

GOOD MORNING: 01/03/18 Farm Direction - VanTrump Report

1 message

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Wed, Jan 3, 2018 at 6:58 AM



"The eye sees only what the mind is prepared to comprehend." — Robertson Davies

WEDNESDAY, JANUARY 03, 2018

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Morning Summary: Stocks start the year setting new record highs with the Nasdaq closing above the 7,000 milestone for the first time ever. Overall, investor optimism remains high. In its latest sentiment survey, AII said expectations that stock prices will rise over the next six months jumped to +53%, well above their historical average of 39%. At the same time, year-end progress made in Washington has increased hopes that lawmakers can keep the momentum moving forward. Investors today are anxious to see "minutes" from the Federal Reserve's December 10, 2017 meeting in which the central bank raised interest rates for the third time last year. Analysts are hoping to gain more insight into the committee's expectations for inflation going forward and how changes might impact their decision on rate hikes in 2018. I continue to hear talk that we could see three to four rate hikes during the next 12 months, perhaps one each quarter. Today also brings Motor Vehicle Sales for December, which are seen remaining steady at an annualized rate of 17.5 million. For 2017 as a whole, car and truck sales are expected to fall short of the record set in 2016 and many analysts see further declines for this year as the entire U.S. industry begins to pivot. Interestingly, global sales of new vehicles in 2017 are expected to set a new all-time record, topping 90 million for the first time ever. Global sales have been increasing at around +4.1% every year since 2009, when sales topped 1 billion for the first time. ISM Manufacturing and Construction Spending are on the calendar as well. There is not likely to be much progress made in Washington this week with the House still in recess but the Senate is already working on a long-term funding bill that needs to be passed by the 19th. Other pertinent issues leaders hope to tackle soon include the budget, President Trump's infrastructure plan, disaster funding and immigration. On the geopolitical front, tensions are still high in Iran with leaders of the Middle Eastern country now blaming the U.S. and other Western "enemies" for the recent protests. The demonstrations erupted last week in response to rampant inflation, high unemployment and government corruption. That has evolved into more widespread anger directed at the government in general and the country's Supreme Leader Ayatollah Khamenei. The Ayatollah says the Islamic Republic's enemies (implying the U.S. and Israel) have used various tools such as cash, weapons and intelligence services to create the troubles. The U.S. calls the accusations ridiculous and is reportedly poised to call for an emergency meeting of the United Nations Security Council to address the unrest.

Internet Giants Are Fueling A Land Price Surge: Land fit for future fulfillment centers for the likes of Amazon and Walmart saw huge spikes in prices last year, according to real estate services firm CBRE. In a trend largely stemming from the growth of e-commerce players across the U.S., some plots of land now cost twice the amount they did a year ago, the group found. This is especially true in major markets, including Atlanta and Houston. In surveying 10 U.S. markets, CBRE found the average price for "large industrial parcels" (50 to 100 acres) now sits at more than \$100,000 per acre, up from about \$50,000 a year ago. Industrial land plots of five to 10 acres, which typically house infill distribution centers for completing "last-mile" deliveries, watched their prices soar to more than \$250,000 per acre by the end of 2017, up from roughly \$200,000 a year ago. Located in more bustling metropolitan settings, these warehouses must help retailers serve consumers closer to their homes. Industry experts say that despite an uptick in construction of late, there's still a long way to go before supply aligns with demand. Escalating land prices are a big reason why new supply has not been able to keep up with that demand. It's also interesting to note that commercial real estate values across the globe are starting 2018 at near peak levels. (Sources: CNBC, Morningstar)

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Today In History

1841, Herman Melville - Famed author Herman Melville ships out on the whaler Acushnet to the South Seas. Melville was born in New York City in 1819. A

Warren Buffett Wins \$1 million Bet vs. Hedge Fund Industry: *The Berkshire Hathaway chairman in 2007 bet \$1 million that the S&P 500 would outperform a selection of hedge funds over 10 years. As of the end of the year, his S&P 500 index fund had compounded a 7.1% annual gain over that period. The basket of funds selected by Protégé Partners, the managers with whom he made the bet, had gained 2.1%, according to The Wall Street Journal. Buffett agreed to give the prize money to Girls Inc. of Omaha, Nebraska, a nonprofit he has previously supported. Read more [HERE](#)*

Peter Thiel Has Placed A "Moonshot" Bet On Bitcoin: *Founders Fund, the venture-capital firm co-founded by Peter Thiel, has amassed hundreds of millions of dollars worth of bitcoin, according to people familiar with the matter. The bet has been spread across several of the firm's most recent funds, the people said, including one that began investing in mid-2017 and made bitcoin one of its first investments. Founders bought around \$15 million to \$20 million in bitcoin, and it has told investors the firm's haul is now worth hundreds of millions of dollars after the digital currency's ripping rise in the past year. It isn't clear if Founders has sold any of its holdings yet. The bet hasn't been previously reported. The digital currency started 2017 trading around \$1,000 and ended the year up around +1,375%. Relatively few mainstream investors have bought large sums of bitcoin, scared off by concerns about cybersecurity and liquidity, as well as more mundane fears of investment losses. Even some of those who do own it are cautious about speaking too publicly, lest they draw the attention of hackers. The billionaire Mr. Thiel is an outspoken libertarian who co-founded digital payments service PayPal. As a venture capitalist, Mr. Thiel and Founders fund are among the most successful in Silicon Valley. (Sources: The Wall Street Journal, Forbes)*

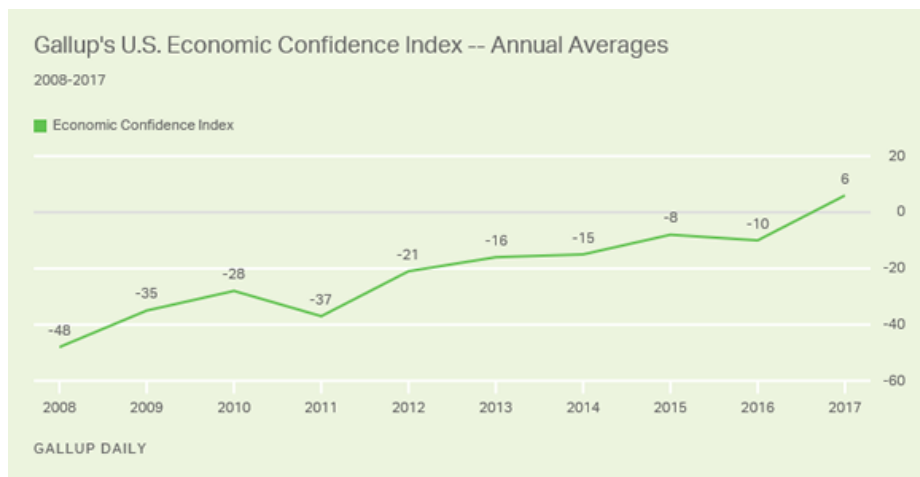
Americans' Economic Confidence Continues To Grow: *Americans' views of the U.S. economy were positive on balance in 2017, with Gallup's U.S. Economic Confidence Index averaging +6 for the year. This was a 16-point increase from -10 in 2016 and is the index's first positive annual average since Gallup began daily tracking of this measure in 2008. Overall, Americans' confidence in the economy has gradually if unevenly improved since the recession year of 2008, when economic confidence averaged -48. The election of Donald Trump in late 2016 helped push the index into positive territory on a consistent basis, as confidence dramatically improved after his election. The index's monthly average hit a then-record high of +9 in December 2016. This newfound confidence carried over into 2017. The index averaged +10 or higher in eight separate weeks, including a score of +13 for the final week of the year. Perceptions of the economy's current conditions improved markedly in 2017, with more Americans rating them positively than negatively. The current conditions component of Gallup's U.S. Economic Confidence Index averaged +13 last year, up from -2 in 2016. The economic outlook component also advanced in 2017, though -- at -1 -- it remained slightly negative. This score is the result of 46% of Americans saying the economy was "getting better," while 47% said it was "getting worse." (Source: Gallup)*



