

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

1 message

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Tue, Dec 12, 2017 at 6:54 AM



"What the human being is best at doing is interpreting all new information so that their prior conclusions remain intact." — **Warren Buffett**

TUESDAY, DECEMBER 12, 2017

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Morning Summary: Stocks again climb to new record highs in spite of an attempted terror attack in New York City and as money flows back into some of the more heavily "discounted" tech stocks. Yesterday morning started off with reports of someone setting off a pipe bomb near New York City's Port Authority Bus Terminal. Luckily, the explosive misfired and burned the would be bomber and slightly injured three others nearby. The suspect was identified as Akayed Ullah, a 27-year-old immigrant from Bangladesh. Ullah reportedly told investigators he was inspired by Islamic State writings. Investors largely brushed off the failed terrorist attempt and pushed stocks up mildly as they bought up some of the companies that hadn't fully bounced back from last week's tech selloff. Investors are also happy to see more actions taken toward implementing an infrastructure plan. President Trump sat down with key transportation leaders at the White House yesterday to discuss further plans. The administration is hoping to launch \$1 trillion worth of overall infrastructure investment in the U.S., upgrading roads, bridges and other public works. As of right now, it looks like this will be the President's legislative priority as we start the new year. Congressional lawmakers are currently negotiating their tax reform measures and it's possible they could present a final bill within a few days. This week's main headline event is of course the Fed's two day policy meeting, which kicks off today. The central bank will announce its decision at 1:00 p.m. CST tomorrow, most are looking for the third rate hike of the year. Today's economic data includes the Producer Price Index for November, which is seen rising +0.3%. The last two months have come in at +0.4%, which many insiders have forecast as indicating wider inflation pressure on the horizon, interestingly that hasn't been the case. A step back for the November reading could once again have investors and analysts scratching their heads on the inflation equation which has stubbornly remained below the Fed's target of +2.0%. However, today's reading will not have any influence on the Fed's decision this week, so the data is really somewhat a non-event. Oil prices got a slight boost yesterday after it was announced that a major European pipeline would be shutting down for a "matter of weeks." The temporary shutdown in the Forties Pipeline System has some concerned about a supply shortfall. The system carries about 445,000 barrels of crude a day through the North Sea, some of which is used to make the Brent crude benchmark. It's a pretty significant disruption and some are speculating it could prompt even stronger demand for U.S. crude. This is certainly a headline we will be monitoring.

Who's Hiring AI Talent in America? *I thought it was interesting to see a recent study by Dr. Andrew Chamberlain, chief economist at Glassdoor. The study shows companies searching for AI employees. Chamberlain classified any role as an AI job if the title included "artificial intelligence", "AI", or "deep learning". If your looking to find the future of AI, here's a percentage of open AI jobs by employer: Amazon (13%), NVIDIA (6%), Microsoft (4%), IBM (3%), Accenture (3%), Facebook (2%), Intel (2%), Samsung (2%), Lenovo (2%), and Adobe (2%). Firms outside of tech also made the list, including financial firms like Fidelity, Capital One, and Goldman Sachs. Government agencies also have open AI jobs, like NASA's Jet Propulsion Laboratory, the US Army and the Federal Reserve Bank. Lastly, consulting firms, such as Booz Allen Hamilton, EY, and McKinsey look for AI talent. (Source: [Glassdoor](#); [DataTrek](#))*

Investors Advised To Brace For Steep Rate Hikes: *Wall Street economists are telling investors to brace for the biggest tightening of monetary policy in more than a decade. With the world economy heading into its strongest period since 2011, Citigroup and JPMorgan Chase predict average interest rates across*

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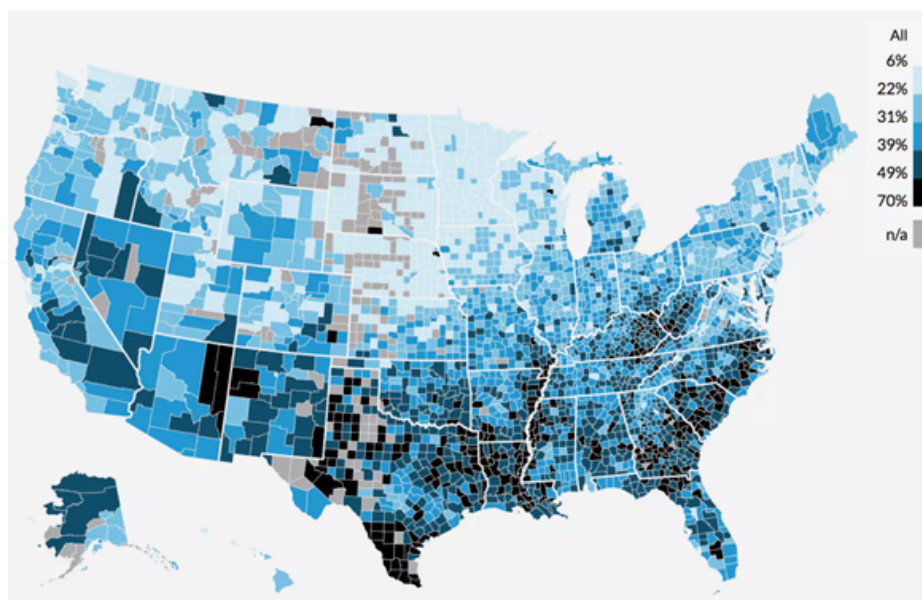
In this 3 disc set, you will hear several leading market analysts and traders providing insight and opinions on both short-term and long-term market direction. Furthermore, you will be able to hear some of the brightest minds working at the forefront of Agriculture and Technology discuss and debate the future of our industry and the disruptive technologies changing the space. Below are just a few of the highlights:

- » **Land Prices?** Hear from the nations leading experts: Jim Farrell, President, Farmers National Company; Steve Breuer, CEO People's Company; Robert Cowan, President Farmland Partners. Each of these experts provide their opinion on price, rents and the future of farm ground. Learn why one, in particular, is deploying millions and believes prices are heading higher.
- » **What About Bitcoin?** Kevin Van Trump provides his personal insight and opinion about Bitcoin, crypto-currencies as a whole and why he has been long the space. He also provides insight and demographical research that is extremely important to know and understand when thinking about stock or alternative investments.
- » **Will Corn Reach \$4.50 Per Bushel? Soybeans \$12.00? Wheat \$5.50?** Hear what several of the market's top traders and advisors have to say about price and projections moving forward. Also, hear what many professionals believe is the biggest marketing hurdle facing today's producer.
- » **Ethanol's Future?** Hear heated debates about the future of ethanol and

advanced economies will climb to at least +1% next year in what would be the largest increase since 2006. As for the quantitative easing, Bloomberg Economics predicts net asset purchases by the main central banks will fall to a monthly \$18 billion at the end of 2018, from \$126 billion in September, and turn negative during the first half of 2019. A clearer picture should form this week when the Norges Bank, U.S. Federal Reserve, the Bank of England, the European Central Bank and the Swiss National Bank all announce their final policy decisions of 2017. They collectively set borrowing costs for more than a third of the world economy. At least 10 other central banks also deliver decisions this week. There will likely be more activity next year as Citigroup estimates the advanced world's average rate will reach its highest since 2008, climbing 0.4 percentage point to 1 percent. Behind the shift are expectations that the world economy will expand around 4 percent next year, the best since a post-recession bounce in 2011. (Source: Bloomberg)

