

GOOD MORNING: 04/23/18 Farm Direction - VanTrump Report

2 messages

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"The object of education is not to fill a man's mind with facts; it is to teach him how to use his mind in thinking." — Henry Ford

MONDAY, APRIL 23, 2018

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Morning Summary: Stock traders will be chewing on a ton of corporate earnings this week. The big names today are Halliburton and Alphabet (Google). Tomorrow we will hear from Amgen, Caterpillar, Coca-Cola, Citi Group, Harley, and Verizon. Wednesday is eBay, Facebook, Ford, Qualcomm, Twitter and Visa. Thursday is Amazon, Bristol-Meyer, CME Group, Conoco Phillips, Intel, General Motors, Microsoft, MGM, Pepsi, Starbucks, Union Pacific, and UPS. Friday is Colgate-Palmolive, Chevron, and Exxon to name a few. To this point, companies are reporting earnings that are beating most of the estimates by +5%. Most insiders are now thinking companies in the S&P 500 will show an average of +7.6% revenue growth and +18.5% earnings growth for all of 2018, these are impressive numbers. I'm also starting to hear more talk that corporate cash is increasing, which many believe could bring about higher dividends and perhaps more stock buybacks. There are actually several reports circulating that say at no other time in U.S. history have companies held so much cash. Keep in mind we still haven't seen all the money come back home from overseas or the benefits of the recent tax overhaul. Meaning these companies that are flush with cash might be able to keep their stocks somewhat supported on the breaks as they look to make buybacks. From an economic standpoint, the trade will be eager to see more U.S. housing data and consumer confidence early in the week, then on Friday a look at first-quarter GDP. We also have monetary policy meeting announcements by the Bank of Japan and the ECB. I have to imagine the trade will continue listening to the waves of political headlines. I suspect there will be more rumors and drama from headlines surrounding President Trump, Comey, Mueller and Cohen. These just don't seem to be dying down, but I feel like the market is getting more calloused to the commentary. In other words not reacting as much to the media and the hype. I should note, there will also be headlines surrounding the summit between South Korea and North Korea. And a Friday meeting in Washington between President Trump and German Chancellor Merkel. Let's also not forget that we have a special House election in Arizona tomorrow. The trade will be closely monitoring this election to get a better feel for the highly anticipated mid-term elections in November. The U.S. dollar is slightly higher, crude oil steady and the 10-Year Treasury is extremely close to pushing north of 3% as growing inflationary worries continue to circulate. I still hear talk from some of the largest traders in the industry, that a breakout beyond 3% in the 10-Year could create more headwinds for stocks. I am staying conservative and selective...

\$99 Million of Litecoin Sent in Single Trade... Only \$0.40 Cents in Fees - The transaction happened late last week and reportedly took just 150 seconds to clear and cost only \$0.40 in fees. The crypto bulls are pointing to the trade as evidence that cryptocurrency is better for sending money than any of our traditional payment systems.

Last Survivor Of 19th Century Dies At 117: *Nabi Tajima, 117, died in a hospital Saturday in Kikai, Kagoshima Prefecture, Japan's Kyodo News reported. Tajima was born Aug. 4, 1900, and claimed her secret to longevity was eating delicious fruit and getting plenty of sleep. From what I understand, Tajima raised seven sons and two daughters and as of 2017 had more than 160 descendants, which include great, great, great-grandchildren. The new oldest person is another Japanese woman, Chiyo Miyako, according to the U.S.-based Gerontology Research Group. Miyako, 116, was born on May 2, 1901. (Source: USA Today)*



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Today In History

Southwest Airlines has been canceling 40 flights a day - about 1% of its nearly 4,000 daily flights - to conduct "accelerated" fan-blade inspections. A passenger was killed last week when an engine broke apart and shattered a window on a flight from New York to Dallas. Flightaware.com showed more than 500 Southwest flights delayed Sunday, but it's not clear how many of those were due to inspections. (Source: SeekingAlpha)

When To Take Social Security? Once you reach your full retirement age, your monthly Social Security check gets 8% larger for every year you delay taking benefits through age 70 (technically, it's 2/3% per month). Mathematically, the "crossover point" is about 12 years. From what I understand, the average life expectancy of a 67-year-old is at least 85, and growing, so any year you live past age 83 is money in your pocket. Read more by [Kiplinger](#).



1564, The "Bard Of Avon" -

Also known as William Shakespeare was born today April 23, 1564 in Stratford, England. William was the third child of John and Mary Shakespeare and grew up with two older sisters and three younger brothers. It is believed that William did attend school in Stratford where he was taught reading, writing and the classics. In 1582 William would marry Anne Hathaway in Worcester in the Canterbury Province of England and the couple would have eight children. Sometime later in 1580, it is believed that he moved to London and worked for Lord Chamberlain's Men later to be called the King's Men, an acting company. Shakespeare would become a managing partner of this group and spend most of his career with them, making a living acting, playwriting, producing, and publishing. In 1599 the poet/writer would build his own theater with his business partners on the banks of the Thames River, which was called the Swan. Since the theater and his writing took so much of his time he bought his wife Anne a home closer to London, but he would only return to see his family once a year. William Shakespeare would die on his birthdate in 1616 at the age of fifty-two, and laid to rest at Trinity Church. During his career, he would write thirty-seven plays and over 150 sonnets including Hamlet, Romeo and Juliet, The Merchant of Venice, A Midsummer's Night's Dream, King Henry V, and Macbeth just to name a few. Today Shakespeare's works have been used in over three hundred adaptations for movies and television programs and children as well as scholars and actors still read, study, and perform his works today. Shakespeare is often called England's national poet and is considered to be one of the greatest dramatists of all time.



1791, James Buchanan -

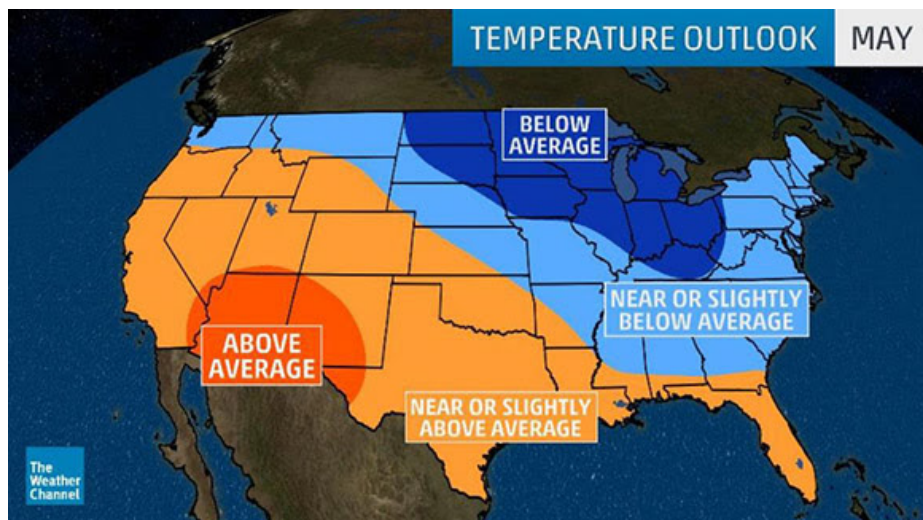
Today April 23rd in 1791, the gentleman who many consider to be the worst President in U.S. history was born, James Buchanan. James was born in Cove Gap Pennsylvania the oldest of seven children and his father was a wealthy merchant, farmer and real estate investor. He would attend Dickinson College in Carlisle Pennsylvania and study law and in 1812, Buchanan was admitted to the bar and would establish his practice in Lancaster Pennsylvania. It is here that Buchanan begins his political career as a member of the Federalist Party, being elected to the state's House of Representatives in 1814. After the collapse of the Federalist Party, Buchanan was elected to the U.S. House of Representatives where he became a supporter of Andrew Jackson and an ardent defender of states' rights. It was his strong belief in states' rights and Manifest Destiny that would gain his appointment to the office of Secretary of State during the Polk administration and during this time he would double the territorial properties of the United States.

