

GOOD MORNING: 12/13/17 Farm Direction - VanTrump Report

1 message

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Wed, Dec 13, 2017 at 6:37 AM



"Don't look back, Your not going that way" - Mrs. Meyers

WEDNESDAY, DECEMBER 13, 2017

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Morning Summary: Investors continue to push stocks to new heights with the Dow and S&P 500 posting another round fresh record highs. All eyes are focused on monetary policy, as the Federal Reserve is widely expected to announce their third rate hike of 2017, but just the sixth time since the 2008 financial crisis. Their decision is scheduled for release at 1:00 p.m. CST and will be accompanied with updated economic projections. Then at 1:30 p.m., Fed Chair Janet Yellen will hold a follow-up press conference, perhaps providing additional clues about the unprecedented unwinding of the Fed's massive balance sheet, which is a reversal of the central bank's extraordinary measures taken during the financial crisis. Traders are also hoping to hear a bit more about the future, as many insiders are forecasting three to four additional interest rate hikes in 2018. Remember, this will be the last Fed press conference for Chair Yellen, as she will be replaced February 3rd by newly appointed Fed governor Jerome Powell. It's largely expected that Powell will stick to a similar playbook as his predecessor. In Washington, Republicans leaders yesterday signaled that the House-Senate conference committee is close to reaching a deal on their combined tax reform plan. If so, it's possible the measure could be brought to a vote this week. Passage in the House is not expected to be an issue. However, Senate Republicans cannot have more than two defections, assuming Democrats follow through on their threats to unanimously oppose the bill. I should note, Democratic Senate candidate Doug Jones was declared the winner in the Alabama Senate election on Tuesday night, cutting the Republican Party's majority to just one seat. Jones, is the first Democrat elected to the Senate in Alabama in more than two decades. As for today's economic data, the Consumer Price Index, which is expected to rise slightly, will be of primary interest. The Producer Price Index released yesterday actually came in higher than expected, in fact the highest in nearly 6 years. Turning to energy markets, natural gas flows in Europe have once again been upset following an explosion at a hub in Austria. Baumgarten, where the explosion occurred, is a key distribution and reception hub for gas exports and imports, including from Russia, Europe's biggest gas supplier. It's expected to take days to restore supply lines, which comes as a cold snap and snow hit much of Europe. This came just a day after one of Europe's most important pipeline systems was shutdown in order to repair a crack. Pipeline operators expect the repairs to take several weeks. Global crude oil prices are higher this morning. In the crypto-currency craze, Bitcoin is steady this morning at around \$17,000...

GOP Tax Bill Will Include 21% Corporate Tax Rate: Republican negotiators have a tentative agreement to raise the corporate tax rate in their joint House-Senate tax bill from 20 to 21 percent, according to people briefed on the plan. The higher corporate rate would cap a furious debate within the GOP conference, as conservatives inside and outside the conference have fought to keep the 20 percent rate originally approved in separate bills by the House and Senate. The centerpiece of the two bills passed by the House and Senate is a reduction in the corporate tax from 35 percent to 20 percent. But there's been a push to hike the rate in order to pay for additional changes to the bill that might benefit more middle-class families and smaller businesses. The change to the corporate rate is one of several major changes under discussion on the tax-reform bill. Another key change in the mix would lower the top rate for individuals from 39.6 percent to 37 percent. (Sources: The Hill, CNBC)

Commodity Assets Under Management At Highest In 4 Years: A rising oil price and robust global growth has helped drive the amount of money invested in commodities to the highest in more than four years, according to Citigroup. Assets under management within commodities reached \$445m in November, up

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- » **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

by almost a quarter from a year ago, the US bank estimates, as retail and institutional investors poured funds in. This year's growth in retail and institutional assets in commodities follows large flows in 2016, when the asset class saw the first net inflow since 2012. Some forecast that strong economic growth over the next two years will sustain further appetite for commodities. An upward trend in the oil price has been key and strong Chinese demand has helped industrial metals outperform other commodities for most of 2017. However, some are increasingly cautious, warning that the market is not in the grips of another commodity "supercycle" fuelled by strong growth in China, which drove several commodities to record highs last decade. Barclays, for instance, believe demand for copper will cool in 2018. Citi's analysts are bearish about Brent and its U.S. counterpart WTI, citing deferred 2018 and calendar year 2019 balances. (Source: Financial Times)

The Most Valuable Companies of All-Time: Before speculative bubbles could form around Dotcom companies (late-1990s) or housing prices (mid-2000s), some of the first financial bubbles formed from the prospect of trading with faraway lands. Looking back, it's pretty easy to see why. Companies like the Dutch East India Company (known in Dutch as the VOC, or Verenigde Oost-Indische Compagnie) were granted monopolies on trade, and they engaged in daring voyages to mysterious and foreign places. They could acquire exotic goods, establish colonies, create military forces, and even initiate wars or conflicts around the world. Of course, the very nature of these risky ventures made getting any accurate indication of intrinsic value nearly impossible, which meant there were no real benchmarks for what companies like this should be worth. At its height, the Dutch East India Company was worth roughly the same amount as the GDPs of modern-day Japan (\$4.8T) and Germany (\$3.4T) added together. As you can see in the graphic below, it takes the combined market caps of 20 of the today's largest companies to get to an equivalent level. At the same time, the world's most valuable company (Apple) only makes it to 11% of the peak value of the Dutch East India Company by itself. Click the graphic for a larger view. (Source: Visual Capitalist)

- 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 Rigbsy 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

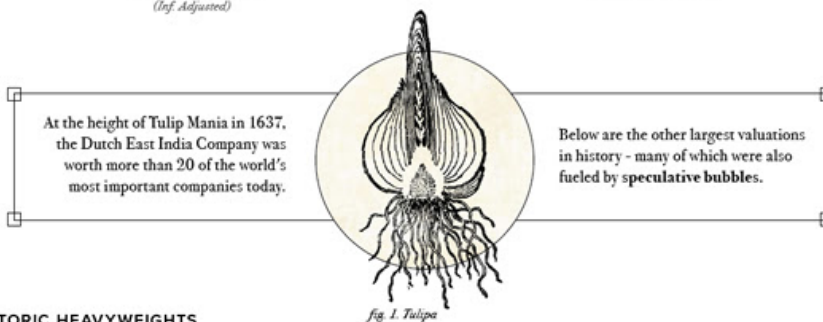
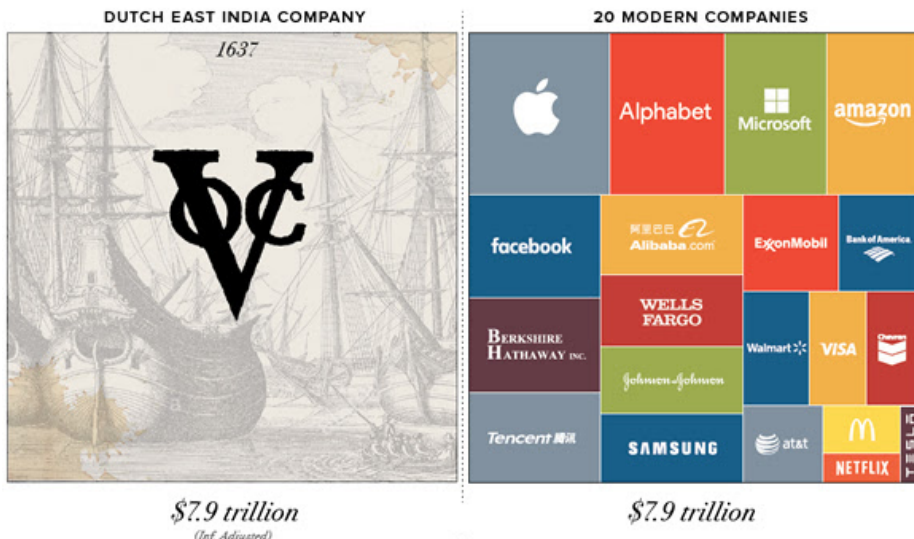


