

GOOD MORNING: 12/07/17 Farm Direction - VanTrump Report

1 message

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"We make a living by what we get, but we make a life by what we give." - Winston Churchill

THURSDAY, DECEMBER 07, 2017

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Morning Summary: U.S. stocks will open a bit higher as investors await important decisions from both Congress and the U.S. Federal Reserve. The House today is expected to vote on a stop-gap bill that will extend government funding past December 8, effectively preventing a government shutdown. The Senate also needs to pass the short-term measure but can't act until the House wraps things up. Congress also continues to work toward a final tax reform bill, which lawmakers could start negotiating as soon as today. Investors are also anxious about next week's Federal Reserve policy meeting. It's widely expected the central bank will raise interest rates at the December 12-13 meeting but there are some lingering uncertainties because inflation has remained so stubbornly low. Economic data is pretty light today with just Weekly Jobless Claims and Consumer Credit on the calendar. Yesterday, ADP showed that U.S. employers added +190,000 jobs, slightly above consensus. This is inline with expectations for 200,000 jobs added in Friday's release of the official employment report. In a separate report yesterday, wage growth for third-quarter actually fell -0.2%, down from a previous estimate of +0.5%. Annualized wage growth now stands at just +2.7%, underscoring weak wage inflation but helping to underpin productivity, which is running at a steady +3.0%. On the international front, President Trump yesterday carried through on campaign promises to officially recognize Jerusalem as the capital of Israel, despite opposition from foreign leaders who say the move could raise tensions and derail peace talks in the volatile region. Trump also said the U.S. would begin the process of moving the U.S. embassy to Jerusalem though he also says the U.S. will not take a position on the specific boundaries of Israeli sovereignty in the holy city. Global leaders continue to express concerns that the move could lead to instability and perhaps violence, not only in Jerusalem, but across the Muslim world, which is certainly something worth keeping an eye on.

Retail Investors Just Made a Historic Move Into U.S. Stocks: Looking for signs of exuberance that typically signal a market top? How about mom and pop backing up the SUV at the local brokerage. Clients at TD Ameritrade added to stock holdings for a 10th straight month in November, driving a gauge of retail investor sentiment 15 percent higher to a record, according to the online brokerage's website. That was the "largest single-month increase ever" in the firm's IMX measure, as investors piled into an equity market that's on pace for its best year since 2013. In an interview with Bloomberg, Joe "JJ" Kinahan, chief market strategist at TD Ameritrade, said retail investors have become a bit more of a believer, calling the shift "controlled exuberance." There are other signs retail investors have growing faith that the market will extend the eight-year bull market. According to Conference Board data, the net percentage of Americans who expect equities to rise next year reached 27 in November, the highest share since 2004. (Source: Bloomberg)

UPS Overwhelmed By Online Orders, Warns Of Delivery Delays: United Parcel Service Inc. is struggling to handle the surge in shipments from online shoppers, resulting in delivery delays early in the critical holiday season and prompting the carrier to push drivers to work extra hours. UPS, which handles deliveries for many of the biggest retailers including Amazon.com Inc., Wal-Mart Stores Inc. and Macy's Inc., is adding one or two days in transit time on an unspecified number of deliveries following record sales around Cyber Monday. The delays show that delivery networks such as UPS, which are critical components of the e-commerce boom, are still struggling to cope with the busiest shopping periods despite heavy investment to build out and automate their operations and



Kevin Van Trump
CEO, Farm Direction
The Van Trump Report

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Today In History



1787, American Revolution

- Delaware becomes the first state to ratify the Constitution, doing so by a unanimous vote. This momentous event occurred exactly one year after the Hampshire Herald published a statement by Thomas Grover listing the demands made by the participants in Shays' Rebellion. The post-war economy left farmers of western Massachusetts and throughout the 13 states in distress. Many were unable to pay debts with the worthless paper money issued by state governments. Captain Daniel Shays, a Continental Army veteran, led an attack on the federal arsenal in Springfield,

capacity. For the first time this year, UPS tried to manage the flow of packages by adding surcharges to deliveries during peak periods. UPS, based in Atlanta, is making some adjustments to cope. It has notified workers at more than 100 package-delivery centers where demand is highest that it may raise the number of hours drivers work to 70 hours over an eight-day period, up from 60 over seven days. FedEx has said it is "well-positioned" to meet record demand during the peak season, while the U.S. Postal Service, which delivers more online orders to residences than anyone, is expanding delivery hours to handle the peak season's volume, with packages delivered early in the morning, evening and on Sundays. (Source: The Wall Street Journal)

A Bitcoin Frenzy Like No Other Is Gripping South Korea: So many Koreans have embraced Bitcoin that the prime minister recently warned that cryptocurrencies might corrupt the nation's youth. The craze has spread so far that, in Korea, bitcoin is trading at a premium of about 16 percent over prevailing international rates. While neighboring Japan hosts more transactions by some measures, Korea punches far above its weight: In the 24-hour period through Wednesday evening in Seoul, about 21 percent of the world's bitcoin trades on fee-charging venues involved the Korean won, according to Coinmarketcap.com. The country accounts for about 1.9 percent of the world economy. There's no definitive explanation for why bitcoin has grown so popular in Korea, but local analysts point to a mix of geopolitical and cultural factors. Bitcoin's stateless status appeals to some Koreans who've grown wary of keeping their savings in a country that shares a border with Kim Jong Un's increasingly belligerent regime in North Korea. Also, Korea's individual investors have long had an affinity for supercharged financial wagers, notes Tai-ki Lee, senior research fellow at the Korea Institute of Finance. While it's unclear what measures will emerge from Korea's cryptocurrency task force, the government seems intent on acting. Prime Minister Lee Nak-yeon warned recently, "If we let things continue, I feel some serious pathological phenomena could occur." FYI... Bitcoin prices pushed to over \$15,000 overnight!!! (Source: Bloomberg)