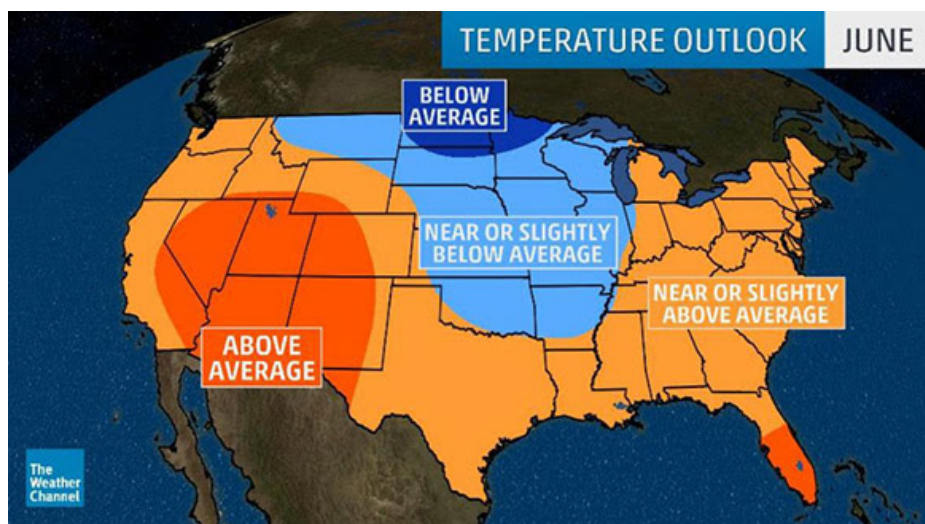


As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we 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: It goes in dry, it comes out wet, the longer it is in the stronger it gets. What is it?

Weather forecasters are saying below average temperatures may continue to grip the Midwest from late spring into early summer as the West bakes in expanding heat according to the latest three month outlook from the meteorologists at The Weather Company. As you would expect, May is forecast to feature the most robust area of colder than average temperatures. The cold and snowy weather pattern we have seen this April has influenced the expectation of below average temperatures next month from the northern Plains into the Great Lakes and Ohio Valley. The first look TWC forecasters give us at early Summer is for hot conditions to encompass the West while much of the East experiences temperatures fairly close to average. This is somewhat like the temperature pattern the U.S. experienced last summer when the West saw record or near record heat and the East enjoyed temperatures that were fairly tame, running near or below average in most areas overall.





Corn bulls will continue to focus on the pace of U.S. planting, second-crop pollination in Brazil and the harvest in Argentina. Bears are pointing to the fact U.S. weather should provide more opportunity for producers to plant in the next couple of weeks. Meaning, beyond mid-May delays are probably far and few between. The bigger concerns continue to be in the central and northern portions of the corn belt and the abnormally cold sub-soil temps. The second-crop acres in Brazil, at least from my sources, are somewhat a mixed bag. The pollination period for corn in some parts of Parana have already pollinated, most of the pollination in Mato Grosso seems to be getting started right now with good conditions. But there's still talk that the second-crop acres to the south could still experience some hiccups with conditions perhaps being too dry. Net-net, some areas in Brazil look really good, while a few pockets will see some yield drag. I continue to keep my eye on the areas in southern Brazil. I still believe the USDA will make another cut to both their Argentine and Brazilian production estimates. Demand remains strong but is being questioned a bit by the bears as South American prices become more competitive and they start to win more business. Ethanol production has also slipped a bit in the past few weeks and is something the trade is keeping a closer eye on. I should note, the latest Cattle-On-Feed report showed inventory at feedlots +7% above last years April 1st estimate and the second highest April 1 inventory since the data started being kept back in 1996. In other words, I still contend corn used for feed might ultimately be stronger than the USDA is currently forecasting. Bottom-line, I still believe strong demand will keep the downside limited longer-term and will eventually help push prices higher. Unfortunately, I don't think we are going to see a lot of strong U.S. demand headlines the next few weeks. As I've reported as of late, I feel like the market is in a vacuum with the bulls having little fresh or new in the headlines to cheer about or to bring in new money-flow, hence it's going to be tough to make new highs. In fact, it might be tough the next couple of weeks to hold our current ground. South American weather risk premium seems to have already played its best hand, U.S. weather isn't an extreme factor as of yet, and the new-crop balance sheet won't start being more heavily debated until after the USDAs May report in a couple of weeks. As a spec, I'm staying patient and looking for an opportunity to build a bullish position on a deeper break in prices. As a producer, I'm keeping hedges in place to the downside and banking profits on some short call premium. I feel like they've hit the "vol" fairly hard the past few sessions and sucked some premium out of the market. Meaning the next several sessions might be the time to start taking some profits on any short option premium??? Looking for longer-range U.S. weather forecasts to start influencing the trade a bit more. There's already some chatter about the likelihood of an extremely hot June. I will also continue paying close attention to the headlines out of Washington, particularly those involving discussion about NAFTA and Chinese trade.

Below is an infographic showing corn planting progress going back to 2010. The data shows both each week's percent planted rating and the week-over-week change (shown in orange). This allows you to see the big jumps in production and compare years. For what it's worth, the numbers released this afternoon by the USDA will be for Week 16. We are trying some new ideas and ways to look at the data differently, hope you enjoy!

through the Oregon Territory Treaty and the Treaty of Guadalupe Hidalgo. Buchanan would finally win the White House and the office of President in the 1856 election. Two days after his inauguration, the Supreme Court would rule in the Dred Scott case, asserting that Congress had no constitutional power to exclude slavery in the territories, and that African Americans were not and never could become U.S. citizens. He felt that this would put to rest the growing conflict about slavery happening in the country. It was hoped that the divide that was ever growing would be broken and the country would mend and come back together as one. Buchanan had vowed to only serve one term as President, and true to his word he did not seek re-election. Abraham Lincoln, a republican would win while Buchanan sat on the proverbial fence and would not defend the Southern States rights' to secede nor the Northern States rights' to abolish slavery. Within a matter of months seven states would secede from the Union and the country was teetering on the brink of war. Buchanan's legacy will always be one that is questionable, and his lack of dealing with the slavery issue will always be the worst mistake ever made by a sitting President. He remains the only person ever elected to the White House from the state of Pennsylvania and the only life-long bachelor.