childhood bout of scarlet fever permanently weakened his eyesight. He went to sea at age 19, as a cabin boy on a ship bound for Liverpool. Two years later, he sailed for the South Seas. The Acushnet anchored in Polynesia, where Melville took part in a mutiny. He was thrown in jail in Tahiti, escaped, and wandered around the South Sea islands for two years. In 1846, he published his first novel, Typee, based on his Polynesian adventures. His second book, Omoo (1847), also dealt with the region. The two novels were popular successes, although his third, Mardi (1849), more experimental in nature, failed to catch on with the public. In 1851, Harper & Brothers published Moby-Dick. The book flopped and was not recognized as a classic for many years. Meanwhile, Melville bought a farm near Nathaniel Hawthorne's house in Massachusetts, and the two became close friends. Melville continued writing novels and highly acclaimed short stories. Putnam's Monthly published "Bartleby the Scrivener" in 1853 and "Benito Cereno" in 1855. In 1866, Melville won appointment as a customs inspector in New York, which brought him a stable income. He published several volumes of poetry. He continued to write until his death in 1891, and his last novel, Billy Budd, was not published until 1924.

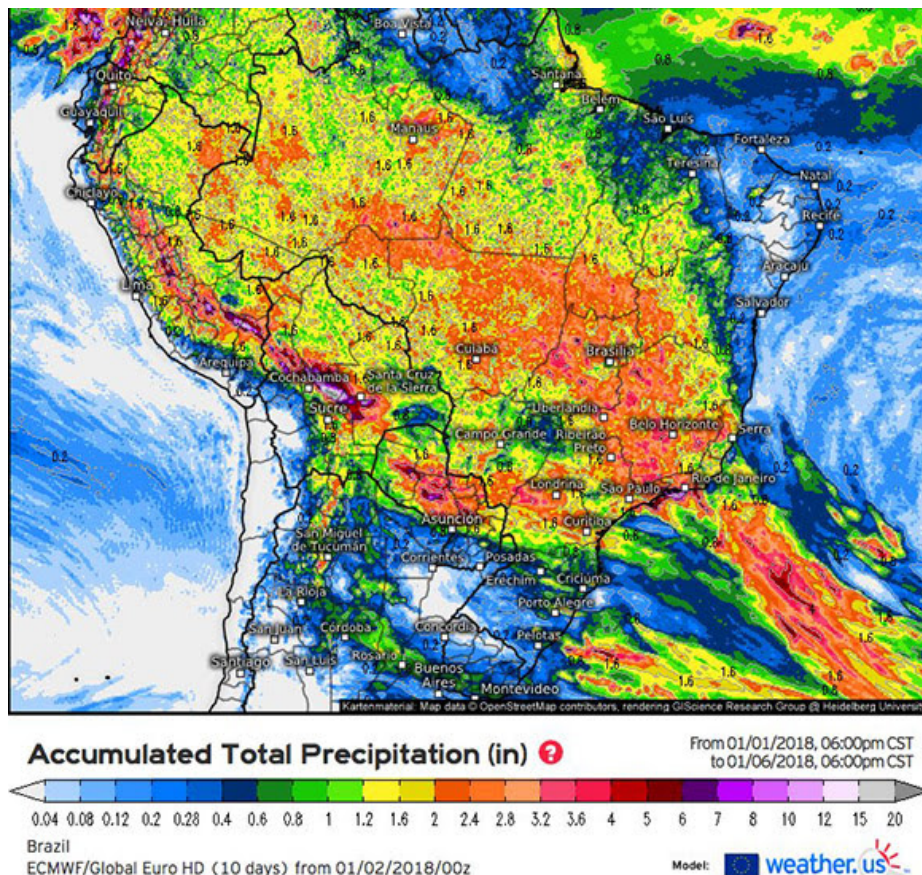


1961, Cuba - In the climax of deteriorating relations between the United States and Fidel Castro's government in Cuba, President Dwight D. Eisenhower closes the American embassy in Havana and severs diplomatic relations. The action signaled that the United States was prepared to take extreme measures to oppose Castro's regime, which U.S. officials worried was a beachhead of communism in the western hemisphere. The immediate reason cited for the break was Castro's demand that the U.S. embassy staff be reduced, which followed heated accusations from the Cuban government that America was using the embassy as a base for spies. Relations between the United States and Cuba had been steadily declining since Castro seized power in early 1959. U.S. officials were soon convinced that Castro's government was too anti-American to be trusted, and they feared that he might lead Cuba into the communist bloc. Early in 1960, following Castro's decision to sign a trade treaty with the Soviet Union, the Eisenhower administration began financing and training a group of Cuban exiles to overthrow the Cuban leader. Castro responded by increasing his program of nationalizing foreign property and companies. In return, the United States began to implement cutbacks in trade with Cuba. The diplomatic break on January 3, 1961 was the culmination of an increasingly acrimonious situation. Severing relations marked the end of America's policy of trying to resolve its differences with Castro's government



Weather forecasts are calling for a reinforcing shot of bitter, Arctic air to prolong the cold outbreak across the Plains, Midwest, South and east into the end of this week, likely shattering more daily records and sending wind chill to dangerously cold levels. The coldest temperatures from this Arctic blast were seen across the northwestern Midwest and northern Plains, where lows ranged from -20 to -45 degrees F. Snow cover was sufficient to protect winter wheat from the extreme cold across the northern Plains and northern and central Midwest, but some winterkill damage has been reported in parts of eastern Colorado, much of Kansas, Missouri and southern Illinois, where snow cover was lacking. Extremely cold weather will continue across the central and eastern U.S. this week, but the core of the cold should focus upon the Midwest and Northeast. As we turn our attention to South America, I continue to hear forecasts calling for

limited rainfall in drier areas of Argentina. Episodes of extreme heat and a below normal rainfall pattern is increasing the risk to crops grown in La Pampa and Buenos Aires. Showers favored most of Brazil over the holiday weekend, but the heaviest rains occurred across Goias, southern Minas Gerais, eastern Mato Grasso do Sul, Sao Paulo and Parana. The rains led to notable improvements in soil moisture throughout. While it has been dry over the past few weeks, increased rainfall this week should improve conditions for corn and soybeans throughout major growing regions. Below is precipitation forecast for Brazil, running from Jan. 1 - Jan. 6. Looks like anywhere from 1 to 2 inches of rain anticipated.



