

GOOD MORNING: 01/09/18 Farm Direction - VanTrump Report

1 message

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

Tue, Jan 9, 2018 at 6:56 AM



"The whole world is a series of miracles, but we're so used to them we call them ordinary things." - Hans Christian Andersen

TUESDAY, JANUARY 09, 2018

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Morning Summary: Stocks are steady this morning after both the S&P 500 and Nasdaq set record highs for the fifth session in a row. Data recently released showed Consumer Credit grew at a healthier than expected clip in November, raising expectations that U.S. retailers enjoyed a strong holiday shopping season. While there is still a lot of optimism circulating in the markets, traders may be a little more cautious pushing valuations too much higher ahead of fourth-quarter earnings results. Today's main economic report is JOLTS, which is expected to show an increase in job openings. Job openings have been running at around 6 million and significantly exceeding hires, which highlights concerns that employers are struggling to find qualified workers. Things in Washington are still fairly quiet as members of the House return to work. The top priority for lawmakers is to pass a funding bill by January 19. Another item creeping up on their list is the debt ceiling, which the Treasury is asking Congress to lift by February 28. The Congressional Budget Office says it will run out of cash to pay U.S. bills by late March or early April if their borrowing authority is not raised. The President this week is expected to meet with Cabinet secretaries and senior advisers to start finalizing decisions about pending trade fights, including policies regarding China. Insiders have been saying that Trump will take more aggressive action in reducing the trade gap between the U.S. and China. Some expect the President could even announce new tariffs in the coming weeks, which could raise concerns about a possible "trade war." There are a series of deadlines approaching on trade policies regarding everything from washing machines and solar panels to steel and aluminum that will essentially force the President to take a definitive stance on the issue.

Alabama Crowned College Football National Champions: In a terrific overtime game the Alabama Crimson Tide came from behind to defeat the Georgia Bulldogs 26-23. Bama coach Nick Saban made a bold move at halftime deciding to make a quarterback change, going with true freshman Tua Tagovailoa. That proved to be the right combination as the young star threw for 3 TD's in the second half. With his victory Monday night, Nick Saban tied Bear Bryant with his record sixth national championship. This is Alabama's fifth national championship in the past nine years.

Consumer Borrowing Grows At Its Fastest Rate In 16 Years: Consumer borrowing rose in November by the largest monthly amount in 16 years, according to new data released by the Federal Reserve yesterday. Total consumer credit increased a solid \$28 billion in November to a record seasonally adjusted \$3.83 trillion, posting an annual growth rate of 8.8%. Economists had been expecting an \$18 billion increase. Credit-card borrowing fueled the increase, with revolving credit accelerating to an annual rate of 13.3% in November, the fastest pace since last December and well above the 9.9% gain in October. Nonrevolving credit, which covers loans for education and cars, rose at an annual rate of 7.2% in November, the fastest pace since October 2016 and above the 5.3% rate in October. This is the third straight solid monthly gain in consumer borrowing. Economists said holiday-related consumer spending was strong to the end of November, providing a boost for credit-card borrowing. Consumers now seem less reluctant to take on debt, which analysts view as a sign of strengthening consumer confidence. (Sources: MarketWatch, Econoday)

Where Do The World's Millionaires Live? When we think of the term "millionaire", it's only natural for our thoughts to be skewed towards the famous business magnates that have amassed giant fortunes, like Jeff Bezos, Elon Musk,

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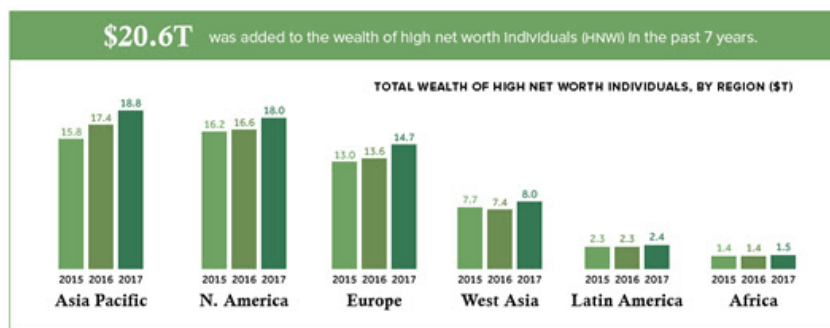
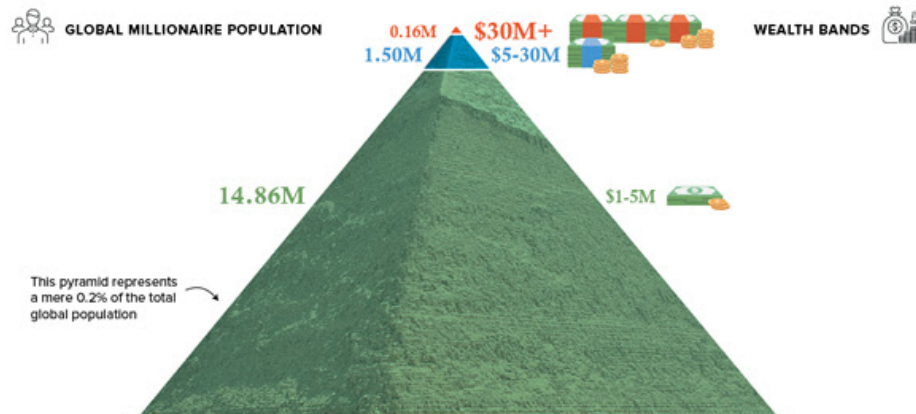
Learn insight and thoughts from some of the best and brightest in our industry, while sitting in the comfort of your own home or office.