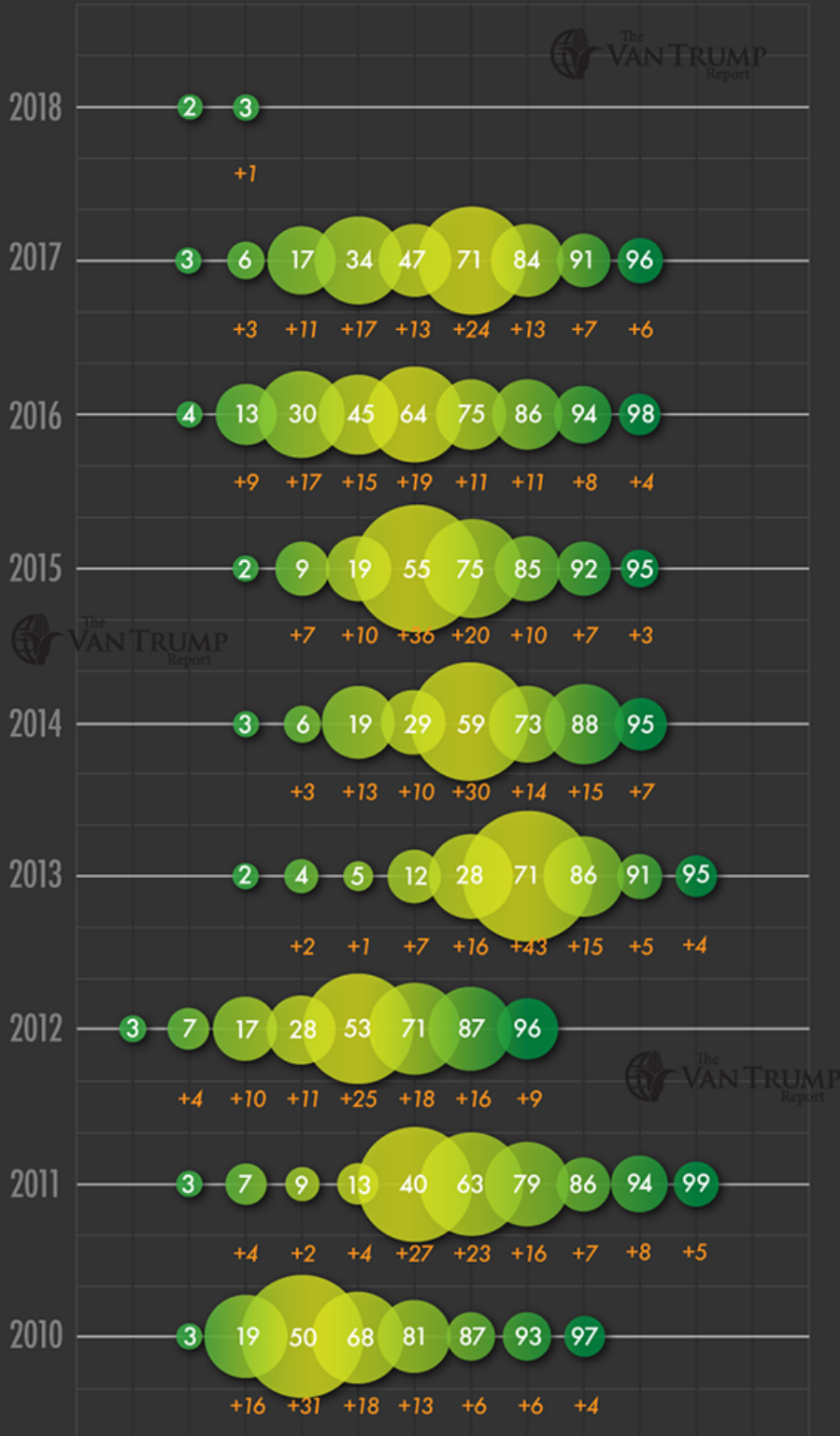
1928, Shirley Temple -

Today, April 23rd in 1928, an American Icon was born, Shirley Temple-Black. Born in Santa Monica, California, she was the youngest of three children and the only girl born to George and Gertrude Temple. In 1931 her mother would enroll Shirley in a dance school in Los Angeles, Meglin's Dance School. It was here that Shirley was discovered by a casting director Charles Lamont, and he would ask her to audition for a role in his project called *Baby Buries*, a satire, using kids, about the political follies of the day. She would be lent out from Lamont's production studio to play in small rolls for Universal, Paramount and Warner Brothers Pictures in 1932 & 1933. In late 1933 she would sign a contract for \$150.00 per week with Fox Film Corporation. The movie *"Stand Up and Cheer"* would be Temples break-through film, and she quickly became the symbol of wholesome family entertainment that still remains intact today. Temple would become the first child to ever be awarded with a Juvenile Oscar for her many film accomplishments in 1935. She was probably the first child star who also had a massive marketing campaign that went along with each new film she made. Products like dresses, soaps, sheet music, to dolls and toys carried her name. The dolls that were made to look like this cute young girl reached \$45 million dollars in sales by 1941, and her take on all of this merchandising and marketing was only one hundred thousand a year. In the 30's she was considered one of Hollywood's greatest box office attractions staring in

U.S. Corn Planting Pace 2010 - 2018

includes Weekly Rating and **Week-over-Week Change**

Week 13 14 15 16 17 18 19 20 21 22 23 24



Source: USDA, NASS Crop Progress

over fifteen productions. At the age of seventeen Temple would marry John Agar a fellow actor in 1945, and in 1949 she would star in her last feature film, the same year her first marriage would end. In 1950 she would then marry businessman Charles A. Black (a Navy Intelligence Officer) and would become active in the Republican party. She was appointed as a delegate, in 1969, to the UN General Assembly and served two years. President Ford would appoint her as the U.S. ambassador to Ghana, then she would serve as the Chief of Protocol Officer for the White House until 1977. At the age of 44, Temple was diagnosed with breast cancer in 1977 and would be one of the first American Women and Celebrity that would come forward with her story, asking all women to become aware of this disease. Then in the 80's she would again be asked to serve her country by President Ronald Reagan, as the ambassador to Czechoslovakia, where she would live until 1992. Temple would finish out her career as a diplomat and patriot by serving on the committee and board of U.S. China Relations and Diplomatic Studies. This American Icon would pass sadly away in 2014 in Woodside, California, suffering from COPD.

Upcoming Events

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

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

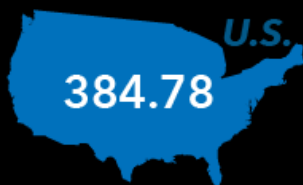
Kevin's Song of the Week

Top 3 Corn Producers

(in million metric tons)

2016/2017

2017/2018 proj.



-3.6%



-1.7%



-6.6%



Source: USDA, FAS, PS&D, 04/20/18

Soybean prices fell by about -25 cents last week on lack of fresh new bullish headlines. The Chinese made some alternative plays last week, buying soybeans from Canada and limiting U.S. purchases. The basis bids in South America eased a bit, giving the bulls in the market reason enough to pause. U.S. domestic crush demand remains strong and at record levels, but the bears seem to be asking a few more questions about new-crop ending stocks ultimately falling to sub-400 million bushels. I suspect one of the biggest uncertainties and demand debates currently in play is Chinese demand and what type of hit U.S. exports will take in the wake of trade negotiations? Personally, I remain a longer-term bull. Understanding that Argentine exports are now forecast by the USDA at their smallest in some 18-years. I also recognize that we have an entire U.S. weather season ahead of us and the global market needs a big U.S. crop. Many larger bulls I know are trying to position themselves for possible fireworks in the market post-July. In other words, Sep-Oct-Nov will be extremely wild if U.S. production waivers just slightly. I know others who are saying the market might jump on the story sooner, perhaps mid-June to late-August and are trying to position for an earlier play. The concern is between now and then... The funds are already aggressively long. How many negative geopolitical headlines will the trade have to swallow? How do the bulls respond if we start to see an increase in planted U.S. soybean acres? I truly respect the longer-term upside potential of this market as Argentine supply comes out of the equation. My question revolves more around nearby price action and if we can continue to find fresh bullish headlines to attract new nearby money into the trade? I think some of the bigger players know they've got some time between U.S. weather worries and tightening supplies. In the meantime they don't want to get hit by a possible "wild pitch" thrown by any of the global political leaders who are jockeying for position.

