

## GOOD MORNING: 02/15/18 Farm Direction - VanTrump Report

1 message

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

Thu, Feb 15, 2018 at 7:28 AM



"Constantly be hurrying to find people that are doing something incredible with their lives and learn from them." - **Bill Gates**

**THURSDAY, FEBRUARY 15, 2018**

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**Morning Summary:** U.S. stocks continue their comeback!. Many argue that yesterday's gains were a bit of a surprise considering inflation data came in higher than expected and retail sales were a bit of a disappointment. The weaker retail sales data doesn't seem to be that big of a concern as that happens from time to time even during expansion periods. The CPI numbers though are turning a few more heads, with both Food and Energy getting more expensive. Food inflation was reportedly up +1.7% year-on-year, while it was negative 0.1% a year ago. Gasoline prices for the period were reported at +8.5% higher than a year ago. The takeaway seems to be that the U.S. economy is growing and mostly stable, but inflation appears to be slowly becoming a larger concern, especially when you add in the uncertainty now surrounding the direction of the U.S. dollar, the uncertainty now surrounding a new Fed Chair, uncertainty surrounding new tax reform, uncertainty surrounding increasing government spending deficit, uncertainty surrounding a Fed unwinding of the balance sheet, uncertainty surrounding an incredibly tight labor market and higher wage growth. In other words, it's not just the uptick in inflationary data, but rather how it blends with many of the uncertainties mentioned above, that the market hasn't had to deal with in many years. Today will bring more inflation data with the Producer Price Index. Other U.S. data set for release today includes the Philadelphia Fed Business Outlook, Empire State Manufacturing and Industrial Production. Earnings of interest include CBS, Omnicom, Transcanada, U.S. Foods and Zoetis. In Washington, a bipartisan group of Senators say they have an immigration deal that they think will break the gridlock on the issue. The White House has demanded that any immigration legislation include the "four pillars" agreed to during a January meeting: A fix for the Deferred Action for Childhood Arrivals (DACA) program, border security, changes to family-based immigration and the State Department's Diversity Visa Lottery. Insiders say this new bipartisan deal is a "two pillar" proposal dealing only with DACA and border security. There is a GOP deal that follows the President's outline closely, but it doesn't appear Republicans have enough votes to pass it. As for the House, Speaker Paul Ryan is refusing to commit to bring anything to the floor. It's said the immigration bill Representatives are working on doesn't have the needed support to pass either. Traders are still keeping an extremely close eye on the VIX, which has experienced a bit of a downdraft as of late, which is probably due to expiration. It will be interested to see how it trades in the days and weeks ahead. For some reason I don't think we are out of the woods just yet and see more extreme volatility on the horizon...stay buckled in!

### How Warren Buffett Likes To Invest When Inflation Hits The Markets:

Warren Buffett has been vocal on the subject of inflation in past periods of rising prices. In the late 1970s and early 1980s, he devoted significant portions of the Berkshire Hathaway annual letter to investing in stocks during inflationary periods. The team at CNBC put together a fantastic read bringing together some of Buffett's best advice for how to play your cards when inflation starts to become a factor. Click [HERE](#)

**Super Tankers Could Change U.S. Oil Export Game:** The first oil supertanker, capable of carrying 2 million barrels of crude, was being loaded in Louisiana this week, signaling the next phase in the U.S. transition to becoming a major energy exporter. The tanker, 'Shaden,' was chartered by Shell Oil and is Saudi Arabian-flagged, according to a report by S&P Global Platts. The ship was due to leave the Louisiana Offshore Oil Port (LOOP) with a cargo of medium sour crude. U.S. oil exports have been growing since Congress reversed a 40-year-old law prohibiting



I will be passing along books I've read, gadgets, gift ideas and other cool things that I've come across and recommend to friends and family.



### Achieve Brain Coherence



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- Enhanced you can have better results
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Here's a tool that's helped lower my anxiety and improve my thinking. My kids got it for me several months ago and it has helped me better organize my thoughts. As I've gotten older, I've felt like my stress has been more noticeable and my thoughts a bit more scattered. Muse has helped me mentally improve!

I could go deep into the science of how when we age we start to lose grey matter in

most exports just over two years ago. The U.S. exported an average 1.4 million barrels a day of crude over the last four weeks, up from an average 605,000 barrels a day a year ago, according to government data. "It's a big deal for the industry because it develops additional logistics for our increasing oil production," said Andrew Lipow, president of Lipow Oil Associates. A "test" supertanker last year had to complete its loading offshore, but the LOOP can load these ships entirely at the port. Bottlenecks in the U.S. system had been a concern but as they get worked out more U.S. crude can move offshore. (Sources: Platts, CNBC)

**Is A Hike In Gas Tax Coming?** There are reports circulating that the White House is looking for a +\$0.25 bump in the federal gas tax in order to help pay for infrastructure spending that will upgrade U.S. roads, bridges and other public works. Keep in mind the government hasn't raised the gas tax since 1993, under the Clinton administration. (Source: SeekingAlpha)

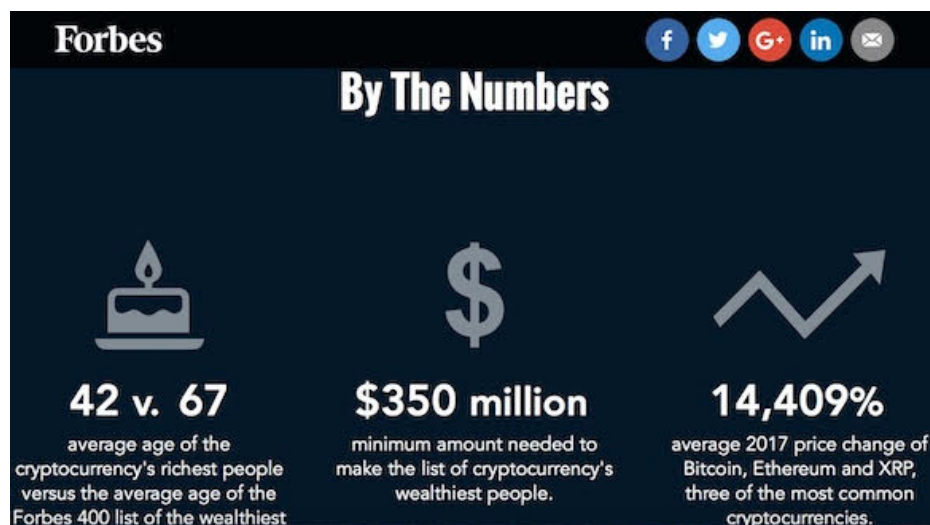
**The Richest People In Crypto:** Forbes recently released a list of what they believe are the richest people in cryptocurrency. Lets just say, some fortunes have definitely been made: Chris Larsen is thought to be worth \$7.5 to \$8.5 billion as he supposedly owns over 5 billion Ripple; Changpeng Zhao, the founder of Binance is said to now be worth over \$2 billion; Cameron & Tyler Winklevoss are said to have bought large amounts of Bitcoin early in the game and are now worth over 1 billion; Brian Armstrong, founder of Coinbase now worth over \$1 billion; Brendan Blumer, an Iowa native who first started dabbling in virtual assets at age 14, is now worth over \$1 billion at age 31 by treating his own blockchain token. Read More [HERE](#)

our brains, especially those engaged in daily high-level thinking, and how it makes bridging the synapses more difficult and the neural pathways harder to connect, but it would take hours to fully explain. Bottom-line, just like lifting weights for our muscles, our brains need training as well.