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Today In History

1768, Circus - Englishman Philip Astley stages the first modern circus in London. Trick riders, acrobats, clowns, trained animals, and other familiar components of

or Warren Buffett. However, the reality is that those types of ultra high net worth individuals (UHNWIs) with fortunes above \$30 million are a fairly rare commodity – and when it's all said and done, they make up a very tiny percentage of the millionaire population as a whole. The vast majority of millionaires (90.0%) globally have fortunes between \$1 million and \$5 million. They are most likely to be found in big cities – places where they can use and display their wealth. These are also the places where big opportunities tend to be found. Tokyo, Hong Kong, and Singapore are the undisputed millionaire population capitals in Asia, but mainland China is coming up quick from behind. Australia's millionaire count has soared 85% over the last 10 years, thanks in part to red-hot property prices. London is the millionaire capital of the world, with 357,200 of them. Not surprisingly, Dubai is the biggest destination for the ultra-rich to flock to in the Middle East. The U.S. has 4.3 million millionaires, and they are widely dispersed through the country. The Knight Frank 2017 report lists five cities: NYC, Washington, D.C., San Francisco (incl. Bay Area), Los Angeles, and Miami – all of which, according to their calculations, have more than 30k millionaires. Click the graphic for a larger view and more details. (Source: Visual Capitalist)



the circus have existed throughout recorded history, but it was not until the late 18th century that the modern spectacle of the circus was born. Astley, a former cavalry sergeant major, found that if he galloped in a tight circle, centrifugal force allowed him to perform seemingly impossible feats on a horse's back. He drew up a ring and on January 9, 1768, invited the public to see him wave his sword in the air while he rode with one foot on the saddle and one on the horse's head. Astley's trick riding received such a favorable response that he soon hired other equestrians, a clown, and musicians and in 1770 built a roof over his ring and called the structure Astley's Amphitheatre. In 1772, Astley went to Versailles to perform his "daring feats of horsemanship" before King Louis XV, and he found France ripe for a permanent show of its own, which he founded in 1782. Also in 1782, a competitor in London set up shop just down the road from Astley's Amphitheatre, calling his show the "Royal Circus," after the Roman name for the circular theaters where chariot races were held. In the 19th century, the term "circus" was adopted as a generic name for this new form of entertainment. Astley, who lived until 1814, eventually established 18 other circuses in cities across Europe.



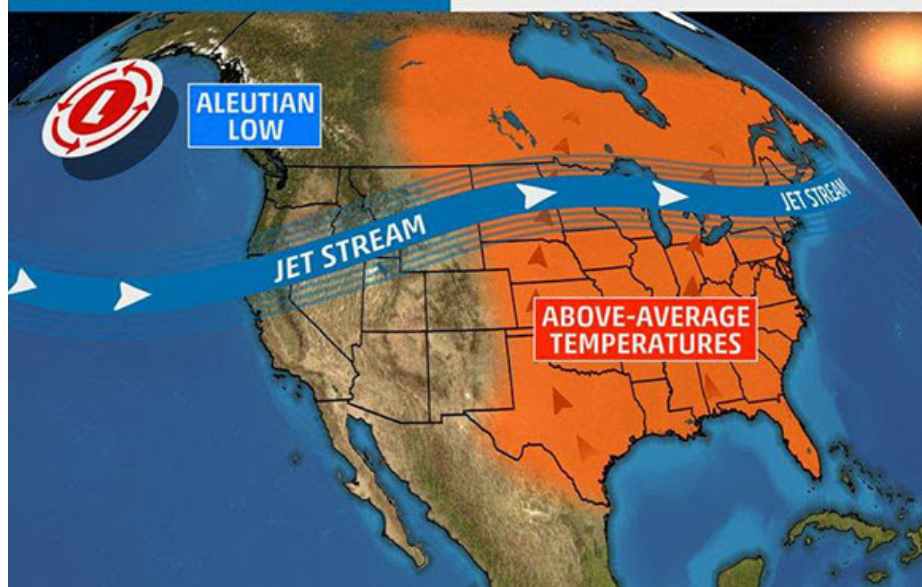
1887, Extreme Weather - On one of the worst days of the "worst winter in the West," nearly an inch of snow falls every hour for 16 hours, impeding the ability of already starving cattle to find food. The plains ranchers had seen hard winters before, but they had survived because their cattle had been well fed going into the winter. By the mid-1880s, though, the situation had changed. In the hopes of making quick money, greedy speculators had overstocked the northern ranges in Montana, Wyoming, and the Dakotas. Deceived by a string of mild winters, many ranch managers were also no longer putting up any winter-feed for their stock. Disaster arrived in 1886. The summer of 1886 was hot and dry, and by autumn, the range was almost barren of grass. The cold and snow came early, and by January, record-breaking snowfalls blanketed the plains, forcing the already weakened cattle to expend vital energy moving through the snow in search of scant forage. In January, a warm Chinook wind briefly melted the top layers of snow. When the brutal cold returned (some ranches recorded temperatures of 63 degrees below zero), a hard thick shell of ice formed over everything, making it almost impossible for the cattle to break through the snow to reach the meager grass below. With no winter hay stored to feed the animals, many ranchers had to sit by idly and watch their herds slowly die. "Starving cattle staggered through village streets," one historian recalls, "and collapsed and died in dooryards." In Montana, 5,000 head of cattle invaded

Weather will see extreme cold continue in the U.S. this week across the northwestern Midwest and northern Plains where temperatures over the weekend saw lows range from -20 to -45 degrees F. Snow cover is thought to be sufficient to protect winter wheat from the extreme cold across the northern Plains and northern and central Midwest, but some winterkill damage was reported in eastern Colorado and parts of Kansas, Missouri and southern Illinois where snow cover was insufficient. 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. During the mid-to-late week period, precipitation will move into the central and eastern U.S. Snow will blanket the Rockies and Intermountain West, as well as portions of the northern and central Plains and upper Midwest. Late in the week, snow could accumulate in the lower Great Lakes region and neighboring areas. In South America, forecasts call for episodes of extreme heat and below normal rain to continue to affect crops grown in La Pampa and southern Buenos Aires province in Argentina. This is not good for corn and soybeans in the region. In Brazil, a favorable weather pattern has settled to major crop growing regions of Parana and Mato grosso do Sul.