WHAT I'M LISTENING TO: ▶



Kevin's Song of the Week

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

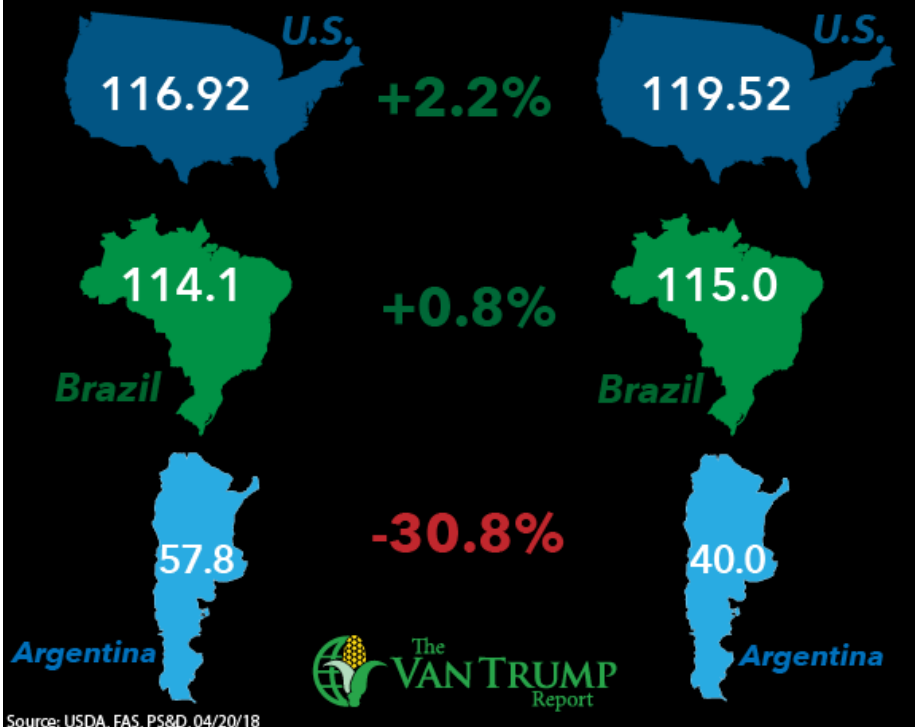
What Others Are Saying

"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

Top 3 Soybean Producers (in million metric tons)

2016/2017

2017/2018 proj.



Wheat traders debating U.S. rains, but most sources see them as expected and helping to provide some drought relief for some of the drier portions of the Plains. The southwestern portions will still be heavily monitored in the days ahead as forecasters continue to see complications. Wheat prices were down anywhere from -10 to -20 cents last week depending on the contract. Bulls continue to point towards U.S. weather complications as well as some hiccups and uncertainties in Canada. Bulls are also thinking the recent round of difficult weather could add to concerns about "abandonment". Many inside the trade are still thinking total HRW production could be -100 to -150 million bushels less than last year. There's also the continued talk that planted Spring wheat acres here in the U.S. could be less than currently forecast. The USDA reported last week that spring wheat was just 3% planted vs. the 5-year average of 15%. All major production states are running well behind their traditional pace of planting spring wheat, I suspect that trend continues. For what it's worth, we generally intend to get about 50% planted by the first week in May. Bears continue to point to weak fundamentals and technical difficulties on the charts as reason enough to stay aggressively short. 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 week's 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 continues to complicate matters the bears might rethink their position. Without a continued U.S. weather story the bears remain in charge, relying on the more obvious over-supplied fundamentals. From a technical perspective, 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. From a spec perspective, the bearish global supply-side fundamentals are tough to overcome and continue to keep a lid on most nearby rallies. On the flip side, I don't like the thought of being a bold short in this environment, there are still too many possible weather "wild-cards" in the mix. In other words, I'm content staying on the sideline as a fundamental bear, understanding some price spikes could occur in the coming weeks if fresh new weather headlines continue to evolve. As a producer, I like the thought of using any weather rallies as an opportunity to reduce more long-term price-risk. I have to imagine the U.S. weather forecast moving forward into June will be critically important and worth paying close attention. If the heat starts

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..."

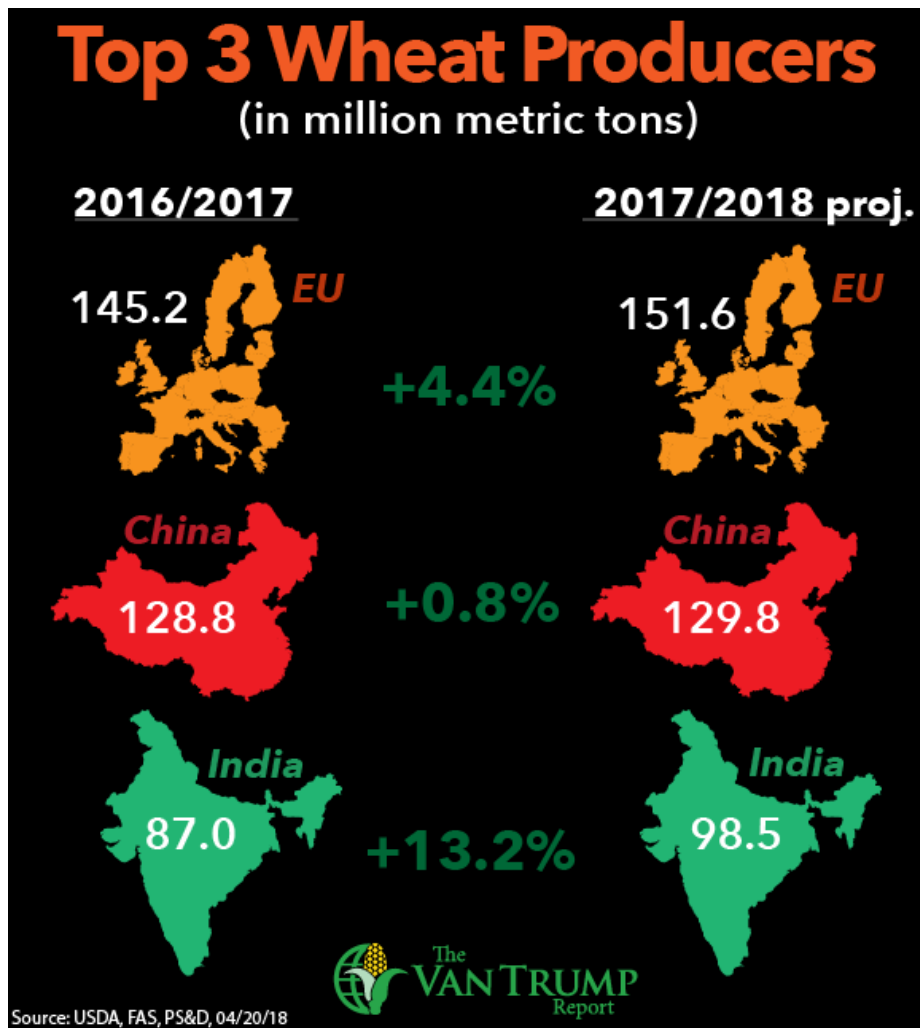
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.

to get more extreme prices could eventually jump. The problem is those headlines are just still away off...