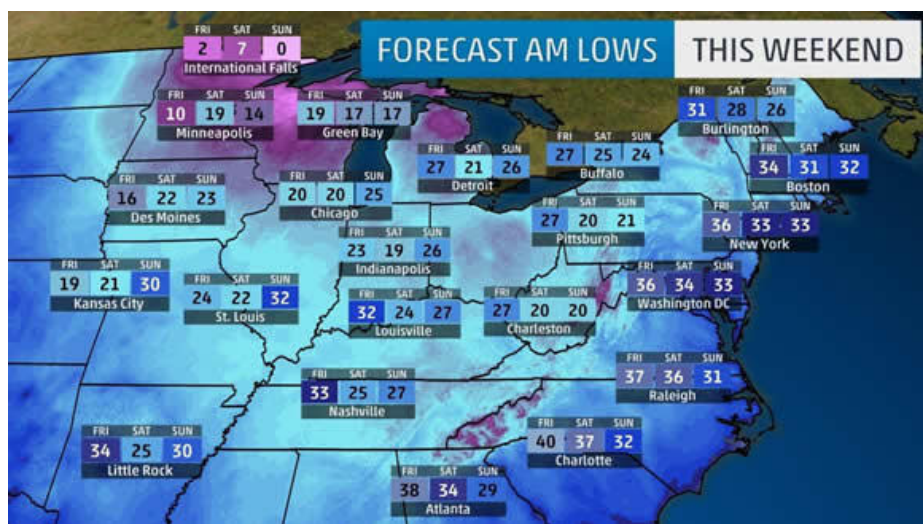
Weather has seen a pattern change this week that has brought sharply colder weather to the central and eastern U.S. This is expected to be reinforced by multiple rounds of Arctic air plunging southward from Canada through the second week of December. The jet stream pattern has now amplified in a north-to-south fashion with a southward plunge setting up east of the Rockies. This type of weather pattern opens the gate for colder air to infiltrate the eastern half of the nation. By Thursday, all areas east of the Rockies will experience near- or below-average temperatures. Areas from the Midwest into the Northeast will see highs in the teens, 20s and 30s by late week instead of the 40s and 50s that started the week. Single-digit highs are even possible in the upper Midwest near the Canadian border. In much of the South, highs in the 40s and 50s will replace temperatures in the 60s and 70s. This cold snap will not necessarily break daily record lows but it will most certainly be an abrupt change from the mild weather most in the U.S. have experienced lately. This colder temperature pattern will last for the eastern U.S. through at least mid-December. A new round of Arctic air sweeping across the Great Lakes and East by Tuesday or Wednesday of next week could usher in the coldest temperatures thus far in this new weather pattern. Now that a colder weather pattern is in place, there will be chances for light snowfall in parts of the Midwest and East through next week, but no major storm is forecast at this time. Localized heavy lake-effect snow is also anticipated in the Great Lakes.

Massachusetts, as part of an effort to close the courts where debt lawyers sued debtors. Volunteers put down the rebellion, but wealthy men throughout the new states were terrified that such a revolt might be repeated. To further their fears, Shays-ite candidates swept the Massachusetts legislature in the next election. Debtors' uprisings like Shays' Rebellion were a significant impetus for the Philadelphia convention to strengthen the American union. Alexander Hamilton first called for discussions on revising the Articles of Confederation based on improving economic relations in the new republic. The process began in a hurried and extra-legal manner. The Constitutional Convention's dictate that the new Constitution would come into effect after merely nine states ratified was strictly illegal under the Articles, which demanded unanimity among the states for amendments to take effect. The drafters wanted to take action quickly before the nation was irreversibly fractured. Delaware's ratification indicated that the states were indeed willing to consider an extra-legal document drafted behind closed doors. In many ways, the ratification process was a sort of second American revolution and Delaware's unanimous vote accurately foretold that it would take place without bloodshed.



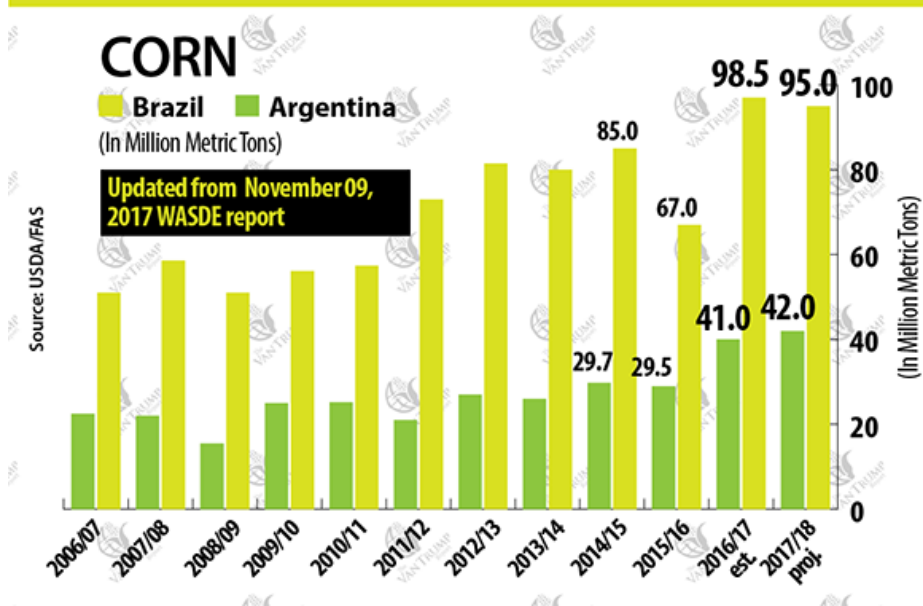
1862, Civil War -

Northwestern Arkansas and southwestern Missouri are secured for the Union when a force commanded by General James G. Blunt holds off a force of Confederates under General Thomas Hindman at the Battle of Prairie Grove, Arkansas. Hindman assembled a force at Fort Smith, Arkansas, to make an attempt to recapture territory lost during the Pea Ridge campaign of early 1862. He planned to cross the Boston Mountains into northwestern Arkansas and then Missouri, but the Union Army of the Frontier, commanded by John Schofield, made a preemptive move to Maysville, Arkansas. Schofield had to leave the army due to illness, and Blunt assumed command. When Hindman sent an advance detachment of cavalry under John Marmaduke through the mountains in late November, Blunt moved south and defeated Marmaduke in a minor engagement at Cane Hill. After Cane Hill, Hindman moved his 11,000-man army across the Boston Mountains and approached Blunt's 5,000 troops. Hindman prepared to attack, but was surprised by the approach of Union reinforcements from Missouri. In one of the most dramatic marches of the entire war, Union General Francis Herron had moved 7,000 reinforcements more than 110 miles in three and a half days. Hindman turned to face Herron, but then took up defensive positions in Prairie Grove. Herron arrived and attacked Hindman on December 7. Herron sent only half of his force to the assault, believing that this was only part of Hindman's force. Outnumbered nearly three to one, Herron's attack failed.