People Are Taking Out Mortgages To Buy Bitcoin: Bitcoin is in the "mania" phase, with some people even borrowing money to get in on the action, securities regulator Joseph Borg told CNBC on Monday. "We've seen mortgages being taken out to buy bitcoin. People do credit cards, equity lines," said Borg, president of the North American Securities Administrators Association, a voluntary organization devoted to investor protection. Borg is also director of the Alabama Securities Commission. "This is not something a guy who's making \$100,000 a year, who's got a mortgage and two kids in college ought to be invested in." He also doesn't think futures contracts legitimize the digital currency. Bitcoin futures, trading under the XBT ticker symbol, debuted on the CBOE futures exchange on Sunday night. The CME plans to launch its bitcoin futures Dec. 18. Meanwhile, the fear of missing out has also induced new faces to enter the arena, with major bitcoin exchange Coinbase seeing about 300,000 more users between Nov. 22 to Nov. 26, according to Bloomberg. Bitcoin has almost tripled in value over the past month, and was up more than 10 percent on Monday alone. (Sources: CNBC, Fortune)

Where America's Debt Is The Worst: Nearly half the residents of Louisiana have debt that has gone into collections, making that state America's capital of past-due debt, according to a new national map of indebtedness released by the Urban Institute. Nationwide the data shows that 33 percent of Americans hold debt that is currently in collection. The median amount of debt in collections is \$1,450. But those figures show striking regional variation. In Louisiana, 46% of adults have debt in collection, the highest share in the nation. Rates of past-due debt are generally highest in southern and western states, and lowest in the upper Midwest. In Minnesota, for instance, only 17% of adults have debt in collections, the lowest rate in the nation. Nationwide, nearly 1 in 5 households has medical debt in collections with a median amount of \$681. But again, that particular number varies broadly: The prevalence of past-due medical debt is 10 times higher in Louisiana (30%) than it is Minnesota (3%). (Source: Wonkblog)



Weather forecasts are calling for variable temperatures and mostly dry conditions in the Midwest during this week. Temperatures will be generally above normal in western areas and near to below normal in eastern areas. Precipitation will be confined to snow in the immediate Great Lakes area. On the Plains, mild windy weather prevails. An elevated threat of grassfires continues on the central and southern Plains, while today's wind gusts could top 60 mph across portions of the northern Plains. Topsoil moisture is lacking in many of the Plains' key winter wheat production areas. In the South, cold

- what disruptive technologies like electric vehicles could mean for the industry. Tom Willis, CEO Conestoga Energy, and others voice their opinions and perspectives.
- » **Carter Williams, CEO iSelect**, provides insight and vision about the future of agriculture and how the value chain is shifting. Producers and Ag Executives need to hear this information!
- » **What Happens With The New Farm Bill?** Joe Outlaw, Director of Ag and Food Policy at Texas A&M University; Jonathan Coppess, Director of Ag Policy University of Illinois; and Joe Newton, Director of Market Intelligence provide their perspective on what's happening in Washington and how the new Farm Bill could impact your future decisions.
- » **Dennis Gartman** provides us with his forecast for Commodity prices, the Stock Market, the U.S. Dollar, Energies, demographics, geopolitical uncertainties and much more. And you don't want to miss what he has to say about Bitcoin...
- » **The Future Of Artificial Intelligence:** Hear from Howard Getson, CEO of Capitologix, and member of The Genius Network. Howard explains blockchain technologies and how artificial intelligence is changing the investment world and the commodities we trade daily.
- » **Lessons I Learned From A Third Grade Dropout!** Dr. Rick Rigby provided one of the finest motivational speeches in our conference's history. There are a ton of life lessons and things you will want to pass along to the kids and grandkids. His online video on the subject has had over 150 million views.
- » **Rail & Transportation** are undergoing many dynamic changes. Hear first-hand thoughts and opinions from one of the nations leading experts, Tom Williamson, CEO Transportation Consultants Company.
- » **Diversifying The Family Farm** - Jamie Walter, CEO of Whiskey Acres Distilling, tells us how he and his family have successfully diversified the family farm and how they are now making money in several diversified revenue channels.
- » **The Future of America's Safety** - Listen to former CIA Chief of Counterintelligence, James Olson, and his perspective on terrorism and what the future holds. This is truly one presentation you do not want to miss.
- » **Much, Much More...**

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Today In History

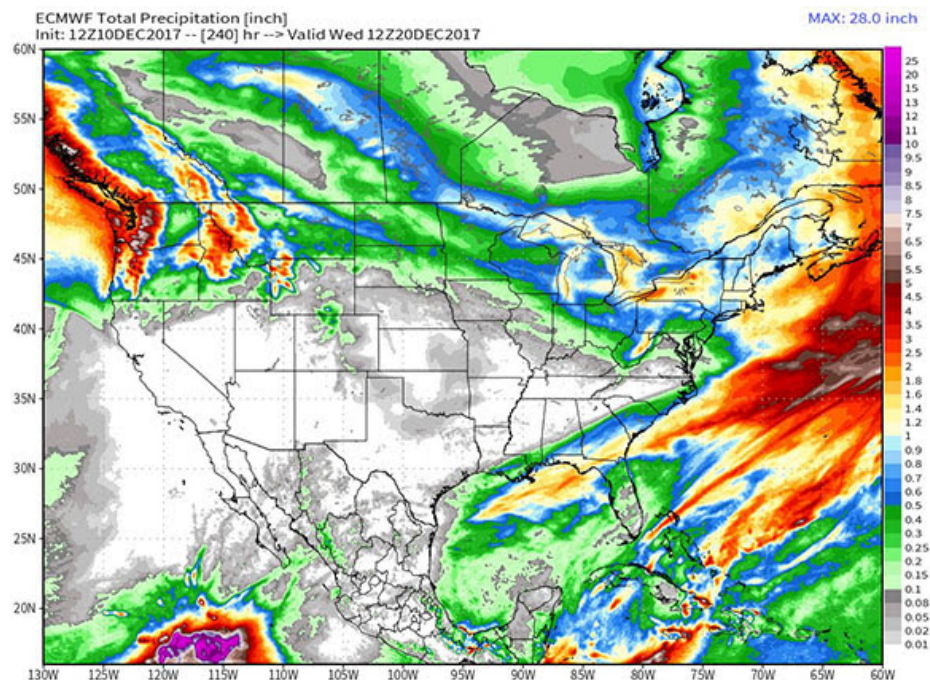


1787, American Revolution

- Pennsylvania becomes the second state to ratify the Constitution, by a vote of 46 to 23. Pennsylvania was the first large state to ratify, as well as the first state to endure a serious Anti-Federalist challenge to ratification. Pennsylvania was the most ethnically and religiously diverse state in the new nation. One-third of Pennsylvania's population was German-speaking, and the Constitution was printed in German for the purposes of involving that population in the debate. The chairman of the Pennsylvania ratifying convention, Reverend Frederick Augustus Conrad Muhlenberg, was the son of the leading German Lutheran minister and grandson to Conrad Weiser (1696-1760), who had been a leading colonial Indian interpreter and German-speaking political leader. The leader of the Anti-Federalist opposition was the Delaware-born Scots-Irishman Thomas McKean. Future Supreme Court Justice and Scottish immigrant James Wilson was

weather lingers east of the Mississippi River. Freezes were noted early today as far south as northern Florida. However, Florida's citrus belt did not experience a freeze. Erratic, gusty winds will linger across coastal southern California through mid-week, accompanied by a continuation of warm, dry weather. In fact above normal temperatures will dominate areas from the Pacific Coast to the Plains for the remainder of the week, except for cool, stagnant conditions featuring fog and poor air quality. Meanwhile, on the Plains, temperatures will occasionally top 60 degrees F as far north as Montana. Periods of gusty winds will accompany the Plains' warmth. In contrast, a surge of cold air across the eastern one-third of the U.S. will peak at mid-week. From the lower Great Lakes region into northern New England, significant snow will accompany the arrival of cold air. Mostly dry weather will cover the remainder of the country, except for some late-week precipitation in the Northwest and rain showers across the lower Southeast.