1621, Plymouth Colony -

Under the care of Robert Cushman, the first American furs to be exported from the continent leave for England aboard the Fortune. One month before, Cushman and the Fortune had arrived at Plymouth Colony in present-day Massachusetts with 35 settlers, the first new colonists since the settlement was founded in 1620. During Cushman's return to England, the Fortune was captured by the French, and its valuable cargo of furs was taken. Cushman was detained on the Ile d'Dieu before being returned to England. Within a few years of their first fur export, the Plymouth colonists, unable to make their living through cod fishing as they had originally planned, began concentrating almost entirely on the fur trade. The colonists developed an economic system in which their chief crop, Indian corn, was traded with Native Americans to the north for

THE MOST VALUABLE COMPANIES OF ALL-TIME

Modern juggernauts like Apple and Amazon don't even come close



HISTORIC HEAVYWEIGHTS

Peak value (adj. for inflation)



Weather on the Plains is quite mild. In fact, record setting warmth covers the northern and central High Plains, where today's high temperatures should top 60 degrees F in several locations. Large sections of the central and southern Plains have received very little precipitation during the last 2 months, leading to some rangeland and pasture stress, as well as thin stands of poorly established winter wheat. In the Corn Belt, frigid, windy weather is prevailing in the wake of a cold front's passage. The harshest weather is occurring in the lower Great Lakes region, where snow squalls accompany the cold, windy conditions. In the South, cool, breezy weather favors a gradual resumption of any late season fieldwork, following last week's rain and snow. Winter agricultural regions, including Deep South Texas and Florida's peninsula, escaped the recent cold wave without experiencing a significant freeze. High pressure over the Northwest will gradually weaken, although periods of gusty, erratic winds may continue to fan uncontained wildfires in southern California. In addition, no precipitation will fall during the next 5 days across the southern two-thirds of the U.S., except for snow showers in the central Appalachians and late-week rain showers across the Southeast. In particular, snow will continue through mid-week from the lower Great Lakes region into northern New England. Elsewhere, cold weather will prevail east of the Mississippi River, while unusual warmth will cover most areas from the Pacific Coast to the Plains. The 6 to 10 day outlook for December 17 - 21 calls for the likelihood of warmer than normal weather nationwide, except for near to below normal temperatures along and northeast of a line from Lake Superior to North Carolina's Outer Banks.

Something Rare Just Happened: The totals are in and all 50 states saw at least 1 inch of snowfall by December 10, 2017. This is quite rare and hard to believe especially when you consider how warm temperatures have been overall so far this Fall. Not often do you see the Gulf Coast and Southeast regions have higher seasonal snowfall totals than much of the central and southern Plains and the central and northern Appalachians.

highly valued beaver skins, which were in turn profitably sold in England to pay the Plymouth Colony's debts and buy necessary supplies.



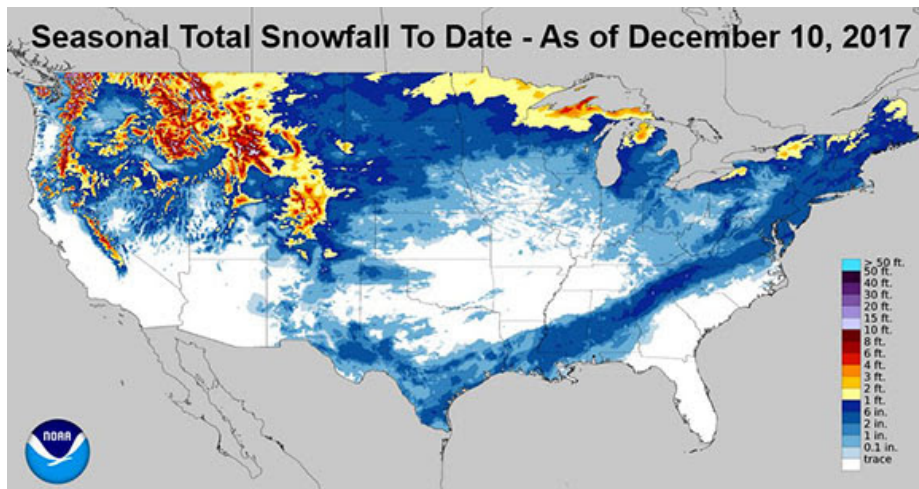
1776, American Revolution

- American General Charles Lee leaves his army, riding in search of female sociability at Widow White's Tavern in Basking Ridge, New Jersey. General George Washington had repeatedly urged General Lee to expedite his movements across New Jersey in order to reinforce Washington's position on the Delaware River. Lee, who took a commission in the British army upon finishing military school at age 12 and served in North America during the Seven Years' War, felt slighted that the less experienced Washington had been given command of the Continental Army. Famed for his temper and intemperance, the Mohawk had dubbed Lee Boiling Water. Lee was an adopted tribesman through his marriage to a Mohawk woman, but his union apparently failed to quell his interest in prostitutes. Lee rode to Widow White's tavern with a minimal guard and it was there that Banastre Tarleton and the 16th Queen's Light Dragoons captured him on the morning of December 15. The British rejoiced at the capture of the Patriots' best-trained commander, while Washington fruitlessly negotiated for his release. Meanwhile, Lee enjoyed his captivity, even drafting a battle plan for his captors from plush accommodations in which his personal servant maintained his three rooms and no doubt served his food and wine in a most civilized fashion. The British did not act upon his plan, and Lee reported to Valley Forge upon his release in May 1778. After a series of arguments with Washington, Lee was suspended from the army in December 1778 and dismissed in 1780.