Corn bulls are hoping another round of La Niña weather headlines will soon start to circulate. I've been hearing continued talk that dryness in parts of northern and southern Argentina is still a legitimate concern. Weather gurus are talking about possible widespread rains in the forecast 7-14 days away, but nobody seems real eager to place longer-term bets. Most inside sources have the Argentine crop about 70% to 75% planted. Bears on the other hand are talking about good weather in many parts of Brazil and the fact the European Commission bumped their current corn production estimate higher, now almost +4.6 MMTs higher than the recent USDA estimate. I should point out, I'm still hearing talk of fewer corn acres in Brazil and the fact total production acres might currently be well overestimated. In fact I've heard a few sources say the USDA could be 5-7 MMTs too high with their current forecast as Brazilian producers simply are not going to plant the massive number of second-crop corn acres they have the past couple of years. Technically, there continues to be fairly strong resistance in the \$3.55 to \$3.60 area vs, the MAR18 contract. Resistance in the new-crop DEC18 contract remains around \$3.90 per bushel. Fundamentally, U.S. ethanol demand remains robust and looks as if it will again need to be bumped higher. I think down the road a bit of the industry is going to run into a few more stiff headwinds and negative margins may force some plants to reduce run times. As for exports, bears continue to point to numbers running well behind that of last year. While we clearly have to acknowledge the argument, I'm personally of the belief export headlines are going to surprise some traders to the upside the next few months.

through diplomacy. Just over two months later, President John F. Kennedy unleashed the Cuban exile force established during the Eisenhower years. This led to the Bay of Pigs debacle, in which Castro's military killed or captured the exile troops. After the Bay of Pigs, the relationship between the United States and Cuba was one of the chilliest of the Cold War.



1990, Manuel Noriega - Panama's General Manuel Antonio Noriega, after holing up for 10 days at the Vatican embassy in Panama City, surrenders to U.S. military troops to face charges of drug trafficking. Noriega was flown to Miami the following day and crowds of citizens on the streets of Panama City rejoiced. On July 10, 1992, the former dictator was convicted of drug trafficking, money laundering and racketeering and sentenced to 40 years in prison. Noriega, who was born in Panama in 1938, was a loyal soldier to General Omar Torrijos, who seized power in a 1968 coup. Under Torrijos, Noriega headed up the notorious G-2 intelligence service, which harassed and terrorized people who criticized the Torrijos regime. Noriega also became a C.I.A. operative, while at the same time getting rich smuggling drugs. In 1981, Omar Torrijos died in a plane crash and after a two-year power struggle, Noriega emerged as general of Panama's military forces. He became the country's de facto leader, fixing presidential elections so he could install his own puppet officials. Noriega's rule was marked by corruption and violence. He also became a double agent, selling American intelligence secrets to Cuba and Eastern European governments. In 1987, when Panamanians organized protests against Noriega and demanded his ouster, he declared a national emergency, shut down radio stations and newspapers and forced his political enemies into exile. That year the United States cut off aid to Panama and tried to get Noriega to resign; in 1988, the U.S. began considering the use of military action to put an end to his drug trafficking. Noriega voided the May 1989 presidential election, which included a U.S.-backed candidate, and in December of that year he declared his country to be in a state of war with the United States. Shortly afterward, an American marine was killed by Panamanian soldiers. President George H.W. Bush authorized "Operation Just Cause," and on December 20, 1989, 13,000 U.S. troops were sent to occupy Panama City, along with the 12,000 already there, and seize Noriega.

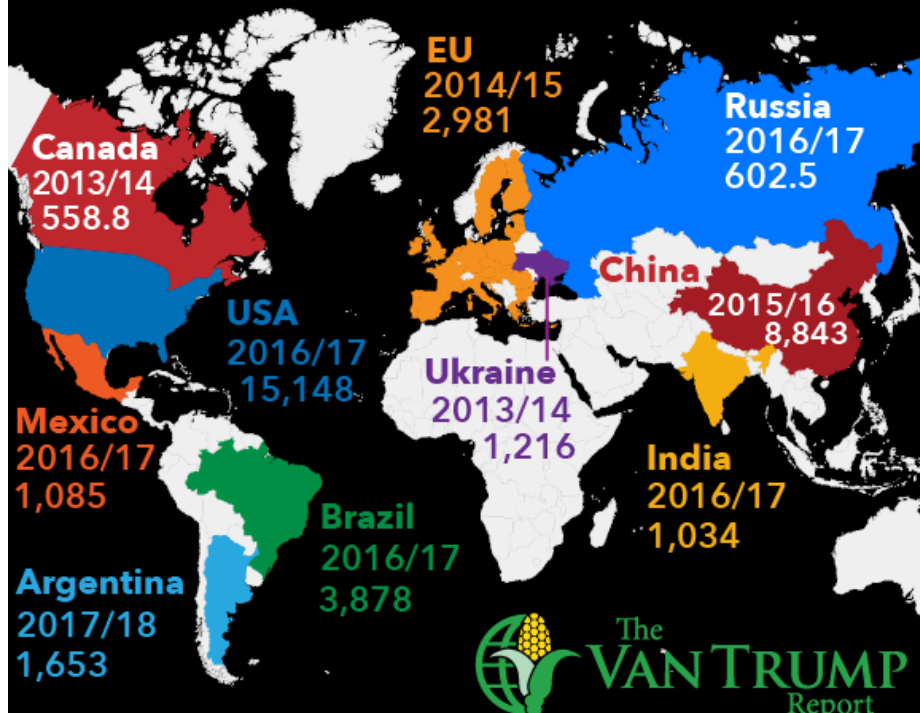
Upcoming Events

Wed. 1/3 - Minutes From 12/13 FOMC Meeting Released

Fri. 1/12 - USDA Crop Production Annual Summary, Supply and Demand

Tues. 1/23 - Cold Storage

Record Corn Production by Country (in million bushels)



Source: USDA, FAS, PS&D 01/02/18



Fri. 1/26 - Cattle on Feed

Tues.-Wed. 1/30-1/31 - FOMC Meeting

Thurs. 2/8 - USDA Supply and Demand

Fri. 2/16 - Farms and Land in Farms

Thurs. 2/22 - Cold Storage (month & annual)

Fri. 2/23 - Cattle on Feed

Kevlin's Song of the Week

WHAT I'M LISTENING TO:

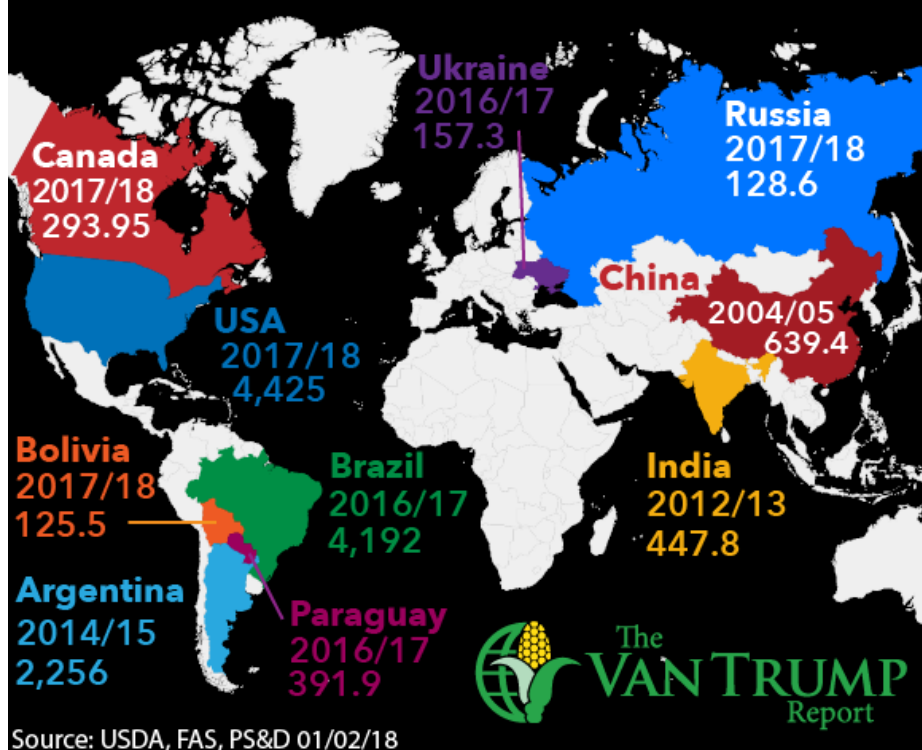


 **Chris Stapleton** "Millionaire"

About the Report

Soybean traders continue to search for nearby direction. The bulls still see weather uncertainty ahead for South America, while the bears are pointing to insiders already raising their production estimates for Brazil. There's also the continued talk that the USDA will be lowering their U.S. export estimate in the upcoming end of year report scheduled for release Friday, January 12th. From a technical perspective, the trade would still like to see the MAR18 contract close back above it's previous high of \$9.76 per bushel posted last week. There's also talk of slightly heavier resistance up near the \$9.80 area, which could attempt to act as a lid on most nearby rallies. Keep an eye on this area the next few days. I honestly have to say, I'm still personally less bullish soybeans than I am either wheat and or corn. As a producer, I've made a lot of sales and have hedges in place, so I'm not really concerned about prices moving aggressively lower nearby. As a spec, I still like the thought of playing bullish corn or wheat positions against short soybeans. I still think there is more downside and believe selling any significant rally has nearby merit.

Record Soybean Production by Country (in million bushels)



Wheat bulls continue to talk about extremely cold and dry conditions across many important production areas here in the U.S. From what I'm hearing, wheat acres in southern Illinois, southern Indiana and on down south have little to any snow cover. Acres south of Nebraska are in question as well. U.S. crop conditions are obviously deteriorating. I'm also hearing more bullish rhetoric surrounding a weakening U.S. dollar, which is at three-month lows, and increased tensions in the Middle East. Keep in mind, the past few times we've seen more widespread protests in the Middle East, it was accompanied with an uptick in buying from nations like Iran, Saudi Arabia, Egypt, Turkey, and Yemen. I'm certainly not saying these are reasons to get wildly bullish, but cumulatively they might provide enough reason to move some of the bears to the sideline and provide a little short-covering rally. Technically, it feels like we are now at the upper-end of the recent range and traders on both sides are eager to see if we have enough in the headlines to breakout to the upside? As a spec I remain conservatively bullish. As a producer, I like the thought of pricing some bushels on the rally and re-owning the board. I just don't want to see the carry slip away if the bullish stories lose momentum. I've heard producers who feel they are undersold have been pricing the cash then going to the board and buying the JUL18 \$4.60 puts and selling (2) JUL18 \$5.00 calls to finance. I've also heard some producers selling the cash and re-owning by purchasing bull-call-spreads and bull-call-ratio-spreads. Bottom-line, smart producers are trying to find ways to reduce risk while at the same time participate in some capacity to the upside in the event of a rally.

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

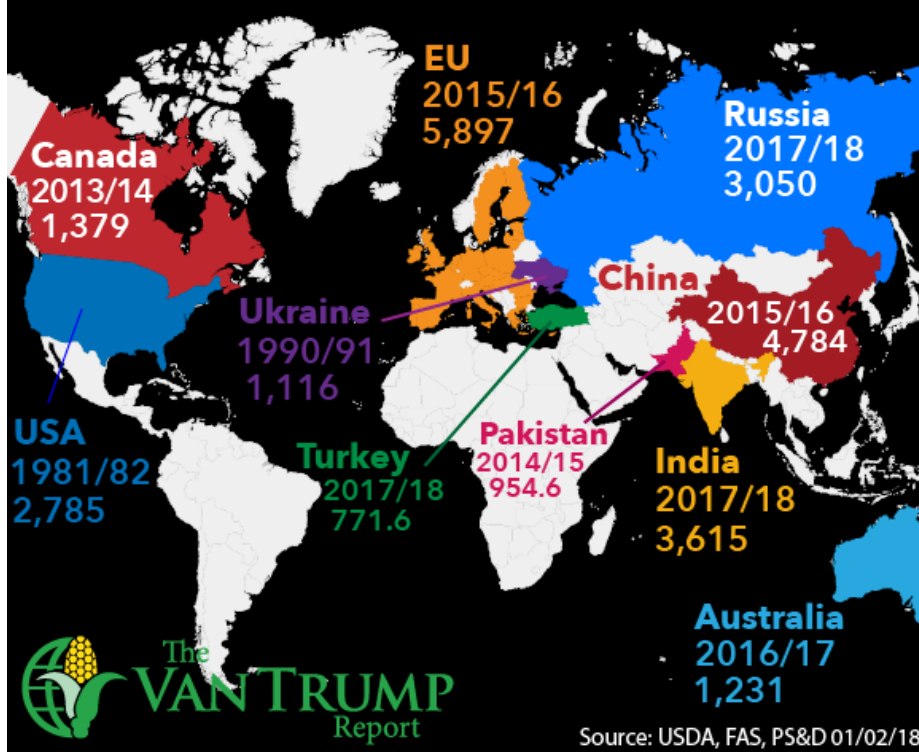
What Others Are Saying

"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

Record Wheat Production by Country (in million bushels)



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.



> Argentina Starts Reducing Soybean Export Tax: There's talk that Argentina has cut their soybean export tax from 30% to 29.5%. Supposedly, this is the first step to reducing the tax to 18% during the next two years. They are going to cut by one half percentage point per month for 24 consecutive months.

> November Crush Falls On Month But Tops 2016 Levels: USDA shows soybeans crushed for November 2017 totaled 5.20 million metric tons (173 million bushels), down slightly from 5.28 million in October but an increase over November 2016's 5.12 million. Crude oil produced was 1.98 billion pounds, down -2% from October 2017 but up +1% from November 2016. Soybean once refined oil production at 1.46 billion pounds during November 2017 decreased -9% from October 2017 but increased +1% from November 2016.

> Farmland Values Expected To Decline Further In 2018: Randy Dickhut with Farmers National predicts farmland values will continue downward, following unexpected stability at the end of 2017. Dichut says farmland values have been decreasing the last four years, although strong yields this past fall provided a stable area for many parts of the Corn Belt. "But as we move into 2018, I'm kind of expecting a few more farms come up for sale for financial reasons where that farm operator is under some stress or whatever it might be. And trying to improve their financial condition." He tells Brownfield depressed commodity prices and associated low farm incomes are the primary drivers of softening farmland values, but Dickhut is also watching other possible influences, such as trade policy. He says unless something triggers a change, farmland values will probably remain on a gradual descending trajectory for at least two more years. (Source: Brownfield Ag)

> Russian State Statistics Service Confirms Record Crop: The agency recently released data that estimates the country's total grain production in 2017 was 134.1 MMTs, an increase of +11% from 2016. Inside the data they showed 93.9 million tons grown by farming companies, 39.2 million tons by commercial private farms, and 1

million tons by household farms. It is believed that 99% of their wheat crop is harvested with a little more than 10% of their corn still in the field. .