> Second Highest Ever April Cattle On Feed: Cattle on feed for slaughter are up 7 Percent in the United States for feedlots with capacity of 1,000 or more head totaled 11.7 million head on April 1, 2018. The inventory included 7.54 million steers and steer calves, up +4 percent from the previous year. This group accounted for 64 percent of the total inventory. Heifers and heifer calves accounted for 4.19 million head, up 14 percent from 2017.

> Cobank Predicts Changes At Your Ag Retailer: Thanks to the recent mergers, Cobank says there will be an impact on the profitability of their ag retail clients. The ag lender recently released a new study which found that the biggest change will come by way of the rebate programs offered to retailers. Cobank believes the changes will be reflected in the amount of volume and in the level of complexity. Meaning now that the mergers are complete, there are a lot of products to add to programs. More [HERE](#).

> Russia Clears Path For Bayer-Monsanto Merger: Bayer said Friday that Russian antitrust authorities have approved its proposed \$57 billion acquisition of Monsanto on the condition that the German company transfers certain technologies to Russian recipients. Under the terms of the approval, Bayer agreed to transfer selected molecular breeding assets in several crops for a period of five years, the company said. It didn't specify who the Russian recipients will be. Bayer said it has agreed to grant non-discriminatory access to digital-farming technologies after the products have been launched in Russia.

> **Corn In Southern Brazil Needs A Drink:** Some cornfields in the southern part of Brazil are at risk of losses due to the lack of rains, with the worst in Paraná, Brazil's second-largest corn-producing state, grains consultancy AgRural said on Friday. From what I'm told, the area has nearly 40 percent of its corn in the reproductive phase and have only seen a sprinkle or two in the last three weeks, with no significant precipitation expected until the end of April. (Source: Reuters)

> **China Buys Beans From Paraguay:** Paraguay soybeans are flowing to the world's top buyer China even though the two countries have no diplomatic relations and no plans to establish them, according to Industry Minister Gustavo Leite. Paraguay is the world's fourth-largest soybean exporter and has a close relationship with Taiwan, which Leite said recently yielded a trade agreement potentially worth \$2 billion a year. (Source: CNBC)

> **Wells Fargo Fined \$1 Billion:** Wells Fargo agreed to pay a record \$1 billion fine to federal regulators Friday over mortgage and auto-loan violations that resulted in customers paying extra fees. The settlement, announced by the Consumer Financial Protection Bureau (CFPB) and the Office of the Comptroller of the Currency, found that the bank harmed customers by charging them for auto insurance tied to loans without their knowledge, and by charging certain borrowers for extensions on mortgage interest-rate locks even though the loan delays weren't the clients' fault. (Source: USA Today)

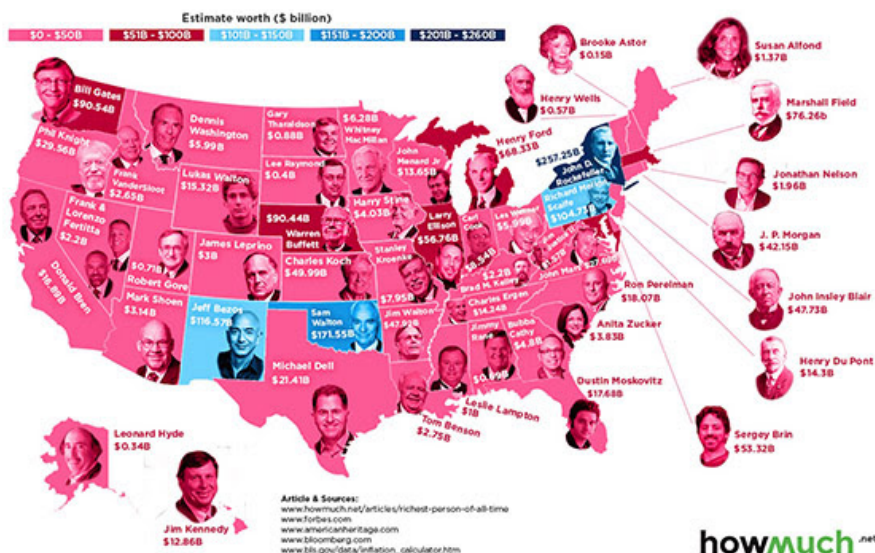
> **Will Russia Hang In With Opec?** Saudi Arabian Energy Minister, Khalid al-Falih, told CNBC that it's not mission accomplished yet for the oil producers and it will be June before more is known as to how the current plan is working. Russian Energy Minister Alexander isn't certain that they will stay on board with the cuts through the year as the Russians await the market's reaction to current production levels. Everyone agrees the situation is much better than before but not certain on how long to continue with scheduled production cuts.

> **Attack On Libya Pipeline Cuts Production By 100,000:** Libya's crude oil production was cut by 70,000-100,000 b/d after an attack on its export pipelines supplying the Es Sider oil terminal, state-owned National Oil Corp. said Sunday. Libya's output had recovered to nearly 1 million b/d after having dropped as low as 300,000 b/d following the 2011 revolution. Militant groups continue to target oil infrastructure. (Source: Platts)

> **U.S. Hotel Occupancy Rate Record Large:** The U.S. hotel industry reported record-breaking performance during the first quarter of 2018, according to data from STR. The absolute levels for each of the three key performance metrics were the highest STR has ever benchmarked for a Q1. Read more [HERE](#).

> **Does Your State Have A Member Of the 'Three Comma Club'?** Looking for inspiration in your quest to become a billionaire? This map from cost information website HowMuch.net, spotted by Digg, highlights the richest person in history who hails from each of the 50 states. This particular map is based on the birth state of each person mentioned. More billionaires live in the U.S. than in any other country, but not every state has produced a member of the Three Comma Club. Does yours? Click Map for larger view.

Richest Person of All Time From Each State





FROM THE FIELD

Eastcentral Minnesota - We are waiting to go once winter decides to let go of our area. We were fairly dry coming out of fall so I suspect there is a good amount of frost still in the ground. The forecasts are calling for 70's next week so I am counting on that to get us back in the field. I feel I should knock on wood when I say that we have had four great years with record crops each year. The corn has been at 200bpa which is very impressive when you consider how short our growing season is. We plant 85-day corn where we are at. We have sold all the corn and beans from last year and made some sales for new crop. Our area still as a lot of sugar beet grower, but we stepped aside from that in 2005. We simply couldn't get any labor to stay for the two-week period that runs 24/7. I'd love to participate in the upside of sugarbeets, but I tip my hat to the guys who grind it out.

Southwest Iowa - We have seen both snow and rain around here over the last two weeks. Right now we are expecting more rain and haven't gotten started yet. When we get started, our moisture profile will be in good shape. I sell seeds as well and none of my guys have rolled yet. I did see one guy out trying to put anhydrous down the last couple days. We have lots of clay hills in our area and they do drain rather quickly. Our corn reached yields of 290bpa and we carry a three-year APH of 250bpa. I've been trying to get across to my clients how critical it is to pick the right seed for their plans and soils. There are a lot of folks that could produce more with a little effort.