2000, Al Gore - Vice President

Al Gore reluctantly concedes defeat to Texas Governor George W. Bush in his bid for the presidency, following weeks of legal battles over the recounting of votes in Florida. In a televised speech from his ceremonial office next to the White House, Gore said that while he was deeply disappointed and sharply disagreed with the Supreme Court verdict that ended his campaign, "partisan rancor must now be put aside." Gore had won the national popular vote by more than 500,000 votes, but narrowly lost Florida, giving the Electoral College to Bush 271 to 266. Gore said he had telephoned Bush to offer his congratulations, honoring him, for the first time, with the title "president-elect." A little more than an hour later, Bush addressed the nation for the first time as president-elect, declaring that the "nation must rise above a house divided." Speaking from the podium of the Texas House of Representatives, Bush devoted his speech to themes of reconciliation following one of the closest and most disputed presidential elections in U.S. history. "I was not elected to serve one



Corn bulls were happy to see the USDA reduce the balance sheet by -50 million bushels on improved demand for ethanol. Export and feed demand continue being debated. I suspect we will all be much smarter following the highly anticipated January 12th yearend USDA report. Not only are traders eagerly awaiting the USDAs final production number, but also updated quarterly stocks, which will provide a better indication of overall demand. The USDA elected to leave South American corn production unchanged, which really wasn't any big surprise, considering it's still very early. They did however pump the Chinese and European corn production estimates a hair higher. They also raised their global supply estimate higher. In my opinion, the big questions moving forward are: Final U.S. production estimates, which we will know on January 12th; Updated U.S. demand numbers, which we will receive on January 12th; Better understanding about planted corn acres in Argentina, which we should have by early to mid-January; Better handle on Brazil's second-crop corn acres, which we should have by mid-February to early-March; Better understanding of Chinese policy changes or shifts regarding corn imports, ethanol, and DDGs, something we might not know for several weeks or months. Bottom-line, as a producer I'm hunkering down and targeting the mid-February to mid-March time period as my next opportunity to price bushels and reduce more long-term risk. This is that time of year, when I've been known to oversteer. Don't make that same mistake. You are out of the field and looking for things to do, the obvious is to start tinkering around in the markets. Be cautious allowing yourself to make bold predictions and forecasts based on boredom and current market conditions. We are trading at or around contract lows and it's really easy to get depressed, overthink the situation, then shoot yourself in the foot. As a spec, I still believe there's a chance prices could drift sideways to lower into the \$3.20's if we don't catch some type of more widespread weather headline out of South America. But longer-term, I like the thought of starting to build a bullish position in some capacity on the breaks.

party, but to serve one nation," Bush said. Bush and his running mate, Dick Cheney, took office on January 20, 2001. They were re-elected in 2004 over Democrats John Kerry and John Edwards.

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

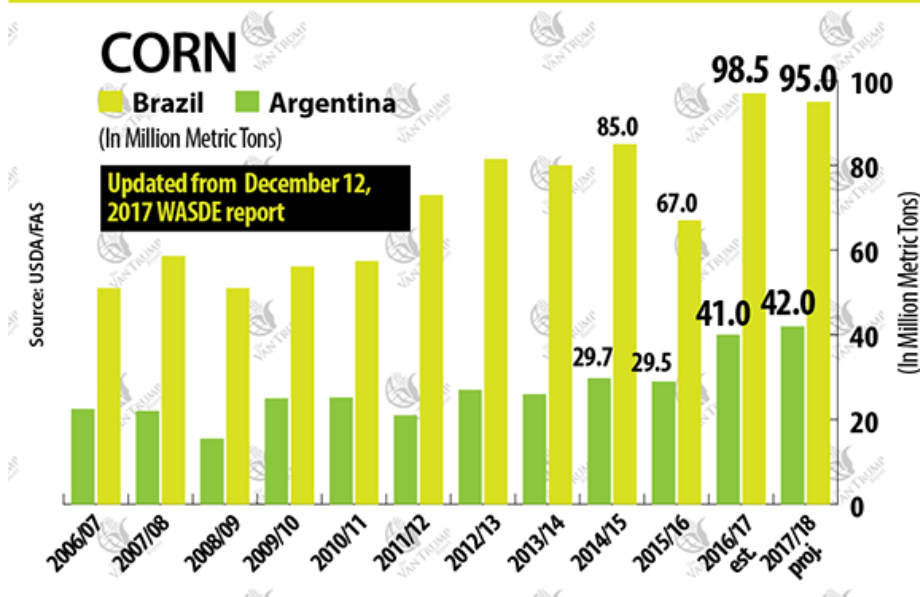
Thurs. 2/8 - USDA Supply and Demand

Kevin's Song of the Week



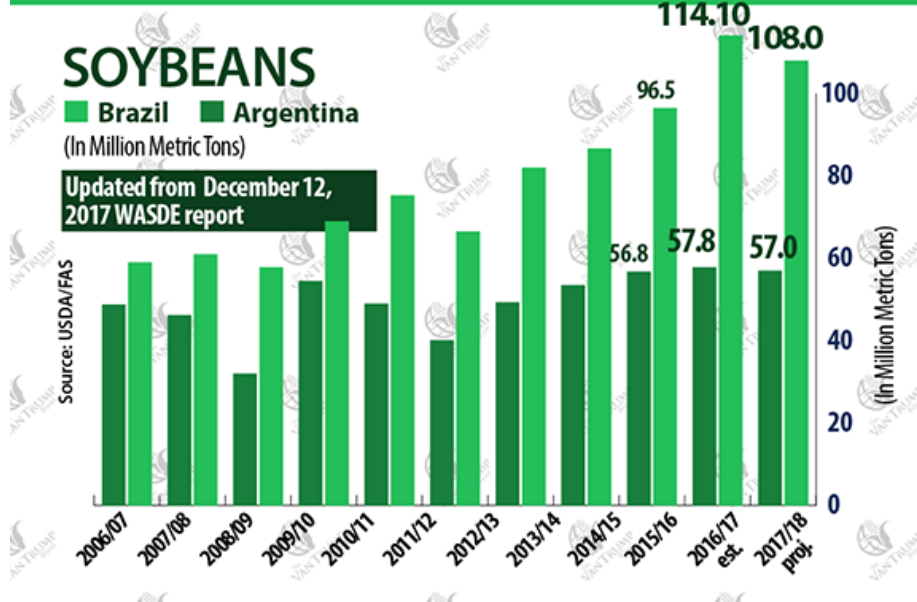
About the Report

South American CORN Production



Soybean bears are saying the USDA didn't make nearly a big enough reduction in U.S. exports, dropping their estimate by only -25 million bushels, which was at the low end of what most were anticipating. In fact many traders are thinking we could still see another -50 to -75 million bushel reduction to exports as we move forward. Bears are also thinking the current U.S. production number could get a touch larger in the upcoming yearend report, which is only 20 short trading days away. There's also some concern that USDA added 5 million more bushel to their seed usage estimate, which means soybean acres could clearly be heading higher in 2018. Bulls on the other hand, continue to talk about weather uncertainties in South America and the fact strong global demand doesn't allow much room for a wide-spread production hiccup. The USDA left South American production unchanged, but I still keep hearing many insiders thinking Argentine soybean production could be a bit overstated, while Brazil's production might be a bit understated. Technically, we are entering a very important area between \$9.65 and \$9.75 per bushel. From a bullish perspective, we need this area to hold or more downside pressure could be coming our way. Weather is obviously the major "wild-card", but until those headlines regain momentum, the trade is left looking at a larger and more burdensome U.S. and global balance sheet. As a spec, I like the thought of dipping a bullish toe in the water on the breaks, hoping for a weather related rally later in the game. Again, just nibbling a bit on the downstroke in price, I see no reason to be an aggressive buyer, prefer small, small portions. As a producer I continue to keep hedges in place and am in no hurry to price more bushels at this level.

