

## GOOD MORNING: 05/02/18 Farm Direction - VanTrump Report

2 messages

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"A good plan, violently executed now, is better than a perfect plan next week." —  
**General George Patton**

**WEDNESDAY, MAY 02, 2018**
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**Morning Summary:** Stocks are steady this morning following Apple's impressive earnings report last night, which saw its stock price jump +5% immediately. Apple's total revenue was up +16% to \$61.1 billion in the quarter, while profits soared +25% to \$13.8 billion, its best ever for a March quarter. Wall Street was also excited to see a generous \$100 billion capital return program being announced by Apple as they repatriate their pile of cash. As for today, traders await a post-meeting announcement from the Feds two-day meeting. The trade is saying there's about a 30% chance of a rate hike this meeting, the majority however believe the rate hike comes at the next meeting in June. Keep in mind, there will be no post meeting press conference, just the written statement. Therefore the trade will be trying to look for clues and speculate about the Feds next move. Most are looking for hints about perhaps four rather than three rate hikes. They are also thinking the Fed's statement, which is due out at 1:00pm CST will be a bit more hawkish. I should note, the 2-year yield has hit its highest level since September 2008. Easing geopolitical tensions and rising rates have also helped push the dollar up to multi-month highs. We still have a lot of unknowns circulating around trade negotiations with China and perhaps an entirely new NAFTA. Don't forget, several of our heavy hitters from Washington will be landing in China tomorrow to further discuss a potential compromise. I suspect the headlines surrounding the meetings will bring even more volatility to the market. Keep in mind, If the two sides can't reach a deal, the U.S. tariffs would take effect after a May 15 public hearing. The market will also be digesting the ADP employment report today and follow that up with Friday's Employment Situation. Corporate earnings continue today with over 300 reports coming out, lead by BlackRock, Bunge, Cerner, CVS, Hyatt, Great Plains Energy, Kraft Heinz, Marathon Oil, MasterCard, Monster, Molson Coors, Prudential, Spotify, Square and Tesla to name a few.

**How To Build An Empire:** *I thought I'd share some interesting information behind the Oracle of Omaha ahead of Saturday's Berkshire Hathaway's Shareholders Meeting. Most people know Berkshire Hathaway as the massive conglomerate that serves as the investment vehicle for Warren Buffett's \$83 billion fortune. However, far fewer people know what this giant does, and how it actually makes its money. The infographic below does a great job of breaking down the investments and companies Buffet owns. For bigger graphic, click [HERE](#).*



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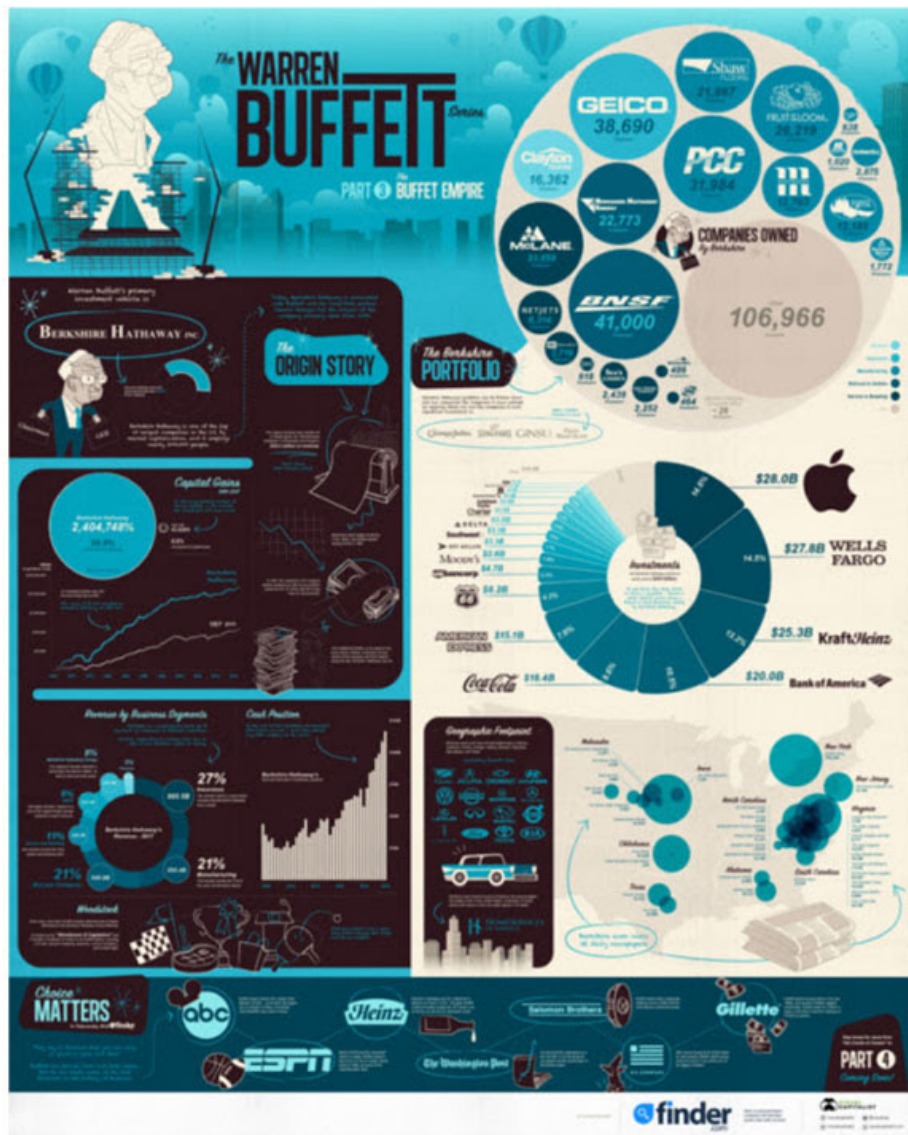


