

GOOD MORNING: 01/05/18 Farm Direction - VanTrump Report

1 message

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

Fri, Jan 5, 2018 at 7:03 AM



"Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it's worth it in the end because once you get there, you can move mountains." —Steve Jobs

FRIDAY, JANUARY 05, 2018

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Morning Summary: Investors continue pushing stock prices to new heights, helping the Dow close above 25,000 for the first time ever. The Dow first closed above 24,000 on November 30, so the latest 1,000 point gain took just 35 days. Impressive economic data is once again a major catalyst behind the latest record highs. ADP yesterday reported the private sector added +250,000 jobs in December, by far blowing away expectations that were around +188,000. The official Employment Situation for December is due out this morning with consensus calling for around +190,000 jobs gained. Keep in mind, the labor market is currently sitting on a near record number of job openings while the unemployment rate is at a very low 4.1%, which experts believe should begin setting off more significant earnings increases. The year-on-year gain as of last month stood at just +2.5%. Other key economic data due out today includes International Trade, Factory Orders and ISM Non-Manufacturing. Congressional leaders and the Trump administration continued budget talks yesterday though it's not immediately clear what kind of progress they may have made. Insiders have called the meetings "positive and productive", but the real test will come next week when the House returns to Washington and negotiations begin in earnest. Lawmakers have a long list of unfinished business, including immigration, disaster aid and health care, all of which are expected to be on the bargaining table as Congress attempts to pass a funding bill. It's important to note that unlike the GOP tax plan, a budget deal is going to need support from Democrats in order to pass. Next week will bring the start of fourth-quarter earnings season with Wall Street banks JP Morgan and Wells Fargo kicking things off on Friday. The estimated earnings growth rate for the S&P 500 is +10.9%. All eleven sectors are expected to report earnings growth for the quarter, led by the Energy sector, according to FactSet. Economic data next week remains fairly heavy, with Consumer Credit on Monday; JOLTS on Tuesday; Import/Export Prices, Atlanta Fed Business Inflation and Wholesale Trade on Wednesday; the Producer Price Index on Thursday; and the Consumer Price Index, Retail Sales and Business Inventories on Friday.

White House Proposes Massive Expansion Of Offshore Drilling: The Trump administration is proposing to greatly expand the areas available for offshore oil and natural gas drilling, including off the Pacific and Atlantic coasts. In the first major step toward the administration's promised expansion of offshore drilling, Interior Secretary Ryan Zinke said nearly all of the nation's outer continental shelf is being considered for drilling, including areas off the coasts of Maine, California, Florida and Alaska. The proposal is far larger than what was envisioned in President Trump's executive order last year seeking a new plan for the future of auctions of offshore drilling rights. That order asked Zinke to consider drilling expansions in the Atlantic and Arctic oceans. The plan, which would include 47 auctions for drilling rights between 2019 and 2024, is part of Trump's agenda to boost domestic oil and natural gas production to create "energy dominance" and unlock the nation's "great energy wealth." The only areas excluded from the plan are Alaska's Bristol Bay — which former President George W. Bush protected — and existing marine sanctuaries. Interior also doesn't allow drilling around Hawaii or U.S. territories. (Sources: The Hill, Fox)

Americans Are The Most Upbeat They've Been In 16 Years! American consumers last year were more upbeat on average than at any time since 2001, reflecting more favorable views of the economy, personal finances and the buying climate, according to the Bloomberg Consumer Comfort Index released Thursday.

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Today In History

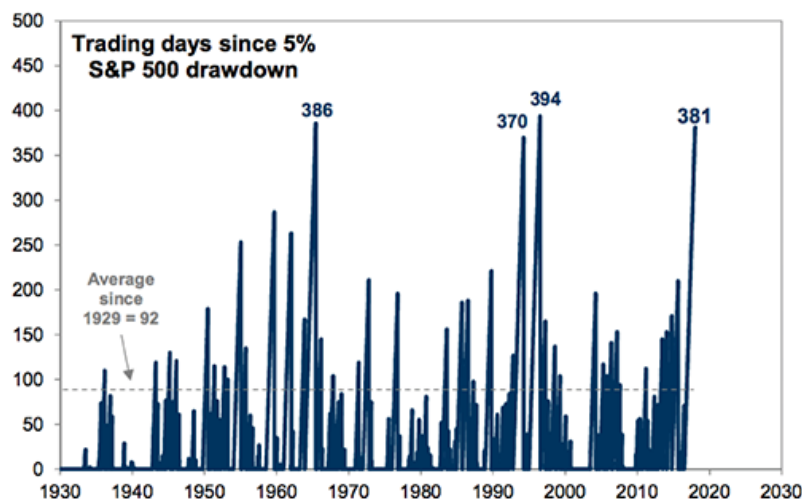
1643 - In the first record of a legal divorce in the American colonies, Anne Clarke of the Massachusetts Bay Colony is granted a divorce from her absent and

The Comfort measure averaged 50.0 in 2017, up from 43.6 a year earlier and the best reading since 51.8 in 2001. Sentiment in 2017 got a boost from the combination of a solid labor market that's pushed unemployment to an almost 17-year low, limited inflation and record stock prices. Such optimism should help keep consumers spending after a bright holiday-shopping season. Retail sales during the year-end holidays may have been the strongest in more than a decade, according to calculations from research firm Customer Growth Partners. Americans with investments enjoyed a 19 percent increase in the Standard & Poor's 500 Index, the best annual gain since 2013. (Source: Bloomberg)

The S&P 500 Is Poised To Make History...Again: The stock market is on the brink of history. Sure, the S&P 500 has made history on a seemingly weekly basis with its record highs, but this unprecedented feat is about longevity. The index has gone 382 days without a 5% pullback, putting it just over two weeks away from the longest streak on record, dating back to 1929, according to Goldman Sachs data. That U.S. stocks are at the precipice of such a prolonged stretch of strength speaks to the resilience of the ongoing bull market, which will turn nine years old in early March and is already the second-longest on record. At the core of the ongoing rally has been a "buy the dip" mentality, which involves adding to bullish positions whenever stocks drop. Of course, no rally can be considered legitimate without concrete reasons for traders to buy more stocks. In the case of the streak without a 5% dip, U.S. equities have benefited greatly from six straight quarters of earnings growth, which followed a multiquarter profit recession. Add that earnings expansion to a gradually improving economy and continued monetary accommodation from global central banks and you have a combination of factors ideal for supporting an unprecedented run of gains. (Source: Business Insider)

MARKETS ▴ CHART OF THE DAY

Exhibit 1: 381 trading days since last 5% S&P 500 drawdown as of December 29, 2017



Source: Goldman Sachs Global Investment Research.