Corn bulls continue to run into headwinds, making most upside momentum difficult to maintain. There's very little fresh or new to discuss. Many insiders continue to see supply as overly burdensome and without some type of major "weather story," it being tough to rally prices a whole lot higher. The bulls are hoping to see confirmation of Chinese buying in today's export sales announcement. The bears are wondering if recent setbacks in crude oil prices will continue and if they will ultimately have a more adverse impact on corn. South American corn production remains a "wild-card", with some sources inside the trade starting to dial back their earlier forecast. Weather is obviously the main debate. There's also a lot of uncertainty surrounding second-crop corn acres in Brazil and just how many will be planted. I will continue to monitor! As a producer, I continue to keep a close eye on the deferred contracts, looking for profitable opportunities to reduce a bit more long-term risk. As a spec, I still remain patient in regard to build a longer-term bullish position.

South American CORN Production



Commodities Crumble Again as China Alarm Bells Sink Metals: Stocks and bitcoin may be having a stellar year, but one corner of global markets hasn't shared the good fortune. The Bloomberg Commodities Index has fallen 4.1 percent in the past month, putting it on course for its sixth year of losses out of seven. The big question is whether the selloff is simply a snapback after a frenzied rally or the warning of a weaker economy. One bad sign for commodities going forward are expectations for a slower growth in China. The country's pollution cleanup and a cooling property market will damp investment into 2018, according to a Bloomberg survey last week. [Read more at Bloomberg](#)

Soybean bears are talking about a few more showers in parts of Argentina, while the bulls are saying it's not enough to make a significant difference. The bulls are also pointing to forecast that make you believe it more than likely turns dry again. Exports also remain debatable amongst the trade. Bears are saying record exports out of Brazil

Hindman ordered a counterattack, but it was repulsed with heavy losses. Hearing noise from the battle, Blunt moved toward Prairie Grove and attacked Hindman later that day. This, too, failed, as did another Confederate counterattack. Darkness ended the engagement with the Confederates still holding the high ground at Prairie Grove. The battle was a tactical draw but Hindman's army was running low on ammunition. Confederate losses amounted to more than 1,400 killed and wounded, while the Yankees lost more than 1,200. Hindman retreated back to Fort Smith, and the region was secured for the Union.



1989, Boxing - The boxer Sugar Ray Leonard triumphs over a lackluster Roberto Duran in a unanimous 12-round decision at the Mirage Hotel in Las Vegas. Leonard became a sensation in the boxing world during the 1980s, providing a superstar presence that boxing lacked after Muhammad Ali retired in 1981. After a successful amateur career, Leonard earned real notice when he won a gold medal at the 1976 Summer Olympics in Montreal. Three years later, he won the World Boxing Council (WBC) welterweight title over Wilfred Benitez. In 1981, seeking to defend his title, Leonard met the Panamanian Roberto Duran, a former lightweight champion, in a much-anticipated bout held in Montreal's Olympic Stadium. The more experienced Duran captured the title in a unanimous 15-round decision. On November 25, 1980, Duran and Leonard met in a rematch in New Orleans. After seven rounds, during which he outperformed Duran and continually taunted him, Leonard held a narrow lead on the judges' scorecards. Duran quit in the eighth round of the bout, shocking his fans and leaving Leonard as welterweight champion once again. Leonard later suffered a detached retina and was inactive in the ring for nearly three years before returning. The match at the new Mirage Hotel on December 7, 1989, marked Leonard's second defense of his super middleweight crown. Though 16,000 fans showed up to watch the much-hype third meeting between Leonard and Duran, they were greatly disappointed, as the 33-year-old Leonard won a tactically superior but unexciting bout over a lethargic 38-year-old Duran. In fact, fans booed both fighters throughout the match, and Duran's lackluster performance did nothing to quell the controversy still swirling around his decision to quit in New Orleans almost a decade earlier.

Upcoming Events

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

Tues. 12/12 - USDA Supply and Demand

have somewhat limited U.S. demand and the USDA might be forced to readjust, lowering their U.S. export forecast and slightly raising their Brazilian forecast. Bulls are saying Chinese demand remains robust and could surprise into early-2018. From a technical perspective, the market feels comfortable orbiting around this \$10.00 level. As a producer I continue to believe "best-of-practice" is to price the deferred contracts, remove some risk and bank some longer-term profits. From a spec perspective, short-term "trades", buying the breaks and selling the rallies have worked. I'm a bit worried that song and dance could soon come to an end. Thinking we soon make a 50 cent move, either higher or lower. Just feel like we are winding up a bit... Stay engaged, there could be some good opportunities during the next few weeks!