Lack Of Moisture across Plains and Midwest: *We continue to see more attention given to the lack of rainfall noted ahead for many growing areas across the central Plains States and western Midwest. With moisture staying north, this is a very La Nina-like pattern and something we need to continue to watch closely as we head into 2018.*



Corn... prices post new contract lows ahead of today's USDA report. As I've been saying for several weeks, I still believe we could see lower highs and lower lows nearby. South American weather forecasts are showing a little more moisture, in turn the bulls are backpedaling a bit. On the demand side of the equation, corn used of ethanol remains record strong, while feed and export demand remain steady. Mexico was again in the market for U.S. corn and continues to be a healthy buyer ahead of possible fallout associated with NAFTA negotiations. I still keep hearing there's a very real possibility the U.S. could pullout of the deal all together. Most insiders believe that type of scenario would have much larger impact on the livestock markets than corn. Yes, I have to imagine corn would still see a knee-jerk to the downside if Washington were to announce they were officially pulling out of NAFTA. Word in the market is a potential -10 to -20 cent downstroke almost immediately should negative news hit the headlines regarding NAFTA. It's thought that an initial soybean price setback would be more severe should the U.S. pullout of NAFTA. This is certainly something we are keeping our eyes on. As a producer I'm personally staying patient. Many producers I know are looking to take advantage of their improved local basis, low volatility and cheap price on the board, opting to sell the cash bushels and re-own with some type of cheap long call strategy. This certainly makes sense and might be worth considering if you are in an area that has seen strong basis appreciation. As a spec, I still think there is more nearby room to the downside, but like the thought of starting to build a longer-term bullish position. Just starting to nibble a bit on the breaks...

the most articulate defender of the Federalist cause. Pennsylvania drafted the most radical of the state constitutions during the War for Independence. By excluding Quakers and all other pacifists unwilling to take oaths of allegiance to the Revolutionary cause, a fervently anti-British and anti-Indian Scots-Irish faction had seized power for the first time in the remarkably diverse state. Only when pacifists were again able to exercise the franchise in peacetime was it conceivable that the more conservative U.S. Constitution might pass in Pennsylvania. Large states had the most to lose by joining a strengthened union. James Wilson's genius in describing the nature of layered sovereignty in a federal republic, using the solar system as an analogy, was invaluable in convincing Pennsylvanians to ratify. Anti-Federalists found themselves in the hypocritical position of criticizing the federal Constitution for failing to codify the freedom of religious practice they had actively denied their fellow citizens during the War for Independence.



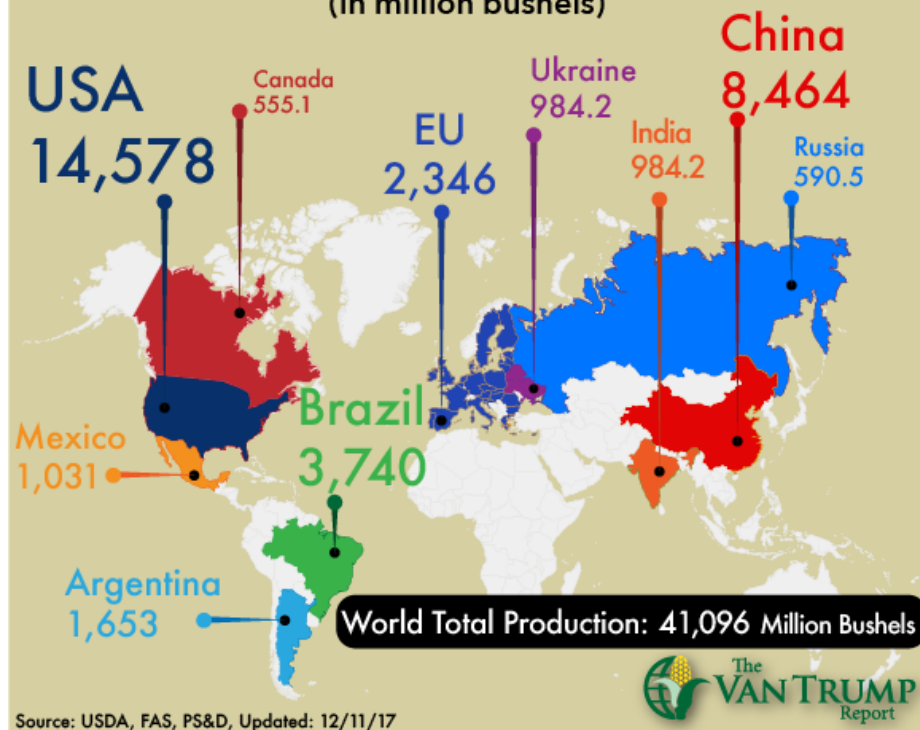
1913, Mona Lisa - Two years after it was stolen from the Louvre Museum in Paris, Leonardo da Vinci's masterpiece The Mona Lisa is recovered inside Italian waiter Vincenzo Peruggia's hotel room in Florence. Peruggia had previously worked at the Louvre and had participated in the heist with a group of accomplices dressed as Louvre janitors on the morning of August 21, 1911. Leonardo da Vinci, one of the great Italian Renaissance painters, completed The Mona Lisa, a portrait of the wife of wealthy Florentine citizen Francesco del Gioconda, in 1504. The painting, also known as La Gioconda, depicts the figure of a woman with an enigmatic facial expression that is both aloof and alluring, seated before a visionary landscape. After the recovery of The Mona Lisa, Peruggia was convicted in Italy of the robbery and spent just 14 months in jail. The Mona Lisa was eventually returned to the Louvre, where it remains today, exhibited behind bulletproof glass. It is arguably the most famous painting in the world and is seen by millions of visitors every year.



1929, Charles Goodnight - Charles Goodnight, co-founder of one of the most important southwestern cattle-drive trails, dies on this day. He was 93 years old. Born in Illinois in 1836, Goodnight came to Texas with his family when he was nine years old, and he thrived in the rugged frontier environment. His skill as a frontiersman and scout won him a position as a regimental guide during the Civil War, and Goodnight became confident that he could blaze a trail across any landscape, no matter how rugged or desolate. By the time the war ended, Goodnight had also built up a herd of cattle on his ranch in Palo Pinto County, Texas, and he decided to combine his interest in ranching with

Global Corn Production 2017/18

(in million bushels)



his ability as a trailblazer. At the time, most Texas ranchers drove their herds north to the railheads in the cattle-towns of Kansas for shipment to the East, but Goodnight was convinced that he could make a better profit if he could find a path to drive his cattle to the growing beef markets in New Mexico and Colorado. While buying provisions for his proposed drive, Goodnight met Oliver Loving, a cattleman who was already renowned for his frontier and livestock skills. Loving agreed that Goodnight's idea was solid and the two men became partners. In 1866, they blazed a 500-mile route from Fort Belknap, Texas, to Fort Sumner, New Mexico, which became known as the Goodnight-Loving Trail. Later extended north into Colorado, the Goodnight-Loving Trail became one of the most heavily used cattle trails in the Southwest. Though well utilized, it was a risky ride, since it passed through lands still dominated by small bands of hostile Indians. Loving was killed by Indians while planning a third trip on the trail, but Goodnight continued to use the route for three more years and in 1871 cleared a profit of \$17,000. In 1875, Goodnight blazed another cattle trail, this time from New Mexico to Colorado. But he had grown tired of the long and dangerous trail drives and increasingly focused his efforts on his new Colorado ranch. When the Colorado ranch failed, Goodnight transferred the remnants of his herd to the Palo Duro Canyon in the Texas Panhandle to make a fresh start. After convincing a wealthy Irishman to invest large amounts of capital into his new operation, Goodnight succeeded in building his new JA Ranch into one of the major Texas ranches of the day, eventually running more than 100,000 cattle and returning excellent profits. By the time he died, Goodnight had transformed himself from an intrepid trailblazer and cattle driver into one of the great cattle barons of the American West.