SOURCE: Goldman Sachs

BUSINESS INSIDER



adulterous husband, Denis Clarke, by the Quarter Court of Boston, Massachusetts. In a signed and sealed affidavit presented to John Winthrop Jr., the son of the colony's founder, Denis Clarke admitted to abandoning his wife, with whom he had two children, for another woman, with whom he had another two children. He also stated his refusal to return to his original wife, thus giving the Puritan court no option but to punish Clarke and grant a divorce to his wife, Anne. The Quarter Court's final decision read: "Anne Clarke, being deserted by Denis Clarke her husband, and he refusing to accompany with her, she is granted to be divorced."



1846 - Boldly reversing its long-standing policy of "free and open" occupation in the disputed Oregon Territory, the U.S. House of Representatives passes a resolution calling for an end to British-American sharing of the region. The United States, one congressman asserted, had "the right of our manifest destiny to spread over our whole continent." In different circumstances, such aggressive posturing might have led to war. The British, through their Hudson Bay Company at the mouth of the Columbia River, had a reasonable claim to the disputed territory of modern-day Washington. In contrast, the only part of the Oregon Territory the U.S. could legitimately claim by settlement was the area below the Columbia River. Above the river, there were only eight recently arrived Americans in 1845. Nonetheless, the aggressively expansionistic President James Polk coveted Oregon Territory up to the 49th parallel (the modern-day border with Canada). Yet Polk was also on the verge of war with Mexico in his drive to take that nation's northern provinces, and he had no desire to fight the British and Mexicans at the same time. Consequently, Polk had to move cautiously. Some of his fellow Democrats in the Congress pushed him to be even more aggressive, demanding that Americans control the territory all the way up to the 54th parallel, approximately where Edmonton, Alberta, is today. For five months, debate raged in Congress over the "Oregon controversy," but the House resolution in January made it clear that the U.S. was determined to end the joint occupation with Great Britain. Luckily, the British agreed to abandon their claim to the area north of the Columbia and accept the 49th parallel as a border. The Hudson Bay Company already had decided to relocate its principal trading post from the Columbia River area to Vancouver Island, leaving the British with little interest in maintaining their claim to area. Despite the cries of betrayal from the advocates of the 54th parallel, Polk wisely accepted the British offer to place the border on the 49th parallel. The new boundary not only gave the U.S. more territory than it had any legitimate claim to, but it also left Polk free to pursue his next objective: a

Weather in the Corn Belt has seen another brutally cold surge of air maintain feed requirements for winter-weary livestock. Windy weather is adding to the animals' discomfort, especially in the eastern Corn Belt, while snow showers are developing downwind of the Great Lakes. On the Plains, chilly conditions linger across roughly the eastern half of the region. In contrast, mild air is overspreading the High Plains. From Nebraska northward, most winter wheat field retain a protective snow cover. However, snow is starting to erode across the northern High Plains due to mild, breezy weather. In the West, rain showers are spreading across parts of northern and central California. In the Sierra Nevada, snow is confined to the highest elevations. Mild, dry weather covers the remainder of the West. Looking to South America, the far southern state of Rio Grande do Sul may have drier and hotter conditions than previously indicated. Meanwhile, Parana and Mato Grosso do Sul continue with a favorable pattern for crops. As for Argentina, weather forecasts call for mainly dry conditions across major crop growing areas through the next week. Episodes of extreme heat and a below normal rainfall pattern increases the risk to crops grown in La Pampa and southern Buenos Aires. Santa Fe and northern Buenos Aires also look to trend toward above normal temperatures and below normal rainfall during the next week to 10 days. Another surge of bitter cold air is expected to direct the brunt of Arctic air across the Midwest and Northeast over the next few days. Meanwhile, mild air will spread as far east as the Mississippi Valley during the weekend. However, moisture in advance of the warmer air could result in freezing or frozen precipitation in parts of the Midwest and Southeast.

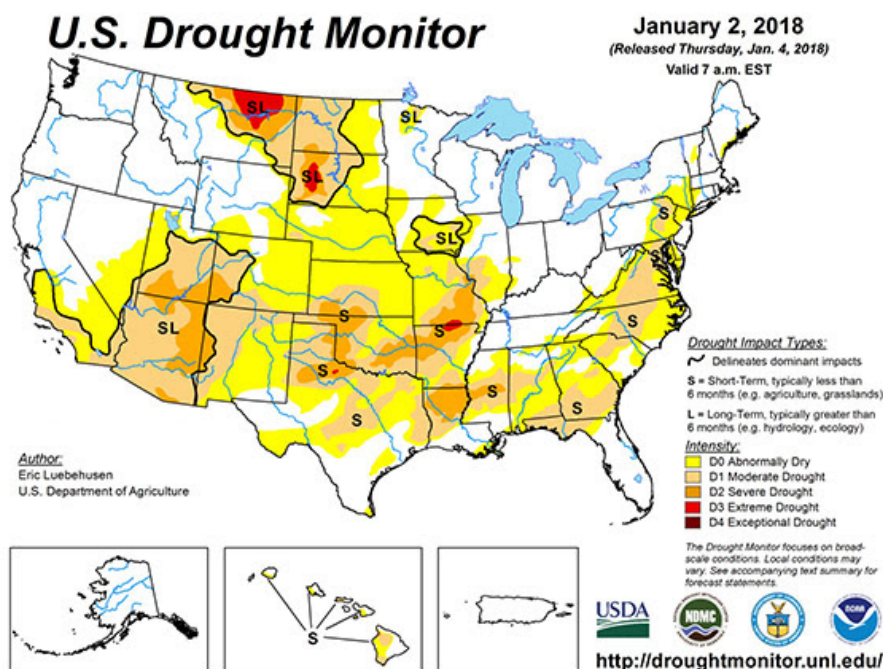
Dryness Continues for Plains as Drought Expands: According to the latest U.S. Drought Monitor, approximately 33% of winter wheat production is now within an area experiencing drought. The recent trend toward drought intensification and expansion resumed. Moderate to Severe Drought were reintroduced to locales in Louisiana, Mississippi and Arkansas where 90 day rainfall was 60% of normal. Moderate drought also increased in parts of Missouri where 90 day precipitation was locally less than half of normal. Meanwhile, crop conditions continue to deteriorate. The USDA rated Kansas HRW at just 37% of the crop in good to excellent condition at the end of December, down from 51% a month earlier.

war with Mexico for control of the Southwest.