January Thaw Is Coming: After weeks of relentless arctic-cold, the eastern two-thirds of the country are jumping for joy on this forecast. The warm-up has already begun with milder air having reached the Plains and Midwest. However, next week, a fundamental change in the jet stream may present an even stronger January thaw. (Source: The Weather Channel)

JANUARY THAW SETUP

WEEK OF JANUARY 15-19



Corn bears continue to keep a stranglehold on the market. The funds are thought to be holding a massive short position and not wanting to voluntarily release their grip. The bulls continue to point to production in South America currently being over-estimated. There's talk that Brazil's second-crop acres will be much lower than the USDA and the trade has been estimating. There's also talk that the Argentine crop is overstated as dry conditions coupled with some heavy heat in a few areas could create pollination problems and reduce the top-end of the yield estimate. Here at home, there's a little balance sheet battle taking place as the bulls talk about strong ethanol numbers and the bears point to disappointing exports. Feed numbers are also being heavily debated. It will be interesting to see how the USDA slices the demand pie in the upcoming yearend report on Friday. I'm of the opinion it doesn't really matter as we will continue to stay in what's deemed and "over-supplied" environment. With that being the case we need to see more drastic cuts in production. As a longer-term bull, I hope to see some reductions to the South American crop and early estimates for U.S. corn acres start to pull back a bit. I've already heard talk of perhaps more spring wheat acres replacing corn to the North. There's also some early forecast talking about perhaps a wet Spring which could create planting complications. Keep in mind, we don't get an accurate U.S. corn acreage number from the USDA until the March 31st report.

the outskirts of Great Falls, eating the saplings the townspeople had planted that spring and "bawling for food." When the snow melted in the spring, carcasses of the once massive herds dotted the land as far as the eye could see. One observer recalled that so many rotting carcasses clogged creek and river courses that it was hard to find water fit to drink. Millions of cattle are estimated to have died during the "Great Die Up" as it came to be called, a darkly humorous reference to the celebrated "Round Up." Montana ranchers alone lost an estimated 362,000 head of cattle, more than half the territory's herd. Besides sending hundreds of ranches into bankruptcy, the hard winter also brought an abrupt end to the era of the open range. Realizing they would always have to grow crops to feed their animals, ranchers decreased the size of their herds and began to stretch barbed wire fences across the open range to enclose new hay fields. By the 1890s, the typical rancher was also a farmer, and cowboys spent more time fixing fences than riding herd or roping mavericks.



1972, Kareem Abdul-Jabbar

- The 24-year-old Kareem Abdul-Jabbar leads the Milwaukee Bucks in a 120-104 victory over Wilt Chamberlain and the Los Angeles Lakers, breaking the Lakers' record 33-game winning streak, the longest of any team in American professional sports. Coached by former Boston Celtics star Bill Sharman and led by future Hall of Famers Wilt Chamberlain, Jerry West and Gail Goodrich, the 1971-72 Lakers began their historic run of victories on November 5, 1971 when they beat the Baltimore Bullets in Baltimore, 110-106. They set a new NBA record with their 21st win on December 11, beating the Atlanta Hawks 104-95 and surpassing the 20-game winning streak the Bucks had put together the previous year. The defending National Basketball Association (NBA) champion Bucks got their revenge on January 9, when a keyed-up Abdul-Jabbar scored 39 points, outplaying Chamberlain (15 points) with more rebounds (20 vs. 12), blocked shots (10 vs. 6) and assists (5 vs. 2). Abdul-Jabbar's dominance, combined with a "get-back" defense formulated by Bucks Coach Larry Costello, decisively halted the Lakers' historic streak. After ending their season with a then-record 69 wins, Chamberlain and his team beat the Bucks in the Western division title match. This got them a berth in the NBA finals, where they decisively defeated the New York Knicks, four games to one. Chamberlain retired from professional basketball in 1973, and two years later Abdul-Jabbar joined the Lakers, where he later teamed with Magic Johnson to make Los Angeles the dominant team of the 1980s.