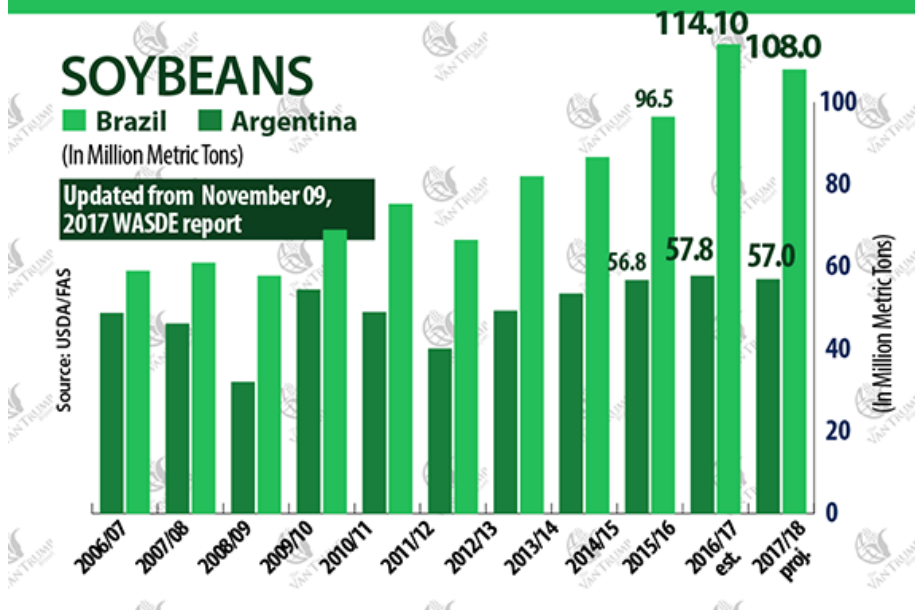
Mon. 12/25 - Christmas - Markets Closed

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

Fri. 1/12 - USDA Supply and Demand

Thurs. 2/8 - USDA Supply and Demand

South American SOYBEAN Production



Kevlin's Song of the Week

WHAT I'M LISTENING TO:

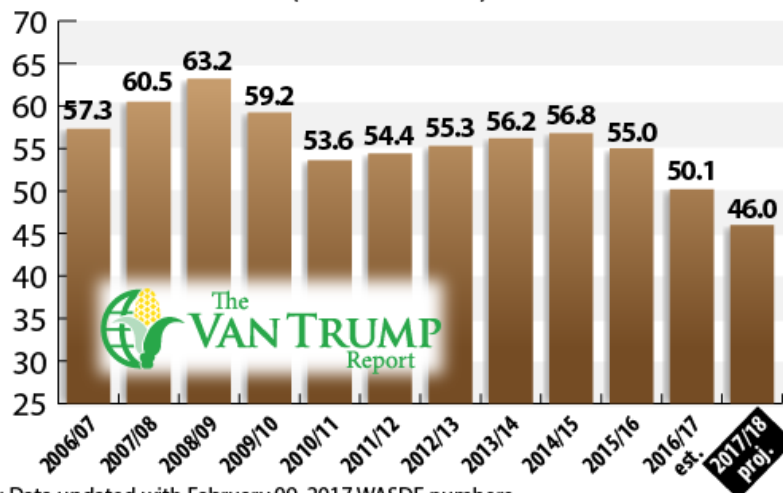


About the Report

Wheat prices continue to frustrate bulls. Many are still trying to digest the latest Canadian wheat estimate from StatsCan, which has aggressively raised their previous forecast to nearly 30 MMTs, about +3 MMTs more than the current USDA forecast. The bulls are also disappointed to hear Brazil is back in talks with Russia to buy wheat. Weather concerns in Australia and here in the U.S. are still being monitored, but are carrying little weight in the trade with global supply deemed to be at burdensome levels. News that Canada was adding to the surplus obviously didn't help the situation. As a spec, I remain long and wrong...

U.S. Wheat Planted Acres

(in Million Acres)



Source: Data updated with February 09, 2017 WASDE numbers



> Brazil's Ethanol Imports Plunge: Brazilian ethanol imports continued to drop, falling for the third consecutive month with 50.3 million liters entering the country in November, down almost -45% from October and -64% lower than a year earlier, the latest data from the Secretariat of Foreign Trade (SECEX) showed. This is the first time this year imports have fallen on the year. Almost all of the volume entered the country through ports in the Northeast region, via Itaqui and Suape (25.2 million liters and 10 million liters, respectively) and originated in the US to be used as anhydrous ethanol to be blended into gasoline. However, cumulative imports of ethanol in Brazil over January-November were 1.74 billion liters, +2.5 times higher than a year earlier. The slump in imports in November was expected, given the recent imposition of a 20% import tariff. Due to the way the import tax is structured, volumes of up to 150 million liters a quarter enter the country duty free. Estimates from Kingsman, the agricultural analysis unit of S&P Global Platts, is that through the end of the year a total of just over 1.8 billion liters will be imported by Brazil in 2017. For next year Kingsman expects the flow of imports to continue as Brazil is estimated to remain in an ethanol deficit. (Source: Platts)

> Russia Can Repeat 2017 Record Grain Harvest: According to the Agriculture Ministry, as of December 5, 2017 Russia had produced 139.5 million metric tons of grain. Agriculture Minister Alexander Tkachev said in an interview yesterday that the country can repeat the record harvest and "probably even increase it in the future." Russia's grain export is on track to surpass last year's results, the minister said, adding that wheat exports should total 35 million metric tons. Total grain export potential in 2017-18 is pegged at 53.5 million metric tons. (Source: Black Sea Grain)

> Brazil Soy Farmers Rely On Barter For Funding This Season: Soy farmers in Brazil's grain frontier state of Mato Grosso are relying more on barter than on their own capital to secure crop financing, growers association Aprosoja told Reuters. Based on data compiled by Mato Grosso-based research agency Imea, Aprosoja's director general, Wellington Andrade, said self funding represented only 19% of crop financing in the 2017-18 crop cycle, the lowest in almost a decade. (Source: Reuters)

> Malaysian Palm Oil Stocks Seen Rising To Near 2-Year High: Palm oil inventories in Malaysia are forecast to rise to the highest in nearly two years at end-November, as a fall in exports outpaces a decline in production. Stockpiles are expected to swell +11.4% to 2.44 million metric tons from end-October, which would be the highest level since December 2015 and mark a fifth consecutive month of gains, according to a median of nine planters, traders and analysts polled by Reuters.