1933 - Construction begins on the Golden Gate Bridge, as workers began excavating 3.25 million cubic feet of dirt for the structure's huge anchorages.

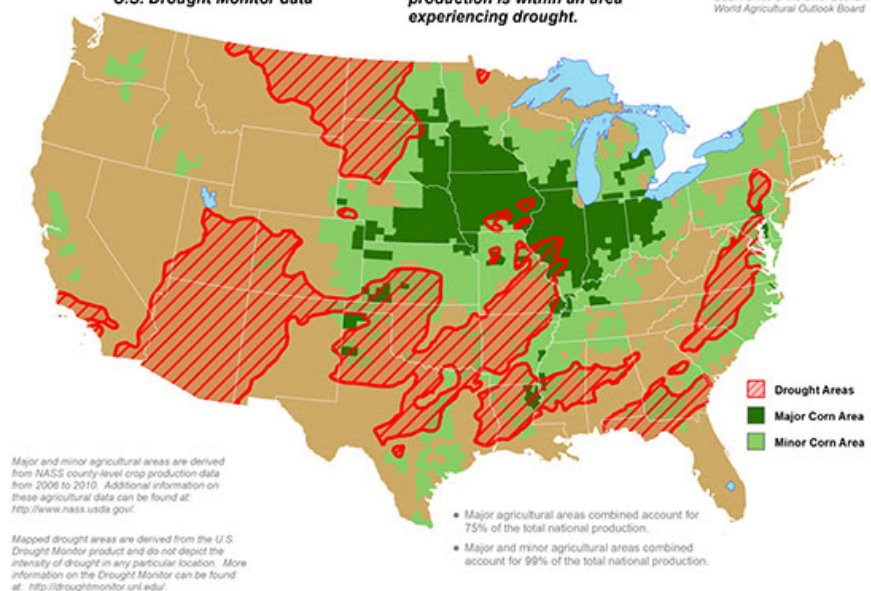
Following the Gold Rush boom that began in 1849, speculators realized the land north of San Francisco Bay would increase in value in direct proportion to its accessibility to the city. Soon, a plan was hatched to build a bridge that would span the Golden Gate, a narrow, 400-foot deep strait that serves as the mouth of the San Francisco Bay, connecting the San Francisco Peninsula with the southern end of Marin County. Although the idea went back as far as 1869, the proposal took root in 1916. A former engineering student, James Wilkins, working as a journalist with the San Francisco Bulletin, called for a suspension bridge with a center span of 3,000 feet, nearly twice the length of any in existence. Wilkins' idea was estimated to cost an astounding \$100 million. So, San Francisco's city engineer, Michael M. O'Shaughnessy (he's also credited with coming up with the name Golden Gate Bridge), began asking bridge engineers whether they could do it for less. Engineer and poet Joseph Strauss, a 5-foot tall Cincinnati-born Chicagoan, said he could. Eventually, O'Shaughnessy and Strauss concluded they could build a pure suspension bridge within a practical range of \$25-30 million with a main span at least 4,000 feet. The construction plan still faced opposition, including litigation, from many sources. By the time most of the obstacles were cleared, the Great Depression of 1929 had begun, limiting financing options, so officials convinced voters to support \$35 million in bonded indebtedness, citing the jobs that would be created for the project. However, the bonds couldn't be sold until 1932, when San-Francisco based Bank of America agreed to buy the entire project in order to help the local economy. The Golden Gate Bridge officially opened on May 27, 1937, the longest bridge span in the world at the time. The first public crossing had taken place the day before, when 200,000 people walked, ran and even roller skated over the new bridge. With its tall towers and famous red paint job, the bridge quickly became a famous American landmark, and a symbol of San Francisco.



U.S. Corn Areas Experiencing Drought

Reflects January 2, 2018
U.S. Drought Monitor data

Approximately **11%** of corn
production is within an area
experiencing drought.



Upcoming Events

Mon. 1/15 - Martin Luther King, Jr. Day
- Markets Closed

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

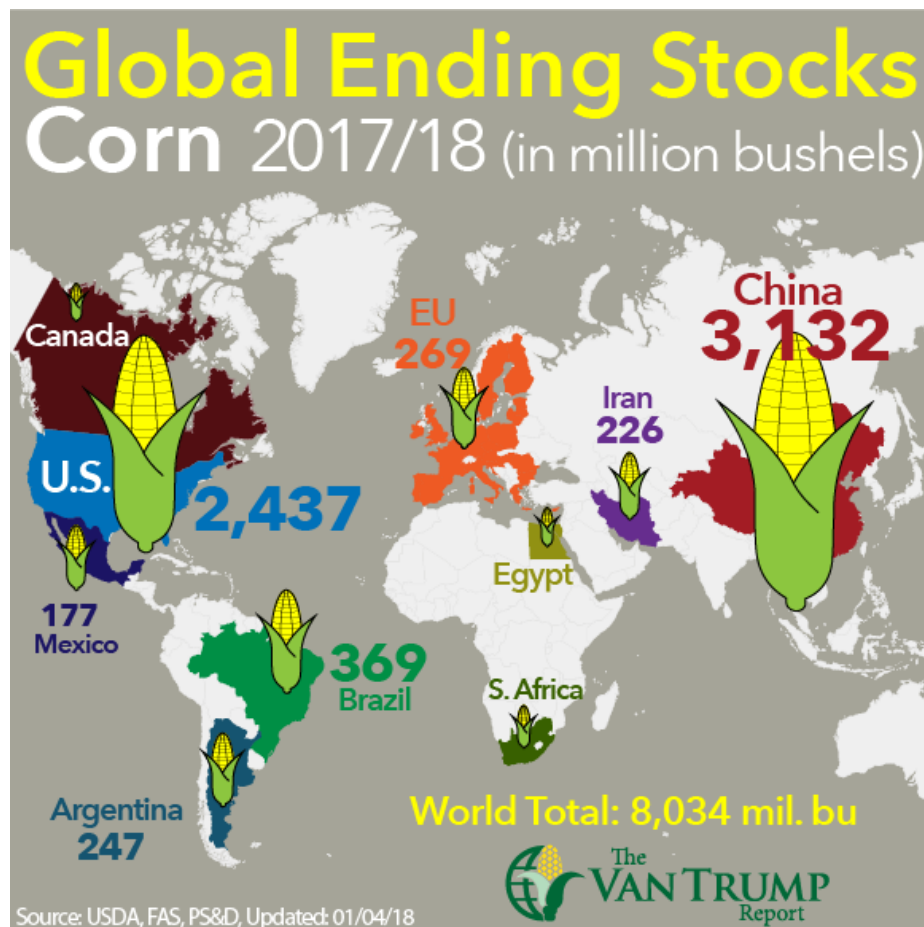
Tues. 1/23 - Cold Storage

Fri. 1/26 - Cattle on Feed

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

Corn bulls are hoping to see CONAB today taper back their Brazilian corn crop estimate. I'm not sure they will make that move, but I've been hearing a lot more talk from boots on the ground inside Brazil that the corn acres just aren't going to be there and that the USDA could be 5-7 MMTs too high with their current Brazilian crop estimate. Bulls are also thinking longer-term Chinese corn demand might prove to be a welcomed surprise in 2018. And that U.S. growing conditions could face headwinds as dry conditions start to expand. Bottom-line, bulls are betting on a reduction in the Brazilian crop compared to last year; improved Chinese demand and continued strong