Muse is the first tool in the world that gives accurate, real-time feedback on what's happening in your brain. Our brain is constantly generating electrical signals when we're thinking, sleeping or even relaxing. These signals can be detected from outside your head, via sensors.

Muse uses the same brain sensing technology that doctors and scientists have employed for more than a century to detect our brain signals, similar to how a heart monitor measures our pulse. Muse has 7 finely calibrated sensors – 2 on the forehead, 2 behind the ears plus 3 reference sensors – which detect and measure the activity of your brain. Muse measures whether your mind is calm or active. After each session, you can review your data, set goals, and build a deeply rewarding practice that helps improve your mind.

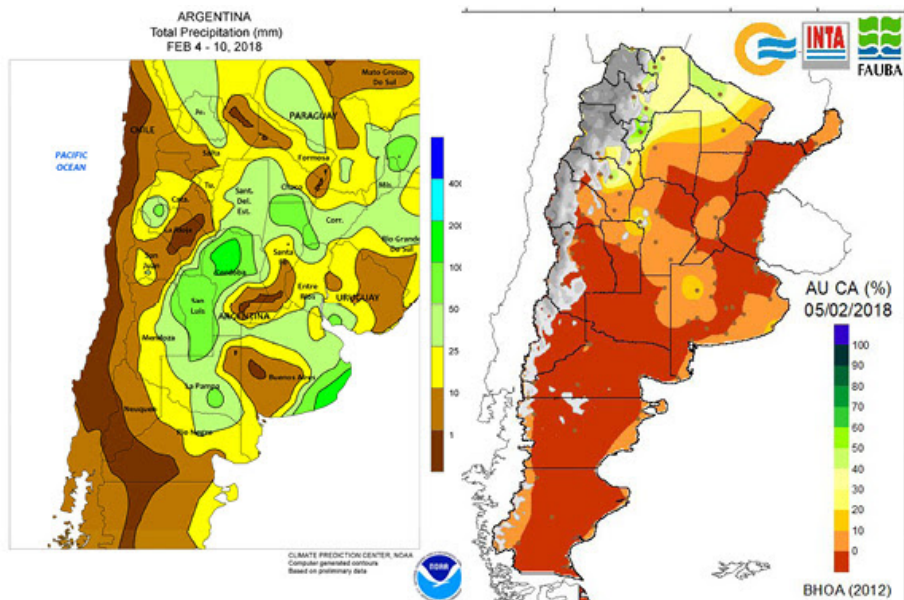
FWIW... I purchased one for everyone in our office and gave one to both our children, my sister and my father-in-law. To say I'm a believer is an understatement. I hope it works as good for you as it did for me. It's also on sale right now. I believe I paid about \$250 for each one.



**Weather** across the Corn Belt is mostly dry as a warming trend is in place. Although snow still covers much of the Midwest in the wake of an early-February stormy spell, melting has begun in some areas. On the Plains, dramatically warmer weather prevails. Today's high temperatures will approach 80 degree F on the southern High Plains, where an elevated risk of wildfires exists due to warm, dry, breezy conditions. Meanwhile, winter wheat's protective snow cover has begun to melt across portions of the northern Plains. Over the next week to ten days, North Texas and parts of Oklahoma may see some rainfall. Sudden warmth across the nation's mid-section will be short-lived as cold weather will sweep across the Plains and Midwest on February 15 - 16. Another blast of cold air will reach the northern Plains and upper Midwest late in the weekend and early next week. In the western U.S. precipitation will briefly surge southward from the northwest into the Four Corners region, but mostly bypass California. Farther east, another significant precipitation even will unfold from northeastern Texas to the central Appalachians, with flooding possible in areas that have already experienced heavy February rainfall.

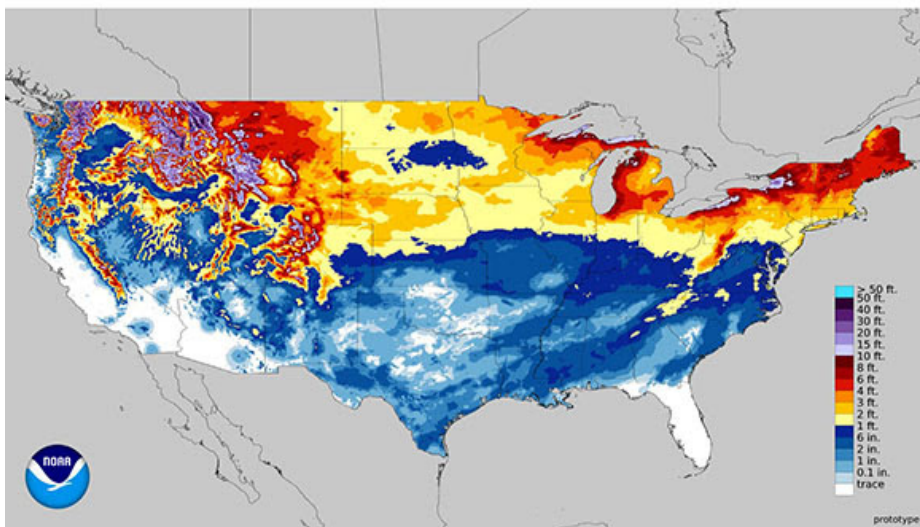
**Argentine Drought May Get Some Relief:** Looking at the maps below you can see recent rainfall compared to the bottom which shows soil moisture levels usable for crops. As you can see they have in no way had the rainfall needed to improve their drought situation. However, soil moisture is expected to increase significantly across north-central Argentina as well as central and southern Brazil. They are hoping this will help improve prospects for corn and soybean growth in those areas. However, temperatures look to warm up next week as well, so it's not clear how much improvement we will see.





**Cumulative Snowfall for this Winter** shows huge deficits in the central and northern Plains.

National Snowfall Analysis: accumulation from 2017-09-30 to 2018-02-14  
Issued 2018-02-14 14:56:53 UTC



**Corn** bulls are hoping the adverse weather in Argentina continues to take a toll on their crop. The USDA recently lowered their production estimate from 42 down to 39 MMTs. While I'm hearing some sources thinking a more realistic number for Argentina is now 34 to 36 MMTs, perhaps possibly even lower as dry conditions start to really take a toll. As I've been mentioning, I also believe the Brazilian crop is going to be significantly lower. Rather than the current 95 MMTs, perhaps something sub-85 MMTs? In addition to production setbacks in South America, I feel we will continue to see strong U.S. demand, hence my overall bullish tilt to this market. Some will argue that I could be a bit early to the party, but I think longer-term, new-crop corn prices could surprise to the upside. Especially if Asian demand continues to gain momentum like I believe might happen. Toss a U.S. weather story into the mix this upcoming planting or growing season, and from my perspective, we have the recipe for higher prices. As a producer, I believe there are some opportunities and ways to start eliminating risk. I've heard of producers buying puts and selling calls, doing ratio spreads and various other plays on the board to help reduce exposure. Make certain you are paying close attention and working with your individual advisor to discuss strategies and opportunities that might have opened up in the past few weeks. As a spec, I remain a longer-term bull, sticking with my current positions, but not yet wanting to add additional length.