> Iraq To Investigate U.S. Wheat Shipment For Feed Wheat: Iraq's parliament will investigate a U.S. wheat shipment suspected of containing feed wheat, the head of a parliamentary committee told Reuters. The decision to investigate came after lawmaker Alia Nussayif told local media that the U.S. wheat cargo contained animal feed. She did not identify the sources of her information. (Source: Reuters)

> China To Expand Crop Rotation And Fallow Systems Trials: China will expand trials of crop rotation and fallow systems to cover 3.95 million acres of land in 2018, official news agency Xinhua reported. That would double the area of land covered by similar trials in 2017, Xinhua reported, citing agriculture minister Han Changfu. China launched trials of the programs in 2016 and expanded them last year. The crop rotation trials are mainly applied in the northeastern areas, between corn and soybeans. The fallow land trials are carried out in areas in Hebei province suffering from underground water shortages, fields in Hunan province polluted by heavy metals, and seriously degraded areas in northwestern and southwestern China. (Source: Reuters)

> USDA Proposes Change To AI Clean-Up Compensation: USDA's Animal Plant and Health Inspection Service (APHIS) is proposing a change to how it reimburses poultry facilities that need to clean up after avian influenza outbreaks. APHIS previously calculated virus elimination reimbursement costs on a per-bird basis, but is proposing setting a new standard based on a facility's square footage. The agency said it moved to a per-square-foot basis to make the virus elimination process at poultry facilities more cost effective and reduce the impact to taxpayers. APHIS said the new proposal initially will affect floor-raised meat poultry facilities affected by highly pathogenic avian influenza (HPAI) or H5 and H7 AI subtypes with low pathogenicity. The agency also is working on separate flat rates to address caged layers, breeder birds and ground birds (either layers or housed). (Source: MeatingPlace)

> Railroads Face Grain Revenue Penalties: The Canadian Transportation Agency (CTA) has ruled that the Canadian National Railway Co. (CN) and the Canadian Pacific Railway Co. (CP) exceeded their maximum grain revenue entitlements for the 2016-17 crop year. As a result, the two companies are subject to penalties that must be paid before the end of January. According to the CTA, CN's grain revenue in 2016-17 was C\$808,213,784, which was C\$5,773,741 above its entitlement of C\$802,440,043. Meanwhile, CP's grain revenue totaled C\$725,457,448, which was C\$1,078,947 above its entitlement of C\$724,378,501. The two railways must pay the amount by which they exceeded their revenue entitlements, as well as a 5% penalty. The CTA indicated that CN and CP moved 6.9% more grain in 2016-17 than during 2015-16. (Source: World Grain)


> Amazon Shipped Over 5 Billion Items With Prime In 2017: Amazon still won't officially reveal how many consumers worldwide participate in its Amazon Prime membership program, but yesterday it did offer a few new stats related to that program's adoption and growth. According to the announcement, more new, paid members joined Prime worldwide in 2017 than any other year. It also noted that over 5 billion items worldwide shipped with Prime in 2017, including via one-day and two-day shipping. To some extent, the increases in membership and shipments represent the expanded reach of Prime in 2017, and its more recent arrival in key markets such as Mexico, the Netherlands, Luxembourg and Singapore. They are also still benefitting from Prime's introduction to India in 2016, which was actually Amazon's fastest-growing market for Amazon Prime last year. (Source: Tech Crunch)

> BP Sees \$1.5 Billion Charge for Last Quarter on U.S. Tax Law: BP said Tuesday it would take a roughly \$1.5 billion accounting charge for its latest quarter related to the U.S. tax overhaul, though it added that a corporate tax cut would be a long-term positive. The accounting hit will be reflected in BP's version of net earnings for the fourth quarter of 2017, when buoyant oil prices likely gave a big boost to profits. BP said the tax bill will provide a long-term benefit in reducing the corporate tax rate it and other companies pay in the U.S. to 21% from 35%. Last week, Royal Dutch Shell PLC said the tax-change impact on its earnings will likely be a noncash hit of between \$2 billion and \$2.5 billion in the fourth quarter. Banks, including Barclays PLC and Credit Suisse Group AG have also warned of significant charges to their fourth-quarter results related to the new U.S. tax law. (Source: The Wall Street Journal)

> McDonald's is testing the use of fresh beef in another burger, the latest move by the company to swap out frozen meat. The Archburger, similar to the Arch Deluxe - a big flop from the late 1990s - will be launched at seven McDonald's (NYSE:MCD) restaurants in Tulsa, Oklahoma. The chain previously held similar tests for fresh beef Quarter Pounders, before scheduling a nationwide rollout in mid-2018. (Source: SeekingAlpha)

> Gas Prices Start The Year At Highest Levels Since 2014: At \$2.49, the national gas price average is the most expensive seen at the start of a new year since 2014, when gas prices were more than \$3/gallon. High travel volumes over the holidays drove gas prices up five cents on the week. At the start of 2018, motorists in the Northeast,

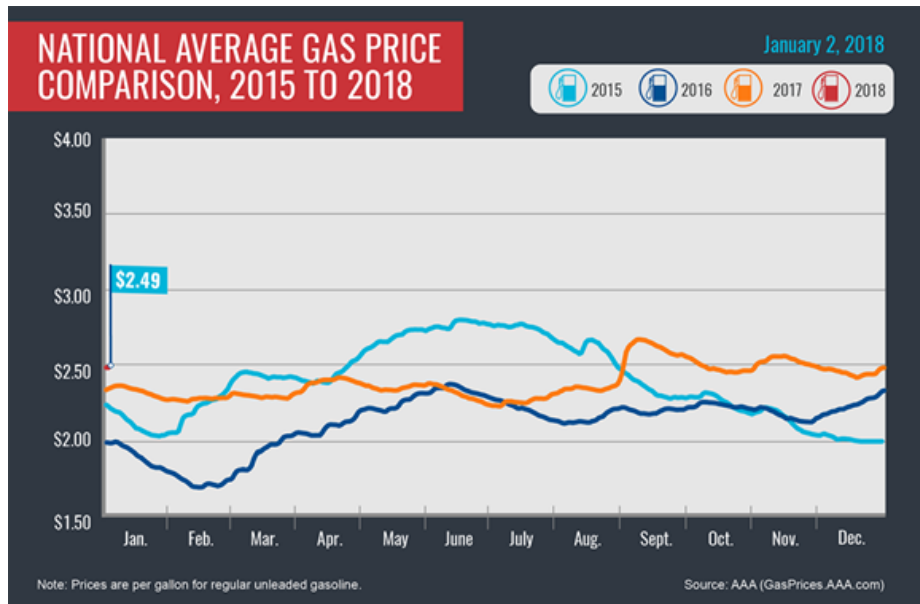
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-SENT IN BY OUR READERS-



Crock Pot Chicken and Dumplings

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South and the upper Midwest are seeing pump prices as much as 13 cents more expensive than one week ago. Now that the holiday season in the rearview mirror, motorists can expect gas prices to trend cheaper this month as we are likely to see a significant drop in gasoline demand. The latest Energy Information Administration (EIA) report measures gasoline demand at a strong 9.5 million b/d, which is typical of the holiday season. However, historical data shows that in early January demand typically drops and stays below the 9 million mark for the first few months of the year. (Source: AAA)



Eastcentral Missouri - We had a good year down here where we grow corn and beans and run some hogs. County averages for beans here are only 37bpa and we hit 55bpa this year and 60 the year before. The corn was equally as good making yields around the 160bpa level. We did not move as much of it as we wanted and are now looking for some spark in the market before July. We believe it is going to be a dry season potentially and believe that will provide the opportunity we need to move some inventory. Looking ahead we focused on cutting our costs on fertilizer without hurting yields. The precision ag adoption has definitely assisted us in that area by savings on fertilizer while maintaining production numbers.

