

GOOD MORNING: 04/17/18 Farm Direction - VanTrump Report

2 messages

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"I would rather be able to appreciate things I cannot have than to have things I am not able to appreciate."—Elbert Hubbard

TUESDAY, APRIL 17, 2018

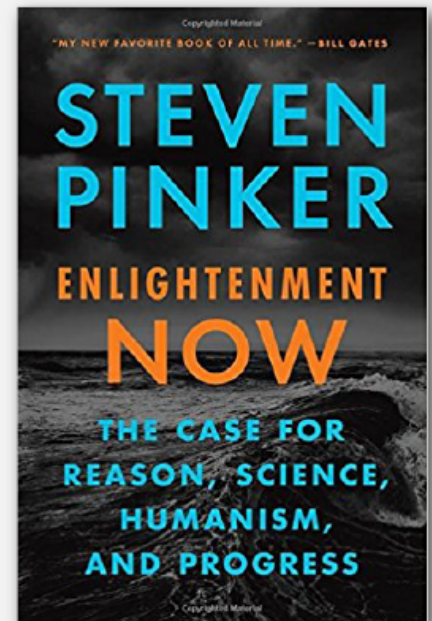
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Morning Summary: Stock bulls hope optimism surrounding first-quarter corporate earnings can continue to overwhelm the noise being created by the geopolitical headlines. The Dow Jones Industrial Average is back above its 50-Day Moving Average for the first time since early-March and the S&P 500 is back in positive territory for the year, both of which might be enough to give the short-term momentum computer models reason to add additional length? I should also note, the VIX Volatility Index has pulled back sharply and close to posting its lowest level in over a month. Economic data is also a bit better, as sales at U.S. retailers moved higher, ending a streak of three consecutive declines. The drop off in spending wasn't a huge shocker to the market, as consumer spending had soared during the final three months of 2017, posting its biggest increase in three years. The good news is American's savings accounts have increased during the past three months. There are also a couple of banking studies circulating inside the trade that shows the new tax-reform is boosting take-home pay, suggesting aftertax pay was about +7.5% higher in March of this year than March of last year. Throw on top many U.S. consumers getting tax refunds and weather starting to improve, spending may continue to accelerate. As for today, the market will be digesting a ton of U.S. housing data, Industrial production and speeches from a wave of Fed officials. Japan's Shinzo Abe will meet with President Trump today for an important summit in Mar-a-Lago. I should also note, President Trump announced key appointments to the Federal Reserve. He announced longtime Columbia University economic professor Richard Clarida will replace Stanley Fischer as Vice-Chairman. Clarida has been Global Strategic Advisor for PIMCO for nearly 12 years. He is a member of the Council on Foreign Relations and the National Bureau of Economic Research. President Trump also named Michelle Bowman of Kansas to serve on the Fed's Board of Governors through January 2020. Bowman currently serves as the Kansas State Bank Commissioner, a position to which she was the first woman appointed and confirmed by the Kansas State senate. As for U.S. corporate earnings, a few big names today will include Goldman Sachs Group, Johnson & Johnson, and IBM.

Here's To The Grinders! Desiree Linden became the first American woman to win the Boston Marathon since 1985. Linden, who at one point said she thought about dropping out, took the lead from Gladys Chesir of Kenya just before mile 22 and never looked back, despite the miserable conditions for runners who struggled with the pouring rain, cold and wind all day. The brutal conditions caused this to be the slowest women's race since 1978. Linden won with a time of 2:39:54. Linden said she told fellow American runner Shalane Flanagan, "I might drop out. There's a good chance I'm going to drop out today. If you need something, block the wind, whatever, let me know." The gesture of sportsmanship earned Linden even more praise on social media. Linden had just enough left to raise the U.S. flag and run along the finish line area after the race to receive congratulations from the crowd. "I'm thrilled. I'm exhausted. I left it all out there. Now I'm ready to warm up," Linden told reporters. "It hurts right now, but it's a perfect day for me. This is a grinder's day. I keep showing up, I can kind of tough it out through anything." I tip my hat, here's to the "grinders"...



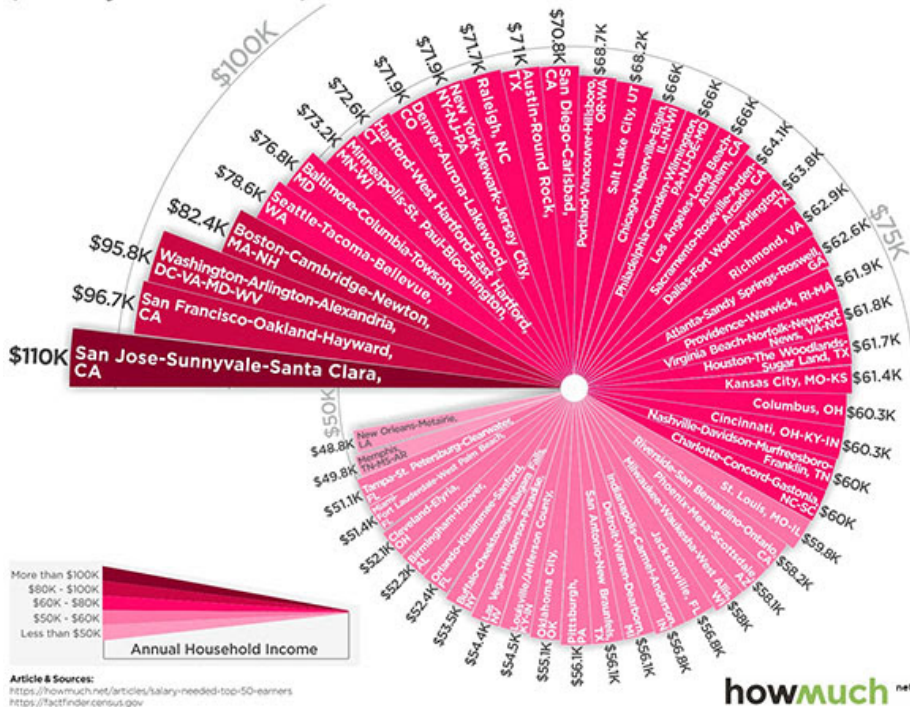
I will be passing along books I've read, gadgets, gift ideas and other cool things that I've come across and recommend to friends and family.





How Much Do You Need To Make To Be In Top 50% Of Your City? As we head into a new tax code this year, many folks will be moving up the ladder for take home pay. Though a six-figure paycheck probably sounds like a lot of money to most people struggling to make ends meet across the U.S., in the Bay Area, with its high-paying tech jobs and brutal cost of living, you'd have to make \$110,040 to crack the top 50% of earners. On the other end of the spectrum, you don't even need to make \$50,000 to move into the upper half in New Orleans and Memphis. So, how do your earnings stack up? HowMuch.net's Raul Amoros used an oft-cited [Princeton study](#) to offer some perspective on these figures. He pointed out that, according to the researchers, \$75,000 is the level, on average, of peak of money-induced fulfillment. Check out this "exploding pie" chart from cost-estimating website HowMuch.net.