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Today In History



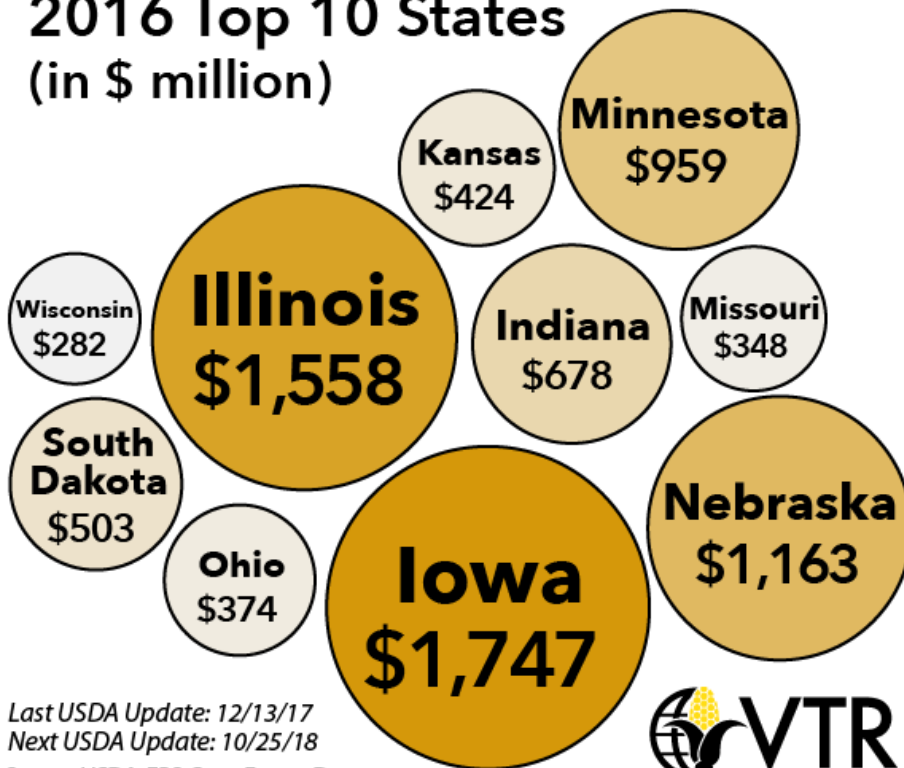
### 1776, American Revolution

- From Halifax, Canada, Governor Francis Legge reports to British headquarters in London that traitorous elements in Cumberland, Nova Scotia, have contacted American General George Washington. Washington received a letter from the Nova Scotians, in which they expressed their sympathy for the American cause, on February 8. They invited General Washington and the Continental Army to invade Nova Scotia at his earliest possible convenience. Legge found himself in a precarious position. He had alienated many of his constituents through a zealous anti-corruption probe. Now he reported that Nova Scotia had spawned a nascent revolutionary movement. Some of those whom Legge accused of corruption in his drive to clean up colonial politics had allies in the imperial capitol who were insisting that he explain himself in person. Fortunately for Legge, little notice was taken of his subjects' letter to Washington. The Continental Congress decided on February 16 to allow General Washington to investigate the expediency and practicability of an Expedition to Nova Scotia, but cautioned that Washington should by no means accept the plan proposed for the destruction of the Town of Halifax. After Benedict Arnold retreated in May 1776 from his six-month long siege of Quebec, which included the disastrous attack Quebec on December 31, 1775, the Continental Army gave up its hope that Canada would join the rebellion. Still, Governor Legge received orders to return to London in February 1776 and departed Halifax in May. Although Canada ceased to be a direct military target, it continued to play an important role as a haven for Loyalists and slaves fleeing from Patriots less concerned with other peoples' liberties than their own. On December 18, 1778, a force of New Jersey and New York Loyalists, The King's Orange Rangers, traveled to Liverpool, Nova Scotia, to help in its defense against Patriot privateers, privately owned ships that used pirate

# Corn Export Value by State

## 2016 Top 10 States

(in \$ million)



Last USDA Update: 12/13/17

Next USDA Update: 10/25/18

Source: USDA, ERS, State Export Data



**Spring Crop Revenue Insurance Guarantees:** Remember these prices will update daily during the month of February as the price average is determined.

- **Corn \$3.94<sup>^0</sup>** (Avg. close of the DEC18 contract during Feb)
- **Soybeans \$10.06<sup>^4</sup>** (Avg. close of the NOV18 contract during Feb)

**Soybean** bulls continue to push the front-end of the trade. It seems to be a combination of weather and lack of bushels being available for Argentine crushers, along with a weaker U.S. dollar and hints of increased inflation getting macro bulls more interested in commodities. I'm hearing several inside sources are making larger cuts to their Argentine production estimate. In fact, some very respected sources have lowered their production forecasts to between 44 and 48 MMTs, while the USDA's most recent estimate was lowered from 56 to 54 MMTs. Meaning it looks like there's still some significant production cuts coming down the pipe as the Argentine drought intensifies and starts to really drag on yield. Up front this is sparking talks that 2 to 3 MMTs of meal demand could ultimately be shifted back to the U.S. On the flip side, Brazil's production still looks strong and could perhaps be a new record. The USDA most recently bumped their Brazilian production estimate higher from 110 to 112 MMTs, and I'm hearing talk that number could be working itself higher by 1 to 2 MMTs. Something else we need to consider is that the Chinese are starting a week long vacation to celebrate their Lunar New Year holiday, meaning demand headlines could be lacking the next several days. Let's also not forget the U.S. markets will be closed on Monday for Presidents Day. In other words there could be a lot of position squaring and profit taking ahead of the extended U.S. weekend and Chinese holiday. Keep your eye on today's NOPA crush numbers. Most inside the trade are looking for January crush of 165.5 million bushels. Which if realized would make this the largest January crush number and second largest ever monthly crush number to be released.

tactics to disrupt British shipping. The Rangers remained until August 23, 1783. Nova Scotia ultimately attracted 30,000 American Loyalists, one-tenth of which were fleeing African slaves.



**1903, Teddy Bears** - Toy store owner and inventor Morris Michtom places two stuffed bears in his shop window, advertising them as Teddy bears. Michtom had earlier petitioned President Theodore Roosevelt for permission to use his nickname, Teddy. The president agreed and, before long, other toy manufacturers began turning out copies of Michtom's stuffed bears, which soon became a national childhood institution. Reports differ as to the exact details of the inspiration behind the teddy bear, but it is thought that while hunting in Mississippi in 1902, Roosevelt came upon an old injured black bear that his guides had tied to a tree. (The age, sex and state of health of the bear remain contested.) While some reports claim Roosevelt shot the bear out of pity for his suffering, others insist he set the bear free. Political cartoonists later portrayed the bear as a cub, implying that under the tough, outdoorsy and macho image of Roosevelt lay a much softer, more sensitive interior.