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Today In History



**1670, King Charles II** - Would grant the Hudson Bay Company (HBC) a royal charter. Earlier in the 17th century, two French fur traders Radisson and Medard Groseilliers fled from the indigenous people to the best fur trading part of the continent was located west of Lake Huron. They were told this inland sea froze over in the harsh winters making the land that lay further north. So fur traders went back to France in hopes of funding an expedition into the Hudson Bay region and establishing a trading post, but they were denied. They returned to the region and spend the winter hunting and trapping, then go back to France with evidence of the value of fur only to be arrested and their bounty confiscated. The two men were not deterred by this and they approach a group of English businessmen in Boston, Massachusetts in 1663. Seeing the future benefit, the businessmen would use two explorers to England, so they would meet with Prince Rupert and ask for sponsorship. Impressed by the reports, the Prince would then introduce them to King Charles II. Now fully backed by the crown, the expedition sailed the Nonsuch into Hudson Bay and the first establishment, Fort James at the mouth of Rupert River. The expedition was extremely successful, and the explorers would return to England full of tales from this first expedition. King Charles saw the potential of seizing the Hudson Bay and would issue the charter. This charter gave the Hudson Bay Company control over the region drained by all the rivers and streams flowing into Hudson Bay in northern Canada. This area at the time was named "Rupert's Land," after his cousin Prince Rupert, who was appointed the Governor of the region. The massive area of land would be 1.5 million square miles, which made up one-third of modern-day Canada and stretched all the way to the Arctic Ocean. Quickly the company would establish trading post and forts all along the coast of Hudson Bay and they would send people to live with the Native Americans, to learn the languages and set up trade. The native peoples would trade the pelts for wool blankets which made up over sixty percent of the goods. The HBC would remain in control of the region until 1869 when the U.S. offered to purchase the land from the British. Rejecting this offer, the land was returned to England, who in 1870 gave it to Canada. The Hudson Bay Company has survived the many changes over almost 350 years that it has existed. Yesterday's trading posts have evolved into Canada's most important stores, and ownership of the company has changed many times. Today, the HBC is back in the hands of a Canadian company who has diversified its goods. You can still purchase the wool blankets that were traded in the 1600's.

# 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:** Until I am measured I am not known. Yet how you missed me when I have flown.

**Weather** in the Corn Belt is seeing rain across the western region delaying fieldwork. As of April 29, corn and soybean planting had yet to commence in Minnesota and the Dakotas