Upcoming Events

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

Tues. 12/12 - USDA Supply and Demand

Mon. 12/25 - Christmas - Markets Closed

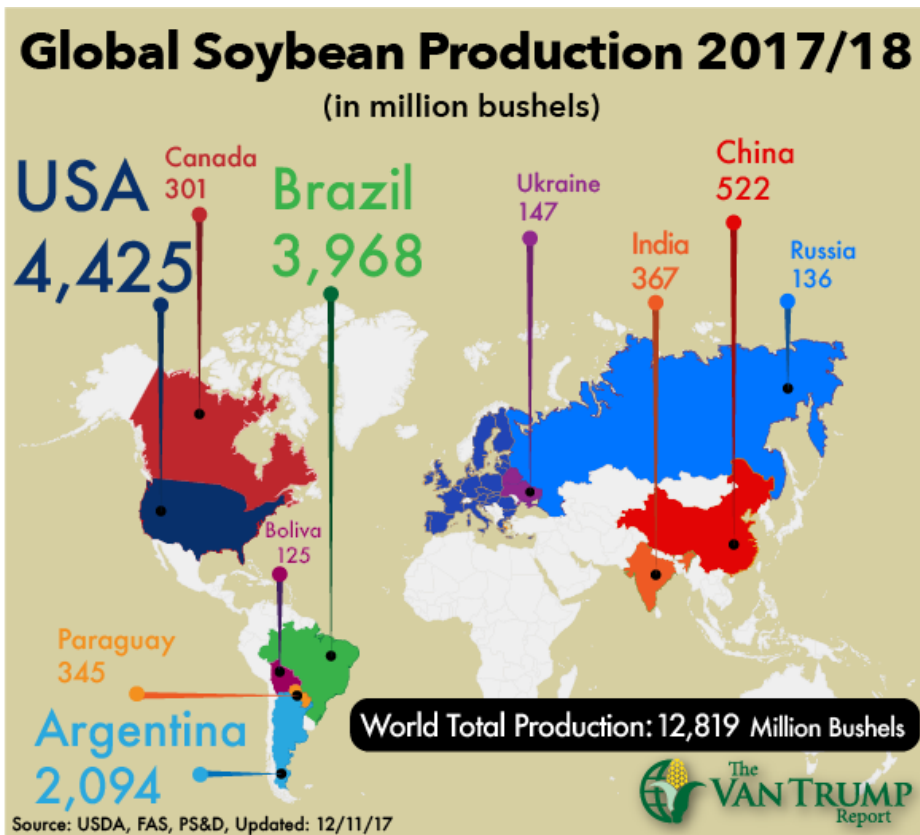
Mon. 1/1 - New Year's Day - Markets Closed

Fri. 1/12 - USDA Supply and Demand

Thurs. 2/8 - USDA Supply and Demand

Kevin's Song of the Week

Soybean bulls backpedal a bit on improved moisture in the forecast for parts of Argentina and Brazil. There's also some fear that the USDA could aggressively adjust their U.S. export estimate lower. I've heard traders talking anywhere from a -25 million to -100 million bushel adjustment to exports could be coming our direction. Hence, there's thoughts of the U.S. balance sheet getting a bit larger rather than smaller. On the flip side, there's a chance the global balance sheet tightens a bit on increased Chinese demand and a bit of weather uncertainty in South America. I don't think the later will have much impact on the USDA, at least not at this stage of the game, being a bit premature for a major adjustment. Therefore, I'm not looking for any type of sizable shift in production estimates to the Argentine or Brazilian crop. In fact I'm thinking we could eventually see a slight adjustment higher for Brazil and slight adjustment lower for Argentina, net-net however no real change. Traders are also interested in seeing if the USDA will make any significant adjustment to their crush estimate, especially for soybean oil used to producer biodiesel. As usual, I suspect we will all be a lot smarter later this afternoon after we get a chance to digest the latest USDA adjustments. For what it's worth, I've been slowly buying back some of the out-of-the-money call premium I sold into the most recent rally. Just in case weather becomes a larger concern in South America, I don't want the upside capped. As a spec, I'm keeping a close eye on technical support in the \$9.65 to \$9.75 range.



Wheat prices tumble to fresh new contract lows ahead of today's upcoming USDA report. Weekly export inspections were again a bit of a disappointment. There was also more data circulating that confirms Russia is going to export almost +5.0 MMTs more than they did last year. There's also talk of improved harvest weather in some key parts of Australia. Not that it whatsoever improves the Australian crop, but does perhaps stops the bleeding. U.S. weather continues to create complications across the Plains, but the trade is non-responsive to headlines or concerns regarding winter-kill or weather that is weakening the crop. I'm not looking for any big changes or surprises from today's USDA data. Most inside the trade seem to be talking just minor adjustments to both U.S. and global balance sheets. Egypt is back in the marketplace and perhaps more interesting than the updated USDA data is how cheap Russian wheat is going to be offered. As long as Russian and European suppliers continue to battle it out for marketshare it's tough to talk higher prices here at home. Staying long and wrong....



About the Report



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

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

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

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

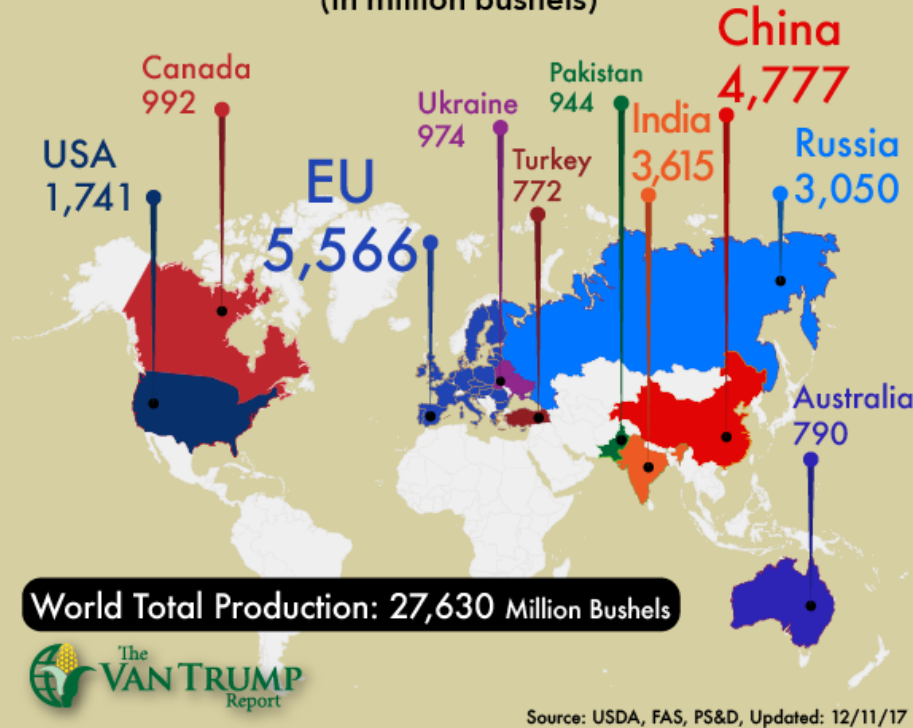
Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that

Global Wheat Production 2017/18

(in million bushels)



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

U.S. Ending Stocks

	Dec. Est.	Avg. Guess	Trade Range	USDA November
Corn	???	2.478	2.394 - 2.517	2.487
Soybeans	???	0.438	0.425 - 0.486	0.425
Wheat	???	0.938	0.925 - 0.960	0.935

World Ending Stocks

	Dec. Est.	Avg. Guess	Trade Range	USDA November
Corn	???	202.72	195.70 - 205.00	203.86
Soybeans	???	97.82	95.20 - 99.00	97.90
Wheat	???	267.07	264.00 - 270.00	267.53

South American Production

	Dec. Est.	Avg. Guess	Trade Range	USDA November
Argentina Corn	???	41.77	41.00 - 42.00	42.00
Argentina Soybeans	???	56.52	54.00 - 57.00	57.00

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.