Salary Needed to be in the Top 50% of Earners (50 Major U.S. Cities)



All things considered, do you think the world as a whole is getting better or worse, or neither getting better nor worse?

In Sweden just 10% thought things are getting better, in the US they were only 6%, and in Germany only 4%. Bottom-line, very few people think that the world is getting better and this makes moving forward much more difficult.

Unfortunately the media has become overly obsessed with reporting single events, specifically single events that have gone bad. The media does not pay nearly enough attention to the slower developments that reshape our world. Look at the news: plane crashes, terrorism attacks, natural disasters, election outcomes that we are not happy with. Positive developments on the other hand often happen very slowly and never make the headlines in the event-obsessed media. Look at what happens in our own day-to-day lives, then step back and look at what has happened when viewing the longer-term picture.

This book helps shed some light.

Great read and get gift ideal

Bill Gates is calling it his "New Favorite Book of All Time". That is a very strong statement considering how many books Gates reads each year.

LEARN MORE

Today in History



1964, Ford Mustang - is introduced at the World's Fair in Flushing Meadows, New York on April 17. The iconic Mustang was the brainchild of Lee

Iacocca who came up with the vision of the car in 1961. Iacocca wanted the Mustang to be affordable for the common man, and he would achieve his sales price of \$2,368.00 by using parts already in production from other Ford vehicles. Ford finally would approve production of the Mustang late in 1962 and in 18 months the first car rolled off of the assembly line on March 9, 1964. It was during this time that Buhlie Ford a nephew of Henry Ford II, was said to have driven a prototype into town, (Dearborn, Michigan) parked the car in a parking garage and left it sitting there overnight. The press got wind of this and the proverbial cat was let out of the bag. Named for the World War

neuro mining

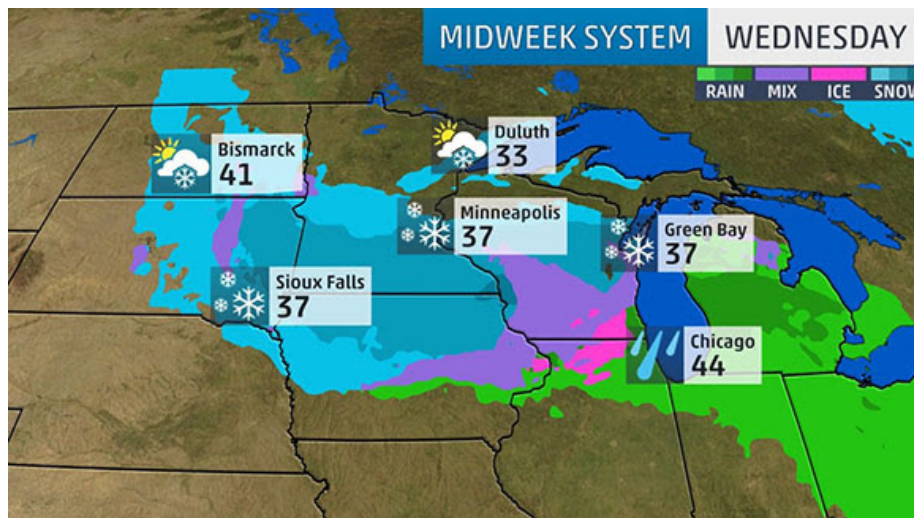


As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

TODAY'S RIDDLE: What occurs twice in a week, once in a year but never in a day?

Weather has low temperatures continuing to delay any early spring fieldwork and maintain high stress levels on livestock. The southern Plains has a round of very beneficial rainfall forecast for later in the week. Until then, winds and low relative humidity will maintain high stress levels. In the South, locations are beginning recovery efforts, following the recent strong thunderstorms that resulted in heavy rain, flash flooding and isolated tornadoes. Looking ahead, cool weather will dominate the country, except for a brief, early week burst of wind and warmth across the drought-stricken southern Plains. Two additional storm will cross the nation, the first system will reach the central Plains on Tuesday and the Northeast by Thursday, while the second storm will arrive at week's end across the nation's mid-section. The second system could provide much-needed precipitation on the central and southern Plains.

Another Snow Storm Across The Midwest This Week: *Although it is mid-April, more snow is possible this week from the two storms we wrote about above. An area of low pressure will press into the Plains Tuesday night and track into the upper Midwest Wednesday. The next storm system, later in the week, is expected to be stronger than the midweek disturbance and will take a more southerly pass. This will bring very beneficial rainfall to the southern Plains which you can see in the 5-day precipitation forecast below. As of April 15, topsoil moisture ratings for southern Plains states are extremely low with short to very short ratings for Kansas at 72%, Oklahoma 72% and 66% in Texas.*

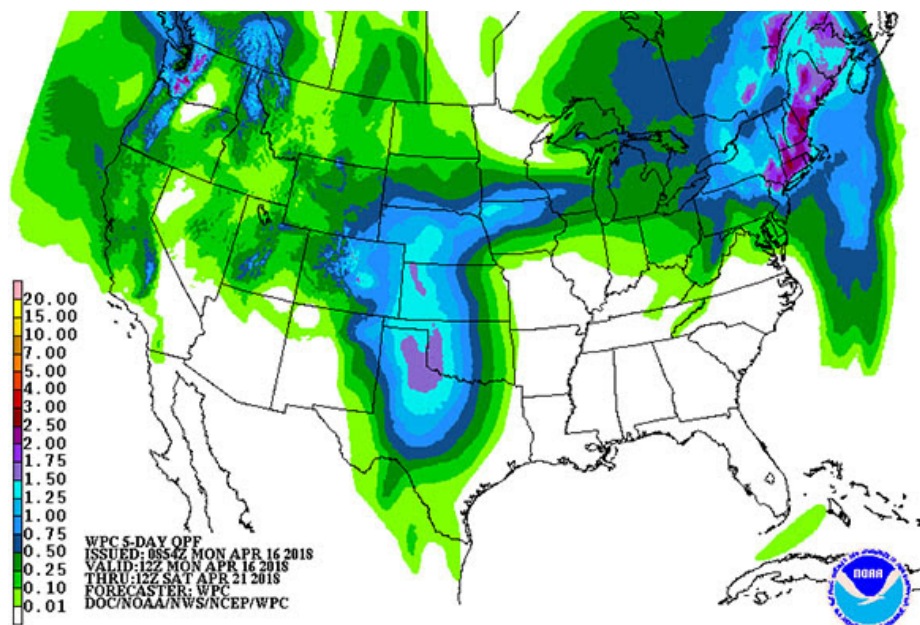


II fighter planes, the Mustang also known as a pony car would sell more than four hundred thousand units in its first year. It was featured on the covers of Newsweek and Time magazines simultaneously during the launch as well as in commercials for television. Billed by Ford as "the working man's Thunderbird," the Mustang could be made to order to fit the customer's wishes. Iacocca was a marketing genius in the beginning, and within two years Ford had sold over a million Mustangs. The Ford Mustang is one of ten cars manufactured in America that has stood the test of time and has been in continuous production for fifty years without missing a season. Mustangs have been chosen to be the official pace car of the Indianapolis 500 on three occasions, the first being in 1964. Other interesting facts are that: Red is the most popular color, the US Postal Service honored the car with stamps twice, and it has appeared in over three thousand movies and television shows. Throughout the years the Mustang has evolved, with some failures but mostly successes, and it still survives today as one of the best examples of American Muscle.



