphere exports 55 times more drugs and medicine than the Southern Hemisphere. While Europe holds a dominating 79.2% market share, the entirety of Central America, South America, Africa, and Oceania export only 1.8% of the world's drugs and medicine. Africa exports the fewest (0.2%), despite having 15% of the world's population. Check out more details and a larger view of the graphic [HERE](#).

World Map of Drugs and Medicine Exports 2016

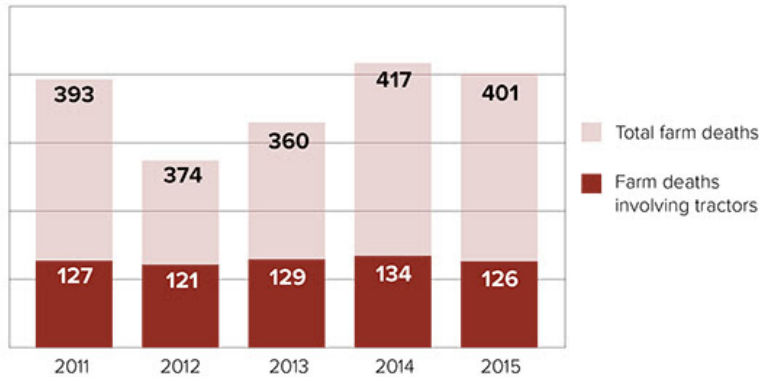


Understanding the Dangerous Job of a Small Farmer

I came across a very interesting story detailing what a dangerous profession farming is and what is being done to help producers stay safe. According to the latest figures from the Center for Disease Control (CDC) 22 of every 100,000 farmers die in a work-related accident. Farmers are nearly twice as likely to die on the job as police officers are, five times as likely as firefighters, and 73 times as likely as Wall Street bankers. Farming death rates may be high, but the injury rates are even higher. In 2014, the most recent year for which data are available, the CDC estimated there were 58,000 adult farm injuries -- nearly 6,000 more than the number of U.S. soldiers wounded in all the years since 9/11. Many of those injuries last a lifetime, driving up disability rates among rural Americans, who are 50% more likely to have some form of disability than their urban counterparts. A lot of folks who don't live in a farming community usually don't know that farms were such dangerous places. Much of this disconnect can be attributed to the fact that the small farmer occupies a hallowed place in the American story, part of the reason farms are excluded from virtually all workplace safety requirements. Understand, small farms have been exempted from federal oversight for so long that it's virtually impossible for anyone to understand fully the extent of workplace injuries and deaths that has plagued rural America for at least a century. Farming is the rare industry rendered more dangerous -- rather than less -- by mechanization. Today, nearly one-third of all agriculture deaths involve tractors, according to the Bureau of Labor Statistics. While all modern tractors are equipped with them, we know that a lot of smaller farms use older tractors that don't have them. It's thought that fewer than 60% of tractors in use in the U.S. have rollover protection. When some hear these statistics, they may ask why more isn't being done to promote safety on small farms. Again, a big reason is reverence for the agrarian ideal. For decades, groups like the American Farm Bureau Federation have lobbied Congress successfully to exempt small farmers from most workplace regulations. The fear is that the government is going to come in and overregulate -- a legitimate concern. Nobody loves being regulated by the government, and small farmers hate it more than most. It's seen as an affront to their way of life in which skills are passed down from generation to generation. And in an industry where weather determines success and failure, farmers are accustomed to dealing with risk. I completely understand the sentiment of the small farmer, but these statistics are quite eye-opening to a problem that may be too overlooked in the ag community. I encourage you to read the article [HERE](#) for yourself. It's quite enlightening.

Death by Tractor

Farming is one of the deadliest professions in America, and tractor accidents are a leading cause, accounting for about one-third of farm fatalities every year.



Source: Bureau of Labor Statistics for POLITICO | Graphic by Christina Animashaun