Northcentral Ohio - We are doing a little planning for this year's crop rotation. Looks like we are going with the same rotation, just hoping for better prices. The corn yields were a bit of a surprise this year and were much better than expected. For most of the growing season, I thought that we would be making around 190bpa but in July we caught some rains and the August temps were very mild here. After we got all the grain in the bin we determined that the whole farm average for corn was 217bpa, which was our best ever. Not for sure why things were so good but we did get things planted very early which seemed to be the right thing to do this year. The beans looked like they would do very well but we didn't get the late August rains. The bean yields were good making 60bpa for the year.

Central South Dakota - It was a very challenging year in this part of the country. We had a lot of acres that we ended up zeroing out and spraying but it probably would have better not to as the rains came shortly after doing that. Our corn yields usually are in the 130bpa range but this year the yields were all over the board. We had farms that had freeze damage that only made 75bpa and then had other farms that caught some late rains that actually were above our average making 145bpa. The beans made 43bpa which was below our APH but better than we expected. We had a lot of 20bpa beans that got hurt a little bit from dicamba drift. It's hard to put an exact figure on what the impact was. The winter wheat last year made 65bpa but the spring wheat took a hit, making anywhere from 7bpa to 40bpa. This was off considerably from the normal yields around 50bpa. We are trying to stay warm now with temps down near 25 below over the past few days.

CROSSING WIRES

A place to share intelligent thoughts...

Genetics Hope To Save Chocolate From Extinction: *If your New Year's Resolution was to give up chocolate, you might find it easier to do it in 2050, when scientists suspect chocolate may go extinct. Unless that is, gene-editing scientists manage to save it. The persnickety cacao plant contains seeds that are the vital ingredient in chocolate. But the plant only grows in narrow bands of land in the rainforest, where the weather stays relatively wet and humid the whole year. Climate change is projected to alter this habitat so drastically in the next 40 years that cacao won't grow there, according to a report by Business Insider. Read more [HERE](#).*

Tech's Brightest Minds Divided On Whether AI Will End The World As We Know It: *Artificial intelligence. Machine learning. Knowledge engineering. Call it what you want, but AI by any name had the tech world uniquely divided in 2017, and the new year isn't likely to bring any quick resolutions. In case you missed it, the fiery debate over AI's potential impact on society was encapsulated by the opinions of two bold-face Silicon Valley names. Tesla and SpaceX CEO Elon Musk told the National Governors Association this fall that his exposure to AI technology suggests it poses "a fundamental risk to the existence of human civilization." Read more [HERE](#).*

MO Farmers "Bill of Rights" Would Help Level Field With Corporations: *A few groups in Missouri are proposing a few new rules for fair and competitive farm markets, more transparent grower contracts, and an end to predatory practices that have helped decimate family farms and their communities over decades. Steven Webber, chairman of the Missouri Democratic Party, has been traveling across the state to announce the "Family Farmers Bill of Rights," an initiative intended to empower and reverse the decline of rural Missouri. Other Missouri farm organizations involved are Missouri Farmers Union, Missouri's Food for America, and Family Farm Action. Speaking to a group in St Joseph, Missouri, a few weeks ago, Webber said, "As we lose family farms, we lose local businesses, we lose schools and then, ultimately, we start losing people." He said the Family Farmers Bill of Rights is intended to help family farmers and rural communities and also to acquaint Missouri's general population with the problems our shrinking rural communities face. Read more about the initiative [HERE](#).*

World's Wealthiest Became \$1 Trillion Richer In 2017: *The richest people on earth became \$1 trillion richer in 2017, more than four times last year's gain, as stock markets shrugged off economic, social and political divisions to reach record highs. The 23 percent increase on the Bloomberg Billionaires Index, a daily ranking of the world's 500 richest people, compares with an almost 20 percent increase for both the MSCI World Index and Standard & Poor's 500 Index. Amazon.com Inc. founder Jeff Bezos added the most in 2017, a \$34.2 billion gain that knocked Microsoft Corp. co-founder Bill Gates out of his spot as the world's richest person in October. Read more [HERE](#).*

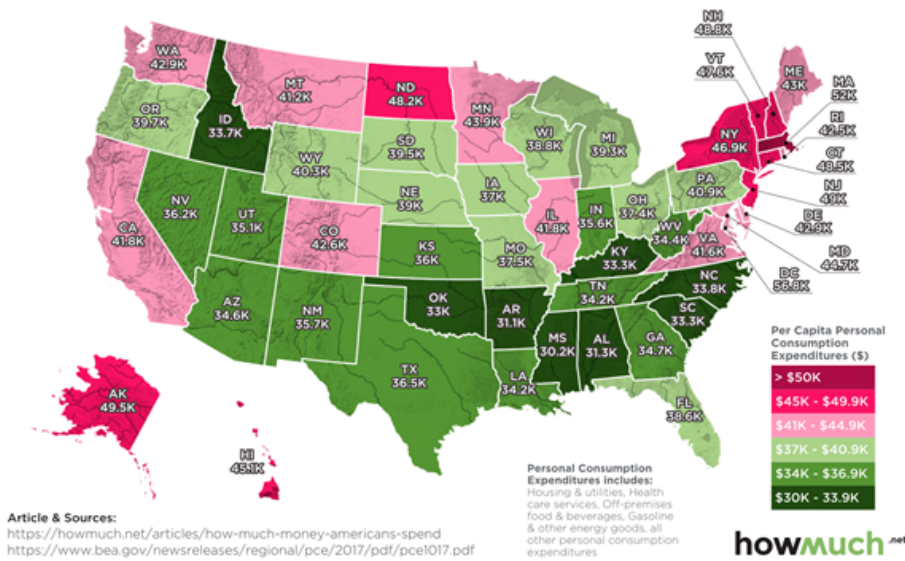
Why You Should Make An Anti-Resolution List: *New Year's resolutions can be the most daunting to-do list of all. The most popular for 2017 were "get healthy," "get organized," and "live life to the fullest," according to NBC News. No wonder the majority of us fail to make changes. Instead of declaring a grand life goal, consider reframing the change into an anti-resolution—a not-to-do list of sorts, suggests Mike Vardy, author of *The Front Nine: How to Start the Year You Want Anytime You Want*. "Having a list of things you're not going to do is easier to achieve," he says. "If I know what I don't do, it's easier to live intentionally." Read more [HERE](#).*