Northcentral Kansas - Many don't realize just how many dry pockets are out here. We are in extreme drought conditions on our wheat and if we don't get some kind of moisture in the next few days it is done. The forecast is giving a bit of hope, but we've been there before. It hasn't rained more than a tenth of an inch since October. This is definitely the worst I've seen in my 35 years. Unfortunatley, we are almost forced to harvest something based on coverage and the fact we have already spent the money on spraying. We are a 50/50 rotation on our beans and corn and that works very well for us. There was a sale of some flood land with a bad well on it and it still sold for \$6,500 an acre...hard to believe.



CROSSING WIRES

A place to share intelligent thoughts...

How Raytheon's New 'Soldier In A Bubble' Technology Will Save Lives: On the battlefield, keeping data out of the hands of your enemy and getting it to your team quickly will save lives in the future, especially when you've been wounded in a fight. Raytheon, has been developing the prototype for a new stealthy system that effectively creates a very short-range communications bubble around any individual soldier. The system would have a range of about six feet, meaning that it would be nearly impossible for an enemy to detect, let alone intercept, yet it would be ideal for things like giving a field medic instant wireless data about a wounded comrade without giving away their location. Learn more [HERE](#).

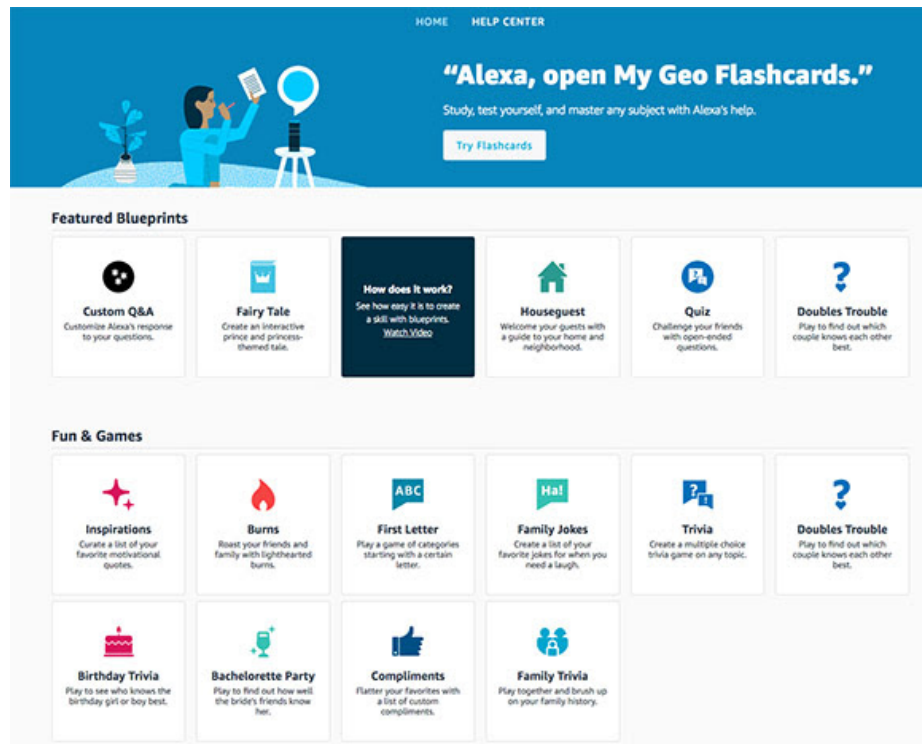
Harley Davidson's Awesome Internship: Eight incredibly lucky college students will be spending their summer touring the country on a Harley, while documenting the experience through social media. The plan is to hire and train them to ride by the end of May, then send them out to attend motorcycle events across the country and possibly overseas. I'm guessing once this gets out, there will be a few college kids looking to change their summer plans. I'm told that to be eligible, you must be pursuing a career in social media, communications, public relations or marketing. Oh, by the way...you get to keep the Harley! Read more [HERE](#).

"Born To Run" Lyrics Could Fetch \$300,000: This June, the auction house Sotheby's will sell an original handwritten manuscript of The Boss's worshipped anthem "Born to Run." The piece of torn, lined paper showcases Springsteen's surprisingly good handwriting. The lyrics show how Springsteen worked to figure out the correct verbiage for the 1975 song that would eventually rock New Jersey and the world. You can read more [HERE](#).

What's A Chinese Farm Doing With Six Billion Cockroaches? I'm told this is the first time in history that so many insects have been bred and confined in an indoor

space. From what I'm told, a Chinese farm is breeding 6 billion adult cockroaches a year for medicinal purposes. The bugs are made into a liquid concoction that millions of Chinese patients use to treat respiratory, gastric, and other illnesses with doctor prescriptions, the SCMP said citing a local government report. Read more [HERE](#).

What Will You Teach Alexa To Do: Amazon just introduced "Alexa Blueprints," a new way for any Alexa owner to create their own customized Alexa skills or responses, without needing to know how to code. The idea is to allow Alexa owners to create their own voice apps, like a trivia game or bedtime stories, or teach Alexa to respond to questions with answers they design – like "Who's the best mom in the world?," for example. Check out some of the cool things you can do with your home assistant [HERE](#).



A Special Event Worth Attending... "Davos on the Delta"

My family and I are excited to be heading to Memphis in a few weeks for the second annual "Davos on the Delta," hosted by my good friend Carter Williams, CEO of iSelect. We have been working with Carter and his team for a few years now and like to consider Davos as a sister-event to our annual conference in Kansas City on November 29th. This year we are joined by some new friends from The Yield Lab who are on board as organizing sponsors. Building off last year's conference, I know you won't want to miss hearing firsthand from some of the biggest and most important start-ups in the ag space. A lot has happened since the first Davos conference and we will once again assess what agriculture will look like in 2035 as well as the implications for all participants in the supply chain. Technology and transparency will continue to change our industry forever and we must understand how the major shifts will affect our current and future operations. And don't forget that the world's largest BBQ contest is going on at the same time, "Memphis in May," and my good friend Andy Daniels, who has a huge tent at the event and has been in the contest for 12-years, will once again welcome all of us that evening for BBQ and networking with some of the biggest names in the business. If you've never been to the BBQ event, the setting is absolutely amazing, as the contest is held right along the banks of the Mighty Mississippi. Sunset on the Mississippi with great friends, great food, great drinks and great conversation is extremely tough to beat! My wife and I have been attending the BBQ event for several years and helping Andy raise money for St. Jude's Children's Hospital. A group that helped save his daughter's life and is very dear to our hearts. This event is truly a win-win for all involved. Davos will once again be held at the historic Peabody Hotel May 15th-17th. Because of the venue, seats are extremely limited. When signing up, use the promo code "Daniels" to save \$500 off the conference price. I look forward to

seeing many familiar faces and introducing my friends. Click [HERE](#) to see additional details...

Presenters You Do Not Want To Miss

Roger Beachy, Professor, Department of Biology at Washington University in St. Louis - Roger discusses what may take place at the crossroads of agriculture and health in the future. Can we inject wellness into new crops and fit these crops into the existing ingredients supply? He will also take a look at the impact of technologies like crispr and their effect on the food supply chain. Will technology reduce the need for current levels of exports?

David Perry, CEO Indigo Agriculture - Farmers looking to boost yields may find Mr. Perry's presentation extremely interesting and a new tool to add to their arsenal, as seed-coating manufacturer, Indigo Ag, has demonstrated that the right "microbes" can dramatically improve and enhance yields.