global demand for corn and ethanol; the odds of a U.S. weather complication in 2018 increasing as dry conditions expand and a La Niña pattern continues to bring uncertainty. The bears continue to bet on the more obvious. The U.S. is swimming in old-crop supply; the USDA could bump ending stocks even higher (closer to 2.5 billion bushels) in the end of year report scheduled for release next Friday; U.S. exports have been struggling; Early surveys show U.S. producer are saying they will plant more corn acres in 2018. I personally like the bullish cards that are building for the longer-term bets, but understand the traditional fundamentals and the cards the bears continue to hold. As both a spec and a producer, I can see the market continuing to grind sideways to lower nearby, lower highs and lower lows are still in the mix. Unlike most, I'm not sold on the fact the MAR18 contract has posted its low. I'm still respectful to the fact this market could be pulled down into the \$3.30's before delivery. A bit further out on the time horizon I do believe there's some real reasons to be optimistic. Hence, I like the thought of re-owning in some capacity any cash-sales you are forced to make sub-\$3.50 per bushel. As a spec, I like the thought of taking small bullish bites on any breaks.



Soybean prices are up this morning, but I feel like the bears seem to be gaining a bit more grip on the market. South American weather is providing limited tailwinds and many insiders are actually bumping their total production estimates higher, not lower. At the same time there is more talk of U.S. producers planting another round of record soybean acres in 2018. Throw on top there seems to be more uncertainty and debate brewing about Chinese demand for U.S. soybeans than I've heard in some time. Not only is there the concern about quality restrictions, but also ongoing demand once China start using more domestic corn for ethanol and creating domestic DDGS. Keep in mind, the trade is already looking for the USDA to cut their yearend U.S. export estimate and push ending stocks up to between 450 and 500 million bushels. It's just hard for me to be bullish nearby in this environment. I think we continue to drift lower. From a technical perspective, most gurus still see heavy psychological support at or around the \$9.50 area vs. the MAR18 contract. If we close below that level, the contract lows that were posted this past summer at \$9.37⁴ will quickly come into play. I just don't see any reason to be a big buyer on the breaks. In fact, I prefer the thought of selling into any unforeseen or unexpected rally of any size.

Thurs. 2/8 - USDA Supply and Demand

Fri. 2/16 - Farms and Land in Farms

Mon. 2/19 - Washington's Birthday - Markets Closed

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

Fri. 2/23 - Cattle on Feed

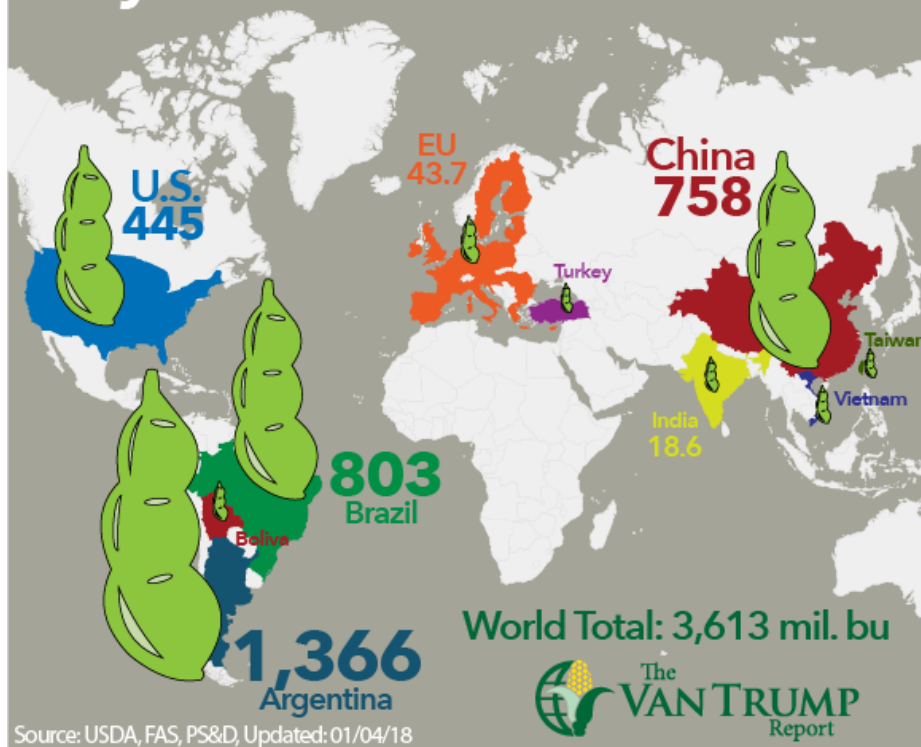
Fri. 4/30 - Good Friday - Markets Closed

Kevin's Song of the Week



About the Report

Global Ending Stocks Soybean 2017/18 (in million bushels)



Wheat bulls are pausing and appear to be waiting for the next wave of bullish headlines. U.S. weather problems seem to be well advertised and uncertainties involving parts of Europe and the Black Sea region are still evolving. On the flip side, bears see talk of problems here at home and abroad as simply that... just "talk". The most traditional fundamental facts remain the same, we are in an oversupplied environment. There's also plenty of cheap wheat still floating around in the global marketplace. Unfortunately, I feel until we get that "song" to change, it's going to be tough to get the market to move using different dance steps. Another way I could explain it, is the fact I certainly see more bullish cards being added to the deck, but it might take a while longer before the bulls are able to pick up the right cards to make more bullish and bold wagers. Some of the better players I know, and those who I believe are stronger at recognizing shifts and changes, seem to be starting to raise their bets a bit. Keep in mind, most of these players are traditionally a bit early to the party. I'm personally staying patient and a longer-term bull, believing the trend lower has been in place for so long it's going to take more time and convincing to change direction and overall sentiment.