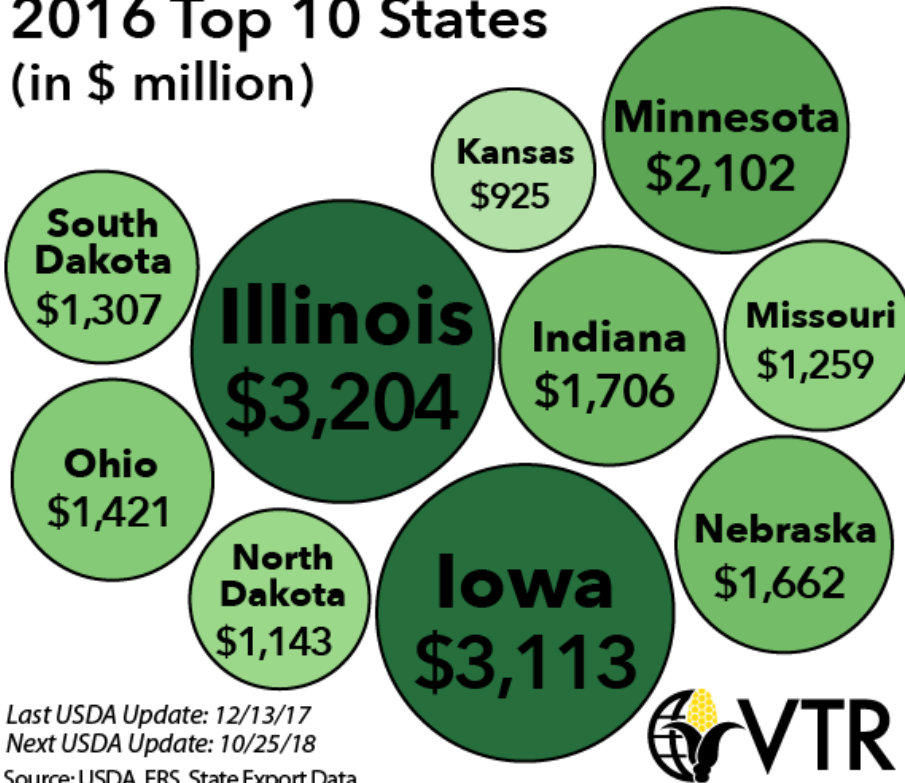


**1961, Sports Tragedy** - The entire 18-member U.S. figure skating team is killed in a plane crash in Berg-Kamphenhout, Belgium. The team was on its way to the 1961 World Figure Skating Championships in Prague, Czechoslovakia. Among those killed in the crash was 16-year-old Laurence Owen, who had won the U.S. Figure Skating Championship in the ladies' division the previous month. She was featured on the February 13, 1961, cover of Sports Illustrated, which called her the "most exciting U.S. skater." Bradley Long, the 1961 U.S. men's champion, also perished in the crash, as did Maribel Owen (Laurence's sister) and Dudley Richards, the 1961 U.S. pairs champions, and Diane Sherbloom and Larry Pierce, the 1961 U.S. ice dancing champions. Also killed was 49-year-old Maribel Vinson-Owen, a nine-time U.S. ladies' champion and 1932 Olympic bronze medalist, who coached scores of skaters, including her daughters Maribel and Laurence, and Frank Carroll, who went on to coach the 2010 men's Olympic gold medalist Evan Lysacek and nine-time U.S. champion Michelle Kwan. In addition to the skaters, 16 people accompanying them, including family, friends, coaches and officials, were killed. The other 38 passengers and crew aboard Sabena Flight 548, which left New York on the night of February 14, also died when the plane went down around 10 a.m. in clear weather while attempting to make a scheduled stopover landing at the Belgian National Airport in Brussels. One person on the ground, a farmer working in the field where the Boeing 707 crashed in Berg-Kamphenhout, several miles from the airport, was killed by some shrapnel.

# Soybean Export Value by State

## 2016 Top 10 States

(in \$ million)



**Wheat** bulls are battling a lack of fresh new headlines and a slightly wetter U.S. weather forecast. The dryness across the U.S. Plains has been well advertised and the trade keeps being reminded of both burdensome domestic and global supply. From a technical perspective, we continue to trade at or around levels not seen since last October. As a spec I remain a longer-term bull, believing we are eventually going to get the geopolitical, weather and demand headlines to come together all at once. As a producer however, I have to constantly remind myself it's all about risk-management, not forecasting market direction, hence the reason I made another small cash sale on the recent rally. I now have 50% of my new-crop price risk reduced at good levels and my annual marketing stress seems to be at manageable levels.

Investigators were unable to determine the exact cause of the crash, although mechanical difficulties were suspected. The tragedy devastated the U.S. figure skating program and meant the loss of the country's top skating talent. Prior to the crash, the U.S. had won the men's gold medal at every Olympics since 1948 (when Dick Button became the first American man to do so), while U.S. women had claimed Olympic gold in 1956 and 1960. After the crash, an American woman (Peggy Fleming) would not capture Olympic gold until 1968, while a U.S. man (Scott Hamilton) would not do so until 1984. The incident was the worst air disaster involving a U.S. sports team until November 1970, when 37 players on the Marshall University football team were killed in a plane crash in West Virginia.