1521, Diet Of Worms Trial -

On this day in 1521 Martin Luther's trial at the Diet (Dee-et) of Worms would begin. Diets were an assembly of governmental or religious leaders in Europe, who were called together to settle disagreements, Worms (Vermz) was a City in Germany. Luther after posting his "Ninety-five Theses or Disputations on the Power of Indulgences," on the Castle Church in Wittenberg, was summoned by the Diet in Worms. Luther's Theses' were a list of propositions that called out the Catholic Church for the abusive practice of selling indulgences. These indulgences were certificates, advertised by the Catholic leadership, that would reduce the temporal punishments for sins committed by the souls residing in purgatory. The selling of indulgences was also a major income producer for the Catholic church and helped the Pope Leo X build what is today's St. Peter's Basilica in Rome. Luther stated that sins would and should only require a spiritual repentance through Christ to be valid, and in fact were the only biblical terms for the forgiveness of sins. These Theses' would also be the impetus for what is known today as the Protestant Reformation, create a giant schism within the Catholic Church and profoundly change Europe. The Diet, a court of inquisition, was formed earlier in 1521, and it consisted German King Charles V's (who was emperor of all of Europe) his representative Johann Erc and two papal representatives. The council would request that Luther recant his Theses', which had been labeled heresies by Pope Leo X. Martin Luther would refuse to recant and used the Holy Scriptures to defend his stance at the trial. He would famously state "my conscience is bound in the word of God, I can not and will not



Corn bulls need to find some fresh new headlines. I could argue there's starting to be more talk of isolated production hiccups in the southern portion of Brazil, but I think it's still too early to jump to any conclusions. Any losses in yield due to dry conditions to the South can be argued in an opposite manner by better than expected yields in other areas. I suspect if dryness in the Southern areas of Brazil becomes more widespread and more of a concern the trade will start to discuss in greater detail, right now it's just on the radar. Here at home, bulls are talking about planting delays and the possibility of less than 88 million acres. Keep in mind, the USDA has forecast "no change" in corn acres compared to last year for Missouri, Iowa, South Dakota, and Michigan. That's tough for many to imagine considering the current conditions and weather uncertainty in the current forecast. Even though we probably dry out in many areas, sub-soil temperatures being too cool are still going to remain a big question. The planting forecast to the South seems much more cooperative, at least for the moment. As both a spec and a producer, it feels like the first couple of weeks in May are shaping up to be mission critical. The market might elect to pause until more is known. The problem is this could cause some of the weaker and more recently added bulls to become bored or perhaps a bit scared and move to the sideline. If U.S. weather in the corn belt looks more cooperative closer to the beginning of May "planting premium" will be somewhat limited. On the flip side, if the forecast for the first couple of weeks of May look more problematic, the trade will look to quickly add more "planting premium". I personally think longer-term, the trade is going to wake up one morning and recognize 88 million acres isn't enough and probably not what gets planted. Unfortunately, that headline might not ring throughout the trade for a few more weeks. We've all learned that with the massive improvements in technology, acres can get planted in a much smaller window of time. Hence, some of the bigger bulls are in no hurry to bet against the U.S. producer getting the crop in the ground. Staying patient... thinking prices could drift sideways to lower on not a lot fresh or new in the headlines.

Colorado 0% vs. 0%

Illinois -5% = 0% planted vs. 5% traditionally

Indiana -1% = 0% planted vs. 1% traditionally

Iowa -3% = 0% planted vs. 3% traditionally

Kansas -9% = 6% planted vs. 15% traditionally

Kentucky -7% = 3% planted vs. 10% traditionally

Michigan 0% vs. 0%

Minnesota -3% = 0% planted vs. 3% traditionally

Missouri -14% = 4% planted vs. 18% traditionally

Nebraska -1% = 1% planted vs. 2% traditionally

North Carolina -2% = 30% planted vs. 32% traditionally

North Dakota 0% vs. 0%

Ohio 0% vs. 0%

Pennsylvania -1% = 0% planted vs. 1% traditionally

South Dakota -1% = 0% planted vs. 1% traditionally

Tennessee -5% = 11% planted vs. 16% traditionally

Texas +6% = 60% planted vs. 54% traditionally

Wisconsin 0% vs. 0%

recant anything. Here I stand! I cannot do otherwise. God help me! Amen." With this the trial or Diet of Worms was over. The Diet would issue the Edict of Worms which would in turn label Luther as a heretic and banned all of his writings throughout Europe. It also would make Luther an outlaw and essentially ordered his execution. Luther was never arrested because he was rescued by Prince Frederick III of Saxony and allowed to live in his castle in Germany. Here Luther would spend the rest of his days translating the Bible into German and helped with the growth of the Lutheran Church.



1961, Bay Of Pigs - Today in 1961, the Kennedy administration began an invasion in Cuba known as the Bay of Pigs. After the Cuban

revolution of 1959 where Fidel Castro came to power and he was increasingly courting and being influenced by the communist Russian government and its leader Nikita Khrushchev, the Eisenhower administration developed a plan to end Castro. The plan that was developed, would be operated by the CIA and it was hoped it would take back control by using 1,400 Cuban political exiles (known as Brigade 2506), who were also anti-Castro, and form a paramilitary group that would be trained and capable of overthrowing the Castro regime. The plan consisted of air strikes that would take out Castro's fledgling air force, followed by an invasion force that would come by sea and air, which would then begin a guerilla war on the island. It would however, be the newly inaugurated Kennedy administration, that would finally authorize and implement this invasion plan. Kennedy would order a change in the amphibious landing spot from a defensible area near some mountains to the Bay of Pigs a swampy area of Cuba where no one should rightly invade. Cuba was prepared, their intelligence agency was informed of Kennedy's plan, and alerted Castro of the impending invasion and where and when it would take place. Castro and nearly twenty thousand troops met this small exile invasion force and quickly ended any hopes of creating a democracy in Cuba. Kennedy and his administration would spend the next twenty months negotiating a deal for the release of the nearly one thousand captives. Castro would eventually settle for \$53 million worth of baby food and medicine in exchange for the prisoners. Castro and his political ties with Russia were solidified through this event, and the fallout from the Bay of Pigs would directly led to the events surrounding the Cuban Missile Crisis of 1962.