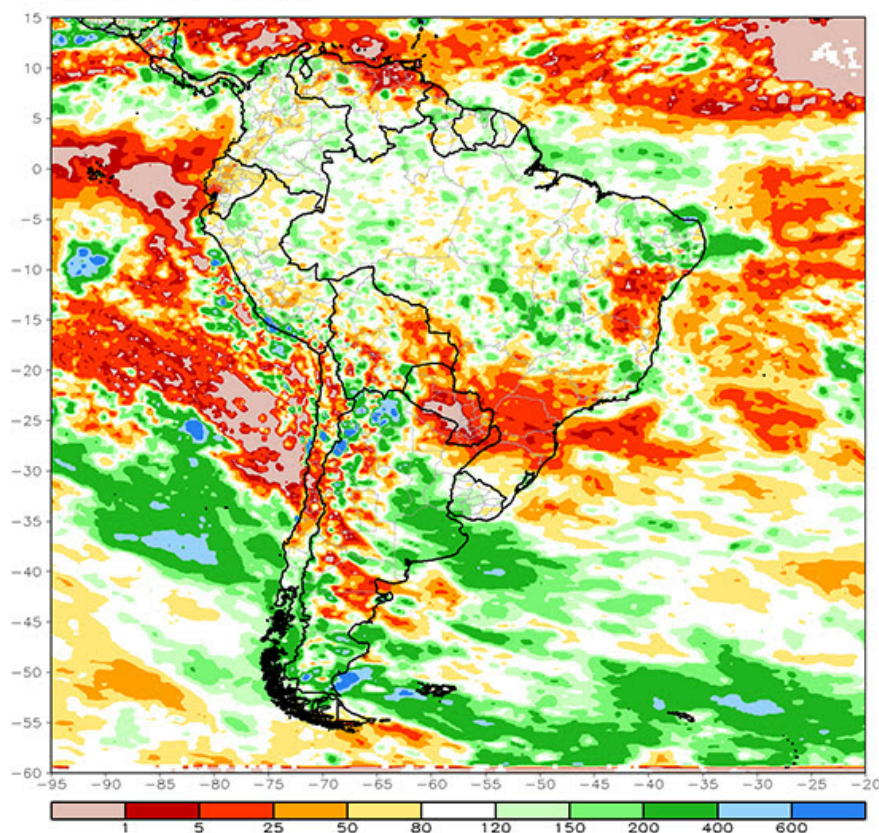


according to USDA - NASS with planting delays reported in every state save for Missouri. In contrast, sunny, warm weather over the eastern two-thirds of the Corn Belt is promoting an acceleration of corn planting and other spring fieldwork. On the Plains, sharply cooler weather has settled over the northern half of the region behind a slow-moving cold front. Windy, warm, but mostly dry conditions prevail over the southern Plains' core drought areas; winter wheat condition was rated 61 and 66% poor to very poor in Texas and Oklahoma, respectively as of April 29 according to USDA. In the South, dry warm weather favors fieldwork. Recent soaking rain has recharged soil moisture supplies for spring growth, though pockets of dryness linger in southern portions of Alabama and Georgia as well as the southern half of Florida. The slow moving cold front over the nation's mid-section will be the focus for widespread showers, as a series of disturbances track northeastward along this boundary. The greatest chance for heavy rain will extend from the central Plains into the lower Great Lakes, with another area of similarly heavy rainfall across central and northeastern Texas. Out west, chilly, unsettled conditions will be replaced by dry, warmer than normal weather as the week progresses.

**Brazil Getting Drier:** *The situation with second crop safrinha corn in central/southern Brazil is becoming more interesting. After a very active and prolonged rainy season, the weather has turned much drier during the past week to 10 days. Along with this dryness, some hot weather has also been noted. We are now clearly depleting soil moisture for second crop corn. I am hearing that possibly 50% of the crop has yet to pollinate, so some reduction in crop production is being talked about. The Brazil dry season has quickly become well-established and we could possibly see total Brazil corn crop reduced anywhere from 15 to 20% compared with last year. Below is the 30 day rainfall % of normal map. Definitely dry for April and something to keep our eye on.*

#### CMORPH 30-Day Percent of Normal Rainfall (%)

Period: 01Apr2018 - 30Apr2018



**Corn** bulls continue to point towards problems in South America. First it was the dry conditions in Argentina followed by flooding. Now we have second crop production estimates in Brazil starting to take more sizable steps backwards. The USDA has lowered their Brazilian forecast to 92 MMTs, but many sources inside the trade are now throwing out numbers sub-85 MMTs. From a technical perspective, the corn market is looking strong on the charts and trading at multi-month highs. The old-crop JUL18 contract is looking at stiffer nearby resistance in the \$4.10 to \$4.30 range. The new-crop DEC18 contract continues to see stronger long-term resistance in the \$4.30 to \$4.40 range. As both a producer and spec, I remain bullish on stronger demand and weakening global production numbers. Just not a lot fresh or new in the headlines. I will be keeping an eye on the weather in Brazil, longer-range forecasts here in the U.S. and headlines surrounding trade negotiations.