### Upcoming Events

**Thurs. 2/15** - USDA Agricultural Projections to 2027

**Fri. 2/16** - Farms and Land in Farms

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

**Wed. 2/21** - Minutes From 1/31 FOMC Meeting Released

**Thurs.-Fri. 2/22-2/23** - USDA Ag Outlook Forum

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

**Fri. 2/23** - Cattle on Feed

**Thurs. 3/08** - USDA Supply and Demand

**Sun. 3/11** - Daylight Saving Time Begins

**Tues.-Wed. 3/20-3/21** - FOMC Meeting

**Thurs. 3/22** - Cold Storage

**Fri. 3/23** - Cattle on Feed

**Thurs. 3/29** - Quarterly Stocks and Prospective Plantings

**Thurs. 3/29** - Quarterly Hogs and Pigs

**Fri. 3/30** - Good Friday - Markets Closed

**Mon. 4/2** - Weekly Crop Progress Begins

**Thurs. 4/10** - USDA Supply and Demand

**Wed. 4/11** - Minutes From 3/21 FOMC Meeting Released

**Fri. 4/20** - Cattle on Feed

**Mon. 4/23** - Cold Storage

**Tues.-Wed. 5/1-5/2** - FOMC Meeting

**Thurs. 5/10** - USDA Supply and Demand

**Thurs. 5/17** - Farm Labor

**Tues. 5/22** - Cold Storage

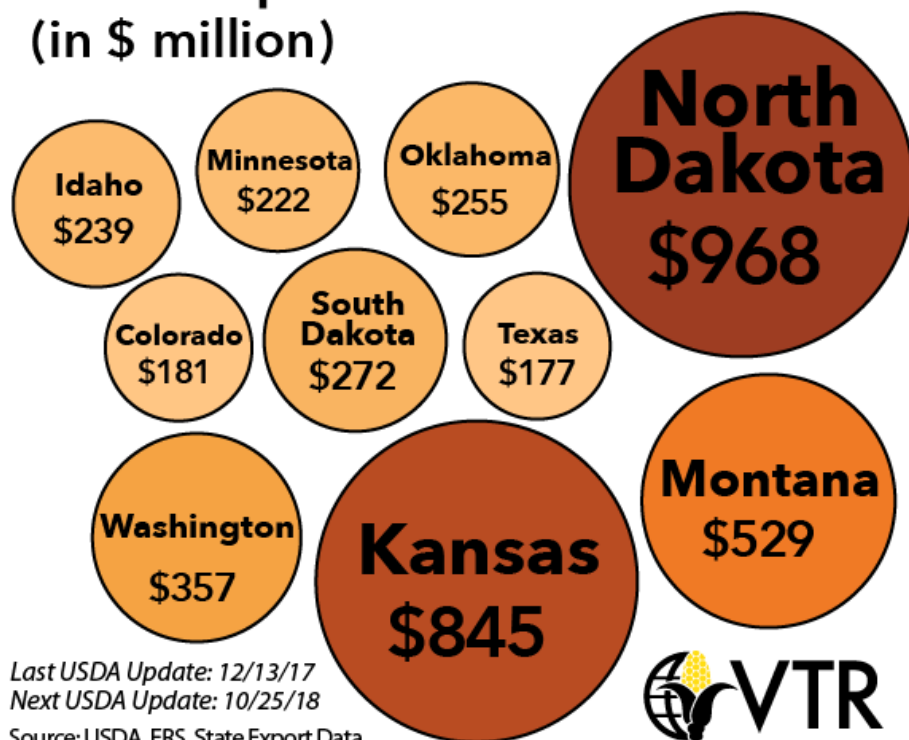
**Wed. 5/23** - Minutes From 5/2 FOMC Meeting Released



# Wheat Export Value by State

## 2016 Top 10 States

(in \$ million)



Fri. 5/25 - Cattle on Feed

Mon. 5/28 - Memorial Day - Markets Closed

Tues. 6/12 - USDA Supply and Demand

Tues.-Wed. 6/12-6/13 - FOMC Meeting

Fri. 6/22 - Cattle on Feed

Fri. 6/22 - Cold Storage

Thurs. 6/28 - Quarterly Hogs and Pigs

Fri. 6/29 - Quarterly Stocks and Acreage

### Kevin's Song of the Week



### About the Report



**> U.S. Ethanol Production Week Ending February 9:** U.S. ethanol production levels fell -41,000 barrels per day last week, pulling daily production down to 1.061 million barrels per day, according to the Energy Information Administration showed Wednesday. It is the second lowest production level of 2018 and the biggest week-on-week fall in production levels since the end of December. Stock levels fell -604,000 barrels to 22.8 million barrels. Corn used for production is estimated at 106 million bushels.

**> Brazilian Farmers Delaying Sales As Harvest Remains In Focus:** Farmers in Brazil, returning from a four-day national holiday, are stalling on selling soybeans forward, waiting instead for futures prices to go even higher while concentrating on the harvest, sources said Wednesday. According to three sources, farmers are refusing to ramp up sales, despite front-month futures on the Chicago Board of Trade hitting a near 10-week high and the Brazilian real remaining relatively weak against the dollar. "People are coming back to the market, slowly. Farmers seem to be waiting for even better prices, paying attention to the weather in Argentina," said Camilo Motter, a broker at Granoeste. Another source said it was likely that farmers were concentrating on the harvest instead of sales. (Source: AgriCensus)

**> Farm Bill Expected By Year End:** Leaders of the House and Senate Agriculture committees may not get a farm bill across the finish line by the Sept. 30 deadline. But it will likely pass Congress before the end of the year, agricultural economists and veterans of the process are predicting. "Since this farm bill is predicted to be more evolutionary than revolutionary, I think that diminishes the chances of an extension," said Don Villwock, a corn, seed soybean and popcorn grower in southwestern Indiana, and former 14-year president of the state's Farm Bureau. During a panel discussion hosted by the Farm Foundation, Villwock noted that a lot of the changes to the farm bill being considered were "tweaks" to current policy rather than a major overhaul, unlike the 2014 iteration that took an extra two years to negotiate. (Source: Politico)

**> Ethanol's Contributions To The U.S. Economy:** A new study looks at the ethanol industry's contributions to the nation's economy. The analysis conducted by AFB Economics found that the U.S. ethanol industry added more than 44 billion dollars to the nation's gross domestic products and supported near 360-thousand jobs in 2017. Additionally, the study found that ethanol displaced 532 million barrels of imported oil in 2017, keeping 27 billion dollars in the U.S. economy. (Source: Brownfield)

**> NGFA Pleased With Infrastructure Improvement Plan:** The National Grain and Feed Association (NGFA) said it looks forward to working with Congress on legislation to finance improvements to United States infrastructure, including rehabilitating dilapidated locks-and-dams on the U.S. inland waterways system. However, the NGFA did express strong concern over proposals to impose additional tolling or lockage fees on commercial users of the inland waterways. Such costs likely would result in the diversion of significant volumes of waterborne traffic to other higher-cost and capacity-challenged transport modes -- particularly already-congested highways and several service-challenged freight railroads. (Source: World Grain)

**> Bunge Earnings Disappoint, Announces Exit From Sugar Biz:** Bunge posted disappointing fourth-quarter profit as it continued to face low agricultural margins. Net income excluding one-time items was 67 cents a share from \$1.70 a year earlier, missing the \$1.37 average of analysts' estimates. Revenue dropped to \$11.6 billion from \$11.8 billion, trailing the \$12.5 billion average estimate. In the past year, Bunge has slashed its earnings forecast and unveiled a program to cut \$250 million in costs by the end of 2019. The company also announced it would be exiting the global sugar trading business and has identified "a few interested parties" in the business as it moves to concentrate on its grains and oilseeds operations. (Source: Bloomberg)

**> Baidu Plans U.S. IPO Of China's Top Netflix-Style Service:** Baidu Inc. plans to list its Netflix-like video streaming service iQiyi on a U.S. exchange, as China's biggest search engine posted fourth-quarter sales that topped analyst estimates. Baidu submitted draft registration documents to the Securities and Exchange Commission although the proposed number of American depositary shares in the initial public offering hasn't been determined, the company said in a statement.

**> Whistleblower Alleges Manipulation Of Cboe Volatility Index:** Wall Street's most widely followed gauge of future stock market volatility is being manipulated, a law firm representing an "anonymous whistleblower" alleged in a letter to U.S. regulators and seen by Reuters. The accusations prompted Cboe Global Markets, the financial exchange operator that is home to the Cboe Volatility Index <.VIX>, to ask Wall Street's self-funded regulator, the Financial Industry Regulatory Authority (FINRA), to look into the matter, two sources familiar with the situation said. In addition to the letter, the law firm said it had filed a formal complaint with regulators on behalf of the unidentified client. The complaint says regulators should look at trading data for proof of alleged manipulation. The letter, dated Monday, alleged that trading firms had taken advantage of the way the VIX is calculated in order to manipulate the index, costing investors nearly \$2 billion a year. The whistleblower's letter alleges a flaw in the calculation of the VIX that allows trading firms to manipulate the VIX index by posting quotes for S&P 500 options, without actually trading. So far, regulatory agencies have not commented. (Source: Reuters)