Upcoming Events

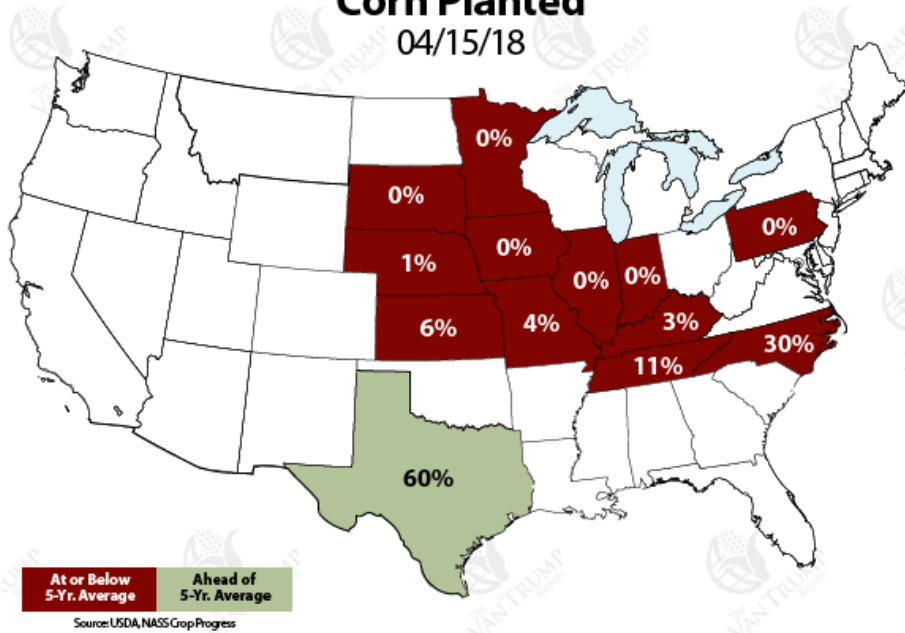
Fri. 4/20 - Cattle on Feed

Mon. 4/23 - Cold Storage

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

Corn Planted

04/15/18



Soybean bulls might find themselves in a similar vacuum as corn. There's just not a lot new in the headlines to attract fresh money up near the highs. The South American crop is being more aggressively harvested, in turn traders might be a bit more comfortable allowing some of the recent risk-premium to be removed. From what I'm hearing, the Brazilian crop is about 90% harvested and the Argentine crop closer to 30% harvested. Here at home, there's also more talk that delays in corn planting could ultimately push additional acres towards soybeans. Bulls continue to point to production problems in Argentina and the fact their pain will ultimately be our gain. Brazilian exporters can only supplement demand to a certain degree, meaning U.S. new-crop production has become extremely important. Any talk of major wide-spread production hiccups during the growing season and premium will certainly be added. Demand here at home remains strong. The March NOPA crush numbers were reported well above trade expectations at a record 171.9 million bushels, which was about 12% above last years level. This was also a new all-time record monthly crush well surpassing numbers posted back in December. Bulls are thinking our domestic crush will remain strong, ultimately forcing the USDA to push their already record estimate even higher by perhaps +20 to +30 million bushels. This certainly helps add credibility to the bulls and their longer-term sub-400 million bushel ending stock story. Personally I remain a longer-term bull, but again, I'm worried about the nearby vacuum or void that could be created while the market transitions from South American production headlines to those more focused on the U.S.. Make sure you are positioning yourself where you can take advantage of a significant break in price, rather than being over-leveraged and becoming part of a break in price. Think longer-term...

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

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

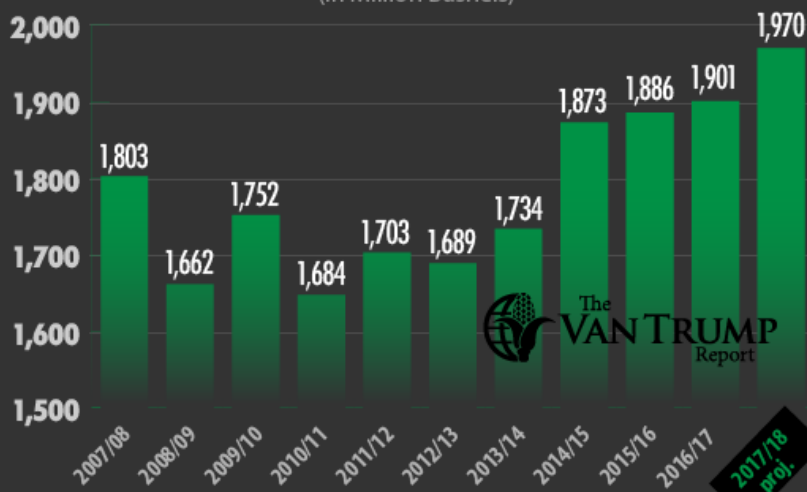
WHAT I'M LISTENING TO:



Kevin's Song of the Week

U.S. Soybean Crush

(in Million Bushels)