Paul Miller, CSO, Agrible - Consumers are behind emerging trends in nutrient content, environmental sustainability and food safety, causing shifts in the supply chain. Paul is going to tell us how we can better position our farms and business to take advantage of these trends? Agrible connects consumer brands directly to farmers providing valuable, actionable insights and improving profitability throughout the supply chain.

Todd Mockler, Ph.D., Donald Danforth Plant Science Center, CTO Benson Hill Biosystems - Genome editing is an emerging technology that is about to revolutionize our industry. Mr. Mockler will explain how genes that cause unwanted traits can be knocked out, genes for preferred traits from the same species can be knocked in, and new products will be getting to market faster and faster.

David Stark, President Holganix - David will address the optimization of inputs in farming systems. When we think about the farm, environmental factors, management practices, technology, the soil microbiome, water availability, soil type, fertilizer choices and crop types are just a few factors that influence productivity and yield. He will also share his approach in dealing with micro organisms found in the soil, is there a correct approach?

Charles Mully, CEO Mully Children's Family - If you have never heard of Charles Mully, be prepared to have your world rocked. His story to sell everything to help the poor will inspire all of us to check our motives at the door. The very real decision to pursue an unexplainable mission caused the former millionaire to be ostracized by those in his former world of comfort. You won't soon forget this man who, armed only with his relationship with God sought to rescue street children from the slums of Kenya and give them hope for a new life. You can learn more about Charles and the Mully Children's Family [HERE](#).

Allison Kopf, CEO Agrilyst; Louis Brun - CEO Sollum Technologies; Adam Greenberg - CEO IUNU - This team of experts will cover the entire spectrum of issues surrounding indoor farming. Many think only leafy greens can be produced indoors, but with population centers set to explode, will that be enough? And what of the lands that may be left unused and where may indoor farming fall short?

Kevin Van Trump, CEO, Farm Direction & Andy Daniels, CEO, Kronus - I will be joined by my good friend Andy Daniels as we take a macro look at the potential winners and losers in the future and what it will take to remain relevant in the game. We will do our best to present some of the challenges and opportunities producers are going to face as the industry evolves.

Below Are Some Topics That Will Be Discussed

Supply Chain - How are changes in inputs, consumer demand, and producer profitability going to change the supply chain? Will Amazon have one on one contracts with operations near the cities, if so, who produces what? And are you in a position to adapt quickly?

Farming For Profits - Is your farm considering all of its options? How are others starting to make money growing industrialized crops, putting solar panels in the field or growing hemp etc.?

Blockchain and Transparency - We are starting to see companies jump on board with the digital ledger. As food safety and tracking becomes the norm, how will the technology be used by the most innovative and what are the implications for your operation.

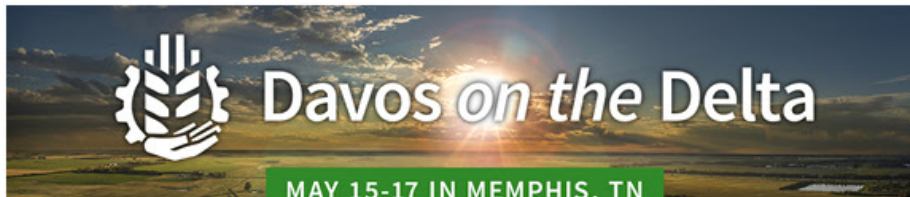
Inputs - Will the latest changes in probiotics and biologicals revolutionize the input markets to improve sustainability as well as increasing yields as the number of arable acres remains the same?

Gene Editing - Now that the USDA will not require inhibitive regulation for the use of this technology, will the public find the gene editing more acceptable than GMO's? How will the latest in gene editing reshape crops, supply chain, and ag economics?

Distribution - Do you fully understand the shifts in distribution models?

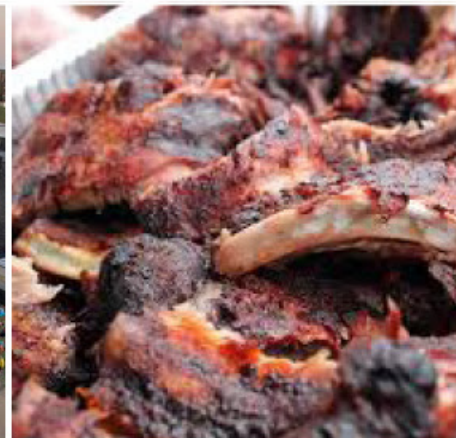
Consumer vs. Producer - Who is driving this conversation and the shift we are about to experience, the producers or the consumers? Who is going to tell our story?

The Future Of Ethanol - Will there be disruption to this key area for producers? Will electric transportation, ride sharing companies and even industrial crops be a headwind in the future?



Entrepreneurs, top industry experts, early adopter customers and investors will explore the changing agriculture landscape and the new opportunities it is creating across the value chain.

LIMIT 200 PARTICIPANTS





How Automakers Will Implement Blockchain

Personal transportation providers will most likely replace the traditional auto dealership in the near future. We are already seeing companies make the move in that direction as they have begun offering new options like subscriptions services along with concierges to drop them off. Add to this the popular notion that implementing blockchain can make most experiences and transactions more transparent and beneficial and you have the future of the auto industry. As I understand it Porsche was the first carmaker to successfully implement blockchain and along with other companies feel there are some ways they can use the digital ledger technology to enhance the future of personal transportation. (Source: [Futurism](#))

> Make Cars More User-Friendly: *The first implementation seems to be the simplest - use blockchain to help drivers to unlock their vehicles. I'm told Porsche developed their own app which allowed them to communicate with their car six times faster than a third party provider, cutting the time down to 1.6 seconds. Interestingly, the app would allow you to remotely unlock from anywhere so a friend or delivery company could have momentary access to get in your car. Keep in mind, this is risky today, as Porsche's server could be hacked and unwanted individuals could access your vehicle. This wouldn't be possible using blockchain.*

> Handle All Payments: *Because blockchain began as a financial tool, companies see the potential to simplify the future of all expenses related to the purchase and use of your vehicle. Imagine using the technology not only to purchase your ride but to pay for the electricity, parking, insurance as well as every transaction needed.*

> Train Autonomous Driving Systems: *Keep in mind, it will take a ton of data to get to level five autonomy and with blockchain recording every detail of every car's journey, we can get there faster. With instant access to weather patterns and traffic conditions, every car on the chain would navigate without incident. I would have to imagine, we won't have much of a choice about the chain in this regard as it truly is the only way to ensure a mutually safe environment.*

> Ethical Sourcing Of Materials: *We've heard it a million times in the age space, that consumer sentiment is driving the production methods we will use in the future. Modern social responsibility runs through every industry now and blockchain will ensure the ability of all interested parties to verify every aspect of sourcing. For instance, keep in mind that the Democratic Republic of Congo (DRC) mines roughly two-thirds of the world's cobalt used in the batteries of the electric vehicles. Of that, about 20 percent comes from artisanal unregulated mines that often exploit child labor. An estimated 40,000 children in the DRC spend their days in these mines, rather than in school, working for low wages under extremely dangerous*

conditions. Blockchain sourcing would force companies to comply with the current sentiment in order to make a transaction.