**> For The Watch Collectors:** I have a lot of friends who have watch collections. I thought it was interesting to read that Rolex was once again the most searched for brand in all of the Americas, Europe and Asia. Omega was second and Breitling third in Americas and Europe. Patek Philippe was second across Asia and fourth in the Americas and Europe. I also thought it was interesting to see the "Daytona" become the most popular model for Rolex - overtaking the Submariner and Submariner Date. Over the years (and a number of independent studies), the Submariner has always been the most popular Rolex model (and arguably the most recognized), but according to recent surveys, the new revamped Daytona has been a huge hit. Read more [HERE](#)

## 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!

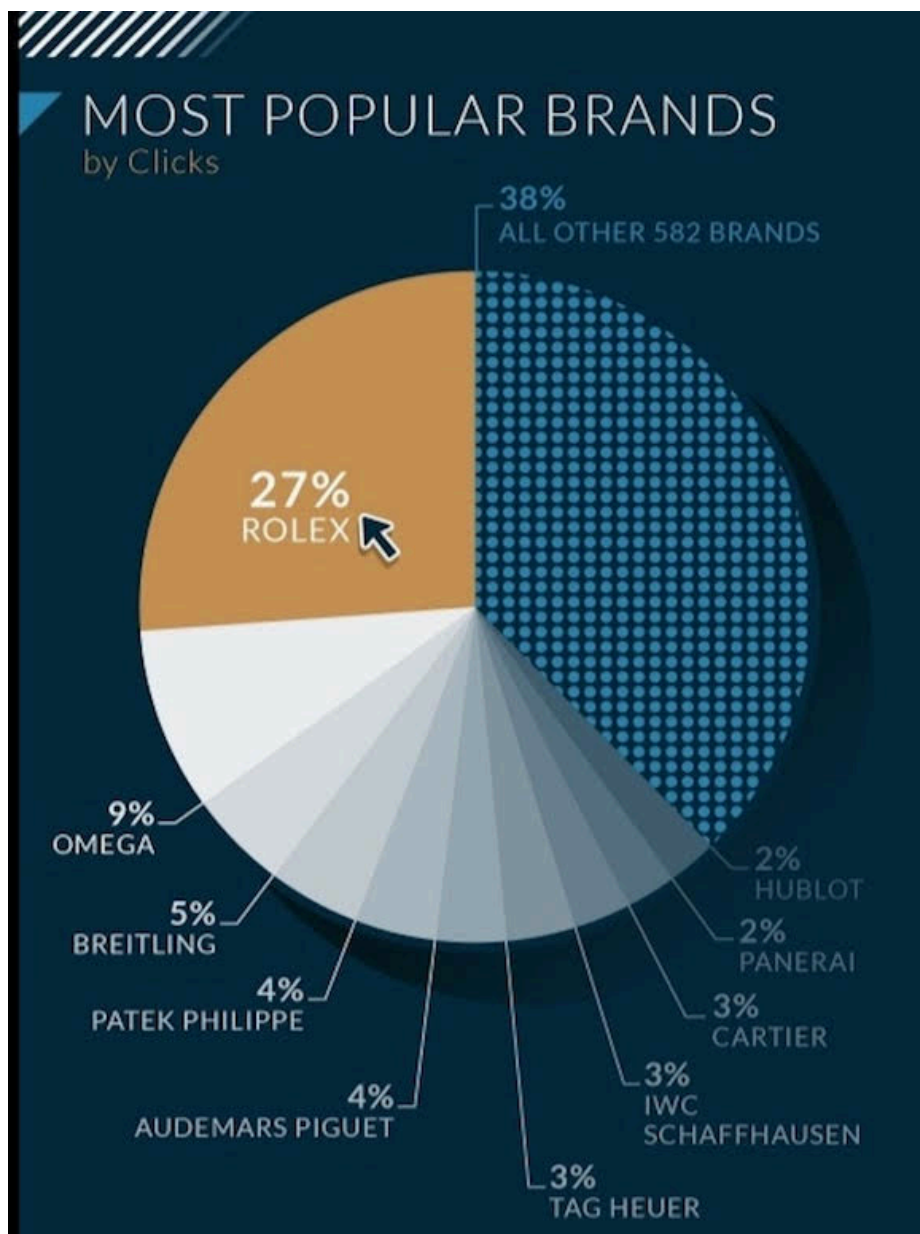
Kevin Van Trump

### 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



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.



**Central Illinois** - We are straight corn and bean farmers with a traditional 50/50 rotation. The 2017 crop production was some of the best that we have ever seen. The soybean yields were phenomenal that came in across all of our fields at 74bpa. We had a few fields that pushed the yield monitors to over 90bpa. We also had some great rains in August that helped during the pod filling stage. We have done more and more tiling throughout the farms, which is paying off big on the corn yields. Last year the whole farm average was 237bpa, which was one of the best ever. We will stay with the same rotation and are looking forward to another great production year.

**Central South Dakota** - Things have been pretty cold lately and we have around 7" of snow. We really haven't seen snow yet this year but usually will have our biggest snow events in Feb and later. Things are a bit dry now but ok, we did have decent fall moisture and soil conditions should be good for a while longer. We expect our winter wheat will be fine going into spring. There are a lot of spring wheat acres as guys are chasing the protein premiums. We also plant some corn and soybeans. We are sitting on more crop than I would like to but have lined up some basis contracts that I will need to price soon.



**Northeast Colorado** - We grow a lot of wheat and sorghum up this way. We are not sure what to expect yet regarding China and sorghum imports just yet, but we are keeping a close eye on things. There may be more dryland corn acres in play if things look too tight in the sorghum market. It's tough to budget our wheat here as we can reach 80bpa on a great year, 20bpa on a bad year while we average 40-45bpa. Everything depends on the rain amounts and makes it hard to plan. We have become better hedgers as we have learned the ups and downs of working dryland acres. Land prices are modestly coming down recently as reflected in a few recent sales. The poorest land will rent for \$900 while the best can go up to \$1,600.

## CROSSING WIRES

A place to share intelligent thoughts...

**No-Till Farmers' Push for Healthy Soils Ignites a Movement in the Plains:** As the world begins to zero in on the need to bring this soil back to life—as a solution to drought, nitrogen pollution, climate change, and more—farmers practicing no-till in the middle of the country could play a key role. As they reshape their operations with a focus on things like earthworms and water filtration, and practice a suite of other approaches that fit loosely under the umbrella of "regenerative agriculture," these farmers are stepping out of the ag mainstream. And while most no-till farmers see organic agriculture as inherently disruptive to the soil, they also have a great deal in common with many of the smaller-scale farmers that are popular with today's coastal consumers. This is the first part in a year-long reporting series from Civil Eats that will focus on rural America, the Rural Environment and Agriculture Project (REAP). Check it out [HERE](#).

**How 3D Printing Is A Part Of The Olympics:** The quest for Olympic gold is the search for the slightest leg up — small changes that could ultimately shave fractions of a second off of one's time. It's an ideal platform for a technology like 3D printing, where the ability to customize products can have a dramatic effect on their physical qualities. No surprise, really, that more teams are turning to technology for a leg up. Read more [HERE](#).