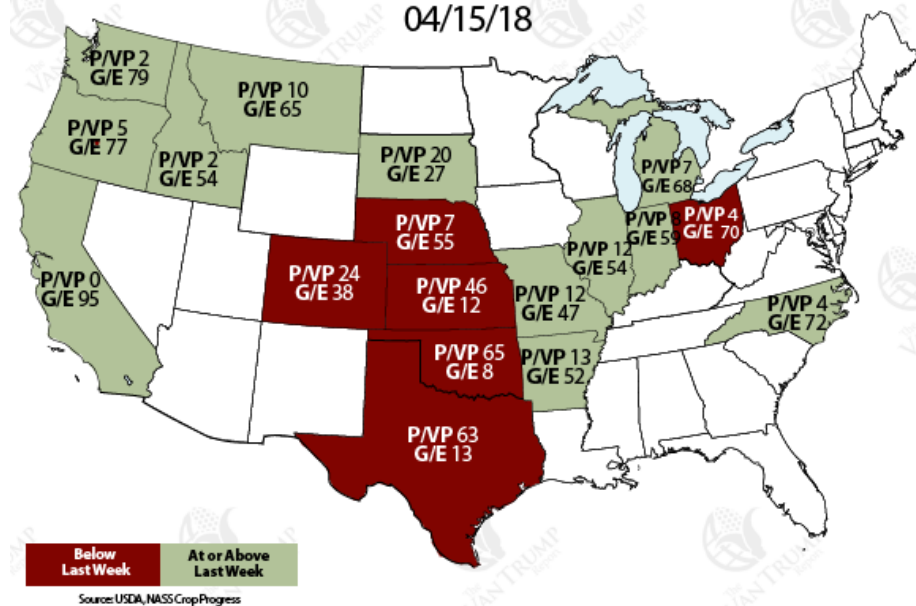


Source: Data updated with April 10, 2018 WASDE numbers

Wheat bears point towards an improved U.S. weather forecast, one that includes more widespread moisture for many key HRW production areas. The USDA's weekly winter wheat crop-condition report improved slightly from 30% to 31% now rated "Good-to-Excellent". The trade was thinking this report would show things being a bit worse, not a bit better. The Kansas crop still only shows 12% rated Good-to-Excellent vs. 46% rated Poor-to-Very Poor. Oklahoma's crop is rated 65% Poor-to-Very Poor with about 8% rated Good-to-Very Good. Texas has 63% rated Poor-to-Very Poor and 13% rated Good-to-Excellent. Many inside the trade are still thinking total HRW production could be -100 to -150 million bushels less than last year. Spring wheat was reported at just 3% planted vs. the 5-year average of 15% planted by this date. All major production states are running well behind their traditional pace of planting. Keep in mind, we generally get to 50% planted by the first week in May. I don't see it happening this year. On a global perspective, the trade continues to see headwinds for U.S. exporters being created by low-cost producers in portions of Europe and the Black Sea region. Moral of the story, U.S. export demand continues to disappoint as global supply remains more than ample at or around record levels. From a technical perspective, the wheat markets are down about -30 to -40 cents from last weeks highs. The traditional fundamental supply and demand numbers here at home remain burdensome and global production shows very little in the way of widespread worry. Yes, the U.S. crop is going to be smaller, but the trade doesn't really seem to care as global supply remains more than ample. I suspect if U.S. weather continued to complicate matters the bears would think a bit harder about moving to the sideline. Without a continued U.S. weather story the bears remain in charge, relying on the more obvious over-supplied fundamentals. The higher proteins still make some sense longer-term, but I'm thinking the SRW contract could soon retest nearby lows down near \$4.60 per bushel. If that can't hold, the market might try to push to lows down around \$4.40.

Winter Wheat Conditions

04/15/18



Connecting the Dots

> Oklahoma Wildfires Turn Deadly With No Near-Term Relief: Wildfires have killed two people and burned more than 400,000 acres in western Oklahoma, and dry, windy weather already hindering firefighting efforts there will only get worse as the week progresses, fire and forestry officials said Monday. The largest fire, which began near Leedey and has burned more than 245,000 acres in Dewey County, is about 3 percent contained, according to forestry services. A fire that began near Woodward, about 20 miles north of Leedey, has burned nearly 68,000 acres and is 45 percent contained. The fire danger is expected to increase on Tuesday, with temperatures forecast to warm into the mid-90s, humidity below 10 percent and winds gusting to 40 mph. (Source: Fox)

> Russian Wheat Exports On Target: Russian wheat exports remain 40% higher than at the same stage last year despite a smaller-than-usual volume of weekly

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

exports, with just 582,000 mt of wheat loading in the week to April 11 taking, data from the ministry of agriculture showed Monday. The marketing year's total now stands at 31.8 million mt. It comes after Russian analytical agency IKAR raised its forecast for wheat exports to 39.5 million mt late last week, a target which would need around 855,000 mt of wheat leaving each week to be reached. (Source: Agricensus)

> Walmart and Amazon Battle Over FlipKart: Flipkart is the world's third-most funded private company, having raised over \$7 billion from some of the best-known global investors such as Softbank, Tiger Global, DST Global, Morgan Stanley, and Accel Partners, among others. Now both Walmart and Amazon are battling to gain a majority stake. Flipkart is widely considered one of the most successful Indian startups. Holding a controlling stake in the company can go a long way in ensuring a win in the Indian off-line retail space. I give Walmart a slight edge here, having some of the best practices when it comes to sourcing and picking right store locations. (Source: business-standard)

> China Grain Reserve To Focus On Food Security And Quality: Authorities will spew their huge store of sub-par grain reserves into the market, induce farmers to grow high-quality grains consumers want, create a network of labs to test the grains, build grain industry parks housing millers and traders who will profit from premium-priced products, and crack down on corrupt operators in the system. The grain and commodity reserve administration created by China's recent government realignment was inaugurated April 4, 2018. It will be responsible for managing national strategic reserves of grain, cotton and sugar under the direction of the National Development and Reform Commission. (Source: Dim Sums)

> Raising Its Bet On Facebook: The biggest stock-picking fund at BlackRock, the Global Allocation Fund, raised its bet on Facebook in March, making the social network a top 10 equity holding. The increases in Facebook shares were enough to make the company the \$36.7 billion fund's sixth largest stock holding at March 30, up 10 spots from where it had been two months earlier. (Source: SeekingAlpha)

> Carl Icahn Sells Tropicana Casinos For \$1.85 Billion: Hedge fund manager Carl Icahn is cashing out of Tropicana Entertainment Inc., in a deal selling most of its properties and operations for \$1.85 billion, Icahn Enterprises and the companies involved said in statements on Monday. The deal sells six of the eight casino properties it now runs to Gaming and Leisure Properties for \$1.21 billion. The casino operations will be taken over by another U.S. casino operator, Eldorado Resorts Inc., which will pay the remaining \$640 million and lease the properties from GLPI for an initial 15-year period. (Source: Reuters)

> Lack Of Oil Volatility Spike Reveals Comfort Of Booming U.S. Production: CE Brent saw its biggest weekly increase of 2018, climbing a cumulative \$5.47/b over the week to \$72.58/b Friday. And while this was the strongest prompt Brent has been since late-2014, indicators of crude volatility remained relatively low. The loss of Middle East supply at a time of tightening global crude stocks has been a catalyst for higher oil prices. But another significant observation has been the ability for volatility to remain modest, revealing some calm beneath the surface. (Source: Platts)

> New Study Reveals Pasta Doesn't Cause Weight Gain: The results of this new study will be music to many dieters' ears. Researchers conclude that although pasta is famously carb-heavy, it might in fact help you to lose weight. The researchers' results were peer-reviewed and published earlier this week in the journal [BMJ Open](#). And, from initial impressions the findings appear to be a huge win for pasta lovers and producers worldwide. (Source: medicalnewstoday)

> Kashkari Supports Fed's Rate-Raising Plans: Minneapolis Federal Reserve President Neel Kashkari said recent steps by the federal government to stimulate economic growth have made him more confident the Fed will achieve its 2% inflation objective soon, allowing the central bank to press ahead with planned interest-rate increases. In the interview, Mr. Kashkari said the fiscal stimulus had prompted him to project that more of the rate increases he had thought would be needed in the coming years would be needed sooner. (Source: Wall Street Journal)

> Aluminum Hits Seven Year High: Aluminum prices extend last week's big gain following U.S. sanctions on major Russian producer Rusal, jumping another 3.7% on the LME to \$2,371/metric ton and touching the highest level since late 2011. "We have a potential scenario where U.S. and European markets will be shut off to Rusal, and they'll be forced to redirect units to clients in other markets," Deutsche Bank metals analyst Nicholas Snowden tells Bloomberg. "There's clear potential that [Rusal] will have to cut production." (Source: SeekingAlpha)

> Are Investors Overoptimistic On U.S. Banks? Many U.S. banks are enjoying a period of strong profits and surging equity prices. But we see troubling signs of overoptimism: Less resilient, financially vulnerable banks have attracted relatively high valuations. Investors have not distinguished much between the weaker and healthier banks, an eerie similarity to banking valuations in 2007, just prior to the global financial crisis. Bain & Company's recent health check of about 600 banks in the U.S. derives a

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.