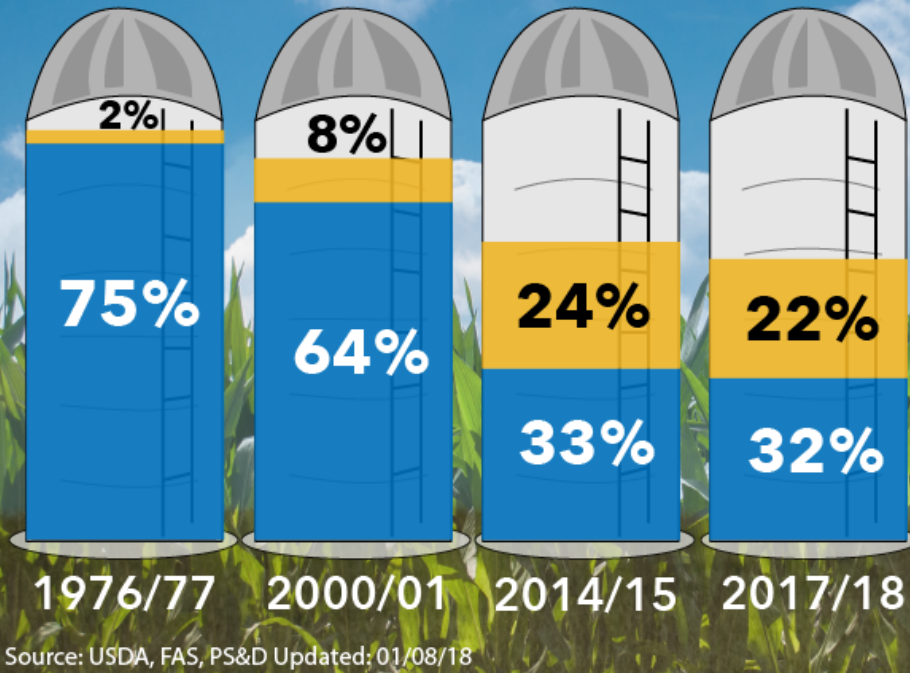
Upcoming Events

Fri. 1/12 - USDA Crop Production Annual

Corn Export Market Share (%) United States vs. Brazil



United States Brazil



Soybean prices continue to lack bullish enthusiasm. As I have been mentioning the past several weeks, funds and large traders had gotten a much more bearish taste in their mouth. Most inside the trade are thinking we could see a fairly significant reduction in the USDA's upcoming U.S. export estimate. There's also more concern and talk of a slight shift in Chinese demand and perhaps more interest in South American supply over that offered by the U.S. Large traders are also bracing for a bigger uptick in the Brazilian production forecast, which the USDA currently has estimated at 108 MMTs. Weather in Brazil still appears very cooperative and most production estimates seem to be working themselves higher to between 110 and 112 MMTs. Keep in mind, some areas in Brazil are already starting to harvest their soybean crop. Bears are also sighting perhaps another year of record setting soybean acres being planted here in the U.S. during 2018. All of which add up to more burdensome supply. Bulls are trying to counter, by arguing that Argentina weather still remains suspect with areas to the South considered most problematic and lacking of adequate moisture. Keep in mind there's still about 4 million soybean acres in Argentina that have yet to be planted. The bulls also question record U.S. soybean acres in 2018 being planted if prices continue to trend lower into spring.

Summary, Supply and Demand

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

Tues. 1/23 - Cold Storage

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

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

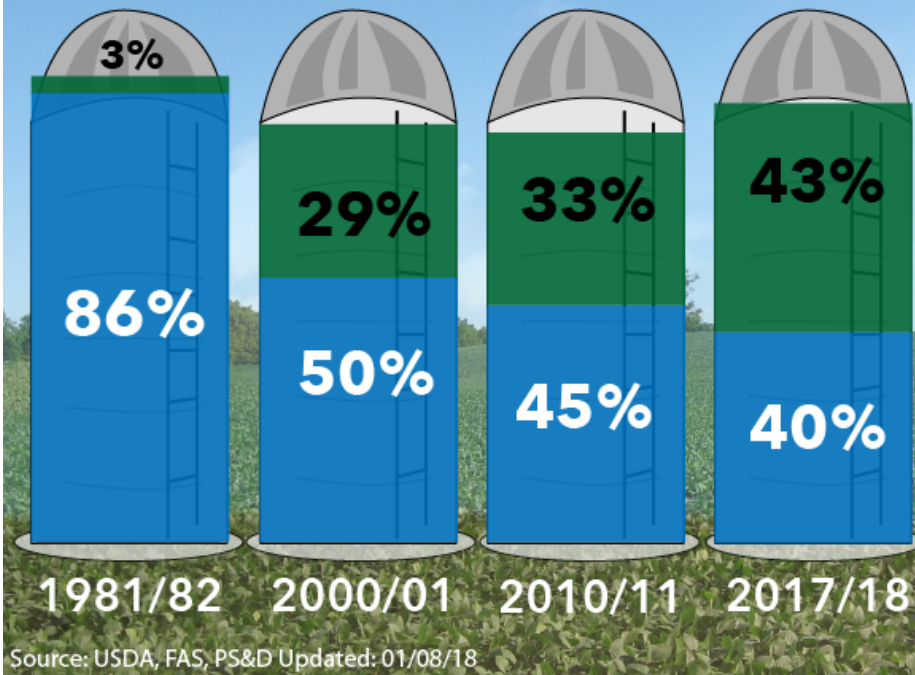


About the Report

Soybean Export Market Share (%) United States vs. Brazil



United States Brazil



Wheat struggles to keep upward momentum as the bears continue to point towards more than ample domestic and global surplus. Interestingly, bulls believe there is more "winter-kill" risk in the road ahead. With limited snow-cover across most of the central Plains headlines talking about winter-kill could again become more prominent by this weekend. There's also continued talk about dry conditions becoming more severe. The latest data shows this being the fourth driest December on record for Kansas, and some important production areas in the southern half of the state are recording their driest December on record dating back to 1895. Colorado, Illinois and Iowa are also reporting a December that ranks in the top-10 driest. Bulls are also talking about very limited snow-cover in parts of Russia and other areas in the Black Sea region. Thoughts are this could leave the crop susceptible to winter-kill issues when cold winter temperatures come back to roost. Which I'm hearing is right around the next corner. Despite the market recently running into technical headwinds and being unable to string enough winning days together to breakout to the upside, I remain a longer-term bull.