The Difference Between Open-Minded and Closed-Minded People: *The rate at which you learn and progress in the world depends on how willing you are to weigh the merit of new ideas, even if you don't instinctively like them. Perhaps especially if you don't like them. What's more, placing your trust and effort in the right mentor can propel you forward, just as placing it in the wrong person can send you back to the starting point. Read more [HERE](#).*

America's Biggest Spenders: *Consumer spending is the engine that powers the American economy, accounting for about 70 percent of all activity. An uptick as small as 0.3% can cause the Federal Reserve to reevaluate its plan on raising interest rates. Since looking at these numbers in aggregate can tell you a lot about the economy's direction, HowMuch decided to break down personal consumption at the state level. They color-coded each state based on how expensive it is there—green states are comparatively cheaper, and red states are more expensive. This approach gives you a good idea not only how much things cost, but also a thing or two about the economy at the state level. The mapped data reveals some interesting trends. First off, there's a cluster of pink and red states grouped in the Northeast. As a matter of fact, six of the top ten most expensive places are in the Northeast. There's also a collection green states across the Deep South to the Southwest. Another interesting trend - this map is*

a close approximation of the results for the 2016 election. More details and a larger version of the map are available [HERE](#).

How Much Money Americans Spend in Every State Per Capita Personal Consumption Expenditures





Check Out Some Of The Top Rated Apps

Smartphone apps are just as popular as ever, and this past year there has been a slew of new offerings, along with dramatic upgrades for existing favorites. Technological advances in machine learning and augmented reality, as well as the proliferation of digital assistants like Alexa, have paved the way for some very inventive new tools and toys. In fact apps have become the primary way consumers now navigate the internet, overtaking mobile and desktop web browsers. They also account for the vast majority of time spent on mobile devices. U.S. app users spend 90% of their mobile app time in their top five apps, making up 51% of total digital time spent. A recent report showed Facebook and Google dominate the U.S. mobile app space, essentially owning all of the top six apps with the highest reach and accounting for eight of the top-10 apps downloaded on users phones. Facebook's main app is in the #1 spot, boasting 81% app audience penetration. With around 147 million monthly users, the Facebook app ranks the highest among all mobile apps in terms of monthly users on both smartphone and tablets. Following closer behind, Facebook Messenger took third place with 68% app audience penetration, while Instagram achieved sixth place with 50%. Google owns the most apps in the top 10. YouTube took the second overall spot with 71% app audience penetration, and google' Search app took fourth place with 61%. Google Maps followed close behind in fifth with 57%, Google Play was rated eighth with 47% and Gmail was in ninth with 44%. As the app market consolidates under the umbrellas of Facebook and Google, brands and developers are going to have to find new ways to engage users. Below are some of the apps outside of Facebook and Google that seem to have

gained some traction this past year. I thought you might want to check them out and see why others are using them: (Sources: FastCompany, TechCrunch, Digital Trends)

Hitlist - *Most flight search apps follow the same, stale formula: Enter the destination, enter the date, then sift through the results to find the most tolerable option. Hitlist takes a different approach, asking you to pick a destination, and then telling you the best time to travel there. The app also brings weekend getaways and other deals to the surface. This app actually launched in 2014, but it only became available for Android this year.*

FaceApp - *There's no shortage of photo editing apps available for tweaking selfies, but FaceApp has taken the concept one step further by allowing users to apply filters that change their age, gender and facial features.*

Plotagraph+ - *This is an app for animating photographs. Unlike similar apps that have come before it, Plotagraph+ doesn't require a series of stills to loop. Instead, you use a single photograph, plotting out arrows to define areas of movement, and masking out zones that should remain static. It won't work well with every image, but when you do have the right photo, it can be transformed into something almost magical.*

Signal - *With a new hack in the headlines almost every week, it's worth taking some time to beef up your digital security. A top app to do that is Signal, an encrypted messaging app built with privacy in mind, which helps to keep your texts safe from prying eyes.*

Reelgood - *One of several apps that helps you navigate across streaming video services, Reelgood is consistently rated as the most comprehensive with support for more than 250 video sources. You can create watch lists, get notified when new episodes arrive, filter out services you don't care about, and browse through a long list of suggestions on what to watch. Once you've found something, Reelgood will take you directly to the appropriate streaming app.*

Lazy Jar - *You can literally blackmail yourself into meeting your fitness goals. Via a user's Fitbit, Lazy Jar asks you to put a "security deposit" on the line as you track weekly fitness goals over six months. Each time you fail, Lazy Jar takes some money out of the deposit, with 80% going to charity and 20% going to the developers.*

Better - *This one sounds almost too good to be true, but there are reviews all over the web raving about it. Better helps users navigate the insurance industry. Just take a photo of your bill, and Better will go to work on getting you paid back. The company says it's ideal for out-of-network services including therapy, optometry, and dental care. TechCrunch's Sarah Buhr reported getting a \$1,000 out-of-network bill slashed to a couple hundred dollars through the app.*

PCalc - *In some respects, PCalc is a traditional calculator – like the super-powered equivalent of something you might find sitting on a desk. There's multiline and RPN, a paper tape, and multiple undo. Need conversions and constants? Done. Engineering and scientific notation? Sure. You can even edit the individual buttons, if you for some reason want the 6 key to be massive. It also has a bizarre and funny tool in the "About" section that lets users lob anti-gravity bananas.*

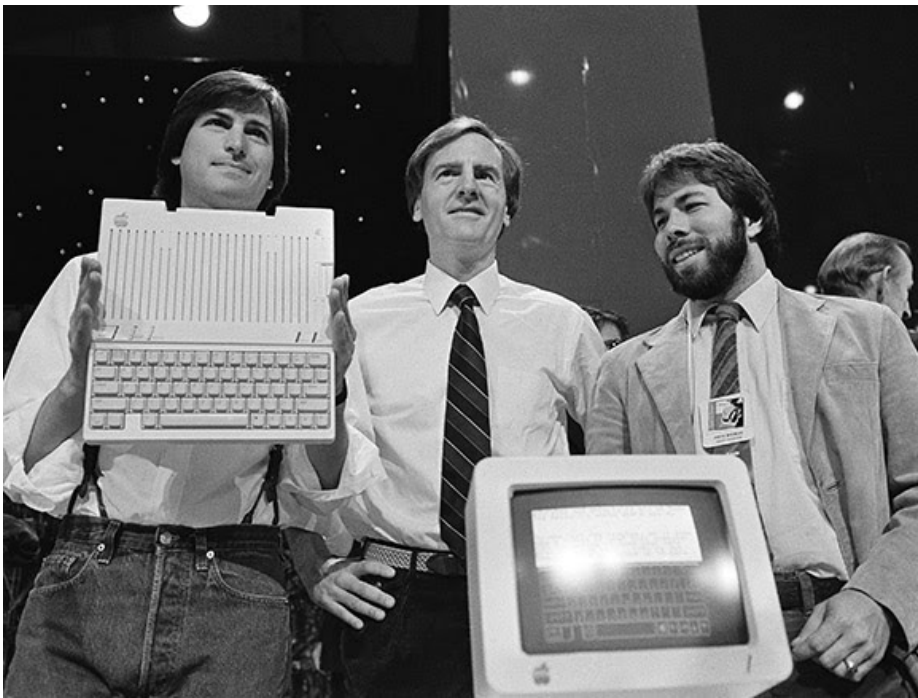
Just Press Record - *A highly usable audio recorder and transcription tool, you start by simply tapping a big red button to record whatever you want. Saved recordings head to iCloud, meaning they can be accessed on any device. Every recording is automatically transcribed, which makes all of them searchable via keywords.*

Pocket Casts - *For anyone that is hooked on podcasts, Pocket Cast has been billed as an "insanely" stable and good looking app that allows you to download or stream various podcasts. It features both audio-only and video podcast support so you can catch up on just about anything. There is also a light and dark theme, a sign-in feature so you can sync your podcasts across devices, and a recommendations function.*



World's Wealthiest Company Officially Gets Its Start... Amazing Story!