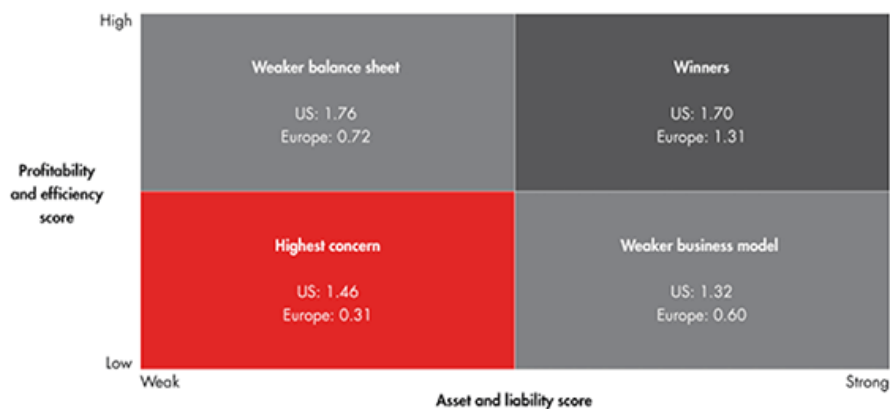
- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

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.

score from two dimensions. The first is asset and liability health, especially the quality of assets. Read more [HERE](#).

Investors are giving the least resilient US banks relatively high valuations

Banks' average price-to-book ratios, 2016



Notes: 601 US banks and 128 largest European banks
Sources: S&P Financial; Bain analysis; 2016 bank annual reports; World Bank; Trading Economics



Eastern Colorado - We have gotten all of our field work done and ready to plant. I think that we are needing some moisture right now but not the blizzard that they are forecasting at this time. This time of year the weather guys that predict a storm like this can be wrong to either side in a big way. Last week we did get down to 9 degrees and they are saying after this storm we will get back down in the mid-teens. I do not believe the cold temps last week hurt the winter wheat much because the plant had not jointed yet. It did burn the top a little and seeing some brown in the field. We would like to be planting corn at this time but look like we may be a week out depending on this winter storm that is coming. The problem with heavy snows this time of year it seems to drift up around the pivots which causes problems. We had great production last year seeing corn yields between 268bpa on the high side to 240bpa on the low end.

Northern Illinois - We have put down all of our anhydrous but haven't done anything else. We have had some warm days but a lot 40 degree to 50-degree weather will be here next week. We do have a chance of rain turning into snow over the weekend. If we have a few warm windy days we usually can get in the field fairly quickly. I am going all corn this year for the first time. I am just thinking that we will be able to price bushels higher and \$9.50 cash for beans doesn't get me too excited. Last year we had decent bean yields just over 60bpa. When we can consistently produce 230bpa to 240bpa corn it just makes more sense for us. We had some fields make north of 250bpa, as the genetics have been improved. Right now I think the soil temps are in the low 40's and we need to see that closer to 50 degrees, with higher trending air temps before we turn a wheel.

Central Missouri - Like everyone else, we've been cold and wet lately. Normally, we would be planting in the last week of March, but we are not worried about it just yet. We had an ok season last year and have picked up some more land over the winter. I'm not a big believer in all the tech being offered to farmers up til now as I simply do not see the ROI. From new tractors that I can't get anyone to fix, to the data collection modules that simply do not deliver what they promise. We need simpler not more complex and for me tech is yet to simplify processes. I'm not against it, I just believe we have a ways to go before levels of adoption increase significantly.



First Principles...Where All Great Thinkers Start: *There is a lot of good information in this article for those looking to improve how they approach thinking and problem-solving. Reasoning by first principles removes the impurity of assumptions and conventions. What remains is the essentials. It's one of the best mental models you can use to improve your thinking because the essentials allow you to see where reasoning by analogy might lead you astray. I definitely recommend making some time to read more [HERE](#).*

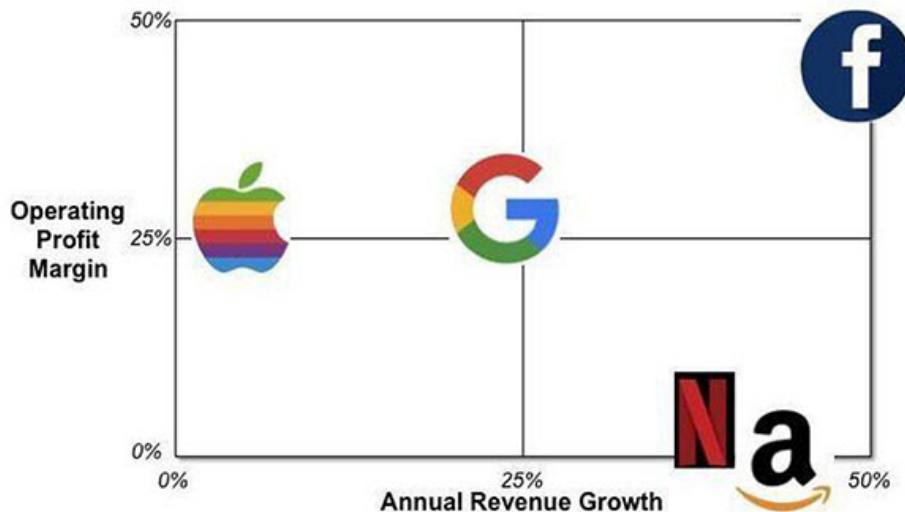
Preparing To Sue Machines? *If a robot, acting autonomously, injures or otherwise wrongs a human, who will be held responsible? Some European lawmakers think that the best way to resolve this question will be to give robots "electronic personalities," a form of legal personhood. Proposed in a 2017 report from the European Union, this form of robot rights wouldn't give them status like that of human beings — they're not going to get married, or buy a house, or adopt a child. But it would make it possible for self-learning robots to sue and be sued, with legal status like a corporation. I'm not sure where this ends up going, but I suspect it isn't that far off before it becomes a reality. Read more [HERE](#).*