Brazil Corn	???	93.26	86.90 - 95.00	95.00
Brazil Soybeans	???	108.21	107.60 - 109.00	108.00



> Ukraine Grain Output Revised Upward: *Ukraine's Agricultural Policy and Food Ministry of Ukraine announced on Dec. 11 that it has revised the country's grain production forecast for 2017 upward by +300,000 metric tons, to 62.3 million metric tons. A survey of winter cereal crops for 2018 shows that planted area is 16.8 million acres of which 13.84 million acres (83%) are in good and satisfactory condition, according to the ministry. The USDA forecasts total 2017 grain production in Ukraine of 61.49 million tonnes, including 26.5 million tonnes of wheat. (Source: World Grain)*

> Monsanto Offers Cash To U.S. Farmers Who Use Controversial Chemical: *Monsanto will give cash back to U.S. farmers who use XtendiMax with VaporGrip, a herbicide based on a chemical known as dicamba. The incentive to use the chemicals could refund farmers over half the sticker price of the product in 2018 if they spray it on soybeans Monsanto engineered to resist the weed killer, according to company data. Monsanto's cash-back offer comes as federal and state regulators are requiring training for farmers who plan to spray dicamba in 2018 and limiting when it can be used. Weed specialists say the restrictions make the chemical more costly and inconvenient to apply, but Monsanto's incentive could help convince farmers to use it anyway. XtendiMax costs about \$11 per acre to buy, and Monsanto is offering \$6 per acre in cash back to farmers when they apply it on Xtend soybeans along with other approved herbicides, according to the company. (Source: Reuters)*

> Bakers And Farmers Both Suffering On Poor Wheat Crop: *Despite a worldwide grains glut, high-protein hard wheat is scarce after two years of poor U.S. harvests. The shortage hurts bakers and millers who prize high-protein wheat, along with the farmers who grow it. Wholesale bakers are feeling the squeeze on margins. Millers such as Archer Daniels Midland Co, Ardent Mills, General Mills Inc have been able to pass on much of their higher wheat costs in sales of flour to bakers, he added. But bakers have not been able to pass those costs to grocers, who have been unwilling to pay higher prices because of increased competition and price deflation. Farmers have seen their returns steadily diminish, with the protein levels of the latest harvest being called some of the lowest ever seen. (Source: Reuters)*

> Chinese Ethanol Market Eyes E10 Warily: *Chinese ethanol traders face a lot of uncertainty in terms of next year's domestic demand generated by the E10 nationwide policy, which is due to be implemented by 2020, amid a lack of clarity on the new mandate from the government. The next step is the implementation of the E10 mandate in eight cities in Shangdon province, in addition to Tiajing city and Beijing. This step is expected to generate additional demand for fuel ethanol in the domestic market that can't be met using current production capacity. "There is a supply gap that is anticipated as a result of the implementation of this step, as there is no new capacity planned for next year," said one trader from a major Chinese company. At the same time, Chinese traders are unable to turn to the import market for cheaper US fuel ethanol to address the expected demand due to a lack of visibility on the implementation timeline of the E10 mandate. (Source: Platts)*

> Police Investigate Bribe Payments By JBS: *Brazil's Police conducted 14 search and seizure warrants Monday as part of its investigation into JBS SA's alleged payment of BRL 160 million (\$48.6 million) in bribes to expedite the release of tax credits, according to the Federal Prosecutors' Office. JBS and its parent company J&F are not targets of this search and seizure operation, rather, those who received bribes are. The probe is based on plea bargain testimonies by JBS executives to prosecutors earlier this year, when they revealed a wider corruption scandal implicating almost 2,000 Brazilian politicians. (Source: MeatingPlace)*

> WTO Losing Trade Focus, Too Easy On Some Developing Countries: *U.S. President Donald Trump's trade chief said on Monday that the World Trade Organization (WTO) is losing its focus on trade negotiations in favor of litigation, and was going too easy on wealthier developing countries such as China. U.S. Trade Representative Robert Lighthizer, attending the WTO's 11th material meeting, said he does not want major agreements out of the meeting and voiced concerns that the WTO was becoming a litigation-centered organization. "Too often members seem to believe they can gain concessions through lawsuits that they could never get at the negotiating table," he*



said. Too many countries were not following WTO rules, he complained, and too many wealthier members had been given unfair exemptions as developing countries. (Source: Reuters)

> American Express Scrapping The Signature: American Express has announced that the ancient way of proving authenticity—the signature—won't be a part of your purchase process come April, matching similar moves by rivals such as Mastercard and Discover. The change will make life easier for cardholders who travel frequently and encounter payment processes that can differ widely. It also improves things for vendors, who can find the process of storing signatures frustrating. No matter which side of the counter you're on, the aim is to make checkout now faster. American Express has already rolled out the switch for select transactions and countries—signatures aren't required for purchases under \$50 in the US, under \$100 CAD in Canada, and under £30 in the UK. (Source: Quartz)

> Which Countries Buy The Most Groceries Online: South Koreans are the most enthusiastic buyers of online groceries in the world, far outstripping any other country. E-commerce accounted for almost 20% of total grocery sales in South Korea as seen in the below chart from Statista. Overall, global sales of groceries through e-commerce platforms grew by 30% in the 12 months to March 2017, according to a new report by Kantar Worldpanel. Growth was primarily led by China and South Korea. South Koreans' online shopping habits have always been strong, and the market is still expanding rapidly compared to the stagnant growth seen in the US and the UK. The reason is simple: South Korea also has the fastest internet in the world and the greatest broadband penetration. Surfers in South Korea had an average connection of 27 Mbps, compared to a global average of just 7 Mbps. The US market for online groceries stands at just 1.5% of total sales. The culture of shopping and how consumers rate the experience of going to a physical shop are also important. And then there's price. It is still more expensive in the US to shop online rather than to visit a grocery store, whereas South Korean shoppers say online purchases help them see clearly where the deals are. (Source: WeForum)



Central Missouri - I wouldn't mind seeing a little rain as things are a bit dry here heading into winter. Our beans were 3bpa better than last year and our corn was 8bpa less than last season. We did make some good bean sales at a profit with 70-80% sold but then we didn't do so well with our corn. Currently, we might have 50% sold and are sitting on the rest. We are picking up 100 acres this winter and are happy with that as ground isn't becoming available much. We are doing a 50/50 on that land but also have some cash rents which run \$100-\$150 an acre. Its funny to watch the older generations who step aside from farming do the 50/50 to stay involved but then the

generation after them usually wants cash rents as they have never been tied to the land.

Eastcentral Washington - It was a tough year for half the county and a really good one for the other half. We started with an extremely wet spring and got in the field pretty late then things dried out until harvest. The dirt clods that formed were like boulders in our fields. The areas that ended up getting some moisture did great while the half of the county that stayed dry got it with bad yields. The guys that hedged this season will be ok but there were a number of traditional guys who wouldn't use the board and are not in a good place right now sitting on all their produce. Fortunately, a lot of them own their own land and will be fine for now, but not sure how many more times they can do that.