It was 40 years ago today that three men, Steve Jobs, Steve Wozniak, and Ronald Wayne officially incorporated a company called Apple Computer, Inc. The team's primary goal was to sell Wozniak's Apple I personal computer. Within a few years, Jobs and Wozniak had hired a staff of computer designers and had a production line. Ronald Wayne, had left and sold his 10% share of the company back to Jobs and Wozniak for \$800 only a couple weeks after co-founding the company. Not a lot of compensation for the man who drew the first Apple logo, wrote the three men's original partnership agreement, and wrote the Apple I manual. Word is Wayne didn't want to be personally responsible for any debts incurred by the partnership; unlike Jobs and Wozniak, then 21 and 25, Wayne had personal assets that potential creditors could seize, so he didn't see risk being worth the reward. In 1980 Apple Computer Inc. went public with prices trading at \$22 per share. As the market for personal computers increased, Apple's computers saw diminishing sales due to lower-priced products from competitors, in particular those offered with the Microsoft Windows operating system. Founder Steve Jobs was forced to leave the company as power struggles between executives heated up. Jobs regained position as CEO, and began a process to rebuild Apple's status, which included opening Apple's own retail stores in 2001, making numerous acquisitions of software companies to create a portfolio of software titles, and changed some of the hardware technology used in its computers. It again saw success and returned to profitability. In January 2007, Jobs announced that Apple Computer, Inc. would be renamed Apple Inc. to reflect its shifted focus toward consumer electronics, at the same time he announced the iPhone, a product that forever changed our lives. Reports circulating show the company sold 270,000 iPhone units during the first 30 hours of sales. The company now employs almost 125,000 full-time employees and maintains approximately 500 retail stores. It also operates the iTunes Store, which is the world's largest music retailer. It was reported two years ago that more than one billion Apple products were actively in use worldwide. What an amazing company and unbelievable success story. In case you are wondering, if Ronald Wayne would have kept his 10% stake in Apple Inc., it would now be worth close to \$100 Billion!

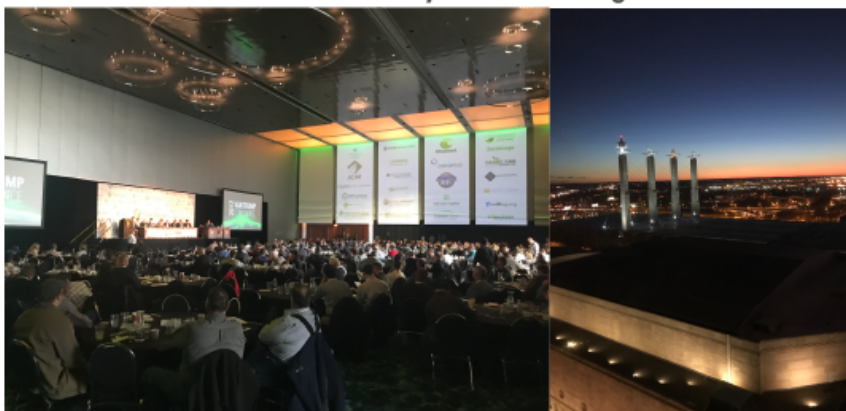


Click [HERE](#) to see this short video... I ordered a few more DVD's if you are interested!



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Land Prices? · What about Bitcoin? · Will Corn Reach \$4.50? Soybeans \$12.00? Wheat \$5.50? · The Future of Ethanol? · What Happens with the New Farm Bill? · Dennis Gartman · Rail & Transportation · Dr. Rick Rigsby · The Future of Artificial Intelligence · And More...

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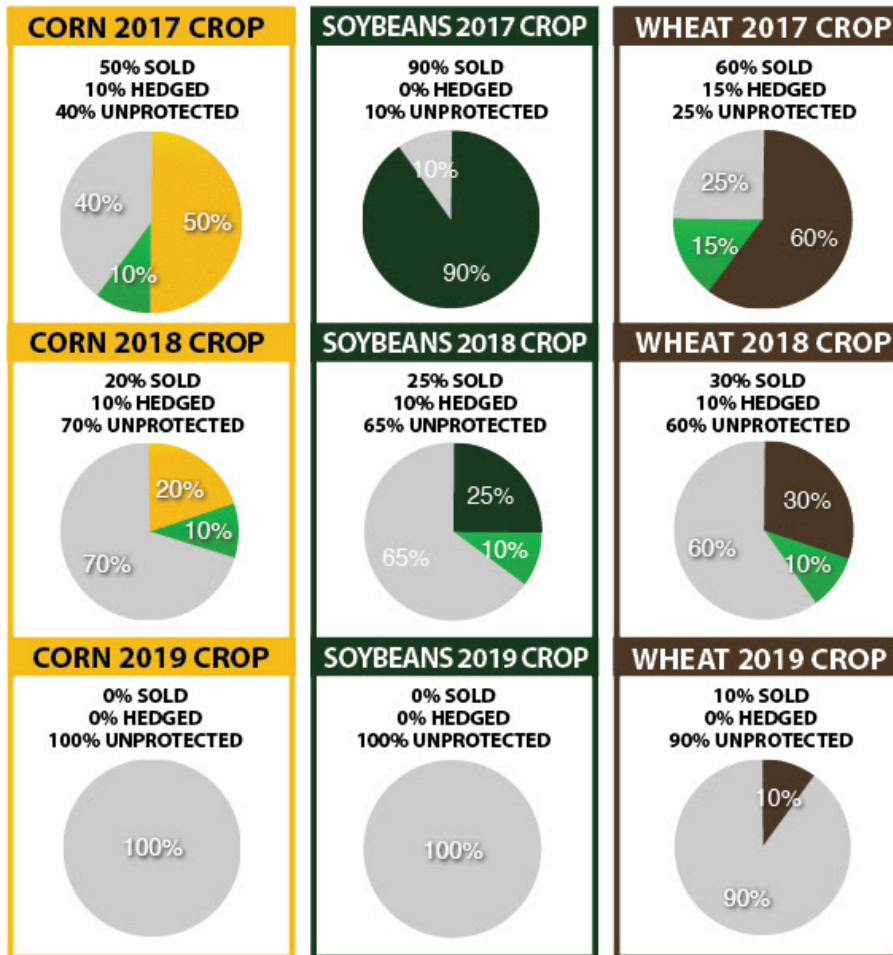


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