> Kraft Heinz Commits To 100% Cage-Free Eggs By 2025: The Kraft Heinz Co. this week said it will transition to 100% cage-free eggs in all global operations by 2025. The announcement was part of the release of its inaugural corporate social responsibility (CSR) report, which outlined the global food company's CSR strategy and goals. To date, the company has transitioned one-third of its global egg supply to cage-free. (Source: Feedstuffs)

> U.S. Cheese Production Up +1.7% On Year: The USDA says domestic cheese production during October 2017 was 1.066 billion pounds, 1.7% more than in October 2016. Cheese production has topped more than a billion pounds every month this year, except for February. U.S. milk production continues to run at high levels, largely because of record or near record pound per cow averages, and while domestic demand is good, export demand has been slowed down by global competition for key markets, pushing stocks to record or near record levels several times this year. (Source: Brownfield Ag)

> Tax Extenders Coming? Leading GOP senators expect that legislation in the coming weeks will extend expired tax provisions. The extenders would revive short-term tax benefits to promote renewable energy sources like biodiesel and solar power, as well as rail lines crucial to farming communities. (Source: Politico)

> Welfare Reform May Be Next Big Legislative Issue: With the tax overhaul well underway, the GOP's next big target may be cutting back on government assistance programs. Late Tuesday, the USDA said it would give states "greater flexibility" over how they administer SNAP. Already, Wisconsin Gov. Scott Walker is pushing to move ahead with drug testing on able-bodied adults applying for food stamps - something the Obama administration had successfully blocked. USDA said the specifics of the new "flexibility" would be announced in the coming weeks. A spokesman said the agency looked "forward to reviewing Wisconsin's plans in light of our reform principles and the requirements of the law." (Source: Politico)

NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

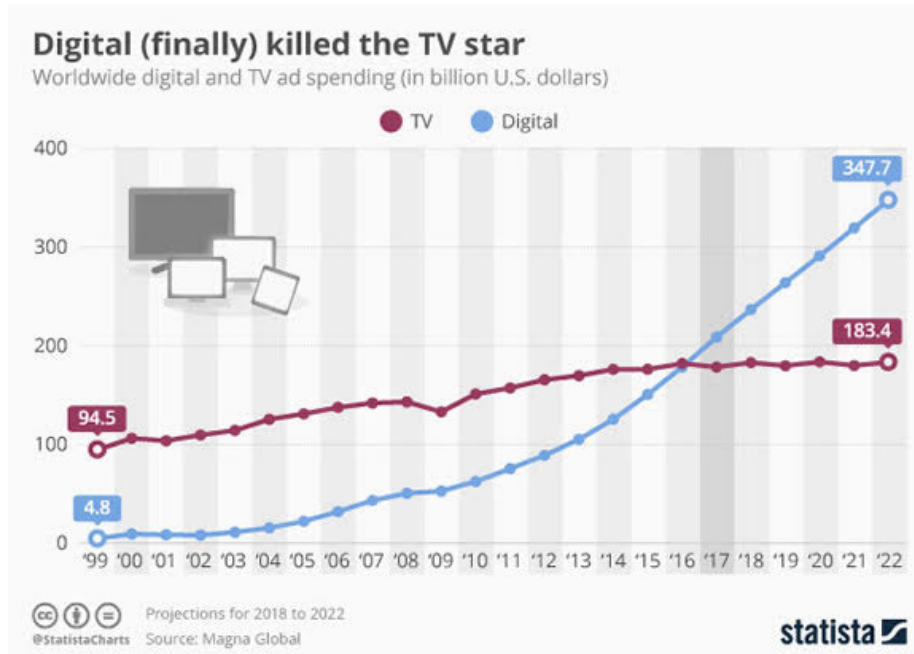
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis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

A.M., FDIC

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

> **Amazon Prime Video For Apple TV Now Available:** Amazon Prime Video is now available on the Apple TV. The app and partnership was originally announced in June during Apple's annual developer conference. The move will appeal to Apple TV owners, who now have access to more content. It also encroaches a bit on Netflix's territory. Netflix has been available on the Apple TV for years, and now there's content from a competitor to watch. The app doesn't appear to be promoted on the Apple TV's home screen just yet, but can be found by searching through the App Store. (Source: CNBC)

> **Digital Finally Dethroned The TV Star:** In 2017, worldwide digital ad spend finally beat TV. Digital ad spend reached \$209 billion worldwide while TV ad spend stood at \$178 billion this year, according to research by research agency Magna Global. And the upward trend in digital ad spend is likely to increase, reaching a possible \$348 billion in 2022, while TV could stall. (Source: Statista)



FROM THE FIELD

Southeast Wisconsin - Harvest is hopefully nearing its end with only 100 acres of corn to finish. It shouldn't take but a couple of days if all goes well. It feels like winter is finally here with much colder temps than the warm ones we've been having. We are looking at yields averaging around 152bpa, with highs being 185 on our best ground. It was lots of moisture early and it is clear that I will be adding some tile this winter if the budget allows. The beans came in around 45, so ok I suppose. We did market a decent amount of our crops so we are breathing a bit easier, but hoping for something to shake up the market or demand.

Central South Dakota - We just didn't have a good year with all the weather issues. The corn and beans were below average for sure. We just finished with the flowers and they were average as well. We are mostly dryland and just didn't get the moisture. The little bit we did get simply came at the wrong time. We will sit on most of the crops as the basis here just doesn't make much sense. There might be a chance to get a bit of land here next year but a little scary to pull the trigger in this environment. The only equipment we are looking at is the used kind.

Eastcentral Minnesota - We are just about complete with the 2017 harvest. It has been a long season for a lot of folks up here. Our beans did fine coming in around 54bpa and our corn averaged 260bpa with some fields coming in well above that. Where we had standing water in some of our untiled ground, the yields really took a hit. It's on the list to fix as the yield difference is remarkable. There were a few issues with Dicamba in our area, with yields being hit by 5-10bpa. It will be interesting to see if any states follow suit with some of the restrictions for next season. We moved a bit more beans with the little move yesterday but will be sitting on plenty of corn if anyone wants some!