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

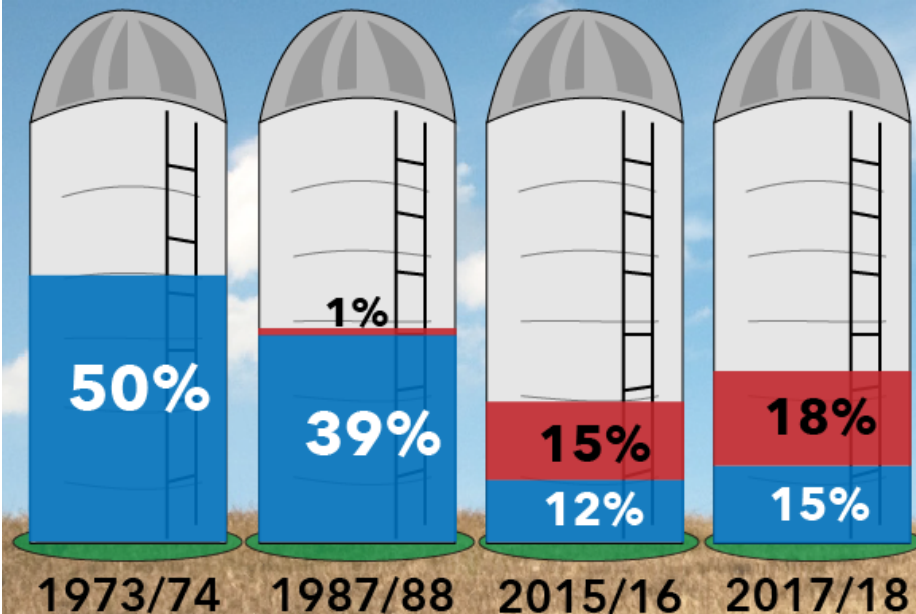
"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found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

Wheat Export Market Share (%)

United States vs. Russia



United States Russia



Source: USDA, FAS, PS&D Updated: 01/08/18

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.



> Argentine Soy Planting Pushed By Drought Into Mid-January: The drought afflicting Argentina's soy belt is expected to worsen this week, pushing farmers to risk planting later than usual and raising the risk of frosts later in the season, a meteorologist and farmer said on Monday. With an estimated 5.5 million acres yet to be sown in the world's No. 3 exporter of soybeans and top supplier of soy meal livestock feed, Argentine growers are gambling by planting in dry soils that could be vulnerable to May frosts. "Rainfall should improve between Jan. 15 and Jan. 20. But until then there will be no important rains," said German Heinzenknecht, weather specialist with the Applied Climatology (CCA) consultancy. Last week the Buenos Aires Grains Exchange said that drought in Argentina's breadbasket province of Buenos Aires had raised the risk that some of the 44.5 million acres expected to be sown with soy this season will go unplanted. With planting season set to end over the weeks ahead, the exchange said 5.5 million acres had yet to be sown. (Source: Reuters)

> Brazil Soy Crop Could Be Second-Largest On Record: Benefited by good weather, Brazil's 2017/18 soybean crop, which farmers are now beginning to harvest, is expected to surpass 110 million metric tons, the second-largest in history, according to the average of 11 forecasts in a Reuters poll. Farmers there are likely to collect 110.19 million metric tons of the oilseeds this season, above the 109.43 million from a previous Reuters poll in November and below last year's all-time record of 114 million metric tons. Corn farmers will reduce area and output this year as prices of the cereal have lagged, forecasters said. The area planted with corn in the Brazilian summer is expected to drop by -11% in the 2017/18 period from the prior cycle, to 12.06 million acres, causing production to fall -17% to 25.27 million metric tons.

> Malaysia To Suspend Export Tax On Palm Oil For Three Months: Malaysia, the world's second-largest palm oil producer, will suspend export taxes on crude palm oil for a three-month period. The export tax suspension will be lifted before the three-month period if crude palm oil stocks fall to 1.6 million metric tons, Malaysia's minister

of plantation industries and commodities Mah Siew Keong said at a press conference. (Source: UkrAgroConsult)

> E.U. Cereal Production Growth Expected Through 2030: Driven by the demand for feed, E.U. cereals production is expected to continue growing, reaching 341 million metric tons by 2030, according to the E.U. Agricultural Outlook report. Along with feed demand, good export prospects (particularly for wheat) and increasing use of cereals in industry will drive increases in production. E.U. cereal demand is expected to increase by 10% by 2030, compared to the 2012-17 average, from 283.5 million metric tons in 2017 to 308.5 million in 2030. Feed demand will continue due to predicted increases in dairy and meat production. Export demand is predicted up 35% compared to the average of the last five years from 38 million metric tons in 2017 to 52.8 million in 2030. (Source: World Grain)

> Iraq Reports Outbreak Of Highly Pathogenic H5N8 Bird Flu: Iraq has reported an outbreak of highly pathogenic H5N8 bird flu in Diyala in the center of the country, the Paris-based World Organisation for Animal Health (OIE) said on Monday. The virus was found on Dec. 27 at a farm of 43,000 birds and killed 7,250 of them. (Source: Reuters)

> Takata Expands Air Bag Recall: Japanese air bag maker Takata is recalling an additional 3.3 million faulty airbag inflators as it expands the largest automotive recall in U.S. history. According to the National Highway Traffic Safety Administration (NHTSA), the phased recalls began in May 2016 stemming from previous Takata airbag incidents and will continue through December 2019. The latest recalls cover frontal airbags in certain 2009, 2010 and 2013 vehicles made Honda, Toyota, Audi, BMW, Daimler Vans, Fiat Chrysler, Ford, General Motors, Jaguar-Land Rover, Mazda, Mercedes-Benz, Mitsubishi, Nissan, Subaru and Tesla. Automakers will provide specific models in paperwork that will be filed later this month with the National Highway Traffic Safety Administration. (Source: CBS)

> IBM, Comcast Ventures Back Fund For Blockchain Startups: International Business Machines Corp. and Comcast Corp.'s venture arm will become the largest supporters of an investment fund for startups that help corporations use blockchain, the digital ledger that's become a hot technology. The startup accelerator, called MState, plans to invest \$25,000 to \$50,000 apiece in five or six companies over the next six months, co-founder Rob Bailey said in a phone interview. MState, with locations in New York and San Francisco, will also connect its startups with Fortune 500 clients interested in implementing their technologies. Comcast Ventures is providing funding, while IBM is offering up support services to MState startups. MState has already invested in its first startup, Blockdaemon, which helps companies roll out blockchain applications faster by letting them deploy and manage network nodes. (Source: Bloomberg)