Northeast Nebraska - We've been done a while and look forward to enjoying some time off. We are no-till so we won't do anything until spring. Our dryland acres did well producing between 180-210bpa across all acres, and our irrigated hit near 230bpa. We were fortunate to have the good yields as we got hit with a wind storm during harvest that knocked down anywhere from 10-50% of ears off. We were happy to only lose around 10%. Nothing coming up for sale or rent in our area as there are a lot of big farmers who don't need to cut loose of any acres. Dryland ground is going for \$250-\$300 and irrigated sells for around \$400.



Fowl Language: AI Decodes the Nuances of Chicken "Speech": Over the past five years, engineers and poultry scientists at The University of Georgia and Georgia Institute of Technology have been collaborating to help farmers make better use of the information latent in chicken chatter. In a series of studies published between 2014 and 2016, Georgia Tech research engineer Wayne Daley and his colleagues exposed groups of six to 12 broiler chickens to moderately stressful situations—such as high temperatures, increased ammonia levels in the air and mild viral infections—and recorded their vocalizations with standard USB microphones. They then fed the audio into a machine-learning program, training it to recognize the difference between the sounds of contented and distressed birds. So far, the software can detect when the chickens are uncomfortable due to heat stress as well as identify their "rale" sounds—a soft gurgling produced when mucus from a respiratory infection clogs airways—with near perfect accuracy. Read more [HERE](#).

Major Discovery Beneath Montreal: Explorers have just discovered a new underground passage, complete with stalactites and a lake, all buried beneath the city of Montreal — and they don't know where it ends yet. Until a couple of months ago, no one had ever set foot inside. CBC crews were among the first people who had the chance to explore the cathedral-like chamber, which was formed more than 15,000 years ago during the ice age. Read more [HERE](#).

Exoskeletons May Be The Future Of Physical Labor: 3,500 people work in Ford's final assembly plant in Wayne, Michigan, where a steady stream of car husks are transformed into drivable vehicles hundreds of times a day. Paul Collins sticks out along the final assembly line because of the vest he's wearing. Since May of this year, Collins — who goes by "Woody" and has worked in the plant since 1995 — has been beta-testing an exoskeleton vest. Read more [HERE](#).

Bringing Life To Old Polaroids: In 2011, photographer Kyler Zeleny started collecting Polaroid photographs. He'd pop into flea markets and vintage stores or scour the corners of eBay to grow a collection of old-timey scenes: nameless folks lounging in old upholstery, unattended children donning dated outfits, high-volume perms framing unfamiliar faces. To date, he's amassed 6,000 snapshots—his collection is like a sprawling family photo album with no one owner. See how Zeleny is bringing new life to the Polaroids [HERE](#).

How Much Energy Does Bitcoin Mining Really Use? Bitcoin chews through masses of energy, but exactly how much is up for debate. Regardless of the actual number, it's climbing — so is the environmental cost of the digital currency becoming too high? In short, it's complicated. Power consumption is one of the major costs of bitcoin mining, as dedicated machines crunch the algorithms that build a record of every single bitcoin transaction and are rewarded with tiny fractions of a bitcoin for their efforts. As mining gets more difficult, it requires increasingly powerful hardware to be competitive. As the value of the digital currency goes up miners are more likely to invest in ever more sophisticated hardware. Back in 2009, you could mine competitively with your desktop computer, but now you'll need specialist hardware, such as the Antminer S9 — a

dedicated mining rig that weighs six kilos and costs well over \$1,200 before you even start thinking about the electricity bill. Read more [HERE](#).

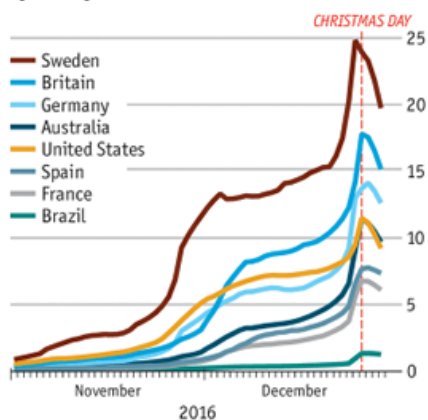
Hedge Fund Founder and Amazon Researcher Built a Better AI Stock Picker: A hedge fund manager and a computer scientist have found a promising new way to use artificial intelligence to pick stocks over longer periods than the typical machine-driven approaches favored by Wall Street. In tests, John Alberg, co-founder of hedge fund firm Euclidean Technologies, and Zachary Lipton, a researcher at Amazon.com Inc.'s AI lab, generated 17.1 percent annualized returns from their technique. Read more at [Bloomberg](#)

The Music Industry Should Be Dreaming Of A White Christmas: For many countries across the world December 1st marks the beginning of the Christmas season. Christmas pop songs are a genre in their own right, and a money-spinner at that. The 13 most popular Christmas songs on Spotify, have amassed 1 billion plays between them. The most popular of them, "All I Want for Christmas Is You", written in 15 minutes and recorded by Mariah Carey in 1994, accounts for 210m of those plays. It has earned over \$60m in royalties since its release. Spotify provided The Economist with data for Christmas listening across 35 countries, and for every American state, on a day-by-day basis for the two months leading up to Christmas Day 2016. The data demonstrate that music lovers in Sweden and Norway listen to festive tunes most frequently. One in every six songs they streamed on Spotify during December last year received this classification. By contrast, during the same period in Brazil—a country with a comparable proportion of Christians—just one song in 150 was Christmas-themed. What might cause these differences between Spotify users' appetites for festive-themed music? Find out [HERE](#).

Do they know it's Christmas?

Streaming of Christmas songs per day*, as % of total music streaming, 2016

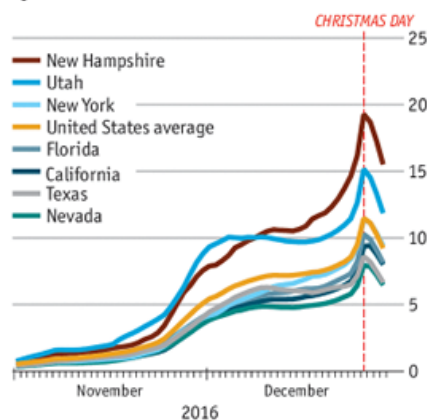
By country



Sources: Spotify; The Economist

Economist.com

By American states



*Seven-day moving average





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The Van Trump Report has partnered with iSelect to help bring ag-tech to the farmer in the field. My good friend Carter Williams, CEO of iSelect, is making a difference in agriculture and I wanted to share some of his insight. Carter was the former director and founder of Boeing Ventures where he led Boeing's technology planning process. Carter is also the past president and founder of the MIT Corporate Venturing Consortium and Co-founder of the MIT Entrepreneurship Society. Today Carter is using his team's talents and abilities to help some of the most innovative in agriculture. Through this process he has the opportunity to see some of the latest innovations and technological shifts that are heading our direction, many times before they ever hit the mainstream market. Each week I will be featuring one of the NEW ag-tech companies and passing along an invitation for readers to join a webinar that will further explain the start-up. Keep in mind the webinars are geared towards investors who are thinking about providing start-up capital and seed funding. I personally find it interesting to hear about the technology and innovation that is being discussed. Some of the technology may be of interest to you, while some may not. I feel it's important to pass along what Carter and his team are seeing happen in the ag space. Remember, we don't have to be in agreement with every thought or idea but we do need to understand and be aware of the changes that are happening.

"Bringing Modern Plant Genetics to Cannabis and Hemp Producers"
Presentation: Thursday, December 14 - 3PM CST. Click [HERE](#) to register.