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.

CROSSING WIRES

A place to share intelligent thoughts...

Farm Subsidies Are Not To Blame For Cheap Junk Food: Have you heard that junk food is cheaper than fruits and vegetables because of the farm bill? It sure seems reasonable, because the ingredients in the junk — sugar from corn, oil from soy, flour from wheat — benefit from far more subsidy money than broccoli and beets. The idea that wholesome foods are expensive and junk foods are cheap because of the system of subsidies in the farm bill pervades the conversation about food policy. But that idea has one very big problem. It's false. Here's the key overlooked fact: Produce is inherently much more expensive to grow than grains, and that difference dwarfs the difference in subsidy levels. Read more [HERE](#).

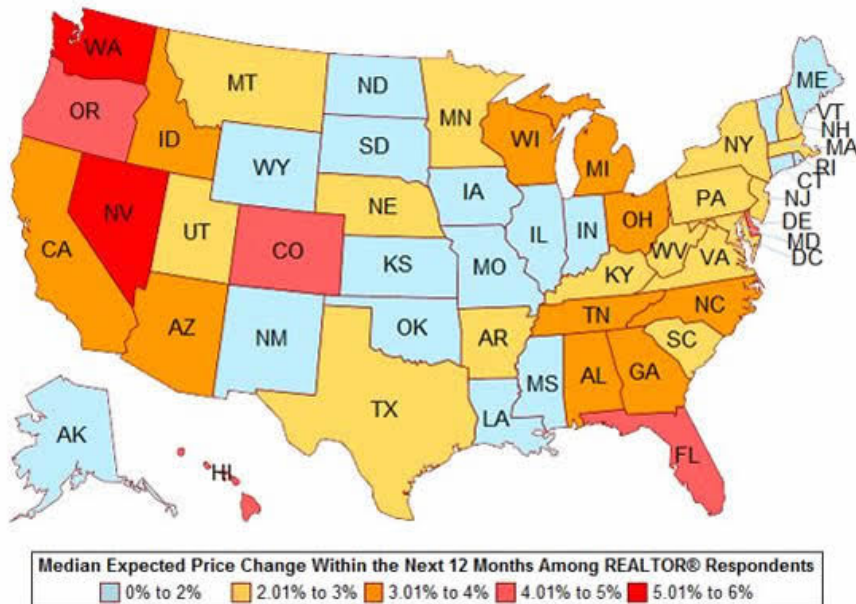
Mystery Trader Keeps Betting The Stock Market Will Go Crazy: The market's foremost volatility bull is at it yet again. Just over two months after rolling over a humongous wager that the CBOE Volatility Index, or VIX, would surge from its subdued levels by December, the volatility vigilante has essentially extended that bet into January. The so-called rollover carries roughly the same maximum potential payout as before: a whopping \$260 million. Considering the VIX's tendency in 2017 to trade near all-time lows, it's a risky bet. The so-called fear gauge is down 7.7% this year, and investors continue to pile into the short-volatility trade, which has evolved into one of the market's most crowded positions. Read more [HERE](#).

U.S. Regulator Raises Concerns About Weights On Energy Pipelines: A U.S. regulator's preliminary investigation into the biggest oil pipeline spill this year has raised a red flag that could trigger an extensive and costly inspection of tens of thousands of miles of underground energy lines. The 5,000-barrel leak on TransCanada Corp's Keystone pipeline on Nov. 16 in South Dakota might have stemmed from damage caused by a weight put in place when it was built in 2008, the Pipeline and Hazardous Materials Safety Administration said in a report. Weights are used to prevent pipelines from moving and reduce the risk of damage or ruptures when water tables rise. The regulator's finding has implications for the 2,687-mile (4,324 km) pipeline and others throughout the world. The weights, which tip the scales at 7,000 pounds (3,175 kg) or more, are commonly used, but only the pipeline operators know where they are located. Read more [HERE](#).

The Oral History Of The Epic 1997 Heisman Trophy Race: Twenty years later, it's a Heisman Trophy class that still has no peers. It featured four first-round picks, three future Hall of Famers and one controversial decision. There was Tennessee QB Peyton Manning, who spurned NFL riches the year before to return to school to win an SEC title and throw for 3,819 yards and 36 touchdowns. There was Michigan's do-everything playmaker Charles Woodson, who dominated at cornerback but also excelled on special teams and offense for the unbeaten and top-ranked Wolverines. There was the relatively unknown wide receiver at Marshall making defenses look silly in Randy Moss. And there was big-armed Washington State QB Ryan Leaf, leading the Cougars to the Rose Bowl. Video footage and all the details are available [HERE](#).

In Which States Do REALTORS Expect Highest Home Price Growth in the Next 12 Months? The map below shows the median expected price change of the respondents in the next 12 months at the state level for surveys conducted in August–October 2017, according to the October 2017 REALTORS Confidence Index Survey. REALTOR respondents from Washington and Nevada expected the highest price growth, with the median expected price growth at more than five to six more percent. In Colorado, Florida, and Delaware, the median expected price growth was four to five percent. Tight supply has led to higher price growth. Nationally, the inventory of existing and new homes for sale stood at 2.81 million in September 2017, which, at the current level of demand, will be exhausted in 4.3 months. Historical data since January 2000 indicates shows the median price of existing homes tended to appreciate above five percent when months' supply fell below six months, while home prices fell by at least ten percent when months' supply rose to ten months or more in 2010. More details are available [HERE](#).