South American SOYBEAN Production



Wheat bulls were once again disappointed as the USDA raised the domestic balance sheet higher from 935 million to 960 million on a -25 million bushel reduction in U.S. exports. Also adding to the bearish headwinds was the Canadian wheat crop estimate being moved aggressively higher from 27.0 to 30 MMTs. The EU wheat crop was also raised higher from 151.5 to 152.5 MMTs. Production in Russia, Ukraine and Kazakhstan were left unchanged. World wheat stocks jump slightly higher, adding to the continued bearish rhetoric of being oversupplied. Really the only good news is the fact U.S. prices have tumbled far enough that we are starting to become much more competitive in the global marketplace. I suspect many traders will now sit back in anticipation of the next USDA report scheduled for January 12th, which will not only update quarterly stocks but will also give us a more specific look at the number of winter wheat acres actually planted. U.S. weather continues to bring about concern for the winter wheat crop, but the trade is in absolutely no hurry to focus any attention in this direction. I have to think the trade could be singing a different song by mid-February to mid-March. As a producer I'm in absolutely no hurry to price any additional bushels at these levels. As a spec, I remain stubbornly wrong and find myself digging the hole a bit deeper.

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

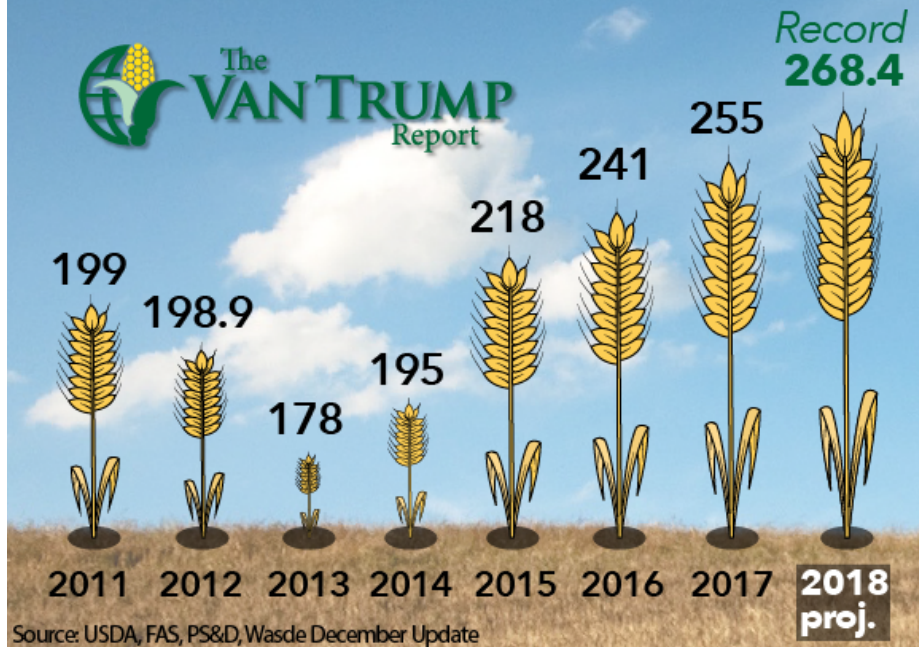
What Others Are Saying

"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

World Ending Stocks Wheat (in million metric tons)



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.

Connecting the Dots

> Conab Trims Brazilian Corn Crop Forecast: Brazilian agriculture supply agency Conab has slightly cut its forecast for the country's 2017-18 corn crop by +120,000 metric tons compared with its November estimate. Conab said Brazil will harvest 92.22 million mt of corn in 2017-18, down from 92.34 million metric tons in the November report and a record of 97.84 million mt in 2016-17. Conab highlighted Brazil will have a record carry-over corn stock of 19.43 million mt in January 31, when the new marketing year begins. For the period between February 2018 to January 2019, the agency estimates Brazil will export 30 million mt, the same volume as the year immediately before. As for soybeans, the national production in 2017-18 is now seen at 109.18 million mt, up from 107.54 million mt in November, but down from an all-time record of 114.08 million mt in 2016-17. Brazil, the world's number 1 soybean exporter, will ship abroad 66.5 million mt in 2017 calendar year, said Conab, up from 65 million mt in the November report. For 2018, it kept exports estimate at 64 million mt. (Source: Platts)

> White House To Host Fresh Biofuels Talks To Help Refiners: The White House will host talks between the rival oil and ethanol industries on Wednesday in hopes of brokering a deal to help refiners struggling to meet the country's biofuels policy, according to sources familiar with the matter. The meeting comes after the White House last week pressured Midwest lawmakers to take part in talks over possible tweaks to the Renewable Fuels Standard. A handful of refiners say the law is threatening to put them out of business. But ethanol interests have said the refineries can pass along the costs at the pumps and have vehemently opposed any changes to the regulation. The meeting today will include staff from the offices of Republican Senators Ted Cruz of Texas and Pat Toomey of Pennsylvania, both representing the oil-refining industry, according to the sources. (Source: Reuters)

> USDA Quietly Eliminates Prevented Planting Insurance Option: The USDA Risk Management Agency last week quietly announced that for the 2018 crop, farmers won't be able to buy 10 percent higher coverage for prevented planting, an insurance option that compensates farmers for a portion of their input costs if weather prevents them

from planting. The change likely means lower indemnities for growers in the Northern Plains and part of the Corn Belt, according to DTN, and is expected to save \$1.4 billion over a decade. (Source: Politico)

> Goldman Doubling Down On Bullish Commodity Call: *Commodities will bring better returns than other assets in the long run, according to Goldman Sachs Group Inc. Strong global demand growth across raw materials reinforces the case for owning them, the bank said in a report, maintaining its 12-month overweight recommendation on commodities. Goldman sees returns of 10 percent in 2018, driven by a market structure known as backwardation that'll lead to a positive roll yield -- when investors sell more-valuable, expiring contracts at the end of each month and buy less-expensive futures in order to maintain their exposure. Goldman doesn't expect the oil market to shift back into contango -- when future prices are higher than near-term contracts -- in 2018. The positive roll yield in crude will drive energy returns of 15 percent next year, the bank predicted. For the broader industrial metals index, Goldman expects returns to be mostly flat next year. It's most bullish on copper, and most bearish on aluminum.* (Source: Bloomberg)

> Australia Lifts Beef Export Forecast As Ranchers Capitalize On La Nina Boost: *Australia on Tuesday raised its forecast for beef exports by 5% as farmers increase slaughterings to capitalize on strong Asian demand ahead of a La Nina weather event that will provide near perfect seasonal conditions. Beef exports from the world's fourth largest seller will total 1.145 million metric tons this season, the Australian Bureau of Agriculture, Resource Economics and Rural Sciences (ABARES) said, up from its previous estimate in September estimate of 1.09 million metric tons.* (Source: Reuters)

> More New Zealand Cattle Farms Test Positive For Disease: *Cattle at four more New Zealand farms have tested positive for mycoplasma bovis, which can seriously affect animal health, the nation's Ministry of Primary Industries said on Tuesday. That brings the total number of affected farms in the world's biggest dairy exporter to 12. Mycoplasma bovis is common in many countries and can lead to udder infection, pneumonia and arthritis in cattle, but does not pose a food safety risk or any risk to humans.* (Source: Reuters)