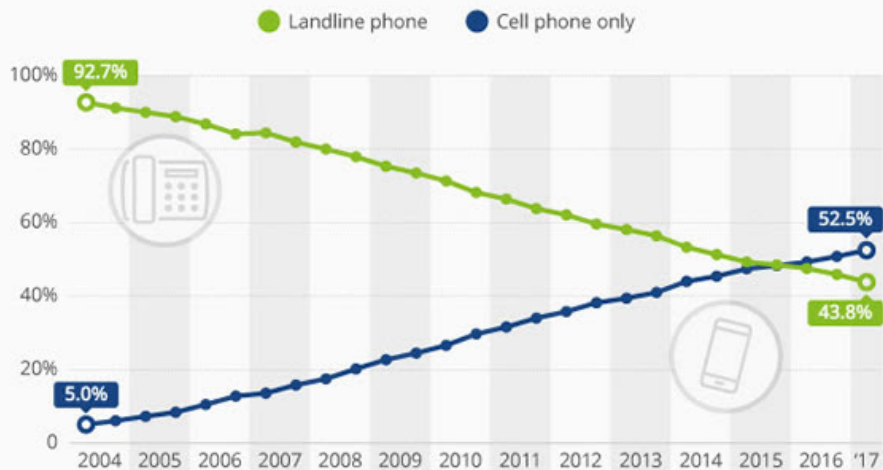
> Berkshire Could See \$37 Billion Windfall From Tax Plan: Warren Buffett's Berkshire Hathaway stands to reap a \$37 billion windfall from the tax reform bill Congress passed in December. The boon results from the diversified conglomerate lowering its tax liability on appreciated investments, according to Barclays. The authors also said the reduction in the corporate tax rate could lift the company's earnings power by as much as +12% "in 2018 and beyond," and it could repatriate some foreign profits and use it for investment. Morgan Stanley has put the earnings increase closer to +14%, according to Bloomberg. The tax measure signed into law by President Donald Trump last month spreads benefits across a wide array of American industry, including banks. Analysts at Goldman Sachs have estimated that the tax law will boost big-bank earnings per share by +13% this year, with Wells Fargo being the biggest beneficiary with an +18% earnings surge. It has also been expected that changes in the law would prompt some of those companies to return money to the U.S., potentially \$2.5 trillion or more. (Sources: CNBC, CBS)

> Landlines Are A Dying Breed: As smartphones have become a constant companion for most people in the United States, landline phones are rapidly losing their relevance. In 2004, more than 90 percent of households in the U.S. had an operational landline phone - now it's (significantly) less than 50 percent. That's according to data provided by the Centers for Disease Control and Prevention, which has been tracking phone ownership in the U.S. as a by-product of its biannual National Health Interview Survey since 2004. If the trend continues at the current pace, and there's little reason to believe it won't, landline phones could soon become an endangered species, much like the VCR and other technological relics before it. (Source: Statista)



Landline Phones Are a Dying Breed

% of U.S. household with and without a working landline telephone*



* based on the CDC's biannual National Health Interview Survey of 15,000+ U.S. households



@StatistaCharts

Source: CDC

statista

FROM THE FIELD

Central Illinois - We had a pretty good season in our area where we farm corn, beans, wheat, white corn, red corn, and some organics. There are some pockets in the area that have put some acres in organics and it has been worth it. The red corn is used at a whiskey distillery. The yields were decent with our yellow and white corn hitting over 240bpa. We have been fortunate to serve the tortilla market in Chicago with our white corn. Our worst producing acres was our river bottom ground which yielded 205-210bpa. We heard of others hitting 90bpa beans but we saw 60-70bpa on our farms. I guess the rains just weren't right.

Northwest Iowa - I was going to say we are fortunate to be living in South Carolina, but we recently received our first measurable snow since 1898. It's still a lot better than back home on the farm. It wasn't a great year by any means, we went into the season with decent subsoil moisture, but the year was a dry one. We didn't see any rain between May and the middle of August. Our average for corn is 195bpa and we had 175bpa. Beans average 48bpa in our area and we saw 43bpa. We feel the corn traits definitely weathered us through the dry summer more so than our beans did. The biggest issue around here is weed control. It looks like we might be back to walking the fields like we did when I was a kid!

Southeast North Dakota - We are having a break in the extremely cold temps for a few days and then we will go back in the deep freeze. I know the ice fishing guys like this cold weather but when you get down near 30 below, it's just too cold. We have diversified up here over the past few years. We had some great edible yields seeing some pinto fields making 2800#. We grew a little more barley last year and the yields were pretty good. We had a new field average 104bpa, which we never see. The majority of the farms made between 80bpa and 90bpa for our barley. The spring wheat crop was not great having some quality issues but we did still capture some high premiums. The soybeans had a tough year from the get-go. After planting, things got very dry, with very little rain, then got very wet, flooding many fields. We had to deal with herbicide issues all year. We ended up making around 40bpa at best but that easily could have been down in the mid 30bpa range if we hadn't had gotten a few late rains. We were busy this year hauling donated hay to the ranchers out west.

CROSSING WIRES

A place to share intelligent thoughts...