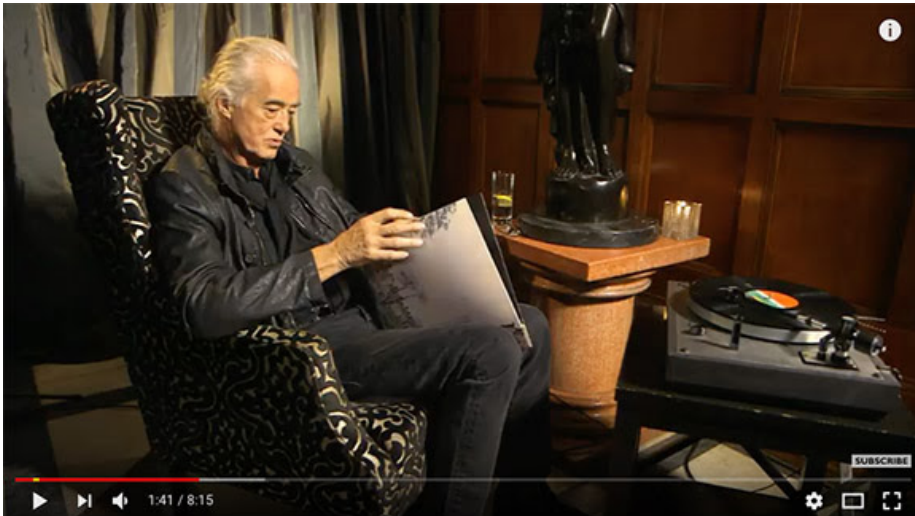
> **Facilitate Ride-Sharing:** I'm told the future will see society take the concepts from Uber and Lyft to a new level. Consider that the car you summon to ferry you around town will no longer include a driver, and if you do own a car, you'll have the opportunity to add it to the autonomous fleet whenever you aren't using it. I recently learned that late last year consulting firm Ernst & Young (EY) announced the launch of Tesseract. This blockchain-based system facilitates the sharing of not just rides but vehicle ownership. For example, instead of every person living in a high rise owning their own car or relying on other modes of transportation, they could share a fleet of 10 vehicles. I recognize some of these ideas seem a ways off, but I assure you it will be here sooner than you think!



Led Zeppelin Celebrates 50-Years With A String Of Special Releases

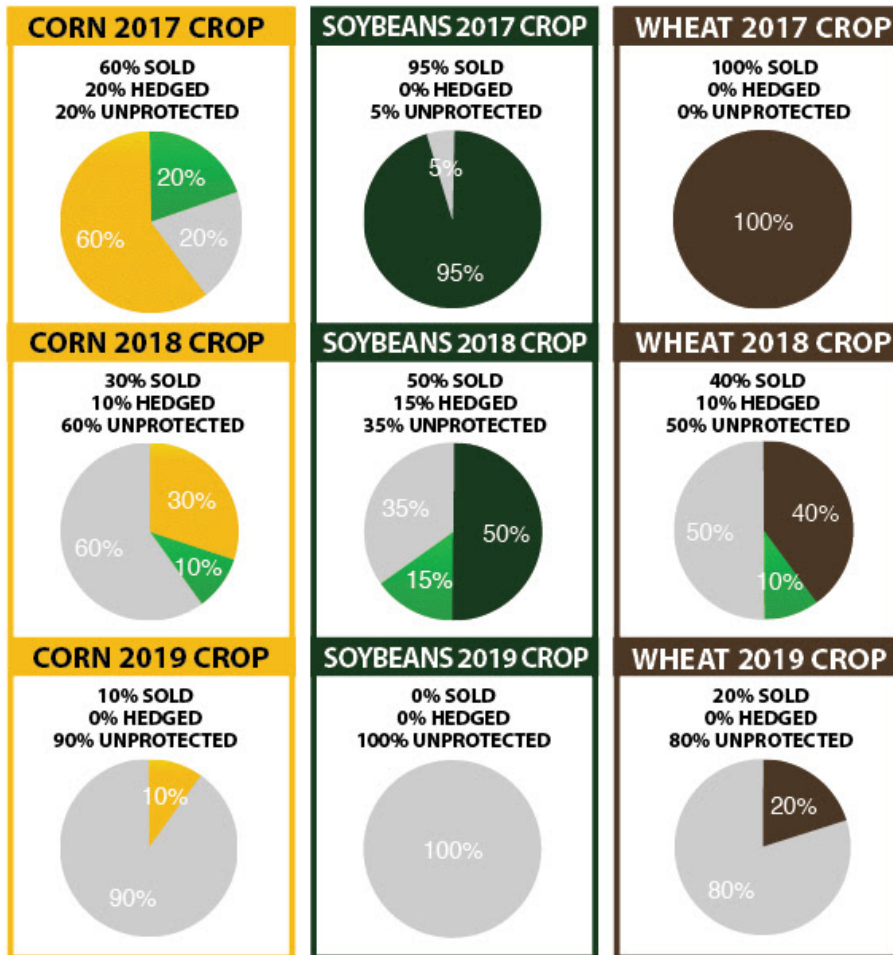
Led Zeppelin is celebrating its 50th anniversary this year. Led Zeppelin is of course a rock 'n roll institution. Formed in 1968 in London by lead guitarist Jimmy Page, singer Robert Plant, bassist and keyboardist John Paul Jones, and drummer John Bonham, the band went on to become one the most popular in Rock and Roll history. After changing their name from the New Yardbirds, Led Zeppelin signed a deal with Atlantic Records that afforded them considerable artistic freedom. Although the group was initially unpopular with critics, they achieved significant commercial success at the very start following the release of their first album, the self-titled "Led Zeppelin". It quickly reached the Billboard's top ten and eventually went on to earn gold certification by July

of 1969. Led Zeppelin went on to release 8 more full-length albums between 1969 and 1982. Page wrote most of Led Zeppelin's music, particularly early in their career, while Plant generally supplied the lyrics. Jones' keyboard-based compositions later became central to the group's catalogue, which featured increasing experimentation. The latter half of their career saw a series of record-breaking tours that earned the group a reputation for excess and debauchery. Although they remained commercially and critically successful, their output and touring schedule were limited during the late 1970s, and the group disbanded following Bonham's death from alcohol-related asphyxia in 1980. They were inducted into the Rock and Roll Hall of Fame in 1995. Led Zeppelin are widely considered one of the most successful, innovative, and influential rock groups in history. The museum's biography of the band states that they were "as influential" during the 1970s as the Beatles were during the 1960s. In fact, they are the second-best-selling band in U.S. history behind only the Beatles. They have received numerous awards and notable recognitions throughout their career, and more than a few critics have described them as the "greatest rock and roll band of all time." If you're a fan, Led Zeppelin has some special items and events planned to celebrate their 50th. A newly remastered version of their live album "How The West Was Won" has been released in multiple formats. This includes the first ever vinyl and Blu-Ray Audio editions. The recordings stem from performances at the Los Angeles Forum and Long Beach Arena on June 25 and 27, 1972. The band is also promising another release from their concert archives, though no details are available yet. Then in October, they'll release a 368-page book titled "Led Zeppelin by Led Zeppelin," which will feature many never-before-seen photographs. The three surviving Zeppelin members - Page, Plant and Jones - authored the book themselves, which makes it a cool gift idea. Robert Plant turns 70 this year, Jimmy Page will be 75 and John Paul Jones is 72. To say they could tell some stores would bone an understatement. I include this interesting interview with Jimmy Page telling about Stairway To Heaven... Click [HERE](#) (Sources: UltimateClassicRock, Pitchfork, Wikipedia)



ANSWER to riddle: a tea-bag

CASH SALES & HEDGING TOTALS



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