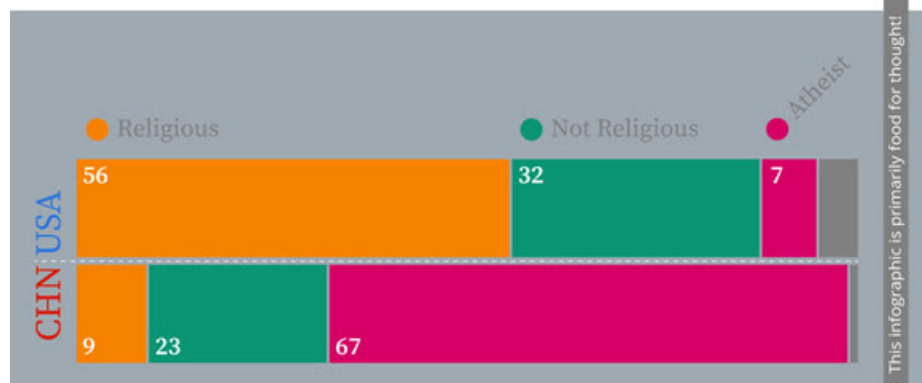
> E.U., Mercosur Approach Deal On Sidelines Of WTO Meeting: *Trade talks between the European Union and South America's Mercosur bloc are approaching agreement on a deal on the sidelines of the World Trade Organization ministerial conference in Buenos Aires, negotiators from both sides said on Tuesday. The deal could come early in the new year, European Trade Commissioner Cecilia Malmstrom told reporters. Brazilian Foreign Minister Aloysio Nunes said Mercosur is committed to removing tariffs from 90% of its trade with the EU. Mercosur members Brazil, Argentina, Paraguay and Uruguay have pushed for an improvement on the EU offer of tariff-free imports for 70,000 metric tons a year of beef and 600,000 metric tons of ethanol a year.* (Source: Reuters)

> U.S. VS China Belief: *Worldwide, 62% of people define themselves as being religious, according to a poll by research institutes WIN and Gallup. The United States is not the most religious country in the world, but still 56% of respondents say they are religious in any way. The most religious people can be found in Thailand (98%) and Nigeria (97%). However, American religiosity sticks out if you compare it to the attitudes in the least religious country: China, where 67 percent of people identify themselves as being "convinced atheists", which means they are not just "not religious" (this could also be described as "agnostic"), but believe in not believing in religion. The researchers also found that "levels of religiosity diminish as income and education levels of the interviewees increase". However, in China the explanation is more likely to be found in the ideological underpinnings of Communism. The question is whether believing in not believing in religion is nevertheless a quasi-religious state of mind in itself.* (Source: Statista)



Out of Bounds: American & Chinese Beliefs

Americans and Chinese who are religious, not religious or atheist (in percent)



Survey of 1,001 Americans and 1,150 Chinese 18 years and older in November 2016
Missing percentage points = Don't know or no answer



@StatistaCharts Sources: WIN, Gallup

statista



Eastcentral North Dakota - We had a fairly decent year, early it was wet then stayed dry til June and everything was ok after that. We barely had enough heat units to get the corn finished. We used to plant 85-day corn and now most use 90. I would imagine there will be a time when we get bit in the butt with an early freeze down the road. We just finished drying our corn which came out between 19 - 21%. Half of our soybeans and pinto beans were hailed out and had to be replanted this year as well. We are working on our seed cleaning machine for our business that we've had for a number of years.

Southwest Minnesota - We have wrapped things up for this year. Fortunately, the production was better than what we thought but certainly off from 2016. The weather was opposite of last year for the production cycle. In 2016 we had timely rains that were very favorable for crops but this year we were wet early and late and didn't get the moisture when we needed it. We will make a lot of 200bpa corn but this year we only made it to 180bpa, which was better than what we thought which was 160bpa to 170bpa. Again, the weather hurt us with the month of July off normal rains by 11". Even with that, the corn was more consistent than the beans. For the beans, they always say August rains make them but once it started raining this year it wouldn't stop. The spigot wouldn't shut off resulting in many fields with standing water, causing more white mold issues than normal. Hard to say what that knocked off the top of yields but it wasn't good. The bean yields this year were right at 52bpa but in 2016 we had overall yields in the high 60bpa area. To make matters worse up here the basis has been wide all year, with one of the widest I have seen in recent times.

Central Iowa - We had a pretty good crop that wasn't stressed all year. This spring we had great weather that saw ground temps very high earlier than normal. The crop came out of the ground quickly and never really looked back. We have been planting the same rotation over the past few years but I think we will change some things up in 2018. We normally have more corn on corn acres but are starting to see more yield drag. I think that our records show that the drag on corn on corn acres is up near 30bpa less than the rotated acres. This has just started showing up. Last year production saw corn better than 2016 but the beans were off from last year. There is a lot of grain up here on the ground, which may be tough on the cash price of grain.

CROSSING WIRES

A place to share intelligent thoughts...

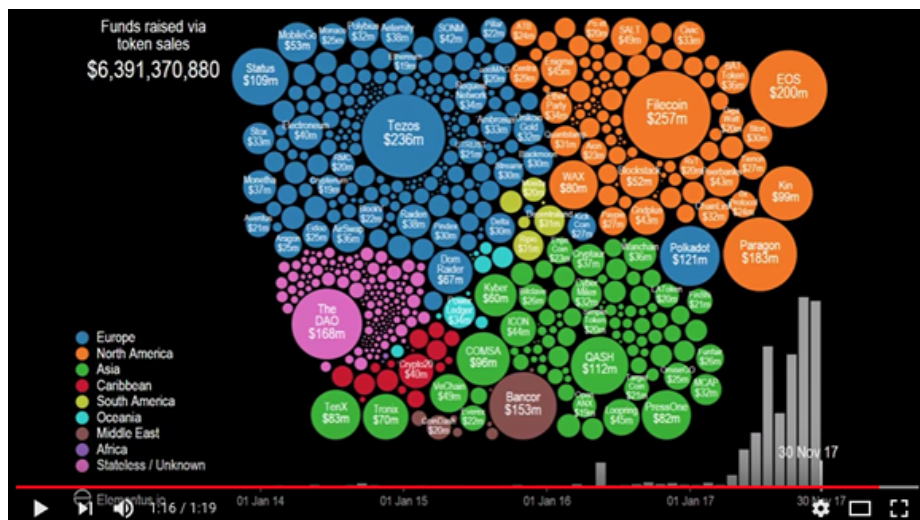
Don't Miss 2017 Best Meteor Shower Tonight: *Since its first recorded observation in 1833 (from a riverboat on the Mississippi), the Geminid shower has only grown stronger, thanks to Jupiter's gravity tugging the particle stream closer to Earth. This year, asteroid 3200 will also fly within 6.4 million miles of Earth, its closest distance since 1974. The asteroid won't come this close again until 2093. The best time to enjoy the meteor shower this year is on the night of Dec. 13 and morning of Dec. 14. It will peak around 2am, when the sky is darkest. Read more [HERE](#).*