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

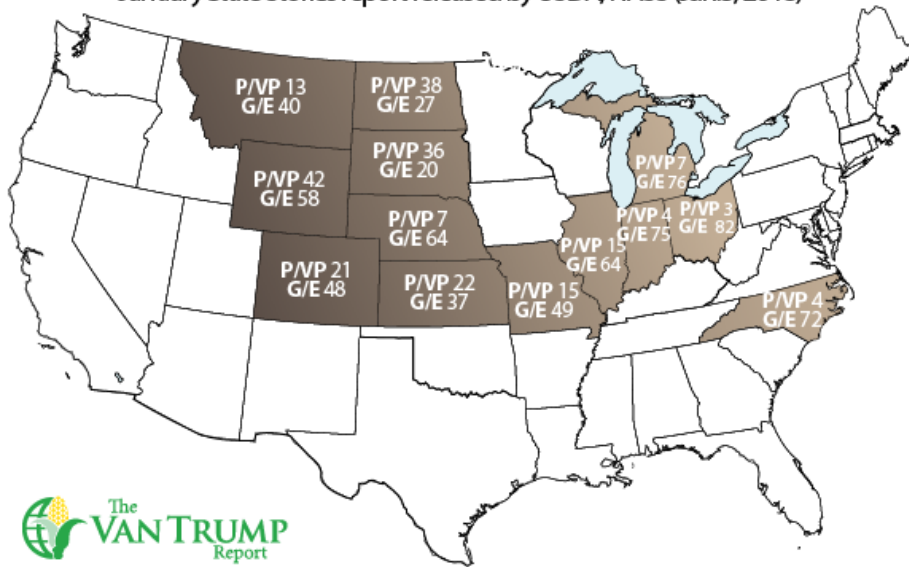
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis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

Winter Wheat Conditions

We have our first look at winter wheat conditions from the January State Stories report released by USDA, NASS (Jan.3, 2018)



The VAN TRUMP Report

Source: USDA, NASS January 2018 State Stories

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.



> Ethanol Production Falls Slightly: The U.S. Energy Information Administration says that for the week ending December 29th, 2017, production averaged 1.032 million barrels per day, down 58,000 from the previous week, but still above a million barrels a day for the 12th week in a row. According to EIA data, ethanol production averaged more than a million barrels a day 44 weeks out of the year. Stocks did build last week, jumping 588,000 barrels to 22.619 million.

> Ukraine, Russian Wheat Winterkill Risks "Insignificant: UkrAgroConsult, in response to possible winter wheat losses in Ukraine and Russia if frosts come within the next 2-3 weeks, says the current forecast does not warrant widespread concern. "If snow cover is absent or is very thin, frosts under minus 9 could damage critically winter rapeseed and frosts under minus 15 could damage critically winter wheat. Meanwhile, within next two weeks, night frosts are forecasted not lower than 7 degrees below zero. UkrAgroConsult considers winterkill risks as insignificant if the weather forecasts are true." The consultancy says winterkill risks for longer periods will be estimated after new weather forecasts are available. (Source: UkrAgroConsult)

> Indonesia To Extend Biodiesel Subsidy: The Indonesian government is set to extend the B-20 biodiesel subsidy to the non-Public Service Obligation sector, an energy ministry official said. The Indonesian government had been under pressure to increase the biodiesel blending mandate into the non-PSO sector, Southeast Asian market sources said, but actual implementation could take some time. Indonesian domestic biodiesel demand could double because of the extension of the mandate into the non-PSO sector, because currently PSO and non-PSO demand are at similar levels, said Togar Sittangang, Secretary-General of the Indonesian Biofuel Producers Association. (Source: Platts)

> U.S. Soon To Be Energy Superpower: Experts believe by 2020 the U.S. will be in the top ten in the world of oil exportation. With the boom in shale production over the last few years, we are also poised to be the largest exporter of liquified natural gas within the same timeframe. Keep in mind while we are kicking out product, OPEC has been cutting back trying to stabilize prices that have tumbled from a high of \$120 a barrel back in 2014. With the freedom from depending on others for supply, it could also be the cause of future geopolitical squabbles. (Source: CNBC)

> Arkansas Keeps Dicamba Ban In Place: Officials with the Arkansas State Plant Board voted 11 to 3 on Wednesday to stick with its statewide ban of dicamba as of April

15. The vote came after a subcommittee of the state's legislative council asked the board to reevaluate its earlier decision. The subcommittee will revisit the Plant Board's decision again on Jan. 16. Officials with Monsanto, which has already filed suit over the board's initial decision, expressed frustration with the vote. Scott Partridge, Monsanto's vice president of global strategy, noted that plant board officials relied on "a study of an old 1970s formulation of dicamba that has none of the low-volatility characteristics" of its new formulation. Partridge added that the board failed to do the research the legislative council had asked for. (Source: Politico)

> Researchers Eliminate One Suspected Host In 2015 AI Outbreak: A research team at Iowa State University said it has found no evidence that the 2015 avian influenza (AI) outbreak was spread in part due to small animals such as rodents and wild songbirds. The team captured and tested about 450 small wild birds and rodents for the presence of Type A influenza viruses, which can cause AI in birds. The project determined that the sample animals did not have any signs of Type A influenza based on genetic tests involving a search for antibodies against the viruses. The spread of AI three years ago resulted in the culling of more than 30 million chickens in Iowa alone, a state that suffered losses of at least \$1.2 billion in the wake of the epidemic. (Source: MeatingPlace)


> Monsanto Profit's Squeezed On Weak Farmer Incomes: Monsanto Co reported weaker-than-expected quarterly earnings on Thursday and said low crop prices hurting farmers' incomes would limit the company's ability to profit from sales of its genetically engineered seeds and agricultural chemicals. In the fiscal first quarter ended Nov. 30, net profit attributable to Monsanto rose to \$169 million, or 38 cents per share, from \$29 million, or 7 cents per share, a year earlier. Analysts had expected earnings of 42 cents a share. Total net sales were nearly flat at \$2.658 billion, below analysts' expectations for \$2.77 billion. Monsanto said it benefited from strong demand for its Intacta brand soybean seeds in South America and sales of glyphosate, the key ingredient in its popular weed killer Roundup. Monsanto, which is being acquired by Bayer AG, does not have "great hope for significant price improvement" for its U.S. corn seeds, Chief Executive Hugh Grant told analysts on a conference call. However, Monsanto says it will be helped by growth in its soybean business. (Sources: Bloomberg, Reuters)

> Merging Grain Coops Agree On Name: Two merging cooperatives have chosen the name Agtegra Cooperative for their new South Dakota-based venture that will launch Feb. 1. The boards of directors of North Central Farmers Elevator and Wheat Growers voted to approve the name for the cooperative, which will have 900 employees in North and South Dakota serving more than 60 communities and approximately 7,850 member-owners and 22,600 equity holders. In addition to offering grain and agronomy services, the cooperative will offer its members aerial application services, fuel, animal feed, and precision ag hardware and software products and services. (Source: World Grain)

> Spotify has announced it's hit 70 million paid subscribers: Including the ad-supported free tier, Spotify now boasts more than 140 million subscribers. That's compared with Apple Music, which said in September it had "well over" 30 million subscribers. Spotify has filed to go "public" and hopes to be up and trading on the exchange by the second half of 2018.