POLITICO

How Tech Companies May Disrupt Retail Banking

Bill Gates said it best when claiming that people don't need banks, they need banking...and the tech industry seems poised to provide just that. According to a survey by consultant Bain & Co. nearly 60% of U.S. bank customers are willing to try a financial product from tech firms they already use. From what I understand, respondents are saying that if they can get the same 'easy' experience as they do shopping, they're in. Bain reports that they are seeing this transition happen in China, where folks do many of their banking activities through WeChat and Alipay. I suspect it won't be long and we are using our home assistants like Alexa to simply make our deposits and payments with a simple statement. For now, banks have yet to catch up with the digitization that other industries have but with 73% of people aged 18-34 saying they would try a tech firms credit card, deposit account, investment or mortgage, it won't be long before we see innovations take hold and be accepted. Interestingly, while tech giants like Amazon, Google and Facebook already have expanded into such areas as payments or lending, they have yet to amass deposits. And that's because federal laws prevent companies from combining commercial ventures with fully fledged banks. Gerard du Toit, a Bain partner and co-author of the report, predicts, banks will partner with Amazon and others, with lenders manufacturing financial products, and tech giants serving as a distribution and servicing channel. In other words, what Amazon already does with consumer goods. I imagine banks would prefer not to be mere factories for mortgages and credit cards but will take what they can get in that new environment. Millennials will continue to shape and direct the future development of all industries and companies who aren't customer-centric and are deemed untrustworthy will get left behind. In the wake of recent banking events such as Wells Fargo sales tactics, phony account creations and pushy sales associates across financial industries, that practically amount to fraud, many Americans don't trust banks like they once did. What helps companies like Amazon, is that they wouldn't have to lure customers as they have millions already, most of whom would welcome a new approach to handling their money and future major purchases. As we move to a cashless society and a QR code world like China has embraced, the battle between traditional banks and tech firms will escalate as each seeks to control as much market as they can in retail banking. Though it could be an interesting battle, I'm probably leaning towards the tech giants who have the hearts and minds of the millennials and will probably benefit from that trust. ([Bloomberg](#), Michael Spencer)



Give A Gift That Keeps On Giving

If you're looking for something unique to gift this Christmas, you may want to consider a monthly delivery subscription. The variety of services offered have these days is massive. Thousands of sites provide to-your-door delivery of everything from wine to dog treats to luxury leather goods. There is truly something for every interest or style imaginable. Some of them can be a great way to try out new things in a relatively risk-free manner, while others guarantee your giftee never runs low on their favorite thing. Below are some ideas that folks here in the office liked:

Women: *For the fitness-minded women in your life, FabFitFun delivers women's beauty, wellness, fashion and fitness products every few months. Some of the products include elastic bands and workout DVDs, and fun things like candles, coloring books and scarves. They promise \$200 worth of products each time. \$49.99 a month, 4 times a year, [FabFitFun](#). The overworked-overstressed women on your list will appreciate Revival Kit, a monthly subscription with 5-8 full sized essentials to help her relax & unwind. Revival Kits have a combination of healthy snacks, natural/organic beauty and body products, and tools completely dedicated to the art of relaxation. This is perfect for anyone who is always on the go and just needs an all-in-one tool to unwind after those long days. Starting at \$39.95 a month, [Revival Kit](#).*

Outdoorsy Guys: *Kinderbox is tailored for the adventurous man. Every month, they deliver high quality, every day carry items like knives, pens, and bottle openers as well as great grooming products. There's even a military discount! Starting at \$37.45 a month, [Kinderbox](#).*

Fashion-Forward Men: *From Sprezza Box, a stylist handpicks 5-6 different products every month. Typical items will include ties, socks, pocket squares, grooming products & more. Total product values are typically going to be over \$100, but the monthly subscription is just \$28.00, [SprezzaBox](#). A stylist will handpick 5-6 different products, all yours to keep. Typical items will include ties, socks, pocket squares, grooming products & more. For the man in your life that loves accessories, check out The Loaded Vault, which sends products ranging from watches to ties, crazy socks, belt buckles, and more. Recipients can expect at least 4 of these every month. Starting at \$19.99 a box, [The Loaded Vault](#).*

Whiskey Connoisseurs: *Taster's Club will send your whiskey expert (or would-be expert) something new to sip on every month, plus information about the featured product. Think whiskey profiles, tasting notes and production techniques. Starting at \$69.00 a month, [Taster's Club](#).*

Coffee Fiends: *MistoBox is ideal for coffee lover, featuring 50 craft coffee roasters across the U.S. Subscribers can pick their own coffee every month, or the service will choose a coffee based on personal preferences. For gift subscriptions, recipients can customize their deliveries as far as the roast and types of coffee they prefer, as well as how often they want it delivered. From \$20.00 a month, [MistoBox](#).*

Cookie Monsters: *Cravory delivers six cookies each month with each box full of different flavors. Think pumpkin pie in October and citrus shortbread in April. You can order a dozen or half a dozen for three, six or 12 months from \$12.95 a month, [Cravory](#).*

Major Foodies: *Try the World delivers a curated selection of gourmet foods such as tapas from Spain, pastries from Turkey, spreads from Argentina and soup from Thailand. Seven foods from other countries and exotic places can be at your loved one's doorstep starting from \$39.99 a month. The service also puts out a magazine that features recipes for each month's ingredients, plus provides interesting tidbits about that regions culture. [Try the World](#).*

Pet Lovers: *Help them pamper their best friend with a subscription to Bark Box or Kit Nip! Bark Box delivers two toys two treats and a surprise based on their dog's size. Kit Nip boxes deliver toys, all-natural treats and anything else they think a cat might like. [Bark Box](#) runs \$35.00 for one month, or \$249.00 for a full year. [Kit Nip](#) is \$29.99 for one box, or get a whole year for \$19.99 per month.*