The market for hemp-based products, including cannabidiol (CBD), is on track to grow by more than 700% by 2020, becoming a \$2.1 billion segment. However, due to long-standing legal restrictions, hemp production technologies lag behind other agriculture products, despite surging demand. Learn how one company is leveraging its experience in modern plant breeding and genetics technologies to help cannabis producers at "Bringing Modern Plant Genetics to Cannabis and Hemp Producers," a webinar to be held December 14th at 3PM CST with Wendy Mosher, CEO and co-founder of New West Genetics. Building on its success in breeding plants like rice and canola, New West Genetics is using its proprietary plant breeding and genetics methods to improve the growing processes of cannabis sativa, initially starting with hemp. As regulation eases, the company plans to begin working in higher THC varieties of cannabis, significantly expanding its potential market. New West's cannabis varieties are bred to improve efficiencies and access to the plant, while building a sustainable foundation within the cannabis production industry.

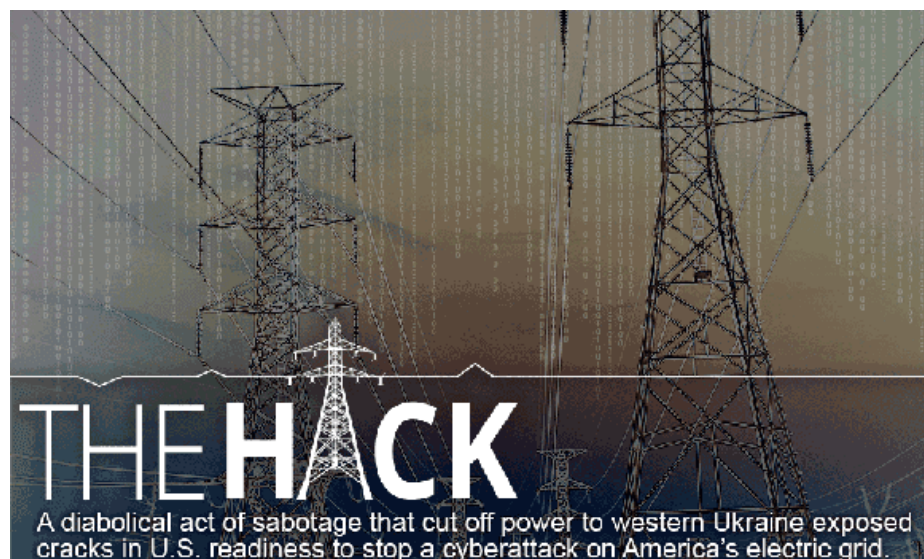


How Safe Is The U.S. Electric Grid?

A new malware recently detected has security experts sounding serious alarms. Security firms ESET and Dragos revealed the malware, dubbed "Crash Override" or "Industroyer." It has been tied to a cyberattack on Ukraine last year that knocked out power in Kiev for about an hour. Experts say the cyber weapon could be deployed against electric infrastructure in Europe and much of Asia and the Middle East and, with slight modifications, could be used at some point against the United States. According to the researchers, the malware is only the second known to be tailored to disrupt industrial control systems. The first known use of such a virus was "Stuxnet", which wreaked havoc on Iran's nuclear program in 2010. Stuxnet was unlike any other virus or worm that came before. Rather than simply hijacking targeted computers or stealing information from them, it escaped the digital realm and wreaked physical destruction on equipment the computers controlled. Keep in mind, it's thought that Stuxnet was initially released some time in 2009, meaning it took a year or more for the malicious

software to be discovered. The newly identified Crash Override malware has triggered serious alarm among security experts. Robert M. Lee, CEO and founder of Dragos, says the software is “an evolution of tradecraft we haven’t seen before.” Lee said that his firm notified the government and key players in the electric sector on June 10, immediately after confirming the analysis of the malware and before publicly releasing details, which were first reported on June 12. If deployed in the U.S., the malware would need to target multiple elements of the electric grid — which is comprised of numerous smaller units — to cause widespread outages. Lee said that any outage would last only hours or days at most, given that elements of the U.S. electric grid have been engineered to switch over to manual operation in the event of storms or natural disasters. Dragos has named the group behind the malware “Electrum” and has linked that group to the Sandworm team — the same group security experts say was behind the cyberattack on Ukraine’s electric grid. While some experts — including Dragos — have not attributed the group to a particular country, security firm FireEye has connected it to the Russian government. With Russia suspected of interfering in the U.S. election, the revelation of this new threat has alarmed many lawmakers in Congress. The U.S. Department of Homeland Security says its cybersecurity teams are working to assess the risk the malware poses to U.S. critical infrastructure. The North American Electric Reliability Corporation (NERC), a regulatory body of the electric industry, issued a public alert to its members to limit access to their networks to protect against the threat. Below are a few thoughts about things that could become a problem if the power grid were to be compromised. This is by no means a definitive list or absolute, just a few things to think about. (Sources: Wired, EnergyWire, E&E News, The Hill)

- **Banks and ATM's** will be closed and not working
- **Commerce** in general will come to a standstill as there is no widespread way to pay. Some crypto guru's say Bitcoin could still be used via short wave radio signals.
- **Communications** will shut down. If you think you can rely on your cell phone to work in a disaster, think again. In a crisis, when everyone instinctively reaches for their phone, that limit is quickly surpassed and the radios on the tower get sluggish, thus causing the fast-busy signal. Mobile analysts estimates that a cell site can handle 150 to 200 calls per second per sector. When a large group are making calls at the same time, the network can't handle the amount of calls. More importantly, communications with police, firefighters, and ambulance services will be extremely limited with no power at the stations or hospitals.
- **Fuel** or lack there of will exasperate the problems. Most all of our vehicles will be dead in the water, and more importantly, the trucks will stop delivering food. The grocery stores could be stripped bare in hours, and might not be replenished for some period of time.
- **Water** could be in short supply soon after the power goes out. Thoughts are we will still have running water for a few days since water towers rely on gravity to feed the water to your home. However, electricity is required to clean that water and pump it into the tower. Once that initial wave runs out it might be limited in major ways.
- **No Meds** could be another huge problem. Millions of people who rely on life saving medications could face real complications if the pharmacies went offline. There's also the worry that with millions of Americans now using prescribed opioid drugs, which are highly addictive and cause horrendous withdrawal symptoms, a wide-spread and sustained grid collapses, could leave about 25% of your neighbors in an awful mental state.