Bug Burgers Becoming More Popular

Consumers in Switzerland will soon get the chance to buy burger patties and meatballs made out of beetle larvae. From what I understand, supermarket chain Coop tested consumers' appetite for less-common alternatives to beef and pork, and "The Mealworm Burger Patties," which also contain rice, carrots and spices such as oregano and chili scored extremely well. Interestingly, people are willing to pay up for the bug patties, which will cost about \$4.50 per patty, or twice as much as the stores organic beef burgers and about three to four times more than their cheapest beef burgers. It all seems strange to me, but United Nations food experts have argued for a long time that they can satisfy meat cravings without all the damage to rain forests and depletion of water by using insects. In fact, edible insects have a long culinary tradition in African and Asian cultures, though their high grade animal protein is only available in a few locations in Europe, one such being the U.K. restaurant called "Grub Kitchen". According to food writers who have tried it, mealworms, which are basically beetle larvae, have a mild flavor that becomes slightly nutty when roasted. Proponents of eating insects believe it's only a matter of time before others come around to their thinking, helped in part by a 2013 UN report that raised the profile of bug protein by extolling its benefits to the masses. They claim around 2 billion people already eat insects worldwide. In addition to packing loads of protein into small frames, insects are said to be very efficient at converting the food they eat: crickets need less than 10% of the feed of a cow per edible gram (pdf) to produce the same amount of protein. Though people in places from Africa to Latin America and Asia are happy to munch on insects, and often consider them a treat, Westerners -- and particularly Americans, including myself -- tend to find the idea hard to digest. And I don't see that changing any time soon. Sorry, I'm still eating Beef, Chicken and Pork! (Source: Bloomberg)



China Wants to Build World's Longest Tunnel To Turn Desert into California

Chinese engineers are testing techniques that could be used to build a 1,000 km (621 mile) tunnel -- the world's longest -- to carry water from Tibet to Xinjiang, experts involved in the project say. The proposed tunnel, which would drop down from the world's highest plateau in multiple sections connected by waterfalls, would "turn Xinjiang into California" according to one engineer on the project. China's longest tunnel is the eight-year-old 85km (52 mile) Dahuofang water project in Liaoning province, while the world's longest tunnel is the 137km (85 mile) main water supply pipe beneath the city of New York. Understand, the Tibetan Plateau stops the rain-laden Indian Ocean annual monsoon from reaching Xinjiang, while the Gobi Desert in the north and the Taklimakan Desert in the south leaving more than 90% of region unsuitable for human settlement. However, the Taklimakan sits right at the foot of the Tibetan Plateau, which is known as the water tower of Asia. The more than 500 billion metric tons of water it releases each year -- almost enough to fill Lake Erie in the U.S. -- also feeds the source of other major rivers. One of the significant reasons the project hasn't gotten off the ground is because of the fault zones located along the proposed pipeline. Interestingly, Chinese officials have started building a tunnel in the Yunnan province that will be more than 600 km long (372 miles) and are using it as rehearsal of the new technology and engineering methods needed for the larger Tibet-Xinjiang tunnel. Both tunnels would be located in earthquake-prone zones with many active faults. The solution to this problem engineers have come up with is inspired by subway trains, whose carriages are connected by elastic joints. In the tunnel, flexible materials that are also waterproof and strong would be used to bind concrete pipes together when they pass through fault zones. The Yunnan tunnel is expected to take eight years to build at an estimated cost of 78 billion yuan (US\$11.7 billion). It will carry more than three billion metric tons of water each year, benefit more than 11 million people, create 3.4 million jobs and create 30,000 hectares (74,000 acres) of new farmland. It will also give the local economy a 330 billion yuan boost. Compare this to the proposed Tibet-Xinjiang water tunnel which would carry 10 to 15 billion metric tons of water from the Yarlung Tsangpo river to the Taklimakan Desert each year. However, the cost is estimated to be astronomical. Each kilometer of tunnel could cost at least one billion yuan. At a 1000 km, that would be a trillion yuan project. Yikes! While this sounds crazy, they believe the technology will be ready and affordable within 10 years. And the project is important. The water shortage in Xinjiang is in many ways similar to that in California early in the 20th century. The Central Valley project, devised in 1933, diverted water from northern California to the San Joaquin Valley, turning it into the world's most productive agricultural region. They expect the agricultural boom could be like California.



A Day That Changed The World Forever

It was on this day back in 1941, at approximately 7:55 a.m. Hawaii time, a Japanese dive bomber bearing the red symbol of the Rising Sun of Japan on its wings appears out of the clouds above the island of Oahu. A swarm of 360 Japanese warplanes followed, descending on the U.S. naval base at Pearl Harbor in a ferocious assault. The surprise attack struck a critical blow against the U.S. Pacific fleet and drew the United States irrevocably into World War II. It was Sunday morning, at 7:02 a.m., two radar operators spotted large groups of aircraft in flight toward the island from the north, but, with a flight of B-17s expected from the United States at the time, they were told to sound no alarm. Thus, the Japanese air assault came as a devastating surprise to the naval base. Much of the Pacific fleet was rendered useless: Five of eight battleships, three destroyers, and seven other ships were sunk or severely damaged, and more than 200 aircraft were destroyed. A total of 2,400 Americans were killed and 1,200 were wounded, many while valiantly attempting to repulse the attack. Fortunately for the United States, all three Pacific fleet carriers were out at sea on training maneuvers. These giant aircraft carriers would have their revenge against Japan six months later at the Battle of Midway, reversing the tide against the previously invincible Japanese navy in a spectacular victory. The day after Pearl Harbor was bombed, President Roosevelt appeared before a joint session of Congress and declared, "Yesterday, December 7, 1941—a date which will live in infamy—the United States of America was suddenly and deliberately attacked by naval and air forces of the Empire of Japan." After a brief and forceful speech, he asked Congress to approve a resolution recognizing the state of war between the United States and Japan. The request was obviously approved and the U.S. was officially at war. Three days later, Germany and Italy declared war against the United States, and the U.S. government responded in kind. Below are some additional facts about WWII. We immensely thank everyone who served or families that sacrificed for our great nation during this difficult period.