Pop Culture Junkies: *LootCrate sends your pop culture lover a handful of authentic licensed collectibles and gear. Every month, the service picks a concept and sends an assortment of schwag to compliment it. For instance, November's theme was "Unite 2.0" with featured items from Power Rangers, Voltron, DC Comics, and Overwatch. From \$34.99 a month, [LootCrate](#).*

New Parents: *Bluum places a high priority on product reviews, choosing from top items for infants and their mothers. This subscription box is great for parents who want to discover new products, but don't have the time to sort through thousands of reviews to find the best. Every month, 4 baby, toddler, and/or mom products are delivered. Subscriptions can begin during pregnancy and continue until a baby reaches preschool age. MOnthly plans start at \$34.99, [Bluum](#).*

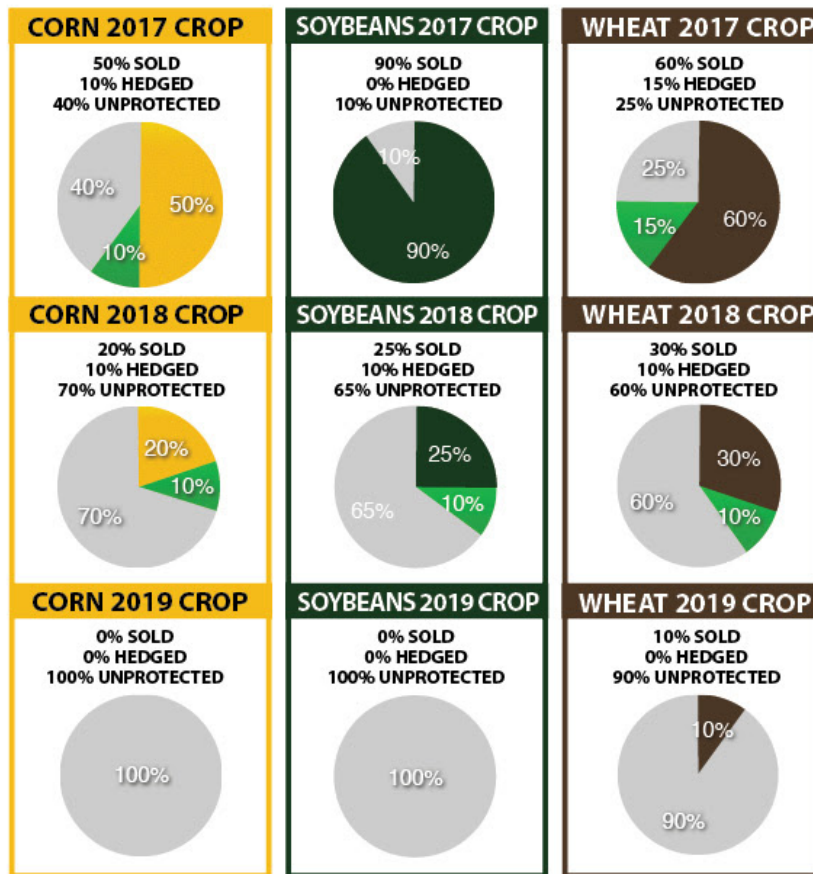
Kids: *A My First Reading Club box arrives each month with books geared specifically toward the age of the child. Every age and reading level is*

available including picture books for the pre-readers to books perfect for preteens. Starting at \$9.99 per month, [My First Reading Club](#).

Something Quirky: Is there such a thing as "too many socks?" For anyone on your list that would answer "No" to that question, Say It With A Sock delivers a new pair of fun, quirky, brand name, high-quality socks every month. They have socks for kids and grown-ups both, and the subscription can be customized as far as the type of patterns or graphics preferred. \$11.99 a month, or prepay for 6 months (\$72.00) or 12 months (\$144), [Say It With A Sock](#).



CASH SALES & HEDGING TOTALS



PLEASE READ The Van Trump Report is a publication intended to give analytical research to the Agricultural community. The Van Trump Report is not rendering investment or hedging advice based on individual portfolios or individual business operations. Kevin Van Trump is NOT registered as a stock or commodity advisor in any jurisdiction. You need to consult with your own registered advisor for specific strategies and ideas that are appropriate to your specific portfolio or business entity. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete. This report is not intended, and shall not constitute, or be construed as an offer or recommendation to "buy", "sell" or "invest" in any securities or commodities referred to in this report. Rather, this research is intended to identify issues and macro situations that those invested in the agricultural industry should be aware of to help better assess and improve their own risk management skills. Please read the entire [DISCLAIMER PAGE](#) for full risk-disclosure and copyright laws.



© FARM DIRECTION 2011

[About Us](#) | [Testimonials](#) | [Subscribe](#) | [Contact Us](#) | [Disclaimer](#)

Kevin Van Trump <info@farmdirection.com>
 To: vtr-commercial.subscriber-agassist@lists.farmdirection.com

Wed, Dec 6, 2017 at 6:28 AM

[Quoted text hidden]