Coca-Cola For Health Uses In Japan: *In a country where grilled fish is a breakfast food and many think the stinkiest soybeans are the tastiest, it stands to reason Coke is now a health drink. Once a month, Hideaki Iwaya sits at the dinner table for pizza night with his wife and two teenage daughters. They recently revised their routine to add Coca-Cola Plus, which features a government-approved laxative ingredient, hoping it would help their bodies absorb less fat from the slices. Read more [HERE](#).*

Ten Of The Most Hardcore Outside Jobs: *If you're like most of us, you probably daydream about being a bush pilot, search and rescue ranger, or custom-ski builder. But what does it really take to hold down one of these jobs? Find out by listening to be ruffians that do them on a daily basis. Read more [HERE](#).*

Biggest Reason Fans Switched Off The NFL This Season: *Throughout this 2017 NFL season, television ratings have declined and fans, TV pundits, and reporters have speculated as to the biggest cause. On social media, many people railed that players protesting during the national anthem led outraged Americans to boycott. A new survey from SurveyMonkey and Ozy Media finds that 33% of NFL fans boycotted the league this year—but not entirely because they were outraged by the player protests. Nearly equal proportions boycotted in support of Colin Kaepernick or the protests as boycotted in support of President Trump, who vocally opposed the protests. Read more [HERE](#).*

The Reason Time Seems To Speed Up As We Grow Older: *Another new year, another opportunity to say: "Where did the last 12 months go?" It's very common to hear people say that it feels like time is slipping away faster and faster as they get older. Many of us will be guilty of making the remarks because sometimes it does feel like a year can be gone in a flash. As for why it happens, there have been a few theories over the years. One is that it's because when we are younger, a year makes up a larger percentage of our lives. For example, at four years old, one year will be 25% of your entire life, so it might feel like longer. As you get older, this percentage gets smaller and smaller. Another possibility is that our biological clocks slow down as we age. Or it could simply be because we pay less attention to time slipping away when we are children. A new study, published in the journal *Self and Identity*, has come up with a new theory, and it relates to a psychological tendency called "chunking." Read all about it [HERE](#).*

Legendary Astronaut John Young Has Passed Away: *NASA announced that astronaut John Young, who walked on the moon and later commanded the first space shuttle flight, has died. He was 87. NASA called Young one of its pioneers - the only agency astronaut to go into space as part of the Gemini, Apollo and space shuttle programs, and the first to fly into space six times. He was the ninth man to walk on the moon. Young also became the first person to rocket away from Earth six times. Counting his takeoff from the moon in 1972 as commander of Apollo 16, his blastoff tally stood at seven, for decades a world record. His NASA career lasted 42 years, longer than any other astronaut's, and he was revered among his peers for his dogged dedication to keeping crews safe — and his outspokenness in challenging the space agency's status quo. Read more about his incredible career and life [HERE](#).*





Elite Fashion Companies Secure Supply Chains With Farm Purchases

Vertical Integration is the name of the game for some luxury brands as they seek to control inventories as well as to market their story of sustainability and transparency. Paolo Zegna, chairman of Ermenegildo Zegna, the \$1.4 billion luxury textiles and menswear brand, recently visited the Achill Farm in New South Wales Australia where his company holds a 60% stake. Zegna believes that having ownership at the other end of the supply chain allows them to "close the circle". Given that the request for sustainability is relatively new in this industry, Zegna and a few others could be considered early adopters when it comes to taking control of the entire supply chain. Just like the shift we are seeing in the ag space, consumers in fashion are demanding to know where the items originate from, where the animals and employees treated well in the process and if the process is sustainable. Zegna can now offer a well-documented story of provenance and prudence in the production of the superfine Merino wool that's used for their suits and sweaters. For companies requiring the smoothest of calf leather for their luxury products, Europe is where they look. What's interesting is that Switzerland, France and Italy all have reported a decrease of 10-30% in veal consumption over the last ten years. In response, luxury companies are beginning to acquire tanneries and live supplies. It's worth noting that vertical integration allows a company to secure the sources of precious materials and expertise that lead to a competitive advantage over their competitors. Because of that, many question the sincerity of the luxury companies' apparent altruistic motives and instead believe it is just shrewd business. In my opinion, it really doesn't matter as perception is reality, so as long as the sustainable story is transparent, everyone gets what they want. Interestingly, in the current environment of consumer-driven production, companies that own animal stocks can certainly better control and maintain the animals' welfare. Keep in mind, up until now, companies would use third party vendors and couldn't control what occurred during production, leaving themselves open to being associated with unsustainable practices and costing them sales. It seems the younger generation of consumers, whether in food or luxury items, are demanding a deeper commitment by all companies to sustainability, meaning no action is no longer an option for any business wishing to gain market share. (Source: [businessoffashion](#))



Recognizing A "Game Changer"

It was 11-years ago today that iconic entrepreneur Steve Jobs unveiled a "tech gadget" that revolutionized the mobile phone industry and changed many of our lives, especially our children's. Steve Jobs started his presentation on the Macworld stage saying he'd be introducing a bigger iPod with touch controls, a revolutionary mobile phone and a breakthrough internet device. The new device would combine three separate Apple gadgets... the iPod, the iMac and the mobile phone into one "revolutionary and magical product", called the iPhone. The phone did away with clunky keyboards and stylus pens of the Blackberry and Palm phones. The iPhone's touch display required nothing more