**Check Out These Giant Underwater Robots Used For Mining:** The Production Support Vessel is a 700-foot mothership that controls not only the three giant drilling machines but also the smaller scout bots that will go to the seabed first. The TrailBlazer, Auxillary Cutter, and The Big Beast are all put to the test below the surface of the water. Check out the pics and read more [HERE](#).

**How A Lost Diver Survived 75 Hours In The Ocean:** In February 2006, Robert Hewitt was scuba diving near Mana Island, off the coast of New Zealand's North Island. Hewitt was an experienced navy diving instructor with 20 years in the service, and he told his dive buddy that he would swim back to shore himself. Instead, when he next surfaced, he had been pulled several hundred meters away by a strong current. Read more [HERE](#).

**Shrinking Gems Are a Headache for the Diamond Industry:** The diamond industry has a size problem. Instead of splashing out on a ring or necklace featuring one big, bright diamond, shoppers are increasingly choosing pieces with several, smaller gems, which are often lower quality. And selling jewelry with smaller stones has been a good way for retailers to save money. As a result, the diamond content in jewelry has been shrinking since 2011 back to a level last seen almost a decade ago, creating a headache for miners. It's part of the reason the jewelry industry has been struggling to grow. The amount spent on diamond jewelry items has stayed at about \$80 billion a year since 2014, according to De Beers. Read more [HERE](#).

**Making It In America:** The pursuit of success is a part of our cultural DNA. Almost everyone wants to be successful — and many see it as the basis of the American Dream, which promises that every person can achieve success and prosperity through hard work, determination, and initiative. However, despite a drive for obtaining success in our culture, the meaning of success isn't fixed. It can be different things to different people, and there is no possible way of defining success in a way that is representative of every individual person. Although there's no objective definition of success, there are other ways to arrive at a more impartial meaning. The below infographic from Thermosoft uses data from a survey of 2,000 Americans to show what "making it" means to them — and in the process, it gives us a baseline for what success means to the average person. Check out the full version of the graphic and more details [HERE](#).

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

**Easy Shrimp Scampi**



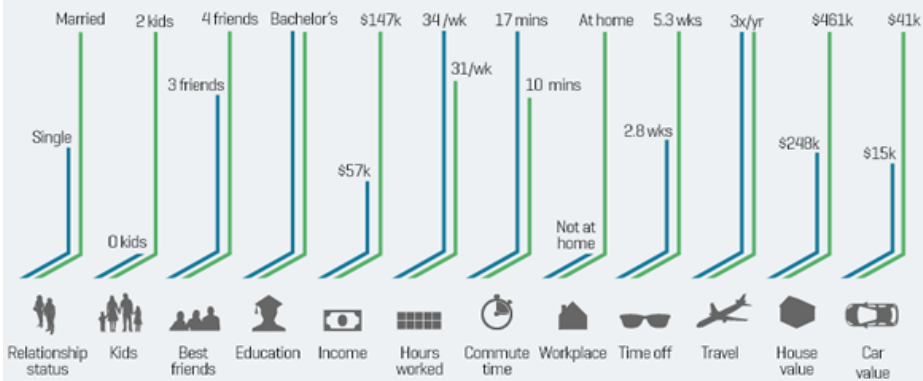
**CLICK TO SEE RECIPE**

# MAKING IT IN AMERICA

We asked 2,000 people to define what it means to "make it" in America.

## THE ROAD TO SUCCESS: A snapshot

— Average person NOW — Average person...if they "MAKE IT"



## FROM MY PERSPECTIVE

*Kevin Van Trump*



## BRINGING THE POWER OF DRONE IMAGING TO THE AGRICULTURE MARKET

PRESENTED BY: SKYCISION  
THURSDAY, 2/15 AT 3PM CT

## Register for Webinar Below

BROUGHT TO YOU BY:



During 2018, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aquaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

Join us each Thursday at 3pm CT for [Agrifood Conversations](#).

# REGISTER

## Learn More About "SKYCISION"

**Title: Bringing the Power of Drone Imaging to the Agriculture Market**

**Time:** Thursday, March 15 @ 3:00 pm CT

*Getting the big picture view of an entire farm or ag facility takes more than planning, it takes real-time field intelligence that can be hard to monitor over hundreds of planted acres. But drones can solve this problem, hovering thousands of feet over a field and allowing growers to spot crop stress, optimize field inputs and manage their entire operations, all without leaving the house.*

*Skycision's drone-based service allows the farmer to customize the type of drone that they need for their facilities as well as the type of imagery to capture. The company's pilots handle all of the in-flight operations, allowing the farmer to effectively "set it and forget it" right from the company's app. Once the flight is complete, Skycision delivers deep imagery-based insights on the captured data, showing the strengths and weaknesses in the farmer's fields from a birds eye view.*

### Year of the Dog: Happy Chinese New Year!

Unlike our New Year, which falls on January 1 every year, the Chinese New Year varies each year, falling on the first new moon between January 21 and February 20. This is because it is based on the lunar calendar, hence the reason it is often called the "Lunar New Year". It kicks off what is hands down most important festival of the year, the Spring Festival, and brings with it the world's biggest human migration. In 2018, 385 million Chinese people are expected to travel between major cities and rural areas to visit family, according to China News. The sheer number of people in airports, trains and on the roadways makes traveling this time of year uncomfortable, to say the least. To put it in perspective, America's biggest time of year for human migration is Thanksgiving. Last year, about 50.9 million people traveled via car, plane or train in the U.S. The volume of people traveling in China starting Friday is seven times bigger! The National Tourism Administration predicted earlier this month that this year's holiday period will bring in 476 billion yuan (\$75 billion) in tourism revenue. Traditionally, Chinese families gather together for a reunion dinner on New Year's Eve, and clean their houses to clear away bad fortune on New Year's Day. One of the most common traditions is to give children red envelopes stuffed with 'lucky money' and positive wishes on New Year's Day. In our modern era, the kids are using red envelope smartphone apps so cash can be transferred digitally. Some things that no one should do on New Year day, however, include cleaning clothes, using scissors and sweeping floors as these activities will bring bad luck in the year ahead. The Chinese also associate every year with an animal that runs on a 12-year cycle based on the Chinese zodiac. This year will be the Year of the Dog. According to Chinese astrology, a person's year of birth determines their personality traits. People born in the Year of the Dog are described as independent, sincere, communicative and loyal. Other Years of the Dog include 1934, 1946, 1958, 1970, 1982, 1994 and 2006. There are also element cycles: Gold (Metal), Wood, Water, Fire, and Earth. So for example, this is an Earth Dog year, which occurs once every 60-years. Chinese astrology holds that the year of your sign is one of the most unlucky years of ones life. Coincidentally, President Donald Trump is a Dog, so he would be advised to be extra cautious this year! Below are some of the predictions for the 2018 Year of the Dog, according to Chinese astrology:

- **Possible Conflicts:** *Based on the Chinese horoscope, it is often said that the Years of the Dog are carriers of violent conflict. However, many say it's only the Years of the Metal Dog can be related to warlike and destructive energies. The next year of the Metal Dog is in 2030.*
- **Make Changes:** *According to Chinese astrologers, the Year of the Earth Dog 2018 is a good time for lifestyle changes (time to quit smoking or change residence) and for the start of new business ventures.*
- **Communicate:** *Dog Years are not conducive to waste and unnecessary expenses. In 2018, success, in love as in work, depends primarily on the quality of the communication between people.*
- **Diversity:** *Working with others, pulling together different people with diverse talents will fuel the breakthroughs we'll see this year.*
- **Cautious Investing:** *The Chinese Year of the Dog is a good time to be cautious when it comes to finances, according to this year's CLSA Feng Shui Index. According to the index, there could be a stock market high ahead, but not before a few bumps this Spring and a lull this Summer.*
- **Go With Your Gut:** *In 2018 we benefit by following our instincts. Feng Shui Master Raymond Lo says we have nothing to fear in moving forward when our gut*



confirms it's the right direction.