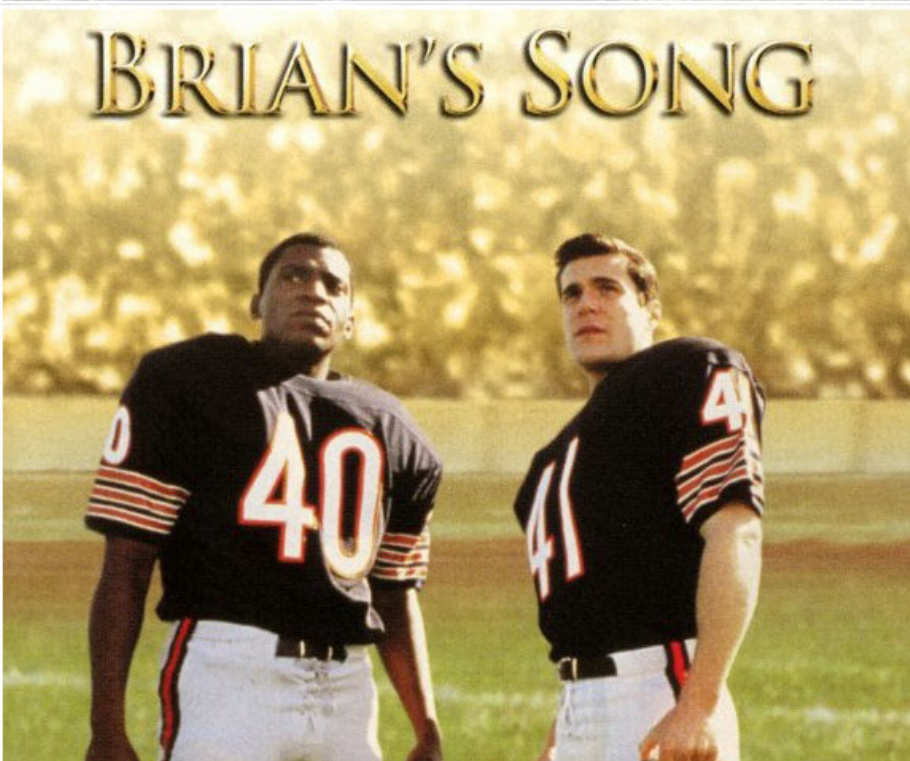
Remembering The Kansas Comet

It was on this day back in 1965 an NFL rookie by the name of Gale Sayers of the Chicago Bears scored six touchdowns in one game. As time passes, it seems like a lot of folks forget just how great of an athlete and man Gale Sayers was. He was born in Wichita, Kansas, and raised in Omaha, Nebraska. He is the son of Roger and Bernice Sayers. His father was a farmer and mechanic for Goodyear. During his high school playing days he set many records and was recruited by most all of the major colleges. Sayers has told reporters he had originally intended to go to the University of Iowa, it was one of his dreams. But he decided against it after the Iowa head coach, Jerry Burns, did not have time to meet Sayers during his only campus visit. He then decided to attend the University of Kansas, where he rushed for 2,675 yards and gained a Big Eight Conference-record 4,020 all-purpose yards. He entered the NFL draft following his senior season and was selected in the first round by both the Chicago Bears and the Kansas City Chiefs. Remember, both leagues at that time had their own drafts. He decided that all things being equal, he would rather play in Chicago, and so after consulting his wife he chose to sign with George Halas's Bears. During Sayers' rookie season, Bears coach Halas said, "I don't ever remember seeing a rookie back who was ever as good." In just his second season, Sayers led the entire league in rushing with 1,231 yards. He also led the Bears in receiving. He also surpassed his rookie season's kick-return numbers, averaging a whopping 31.2 yards per return. During the 1968 season, while again leading the league in rushing for the third straight year, he tore the ligaments in his right knee. After surgery, Sayers went through a physical rehabilitation program with the help of Brian Piccolo, who had replaced him in the starting lineup. It was Sayers and Piccolo who became the first interracial roommates in the NFL. Sayers' ensuing friendship with Piccolo and Piccolo's struggle with cancer, became the subject of the made-for-TV movie *Brian's Song*. The movie, was adapted from Sayers' account of this story in his 1970 autobiography, "I Am Third". In the 1969 season, after a slow start and despite diminished speed and acceleration, Sayers still led the league in rushing once again running for over 1,000 yards. Sayers was recognized as the NFL's Comeback Player of the Year. Keep in mind this happened while the Bears were the worst team in football at 1-13. In his fourth and final Pro Bowl appearance, Sayers was the West's leading rusher and its leading receiver. In the 1970 pre-season, Sayers suffered a second career ending knee injury, this time to the bone in his left knee. Mike Ditka, a teammate of Sayers' for two seasons, called him "the greatest player I've ever seen. That's right—the greatest!" After being forced into retirement at a very early age, Sayers took classes to become a stockbroker and became the first black stockbroker in Paine Webber's history. He then went on and founded Crest Computer Supply Company in the Chicago area. Under Sayers' leadership, this company experienced consistent growth and was renamed "Sayers 40", a technology consulting and implementation firm serving Fortune 1000 companies nationally with offices across the country. Sayers and his wife Ardythe are also active philanthropists in the Chicago area. They support the Cradle Foundation—an adoption organization in Evanston, Illinois, and they founded the Gale Sayers Center in the Austin neighborhood of Chicago. The Gale Sayers Center is an after-school program for children ages 8–12 from Chicago's west side and focuses on leadership development, tutoring, and mentoring. It saddens me to read earlier this year, Sayers' wife, Ardythe, revealed that Gale had been diagnosed with dementia four years prior. She stated that a Mayo Clinic doctor confirmed it was likely caused by his football career. "It wasn't so much getting hit in the head," she said. "It's just the shaking of the brain when they took him down with the force they play the game in." While he remains physically healthy, the disease has had an adverse effect on his mental health and memory in particular, making simple tasks such as signing his own name difficult. He was inducted into the College Football Hall of Fame in 1977. His number 48 jersey is one of only three retired by the Kansas Jayhawks football team. Later in 1977, Sayers was inducted into the Pro Football Hall of Fame and is still the youngest inductee in its NFL history. To this day, Sayers is considered one of the greatest football players to ever play the game!



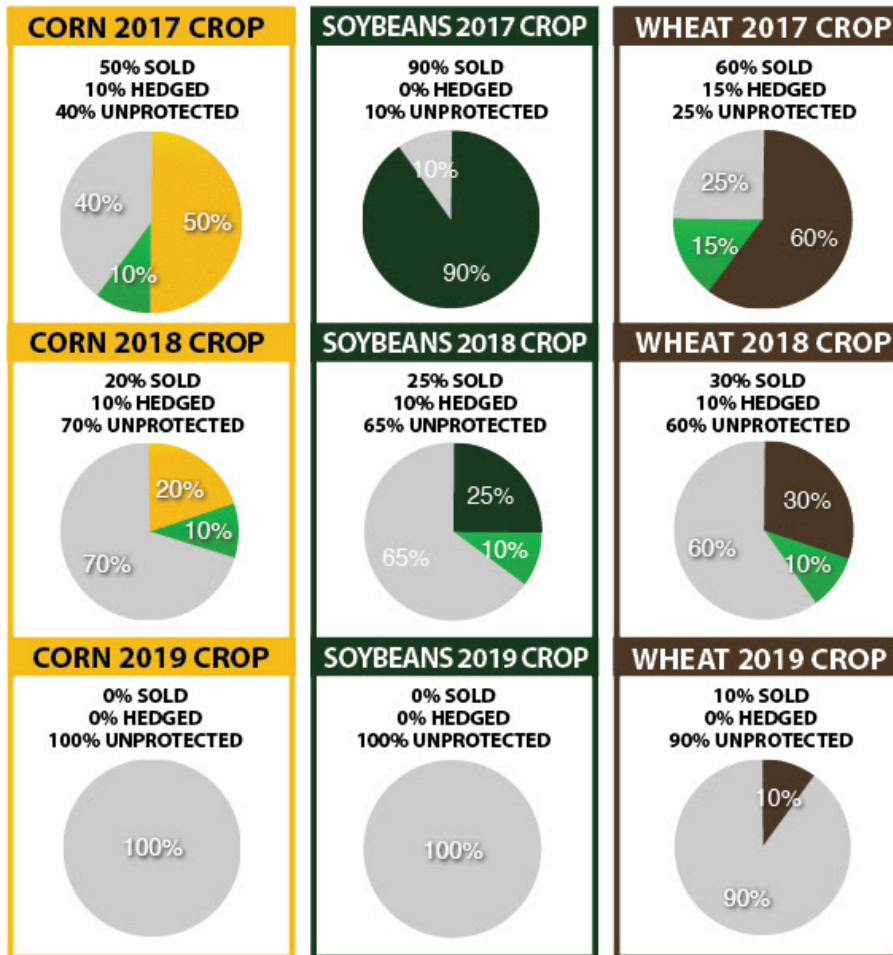


BRIAN'S SONG





CASH SALES & HEDGING TOTALS



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