than one's finger to zoom, select and scroll, and came equipped with the iPod media player and a 2 megapixel camera. The first iPhone was priced at \$499 for 4GB variant and \$599 for 8GB variant. Today the iPhone X has: Facial recognition; a 5.8 Super Retina HD Display, an A11 bionic chip; wireless charging; a dual 12-megapixel camera system with wide-angle and telephoto capabilities. The new iPhone's now come with the choice of 64GB or 256GB. It's just insane how much storage prices have come down and how much can now be loaded on one of these devices. Looking back, it's funny to think how the initial reviews were so scathing. There were tons of headlines that called the new iPhone "a flop". One of the most revered programming gurus at the time, David Platt, predicted it would be a "bigger marketing flop than Ishtar and Waterworld combined." Others claimed that the iPhone was being rushed to market and was nothing more than an iPod that could make calls. Business experts felt it was "inadequate" to be used as an enterprise tool so it was not the future. Some arguments against it even claimed that customers did not want a "combination" device, meaning they didn't want their phone to also be an Mp3 player. History obviously proved these early predictions very, very wrong. When the iPhone went on sale six months later, people were lined up for blocks - days ahead of time. By November, Apple's biggest "flop" had sold over +1.4 million units and was declared Time magazine's "Invention of the Year." I've included a cool YouTube video that shows the first advertisements for the new iPhone which started running in early-2007. It's funny seeing them show us how we can get on the internet from our phone, use a map or listen to music. A bit off subject, but I always get a little sad when I look back, as I remember all the loved ones we've lost and how much they've missed out on, and particularly how much I miss them. Click [HERE](#) to see the video.

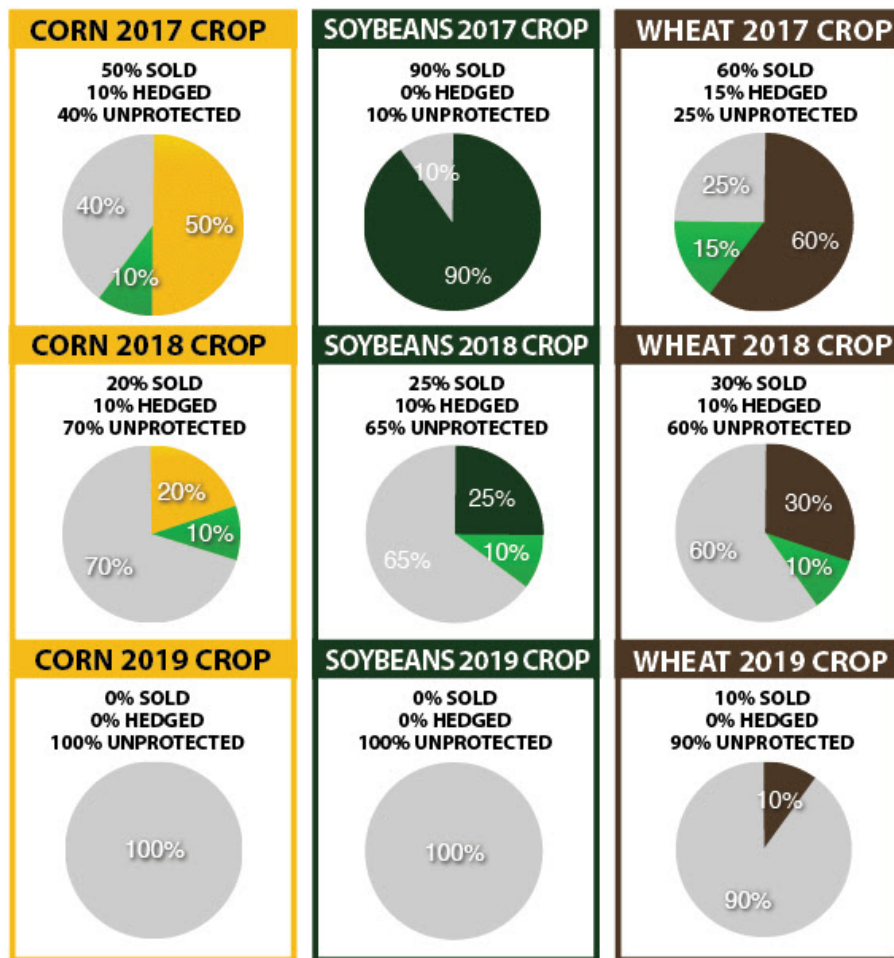


ROCKY Movie Surprised Most Everyone

Many might not realize it but the Oscar winning movie Rocky was actually written by it's star, Sylvester Stallone. Filming of the movie actually began on this day back in 1976. Stallone had his own rags-to-riches tale: Born in the gritty Hell's Kitchen neighborhood of New York City, he was a juvenile delinquent who was kicked out of a number of schools before he turned 15. After attending high school in Philadelphia and studying drama at the University of Miami, Stallone moved back to New York and later to Los Angeles, with dreams of becoming an actor. Interestingly, he began writing scripts so that he would have better roles to play. According to a profile in the New York Times, published November 28, 1976, he wrote the entire Rocky script in a frenzied three and a half days. The inspiration for Rocky was a real-life fight between the world heavyweight champion Muhammad Ali and a little-known club fighter named Chuck Wepner. In March 1975, Wepner went 15 rounds against Ali in a title bout in Cleveland, Ohio; he had been such a big underdog before the fight that Sports Illustrated ran his picture on their cover with the headline "Boxing's Strange Encounter." After a long negotiation process, Stallone sold the script to the producers Irwin Winkler and Robert Chartoff, on the condition that he play the lead character, the underdog boxer Rocky "The Italian Stallion" Balboa, himself. It is reported that Stallone trained six to eight hours a day for five months to play the role of Rocky. The film was shot in an amazingly short 28 days on a budget of just \$1 million. It opened to somewhat split reviews but soon became the sleeper hit of the year, becoming the highest grossing film of the year, making Stallone—who negotiated in 10% of the gross—a very rich man and a bona fide star. At the 1977 Academy Awards, Rocky was nominated in 10 categories, including Best Actor and Best Original Screenplay, and won three Oscars: Best Director, Best Film Editing, and Best Picture. He became the third man in history to receive these two nominations for the same film, after Charlie Chaplin and Orson Welles. Sylvester Stallone went on to star in many Hollywood hits and is now 71 years old and worth hundreds of millions. Click [HERE](#) to see a cool Rocky tribute video.



CASH SALES & HEDGING TOTALS



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