Extreme Casualties: *Total casualties for World War II were between 50 and 70 million people, 80% of who came from only four countries — Russia, China, Germany, and Poland. Over 50% of the casualties were civilians, with the majority of those being women and children.*

Rough Year For Russians: *Only 20% of the males born in the Soviet Union during 1923 survived the war. The Siege of Stalingrad resulted in more Russian deaths (military and civilian) than the US and Britain sustained (combined) in all of World War II. The country with the largest number of WWII casualties was Russia, with over 21 million.*

American Casualties: *The war cost more than 400,000 American lives. Surprisingly, more U.S. servicemen died in the Air Corps than the Marine Corps. The Battle of the Bulge is the largest and deadliest battle for U.S. troops to date, with more than 80,000 American casualties.*

It Could Have Gotten Much Worse: *There have been many reports circulated that showed had it been necessary for a third atom bomb, the city targeted would have been Tokyo. The oleander is the official flower of the city of Hiroshima because it was the first to bloom again after the explosion of the atomic bomb in 1945.*

Last Man Standing: *The last soldier to surrender after WWII was over was Japanese Lt. Hiroo Onoda. He had been hiding on a Pacific Island for 29 years, simply unaware that his country had surrendered.*

Still At War? Japan and Russia still have not signed a peace treaty following WWII. The dispute centers around the Kuril Islands which sit to the northeast of Japan. Formerly known as the northern islands of Japan, Russia took them over towards the end of WW II forcing most of the 17,000 Japanese nationals to flee.

The Price Of Freedom: The Gulf War cost each American \$306, while Vietnam was \$2,204 per person. The Korean war cost \$2,266 and WWII cost \$20,388 per person.

The Polish "Schindlers" Save 8,000 Jews From Holocaust.... by faking a Typhus epidemic that halted the Nazis from entering their town. Dr. Eugene Lazowski and Dr. Stanislaw Matulewicz risked their lives after discovering they could make healthy patients appear as if they had the virus which the Nazis greatly feared. During the Russian Civil War, which raged from 1917 to 1922, it's estimated that typhus killed more than 3 million people.

Up Up And Away: During WWII, the Japanese launched 9,000 "wind ship weapons" of paper and rubberized-silk balloons that carried incendiary and anti-personnel bombs to the U.S. More than 1,000 balloons hit their targets and they reached as far east as Michigan. The only deaths resulting from a balloon bomb were six Americans (including five children and a pregnant woman) on a picnic in Oregon.

Several Famous Actors Were Decorated During WWII: For example, Henry Fonda won a Bronze Star in the Pacific, Walter Matthau was awarded six battle stars while serving on a B-17, and David Niven was awarded the U.S. Legion of Merit. Christopher Lee was a pilot in the Royal Air Force and also won a number of awards.

The Most decorated Unit Ever In U.S. History... is the 442nd regimental Combat Team, whose motto was "Go for Broke." It consisted of Japanese-American volunteers. Together they won 4,667 major medals, awards, and citations, including 560 Silver Stars (28 of which had oak-leaf clusters), 4,000 Bronze Stars, 52 Distinguished Service Crosses, and one Medal of Honor, plus 54 other decorations. It also held the distinction of never having a case of desertion.

Below are three videos that talk about D-Day that I have found well worth watching. It's crazy to think about all of the sacrifices that have been made for our freedom.

Interview US World War II Veteran on the Landing in Normandy Click [HERE](#)

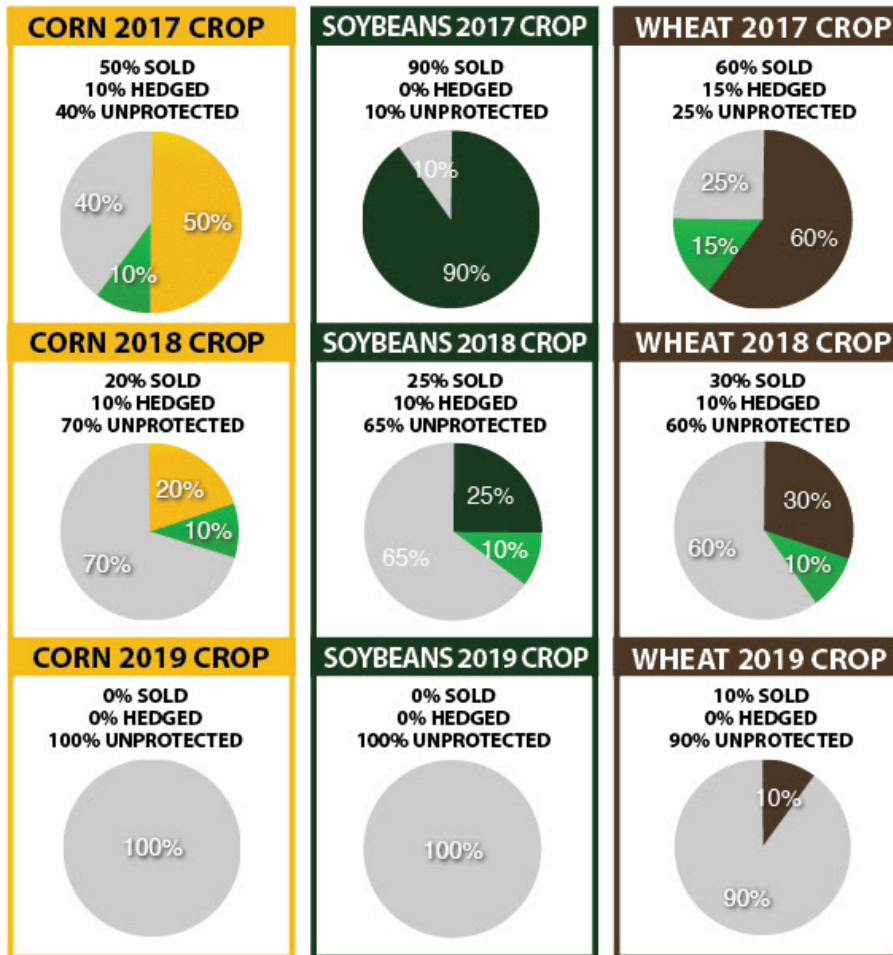


OMAHA BEACH Interviews With American Soldiers Click [HERE](#)



Original Footage US Troops Storming the Beaches of Normandy Click [HERE](#)





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