- **Weather Extremes:** The Earth dog is a massive mountain so it is associated with earth disasters such as earthquakes, landslides and avalanches.
- **The Significance of 1958 and 1898:** Followers of Chinese astrology believe that we experienced the same yang Earth Dog year as 60 years ago in 1958 as well as 120 years ago in 1898. In the U.S., 1958 brought a serious recession that saw unemployment rise over 7.0%. It was also the year that the Microchip is first developed. In 1898, the U.S. declared war on Spain, known today as the Spanish-American War. It ended by December with the signing of the Treaty of Paris. Also in 1898, the British government arranged a 99-year rent of Hong Kong from China. (Sources: Time and Date, Wikipedia, The Sun)



### What You Might Not Know About Fleetwood Mac's "Rumours"

Fleetwood Mac's eleventh studio album was the band's most successful recording and one of my Moms favorites. The hit album turned 41 years old this February so I thought I would write about it. Released on February 4, 1977, the album has gone on to sell more than 40 million copies making it one of the best selling albums of all time. Some of the band's most beloved songs appeared on the record, including "Go Your Own Way", "Dreams", "Don't Stop", and "You Make Loving Fun." Rumours immediately garnered widespread critical acclaim and to this day appears on most notable "best albums of all time" lists. With all of its critical and commercial success, it's surprising to realize the making of Rumours was actually riddled with an unbelievable amount of relationship drama. That they were able to finish the album, let alone mold it into a masterpiece, seems like a small miracle. The drama was so crazy, producer Ken Caillat even wrote a novel about it, in which he explains that the book isn't actually a "music book"...it's a "success story." At the time, the band members included guitarist and vocalist Lindsey Buckingham, drummer Mick Fleetwood, keyboard player and vocalist Christine McVie, bass guitarist John McVie, and star vocalist Stevie Nicks. Over the course of recording, the McVie's divorced, Nicks and Buckingham split up and Fleetwood's marriage fell apart after his wife had an affair with his best friend. Then, Fleetwood and Nicks ended up having an affair. Recording sessions were often filled with arguments, which likely contributed to self-destructive behaviors that included a lot of cocaine use. In fact, the band seriously considered thanking their drug dealer in the album credits, but the guy was shot and killed before it was released! One of the recording studio's owners said that Fleetwood Mac brought "excess at its most excessive." But he also says the band made the best music when they were in the worst shape. Ultimately, what the producers captured was what one described as "emotion and feeling without a middleman ... or tempering." When the recording of Rumours was finished, it was a struggle to finalize some of the overdubbing and mixing because the tapes had been damaged due to their repeated use during recording. They

eventually found a specialist to fix the issues and in December of 1976, the first single, "Go Your Own Way", was released by Warner Brothers. Advance orders of the album ended up being the largest in the record label's history. Remarkably, Fleetwood Mac launched a tour and ended up recording three more albums together. Mick Fleetwood has called Rumours "the most important album he ever made" because its success allowed the group to continue recording for years to come. All the band members have expressed how deeply personal the album is, with each one having contributed songs that they basically wrote about their deteriorating relationships. Fleetwood later wrote in his 2014 memoir, "It was hard to do, but no matter what, we played through the hurt." I remember my Mom constantly playing this eight-track! (Sources: Rolling Stone, "Making Rumours", Wikipedia)



"Go Your Own Way" from 1977 concert tour. Click the screen shot to watch!



"Go Your Own Way" from 1997 concert tour. Click the screen shot to watch!

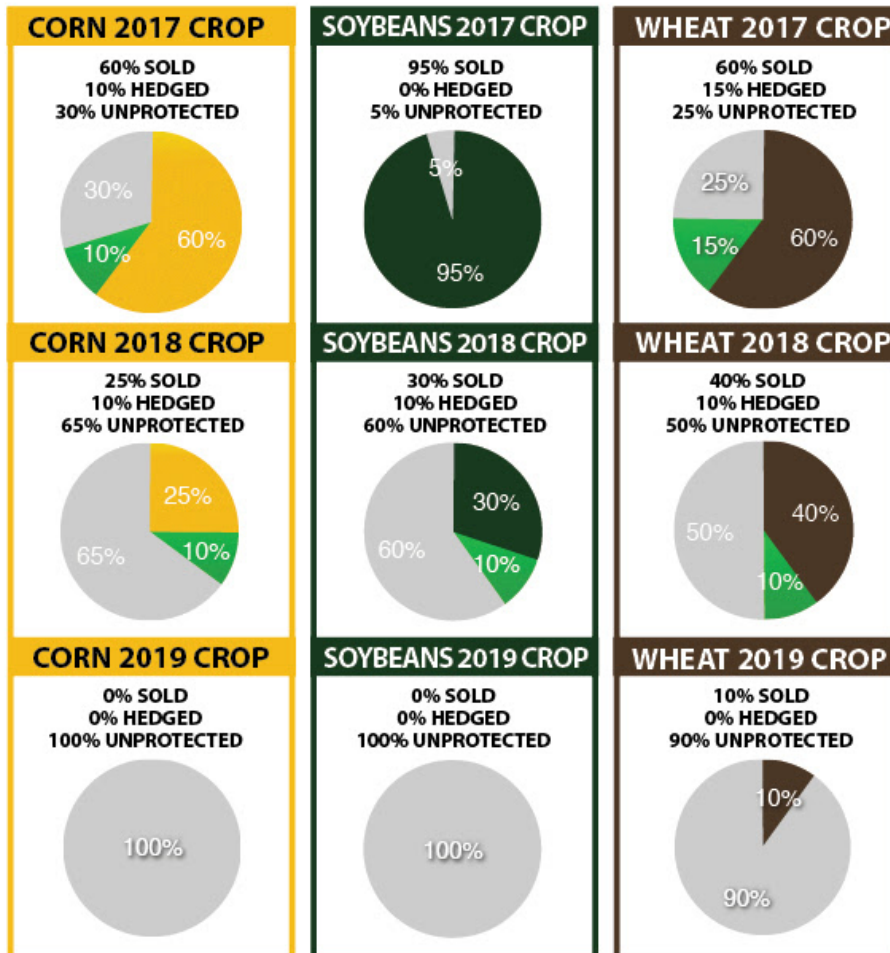


Fleetwood Mac ~ The Chain ~ Live 1979 - This is an AWESOME live 1979 era performance of the classic song ~ The Chain. This is from Fleetwood Mac's GREAT Tusk Documentary. Click the screen shot below to watch the documentary.





# CASH SALES & HEDGING TOTALS



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