> How Are Those New Year's Resolutions Going So Far? As 2018 kicked off, many people around the world optimistically set themselves New Year's resolutions. According to a YouGov poll, the most common aspirations for the coming year in the U.S. are to eat healthier, get more exercise and to save more money. Almost one third, perhaps more realistically, said that they wouldn't be bothering with any resolutions. (Source: Statista)

Farm Direction
RECIPES
★ **FAMILY FAVORITES** ★
-SENT IN BY OUR READERS-



Crock Pot Chicken and Dumplings

CLICK TO SEE RECIPE

The Most Common New Year's Resolutions for 2018

"Which of the following are you planning to include among your New Year's resolutions?"



Multiple responses possible
n=1,159 U.S. adults. Conducted December 8-11, 2017.
©StatistaCharts Source: YouGov

statista

FROM THE FIELD

Eastcentral Illinois - Our area was in a very dry zone for the state, considering what others around us received. The county yields for corn ran from 40-170bpa. If you traveled north or south 30-40 miles, yields were hitting 220-230bpa. Our corn only reached 111bpa. Our beans reached 50bpa and the double crop beans only saw 40. Thanks to insurance we are going to be fine and we are hearing most guys will be able to farm again around here despite the low prices. I own two ag retail operations and I am not seeing any red flags just yet. We had an interesting auction of 7 parcels recently, everyone segment was sold to a separate local individual and no one bought more than one.

Eastcentral Nebraska - We also suffered from the winds and some hail which caused some corn to drop. We actually had a good percentage that stayed attached but was laying flat on the ground. This caused us to have to drive about two mph in order to get it picked. With over a third of our crop laying down, it took quite a while to finish harvest. We were able to still get 200bpa even with as much as 40bpa on the ground. On top of that, there was also a hail storm late that knocked off a few bushels on some acres.

Northwest Missouri - We had a good season this year, especially on some of our marginal ground. We saw some 180bpa corn on the bottom ground that doesn't usually see those numbers. On the better ground, we produced over 200bpa+. The beans yielded 60-70bpa and even reached the 50's on the lesser ground. For us, the rains were timely for certain as we just didn't see that much moisture throughout. We could have done a bit better marketing and could use some more storage to help with that. We will go with the same 50/50 rotation next year and nothing new for us by way of land or tech purchases.

CROSSING WIRES

A place to share intelligent thoughts...

Why We Don't Melt In Winter When The Earth Is Three Million Miles Closer To The Sun: There's something about the geometry of space that's never quite made sense to me. I know that the axial tilt of the Earth is the reason we have seasons, but if

a slight angle away from the sun can make me see my breath in winter, why does being three million miles closer not make me melt in a pool of my own sweat? It turns out that our distance to the sun actually has very little to do with the temperature we experience. It has far more to do with the angle at which the light hits us. Read more [HERE](#).

What Keeps An AI Researcher Up At Night: As an artificial intelligence researcher, I often come across the idea that many people are afraid of what AI might bring. It's perhaps unsurprising, given both history and the entertainment industry, that we might be afraid of a cybernetic takeover that forces us to live locked away, "Matrix"-like, as some sort of human battery. And yet it is hard for me to look up from the evolutionary computer models I use to develop AI, to think about how the innocent virtual creatures on my screen might become the monsters of the future. Read more [HERE](#).

Warren Buffet Offers Insights Into Our Kids Future....Says They Will Do Better Than Us: The essay for Time magazine's Jan. 15 issue (available Friday, Jan. 5), by Buffett, 87, comes as Millennials are projected to be the first generation in U.S. history to do worse financially than their moms and dads. "I have good news," Buffet writes. "First, most American children are going to live far better than their parents did. Second, large gains in the living standards of Americans will continue for many generations to come." But Buffett warns that happy outcome hinges on the nation closing the divide between rich and poor. Read more [HERE](#).

The Battle of the Breadbaskets Is Coming to a Head: The United States has long been the breadbasket of the world, as large swathes of fertile farmland and cutting-edge agricultural innovations have enabled it to both feed its own people and populations across the globe. However, America's agricultural leadership now faces a serious test from China. China has been making aggressive moves to boost its own agriculture sector in order to feed its population and become a major player in the global agricultural industry. With the world's population expected to reach nearly 10 billion by 2050, requiring a 70-percent increase in food production, the agriculture industry will play a critical role in the global economy. Given that trajectory, the U.S. agricultural industry must maintain its competitive edge in the face of a strong Chinese challenge for agricultural dominance. Read the rest of this op-ed from Frances Townsend, homeland security and counterterrorism adviser to President George W. Bush from 2003 to 2008, [HERE](#).

Attorney General Reverses Course On "Legal" Marijuana: Attorney General Jeff Sessions has rescinded an Obama-era policy that paved the way for legalized marijuana to flourish in states across the country, creating new confusion about enforcement and use just three days after a new legalization law went into effect in California. President Donald Trump's top law enforcement official announced the change Thursday. Instead of the previous lenient-federal-enforcement policy, Sessions' new stance will instead let federal prosecutors where marijuana is legal decide how aggressively to enforce longstanding federal law prohibiting it. The move by Trump's attorney general likely is sure to add to confusion about whether it's OK to grow, buy or use marijuana in states where the drug is legal. Read more [HERE](#).