Mining to Resume at Nuke Waste Dump for First Time Since Leak: *Officials at the nation's only underground nuclear waste repository are flipping the switch on an interim ventilation system this week, allowing mining to resume for the first time since a 2014 radiation release contaminated part of the facility. Bruce Covert, president of the contractor that runs the Waste Isolation Pilot Plant for the federal government, said testing was done and the U.S. Energy Department approved starting up the air handling system. He called it a big step for the facility, which disposes of waste from decades of bomb-making and nuclear research. The waste is placed in rooms mined out of an ancient salt bed some 2,000 feet (610 meters) below the desert surface. Read more [HERE](#).*

China's Citic Sees Brazil as Growth Driver After Corn Deal: *Citic Agri Fund, an investment vehicle created by China's largest conglomerate, has chosen Brazil as the platform for its global strategy in agriculture. The Citic Ltd. fund concluded the acquisition of Dow Chemical's Brazil corn-seed assets earlier this month in a \$1.1 billion deal. Another \$2.5 billion is available for new investments in research or acquisitions of other agricultural companies with profiles that match the fund's strategy, including businesses in soybeans and rice, according to Vitor Cunha, the general manager at LP Sementes, the new company created from the corn deal. The decision to make Brazil the main driver for Citic's global agriculture growth stems from the Dow corn deal. The acquired assets give Citic deeper knowledge about the corn-seed market, Cunha said. LP Sementes is Brazil's third-biggest supplier of the seeds, with almost 20 percent market share. Yuan Longping High-tech Agriculture, the company responsible for managing Citic's corn assets in Brazil, is the world's largest rice-seed company. Read more from [Bloomberg](#).*

We Want Chatbots To Sound More Human, But The Results Could Destroy Our Relationships: *People have long fantasized about replicating themselves to save time and emotional energy. Relationships, after all, can be exhausting. There is only so much of you to go around. In Ray Bradbury's 1949 short story "Marionettes, Inc.," he imagines a future where we purchase realistic replicas of ourselves in order to dupe our spouses, utilizing the marionette to handle the annoyance and inefficiency of human-to-human communication. If Bradbury was writing in the 21st century, his life-like dolls would be chatbots. Similar to his marionettes, bots and other automated communication methods are essentially well-trained machines masquerading as humans. It's duplicity cloaked as efficiency. Welcome to the world of online communication, where you never know if you are talking with a real person. Read more [HERE](#).*

The Voracious Appetite For New Cryptos In One Graphic: *Just when you thought the market for coin offerings couldn't possibly get any more frenzied, November came along with a record 148 new launches, including such names as Trive, Karma, SwissBorg and, of course, Lordmancer II. So far, the total amount of money raised by ICOs during their short history has topped \$6.3 billion, according to Max Galka of the Elementus blog. "Perhaps more surprising than the fundraising total is the trend over time," he said. "The ICO market is not dying down, as many have reported. It's still growing." For more color on the frenetic pace of growth, Galka created this animated graphic to illustrate just how far the crypto market has come from where it was three years ago. It shows every token sale that successfully raised at least \$100,000 from the beginning of 2014 through last month. Click [HERE](#) to watch.*



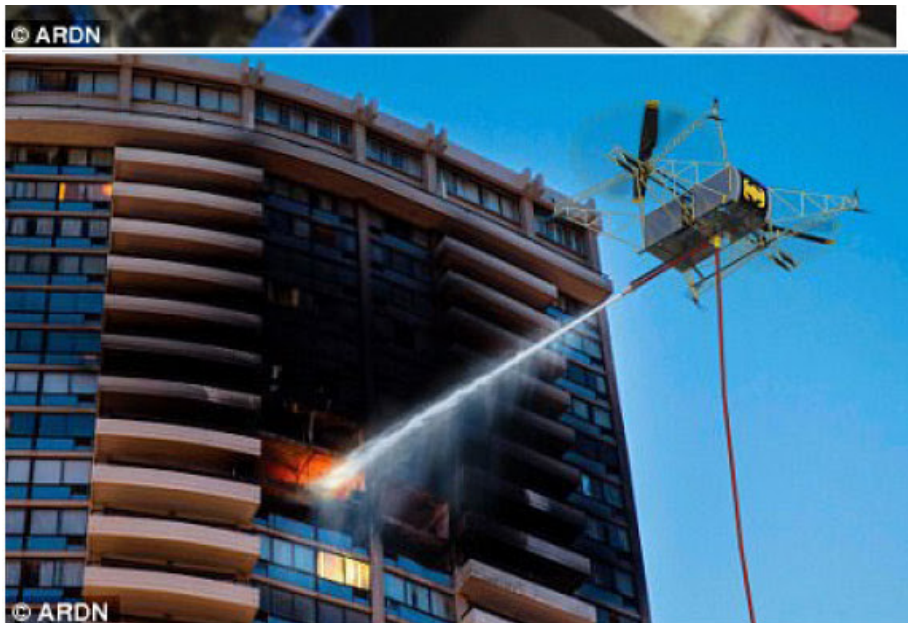
New "Hulk" Drone Can Lift 400 Pound Payload

Drone technology continues to surge forward as a new "hulk" drone, created by a team of Russians, carries a 400 pound payload and fly's for up to eight hours. The multi-rotor, autonomous drone, called SKYF, was designed with logistics and agribusinesses companies in mind to create an air freight platform to help carry out tasks. The vertical take-off and landing drone has applications in areas such as the aerial application of pesticides and fertilizers, seed planting for forest restoration and emergency situations for food and medicine delivery. The drone, designed by Russian company ARDN technology, has a maximum flight speed of 43.5 miles per hour and is 17 feet by 7.2 feet. It can fly at a maximum height of almost 10,000 feet and has a positional accuracy of 11.8 inches. SKYF relies on gasoline-powered engines for lift and electric motors for stabilization to transport heavy loads up to 220 miles away when carrying loads of 110 pounds. Specifically, the drone uses the gasoline-powered engines for its two primary lift props and uses all four sets of twin props with electric motors to help stabilize and steer it. According to ARDN, this dual-advantage separation of features is what allows the unmanned drone to to carry heavy loads. The patented, heavy-duty drone is also able to hover and move at low speeds, making it ideal for package delivery tasks. The drones design is also modular, meaning versions can be modified for added fuel range and other features. The drone's design is also modular, meaning versions can be modified for added fuel range and other features. SKYF is able to directly use the energy of its internal combustion engine without the need for an electrical hybrid system, enhancing its reliability and also driving down its price, maintenance costs and total weight. It's not yet clear how much the drone will cost or when it will be released, but it could have a major impact on a wide range of industries. The SKYF drone has a wide range of potential applications including Click [HERE](#) to see more:

- **Aerial application chemicals:** Pesticide and fertilizer application
- **Precipitation management:** Help reduce snow accumulation and prevent and extinguish fires
- **Forestry:** Rapidly plants seeds in biodegradable capsules for the restoration of forests after deforestation or forest fires
- **Logistics in oil and gas:** Delivery of items such as food, spare parts and measuring equipment to oil rigs or remote drilling stations
- **Postal logistics:** Delivert of heavy good to hard-to-reach residential areas
- **Marine logistics:** Delivery of goods to ships at sea or on the move
- **Power line and road construction (geodetic work):** Remote sensding for the construction of power lines, roads and pipelines
- **Instrumental control:** Control of instruments for hard-to-reach infrastructure such as wind power generators
- **Emergency situations:** Delivery of food, rescue equipment and medicine to areas of natural disasters or at sea