#### 1903, Benjamin McLane

**Spock** - The famous American pediatrician was born in New Haven, Connecticut. As a child of two very successful parents,

Spock would attend the Phillips Andover Academy and then Yale University where he studied literature and history. He was athletic as well and would win an Olympic gold medal for being apart of the 1924 rowing crew. Spock would attend Columbia University's College of Physicians and Surgeons, and graduate with his Ph.D. in 1929. Spock would publish his most famous work in 1946, the book was entitled "Baby and Child Care." The book would simply state that mothers should trust their own common sense and not to be afraid of child rearing. This idea, for the time was considered revolutionary. Most parents had been taught not to shower their children with affection as this would make the children weak and unprepared for the world. Physical punishment was the norm for the day. Spock countered the norm with ideas of hugging your children, discipline with words, be attentive to the child's needs and generous with affection. His advice is still followed by new parents today, some religiously and others, mostly conservatives, dismiss it as the problem with today's kids and them being too coddled. In the 60's Spock would become politically active by becoming an opponent of the Vietnam War. He would be convicted by the Attorney General with conspiracy to counsel, aid and abet resistance to the draft. He never served time as he would win an appeal in 1969. He was considered as a vice presidential running mate in 1967, and in 1968 he would sign a tax protest over the Vietnam War. In the 70's Spock would become the People's Party candidate and would run on a platform that called for free medical care, the legalization of abortion, homosexuality, cannabis and a guaranteed minimum income for families. Needless to say, Spock would face a tremendous conservative backlash for his beliefs. He would retire to a home in Arkansas on Bear Lake and spend his winters living on a sailboat in the Virgin Islands. His book has undergone many revisions and as of today, it has sold over 50 million copies.