How A Researcher Hacked His Own Computer And Found The Worst Chip Flaw EVER: Daniel Gruss didn't sleep much the night he hacked his own computer and exposed a flaw in most of the chips made in the past two decades by hardware giant Intel Corp. The 31-year-old information security researcher and post-doctoral fellow at Austria's Graz Technical University had just breached the inner sanctum of his computer's central processing unit (CPU) and stolen secrets from it. Gruss and his colleagues had just confirmed the existence of what he regards as "one of the worst CPU bugs ever found". The flaw, now named Meltdown, was revealed on Wednesday and affects most processors manufactured by Intel since 1995. Separately, a second defect called Spectre has been found that also exposes core memory in most computers and mobile devices running on chips made by Intel, Advanced Micro Devices (AMD) and ARM Holdings, a unit of Japan's Softbank. Read more [HERE](#).

Harvard Study Reveals The 1 Biggest Secret to Success and Happiness: Want to improve your success in life and business? The results of this study will show you how. "When we gathered together everything we knew about them at age 50, it wasn't their middle-age cholesterol levels that predicted how they were going to grow old, it was how satisfied they were in their relationships. The people who were the most satisfied in their relationships at age 50 were the healthiest at age 80." Read more [HERE](#)

"Look again at that dot. That's here. That's home. That's us. On it everyone you love, everyone you know, everyone you ever heard of, every human being who ever was, lived out their lives. The aggregate of our joy and suffering, thousands of confident religions, ideologies, and economic doctrines, every hunter and forager, every hero and coward, every creator and destroyer of civilization, every king and peasant, every young couple in love, every mother and father, hopeful child, inventor and explorer, every teacher of morals, every corrupt politician, every "superstar," every "supreme leader," every saint and sinner in the history of our species lived there — on a mote of dust suspended in a sunbeam."

- Carl Sagan, 1934-1996



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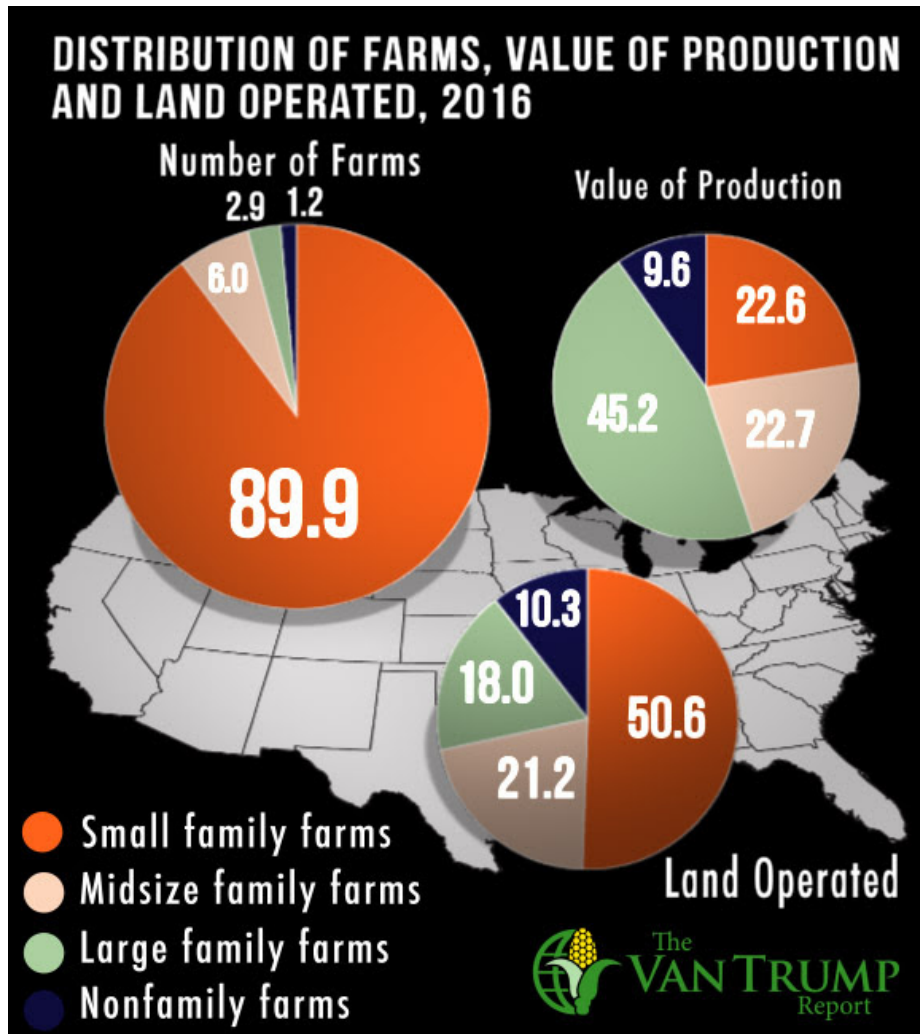
The Earth as imaged from the the Voyager 1 spacecraft, as it exited the solar system in 1990. Earth is nearly 4 billion miles away in this image.



Interesting Data On Small and Large U.S. Farms

Farm production has been shifting to larger farms for many years, we know that. It's also known that broad descriptions of farms based on U.S. averages cannot begin to accurately reflect variations among different sizes and types. In a recent report by the USDA's Economic Research Service, farms have been classified by Gross Cash Farm Income or GCFI, to better understand the conditions that vary across the country. It's important to note that this trend to larger farms does vary by commodities. In 2016, over 45% of U.S. farm production occurred on the 3% of U.S. farms classified as large-scale family farms -- with at least \$1 million in annual gross cash farm income before expenses GCFI. These farms accounted for half of hog production and two-thirds of the production of both dairy and high-value crops like fruits and vegetables. Large-scale farms also contributed 60% of cotton's value of production. By comparison, small family farms -- with less than \$350,000 GCFI -- accounted for 90% of U.S. farms, but contributed less than 23% to U.S. farm production. These small farms, however, contributed larger shares of production for poultry (59 percent) and hay (50 percent). Nonfamily farms, which accounted for 1 percent of U.S. farms, contributed about 10 percent of U.S. farm production. Ultimately, U.S. farms are small and still operate half of farmland in the nation. According to the latest USDA/ERS study on American

farmland released back in December, 90% of farms are small and these farms accounted for 51% of the land operated by farms in 2016. Large-scale farm accounted for the largest share of production, at 45%. Interestingly, more than a third of farms have multiple operators, and larger farms are more likely to have multiple generations of farm operators, as they are the only ones that can afford to support more bodies. If you would like to know more about the differences among farm types, check out the latest [USDA/NASS/ERS](#) report which is based on a sample of approximately 18,500 farms. (Source: USDA)



Potential Life-Saving Cancer Treatment Has "Money Back Guarantee"