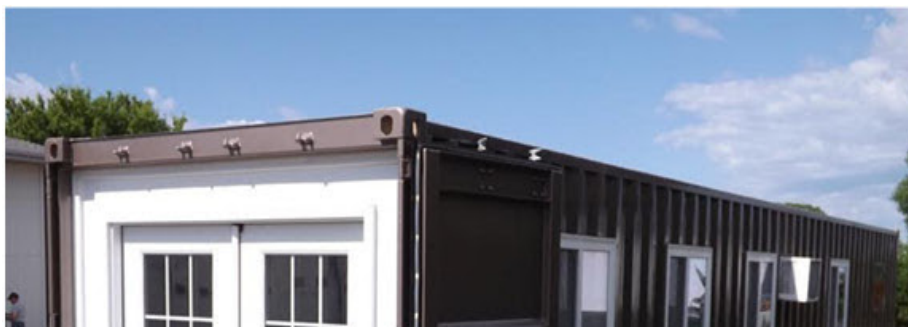


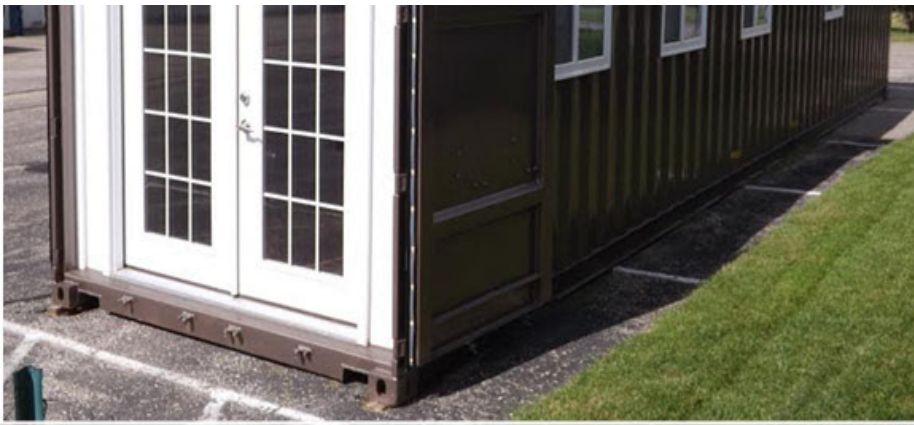


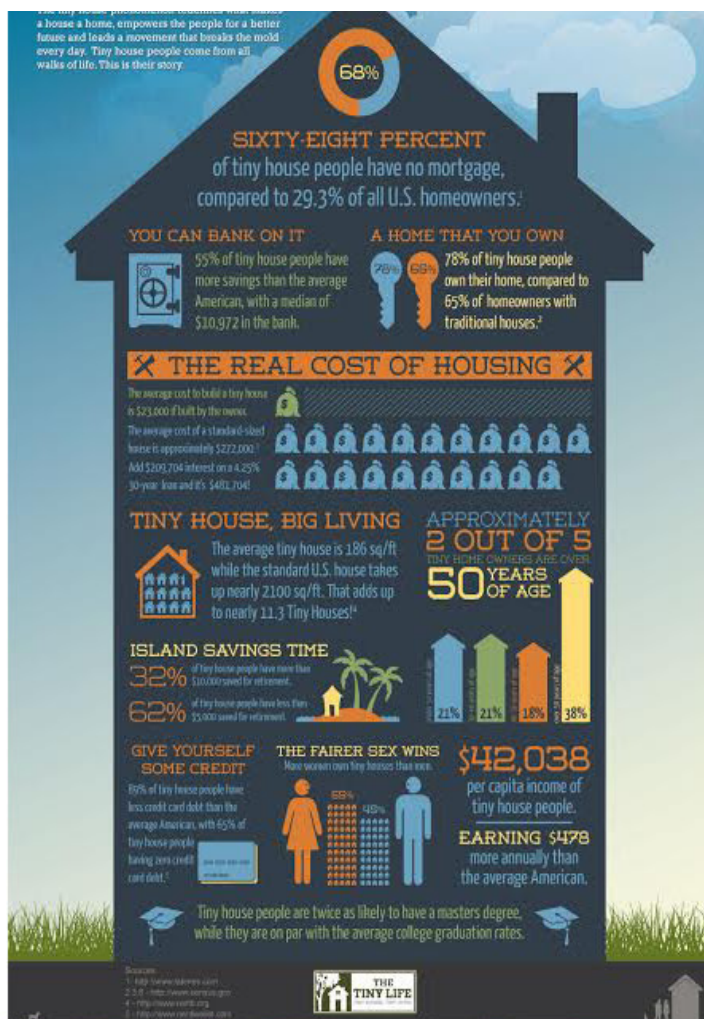


Amazon Now Delivering Tiny Homes For \$36K

Amazon is now adding houses to the items they will be shipping to their customers. Wisconsin-based MODs International is selling their 320-square-foot "tiny homes" through Amazon for \$36,000 plus around \$4,500 for shipping. These miniature abodes are no longer used only by those trying to hide-a-way in the woods. It seems communities are springing up across the country that are embracing the lifestyle that caters to meeting the simple needs of shelter at an extremely affordable price. Though MODs is using brand new sea containers as the structural shell, tiny homes are also built using traditional materials. I found it a little surprising how nice such a small space can look on the inside. Even with limited space, each home is furnished with a bedroom, bathroom including a shower, kitchenette, appliances and living area with heating and cooling. Entry into the home is accessed through large double doors and the unit is equipped with extra windows to increase lighting. Interestingly, by most accounts, tiny homes run up to 400 square feet, then you move into the "small" category up to 1,000 square feet. As I understand it, people are joining this movement for many reasons, but the most popular ones include environmental and financial concerns as well as the desire for more time and freedom. Not surprisingly, for most Americans one-third to one-half of their income is dedicated to the roof over their heads, this translates to 15 years of working over your lifetime just to pay for it. And because of that, 76% of them are living paycheck to paycheck. Confirming the trend of the tiny home movement are shows like the upcoming series "Container Homes", which will air on the DIY/HGTV network this fall or early next year. It isn't the first to promote the lifestyle change as "Tiny House, Big Living" has been airing since 2014. Those that are choosing the space are seeking either their primary home, a guest house in the backyard or a shelter on a secondary property. As financial situations tighten for many, the homes are being used for "granny pods" to house aging parents while allowing them some independence as well as the newest trend towards "millennial quarters". We've all read the stats of millennials coming back to the nest, it seems some parents are moving the nest to the backyard. For younger couples looking to start out life together on the cheap, keep in mind your plans for starting a family will be one of the biggest obstacles to overcome. For those wanting to stay within city boundaries, be sure to check with local zoning boards before you purchase. Though the communities are springing up around the country, some folks aren't happy with including the tiny neighborhoods in their area for fear of lowering property values. Take a look at some of the communities embracing tiny homes [HERE](#). If you like the thought of downsizing but 320 square feet simply won't cut it or you don't want to limit yourself to a container home, you can see more options for small houses [HERE](#). (Source: [simplemost.com](#), [silive.com](#), [housebeautiful.com](#))