Googles "Talk To Books" Is New Way To Search Internet: *Imagine if you could gather thousands of writers in a circle to discuss one question. Google now has a way to convene that kind of forum—in half a second. Speaking to TED curator Chris Anderson, legendary futurist Ray Kurzweil introduced "Talk to Books" a new way to find answers on the internet that should bring pleasure to researchers, bookworms and anyone seeking to expand their thinking on a range of topics. Talk to Books is best deployed as a book-discovery or inspiration-gathering tool. It could conceivably be useful for brainstorming new angles on a topic or used as a quick way get quotes from books. "It's good for exploring ideas, it's fun just to play with it," Kurzweil says. Read more [HERE](#).*

Hyperloop Building New Test Track In France: *Hyperloop Transportation Technologies, an independent company working to build the high-speed transportation system first envisioned by Elon Musk, has announced the beginning of construction on a test track in Toulouse, France. Progress towards fulfilling Musk's vision has been rocky — not entirely surprising given the scale of the challenge. Musk initially said he would not be directly involved in pursuing the idea, but SpaceX later organized student design competitions and built a Hyperloop test track. I believe one day we will definitely be traveling 700mph plus, but it's hard to imagine actually doing it. There are a couple of quick videos of those making it happen [HERE](#).*

New Yorker's Buy 17,000 Boxes To Help Homeless Girl Scouts: *Troop 6000, a New York City-based Girl Scout troop comprised entirely of homeless young women, continued their first-ever cookie sale Friday, drawing in hundreds of people waiting in line for hours to get inside Kellogg's cereal cafe in Union Square one box of Thin Mints and Tagalongs at a time. They've already sold 17,000 boxes. Great story...read more [HERE](#).*

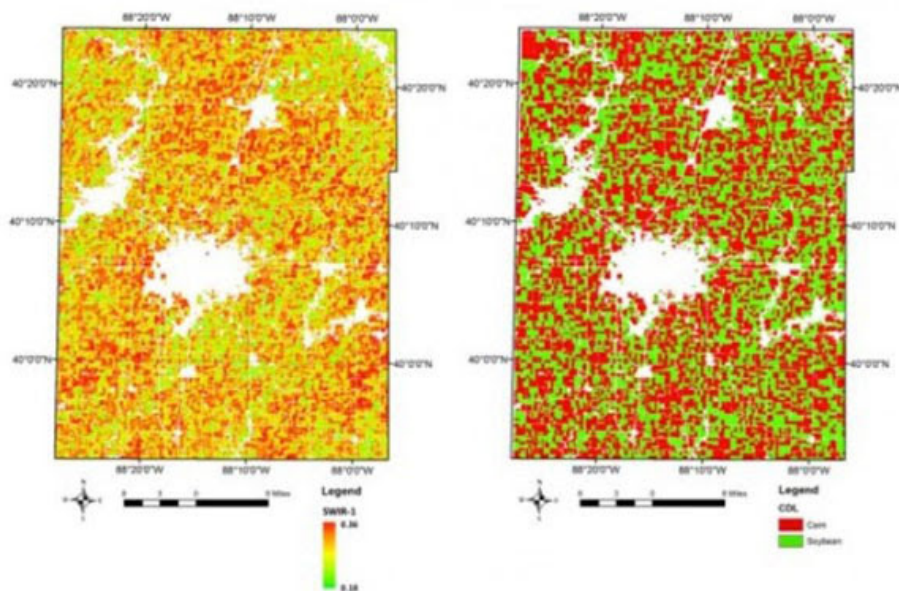
Why Facebook Probably Never Changes Its Business Model: *By most accounts, Mark Zuckerberg's Congressional testimony last week was a resounding success. From beginning to end, Facebook's market cap increased by \$34 billion. There were few bombshell revelations. Zuckerberg got to roll out his well practiced contrition act again as Facebook's apologizer-in-chief. By now, it's widely understood that Facebook's voracious appetite for user data is driven by their business model which charges advertisers for access to precisely targeted segments of their massive consumer database. No one knows more about more consumers than Facebook. Read more [HERE](#).*





High Powered Computers Now Determine How Many Corn & Soybean Acres

Using satellite data and the power of supercomputers, scientists at the Department of Natural Resources and Environmental Sciences at the University of Illinois, can now distinguish between corn and soybean crops in the field. Until now, the number of corn and bean acreage was made public four to six months after harvest by the USDA. I'm told the new technique will be able to provide with 95% accuracy, the number of both corn and bean acres by the end of July. Meaning policymakers will no longer be operating with stale data. Keep in mind, with timely data, better decisions can now be made regarding, crop insurance, land rentals, supply chain logistics, commodity markets and more. Kaiyu Guan, assistant professor in the Department of Natural Resources and Environmental Sciences at the University of Illinois says the scientific value is every bit as important as the practical value. From what I understand, Guan and his team decided to try something different than using the near-infrared part of the spectrum like others have always done. And in the process discovered a short-wave spectral band capable of identifying the difference between corn and beans. It turns out corn and soybean have predictably different leaf water status by July most years. And for the last 15 years, the team has been using data from three Landsat satellites, which has consistently picked up on this leaf water signal. After collecting the tens of terabytes of data, a supercomputer was required in order to process it all. I'm told machine learning, using a deep neural network to analyze the data is something new to agriculture but Guan believes the potential for innovation in this area is huge moving forward. We've been saying for a while that change is happening faster than you think and adding supercomputers to agricultural solutions is just one example. Make sure you consider the implications of innovation on your operation. I suspect new technology and data processing will continue to occur at light speed and many benefits await those ready to use it. Be sure to have a plan that incorporates change and be ready to execute! (Source: Science Daily)



University of Illinois scientists used short-wave infrared bands from Landsat satellites to accurately distinguish corn and soybeans during the growing season.

Credit: Kaiyu Guan, University of Illinois



Top-10 Vehicles To Last 200,000 Miles Or More

This newly released study from iSeeCars.com shows that full-size SUVs dominate in vehicles most likely to last 200,000 miles or more. ISeeCars.com analyzed more than 13.5 million cars sold in 2017 and found that the Toyota Sequoia ranks first with 6.6% going over 200,000 miles. While most of today's vehicles have the potential to reach 200,000 miles with proper maintenance and care, certain models are far more likely to achieve that milestone. What's more, five of the seven SUVs on the list are made by domestic automakers, which demonstrates the durability of American SUVs. It appears SUVs from Ford, General Motors, and Toyota dominate the list of the longest-lasting light-duty vehicles, earning the top seven spots. The SUVs comprising the list are exclusively full-size with the exception of the mid-size Toyota 4Runner. On average, these SUVs are nearly four times as likely to reach 200,000 miles than the average vehicle. According to the surveyors, these large SUVs feature body-on-frame construction, which means they are built like trucks and thus have truck-like durability. These vehicles can also be easier to repair than smaller SUVs, which can contribute to their longevity. I also found it interesting tht the three non-SUVs to make the list are made by Japanese automakers, which include the Toyota Tacoma pickup, the Toyota Avalon sedan and the Honda Odyssey minivan. The study also brakes down the longest lasting vehicles in other categories including cars, trucks, and luxury vehicles. See the full study [HERE](#). (Source: [iSeeCars.com](#))