Kymriah—a futuristic gene therapy meant to treat children and young adults with relapsed acute lymphoblastic leukemia was recently approved by the FDA. Known as CAR T-cell therapy, the treatment basically turns a patient's own cells into a cancer-fighting army. The immune therapy, which is technically called chimeric antigen receptor T-cell therapy, removes a patient's own cells from their body, re-engineers them, and then puts the cells back in the body where they can attack cancer cells. As I understand it, these new gene and cell therapy technologies are providing researchers hope to transform medicine in dealing with and curing many intractable diseases. At an FDA meeting in July, oncologist Dr. Tim Cripe, who sat on the advisory panel said he thought the drug was "the most exciting thing I've seen in my lifetime." Unfortunately, as is always the case with new technology, the costs of entry can be enormous. Some would say the \$475,000 one-time treatment is prohibitively expensive. What's interesting is that Wall Street analysts had expectations of \$750,000 per dose. In response to the obvious financial burden the treatment would create for most families, Novartis unveiled its plan to overcome the huge obstacle by offering a "money-back guarantee" for the life-or-death gene therapy. Simply stated, if the therapy doesn't work after the first month, the patient pays nothing. I'm told that the idea of "outcomes-based" or "value-based" contracts for pharmaceuticals isn't new. Currently, Novartis is refunding money if too many patients taking the heart failure treatment Entresto are hospitalized and Merck, with its diabetes drugs Januvia and Janumet, promises to return money if patients' diabetes do not meet goals for control. I suspect many are not aware of the costs these companies incur to get the drugs to market and would like to see more transparency in the marketplace. I'm told Novartis spent more than \$1 billion since 2012 just to get Kymriah to market. It's worth noting that during trials, there were setbacks as a few patients died from cerebral edema, a condition in

which excessive fluid causes the brain to swell. With the speed of change we are seeing in technological advancements in gene treatment, editing and therapies, I would imagine it isn't long before these approaches not only have a high success rate but are able to make treatments affordable for most. It is an exciting time for my generation to see the incredible rate of change that has occurred in medicine in only a few short years - imagine what's coming next! (Source: Business Insider, FastCo)

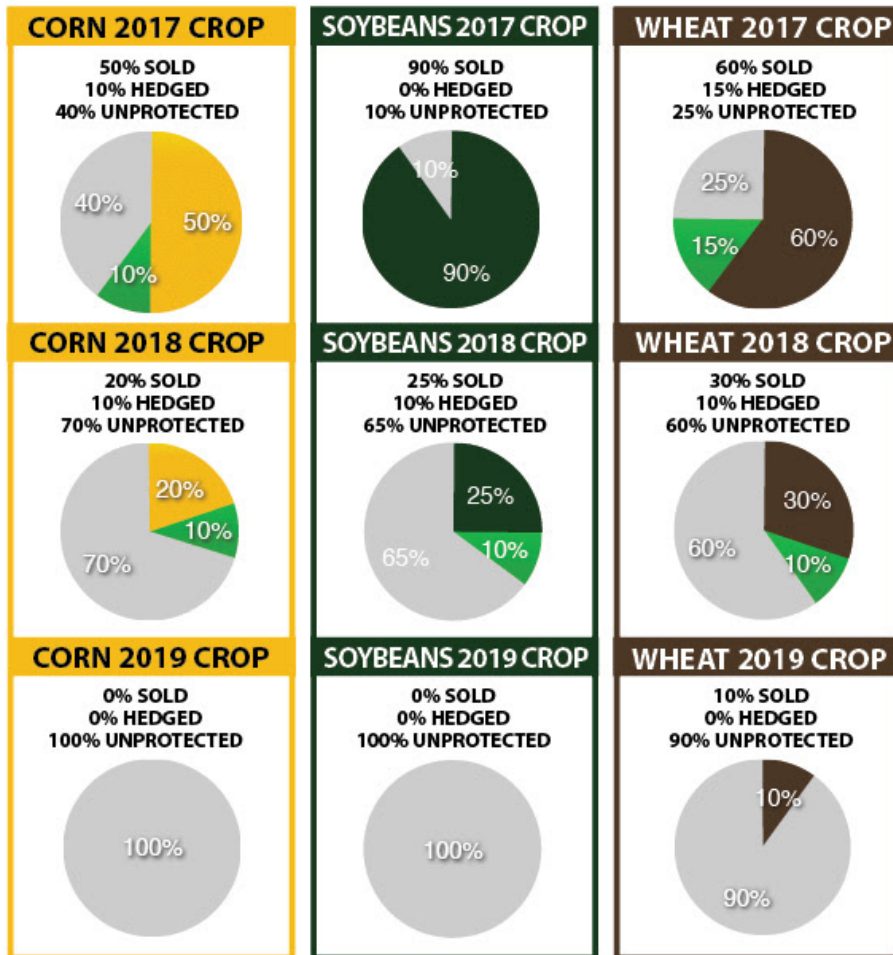


"I said a hip, hop, the hippie, the hippie..."

It was back on this day in 1980 that The Sugarhill Gang's "Rapper's Delight" became hip-hop's first Top 40 hit. I can remember a lot of the buddies I played sports with playing this song over and over again. It's funny to think back that it started something that forever changed and created an entirely new genre of music. Hip hop's roots as a musical phenomenon are subject to great debate, but as for the first song to become a commercial phenomenon it's much more clear. The song "Rapper's Delight" simply blew up the charts in early-1980. Prior to the success of this song hip hop was little known outside of New York City. The basic elements of hip hop—MCs rapping, DJs mixing and scratching, B-Boys break-dancing—all seemed to become a craze after this song hit the mainstream and disco officially died. the story is kind of wild, but it was a businesswoman from New Jersey who put the two trends together to give birth to an entire industry. Her name was Sylvia Robinson, formerly a singer and later the owner of a small record label called All Platinum. After hearing a DJ rapping over records in a Harlem club, she set her son Joey to the task of finding someone who could do the same thing on tape. Joey recruited his friend Big Bank Hank from an Englewood, New Jersey, pizzeria, and Master Gee and Wonder Mike from the surrounding neighborhood. This was on a Friday. Sylvia named the newly formed trio after the Sugar Hill section of Harlem, chose Chic's disco smash "Good Times" as a backing track and scheduled studio time for the following Monday. What happened between Friday and Monday is now thought to have forever changed the music industry as Big Bank Hank wrote the lyrics for "Rapper's Delight", starting the song with... "I said a hip, hop, the hippie, the hippie"... something the rest of the world had never heard before. Click [HERE](#) to see the original video. It's funny to look back. Interestingly, I don't see any of the "saggin pants" or 30 inch rims.



CASH SALES & HEDGING TOTALS



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