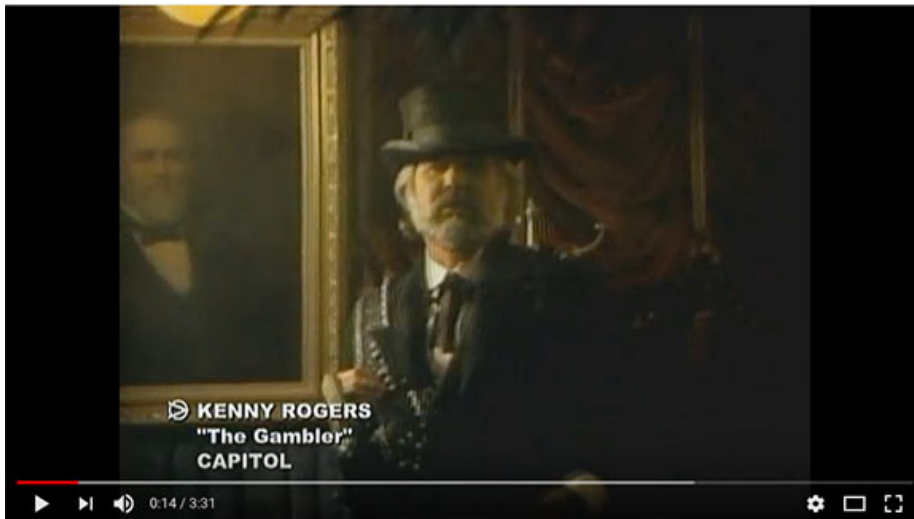


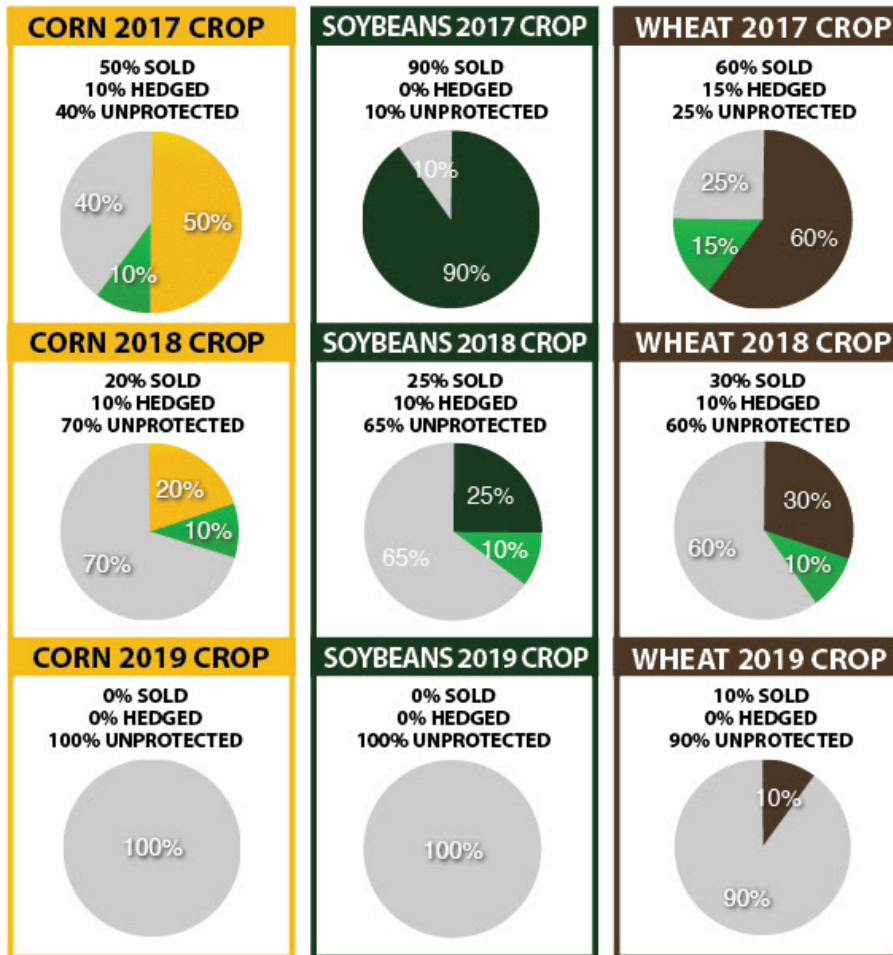


You Got to Know When To Hold'em...

I had to take a quick moment and rewind back to this day in 1980, when Kenny Rogers' Greatest Hits went to #1 on the charts. My wife's family constantly played the album, my folks played the eight-track and everybody I knew was wearing a cowboy hat with a feather headband. Believe it or not, Kenny Rogers will soon be turning 80 years old, and I can hear his most famous songs like it was yesterday. Rogers was born in 1938 in Houston, Texas, the fourth of eight children. His parents were Lucille, a nurse's assistant, and Edward Rogers, a carpenter. Interestingly, Kenny didn't start in country music. He had a minor solo rock hit in 1957 called "That Crazy Feeling". After sales slowed down, Rogers joined a jazz group called The Bobby Doyle Three. The group actually recorded for Columbia Records. They disbanded in 1965, and a 1966 jazzy rock

single Rogers recorded for Mercury Records, called "Here's That Rainy Day", failed. Rogers also worked as a producer, writer and session musician for other performers, including country artists Mickey Gilley and Eddy Arnold. In 1966 he joined the New Christy Minstrels as a singer and double bass player. That didn't work out either, so during the next 10-years he played with a couple of other bands, until 1976 when he decided to launch his solo career somewhere in the middle-of-the-road between pop and country. To say he found his niche would be a huge understatement. Rogers has charted more than 120 hit singles. Two of his albums, *The Gambler* and *Kenny*, are featured amongst "The Most Influential Country Albums Ever". In 1986 he was voted America's "Favorite Singer of All-Time" in a joint poll by readers of both USA Today and People. His first country #1 hit was "Lucille" in 1976. Then came "The Gambler" in 1978 and "Coward Of The County" in 1979. Next came "Don't Fall In Love With A Dreamer," his 1980 duet with Kim Carnes. Then perhaps his biggest hit of all time, the Lionel Richie-penned "Lady", which was also released in 1980. Keep in mind he also recorded a couple of more huge duet hits, "We've Got Tonight," written by Bob Seger and performed in 1983 with Sheena Easton, and "Islands In The Stream," written by Barry Gibb and performed with Dolly Parton that same year. In 1981, Rogers bought the old ABC Dunhill building and built one of the most popular and state of the art recording studios in Los Angeles. The song "We Are The World" was recorded there. Kenny Rogers has clearly had an amazing career. I remember a lot of songs playing off that Greatest Hits album 40 years ago... In country music it remains the best selling compilation release of all-time, beating out even Garth Brooks' 1994 limited-time-availability release "The Hits". I also thought it was fitting to play "The Gambler" as the investment world is engulfed by the crypto currency craze. The lyrics are certainly worth considering. Click [HERE](#) to see this classic video.





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