Below are the Top-10 Longest-Lasting Vehicles - Rank-Model-% Over 200k miles

1. Toyota Sequoia 6.6%



2. Ford Expedition 5.4%



3. Chevrolet Suburban 5.2%



4. Toyota 4Runner 4.2%



5. GMC Yukon XL 3.9%



6. Chevrolet Tahoe 3.8%



7. GMC Yukon 2.8%



8. Toyota Tacoma 2.6%



9. Toyota Avalon 2.4%



10. Honda Odyssey 2.4%



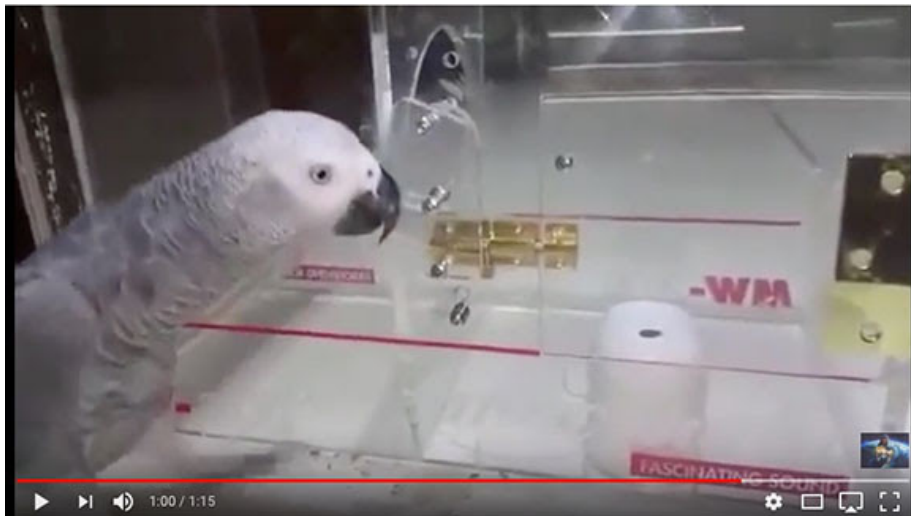
Birds Are Much Smarter Than Many Of Us Give Credit

Spring time weather brings back the beautiful birds, but what many of us don't recognize is just how smart and adaptive they are. Some birds can solve problems, and others have been observed playing. Quantitative measurement of bird intelligence is difficult, however, because birds cannot take intelligence tests or attend classes to be measured with their peers. Still, ongoing observations and studies are revealing more

and more frequently that birds may be far more intelligent than initially believed. The best indication of how smart birds are is direct observations of birds acting intelligently. Some observations have been made under scientifically controlled circumstances and through laboratory experiments. Other observations have come from birders who notice their favorite birds behaving in peculiar ways, ways that seem planned and premeditated. Below are few interesting and documented examples:

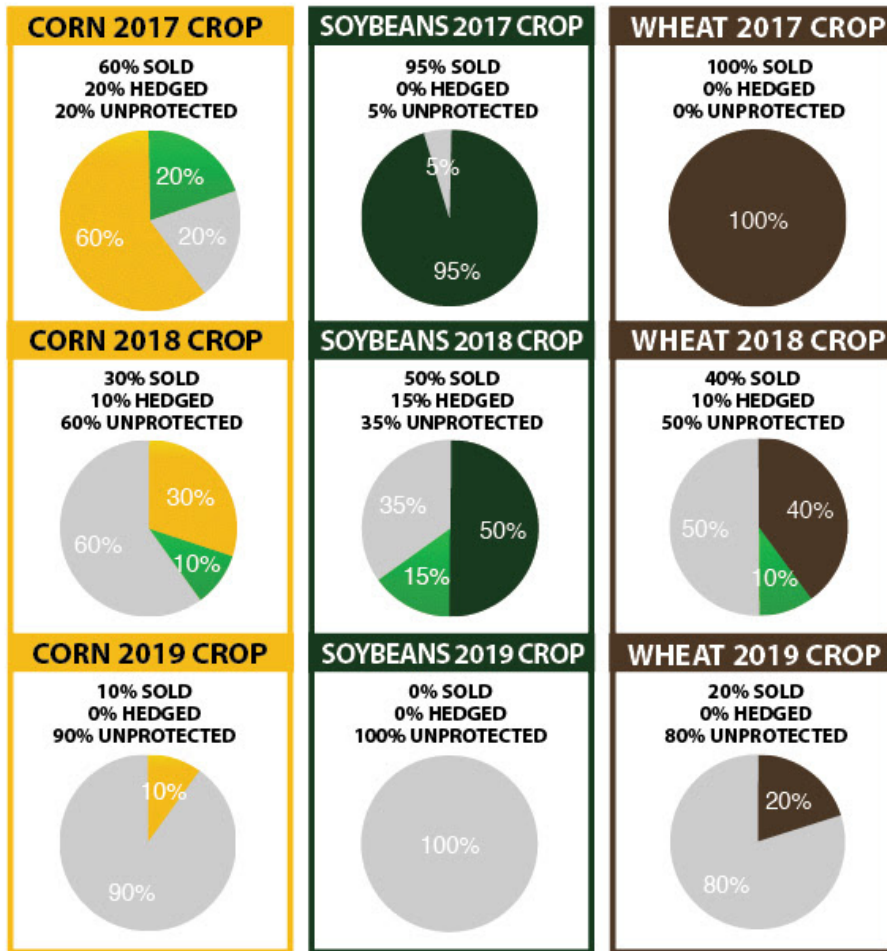
- **A Great Nutcracker** - Carrion crows in Japan that place nuts in roadways, waiting for cars to crush the shells. The birds then retrieve the nut meats while coordinating around traffic lights to keep safe.
- **Hunting Tools** - Woodpecker finches in the Galapagos Islands trim sticks and twigs to the proper length for use as tools to forage for insects.
- **Using The Right Bait** - Green herons and other heron species that use bread fed to ducks, picnic leftovers or even small leaves as bait to attract fish for their hunting.
- **The Best Kind Of Milk** - Blue tits in the 1920s that learned which color of milk caps on delivered milk had the most cream (whole milk) and pierced those caps to drink the cream.
- **A Proper Burial** - Woodhouse's scrub-jays that hold funerals for dead birds by making loud noises and avoiding the corpse, behavior that may be warning other birds of fatal threats.
- **Identifying The Bad Guys** - Northern mockingbirds that recognize individuals who may threaten their nests and attack only those individuals rather than attacking all passersby indiscriminately.

Below is an amazing video (less than 2 minutes) that was recently sent my direction. Click [HERE](#)



ANSWER to riddle: the letter "e"

CASH SALES & HEDGING TOTALS



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