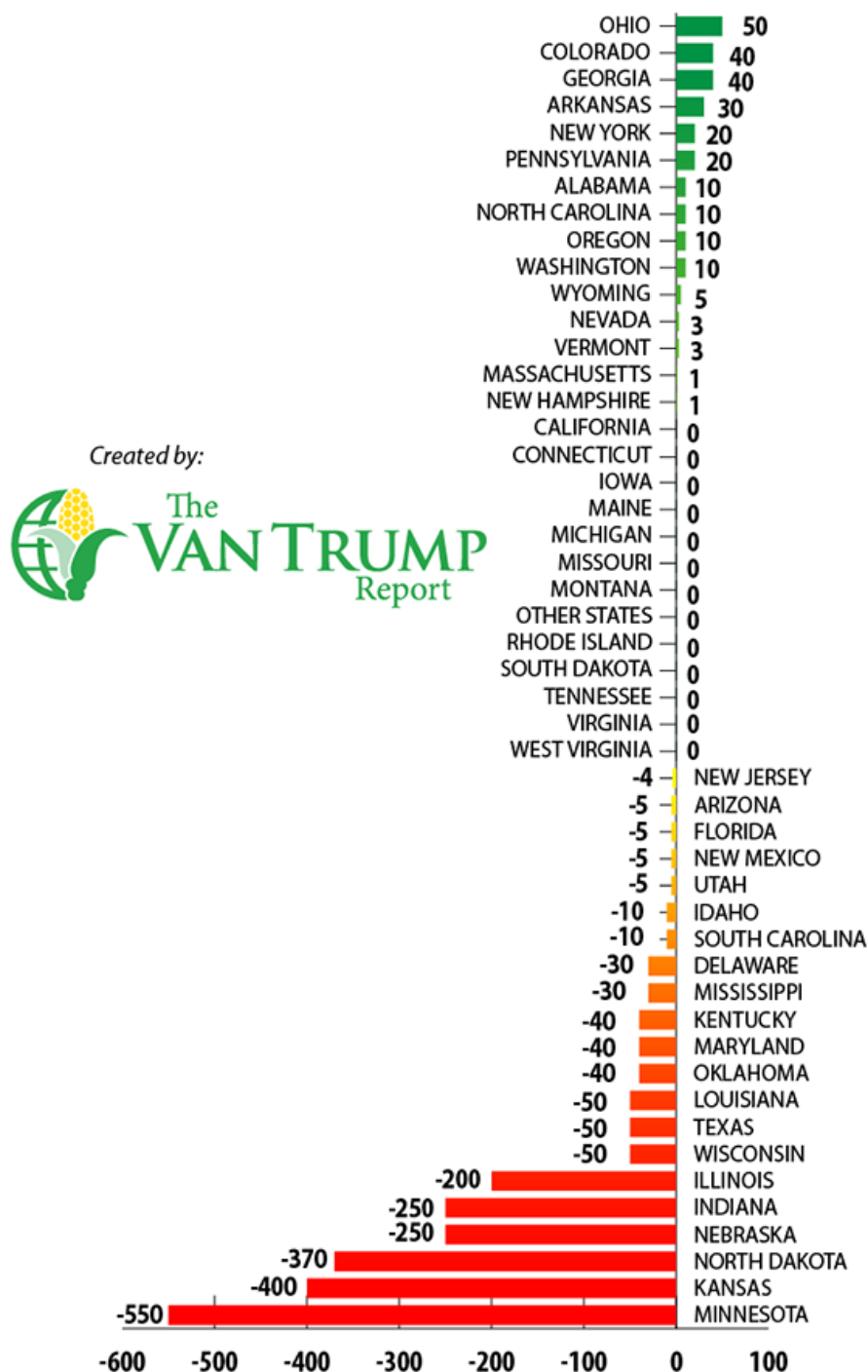
#### 1946, Alcatraz

- Six inmates at the Alcatraz Federal Penitentiary would set into motion a bloody escape plan that would become known as

"The Battle of Alcatraz." From 1934 to 1963 Alcatraz was a maximum high-security federal prison located on Alcatraz Island in the San Francisco Bay. The facility held the most dangerous federal prisoners and those who had attempted escapes at other federal prisons. Bernard Coy a bank robber from Kentucky was given the job as the cell house orderly which gave him access to most of the cell block, including the gun gallery. Coy along with, Joe Cretzer, Marvin Hubbard, Sam Shockley, Miran Thompson, and Clarence Carnes would plan to escape

# 2018 Corn Change in Planted Acres

Change from Previous Year in Thousand Acres (000)



**Soybean** prices appear comfortable trading in a range between \$10.20 and \$10.80 per bushel. This is a range we've primarily been stuck in for the past three months, excluding a couple of minor blips on the radar screen. Meal has been the leader with July now trading near fresh new contract highs. On the flip side, soybean oil has been the clear dog. Bulls continue to point to problems with the Argentine soybean crop and the fact production probably comes in sub-40 MMTs. It also helps seeing headlines of Argentina buying U.S. soybeans in quantity for the first time in over two decades. Bears continue to point towards the record setting crop harvested in Brazil and fear of a possible full blown trade war with the worlds #1 buyer of soybeans. As a producer, I believe prices can go even higher between now and harvest so I'm staying patient. As a spec, we have to remind ourself that volatility in almost every market is much more extreme this year. With this in mind we have to make sure we don't get ourselves overextended and shaken out of our longer-term positions.

their island prison. They would accomplish this by breaking into the gun galleries, taking hostages and then fleeing to the dock in hopes of stealing a boat headed towards the mainland. After overpowering the guard of the gun gallery in the C block, these men would then move onto D block and set the prisoners held there free from their cells. Searching the officers, they held as hostages, for the keys to the prison the convicts would run into problems when the lock to a cell house could not be opened. The guard who actually held the crucial key had taken it off his ring and hid it in the cell before the prisoners could take his keys. Coy and the other men were trapped. Panic would set in for this group of six men and they changed their plans. Coy and his group then decided to attack the civilian residences on the island, but first they would have to get by the guard towers. The first shot at the tower immediately raised an alarm for the rest of the prison. Escaping from the prison totally fell apart at this point, however the prisoners did have the nine guards now locked in a cell in C block. Coy would try to negotiate with prison officials for their release by using the hostages as his means, to no avail. It would be Joe Cretzer who would fire upon all of these officers after negotiations broke down, killing two and wounding the rest so they would not be able to testify against him. Officials would cut the electricity to the entire prison in an attempt to regain control. On the second night, Warden James Johnston would ask for the help from the United States Marine Corps, sending in two platoons of special forces to secure the prisoners and free the hostages. The following morning three of the conspirators were dead, two more would later face the death chamber at San Quentin for their roles in the escape attempt, and the third would be sentenced to ninety-nine years because of his age (16 years old). Changes would be made by the the federal government in the security of the prison and there was only one more escape attempt by one individual in 1956.

## Upcoming Events

**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

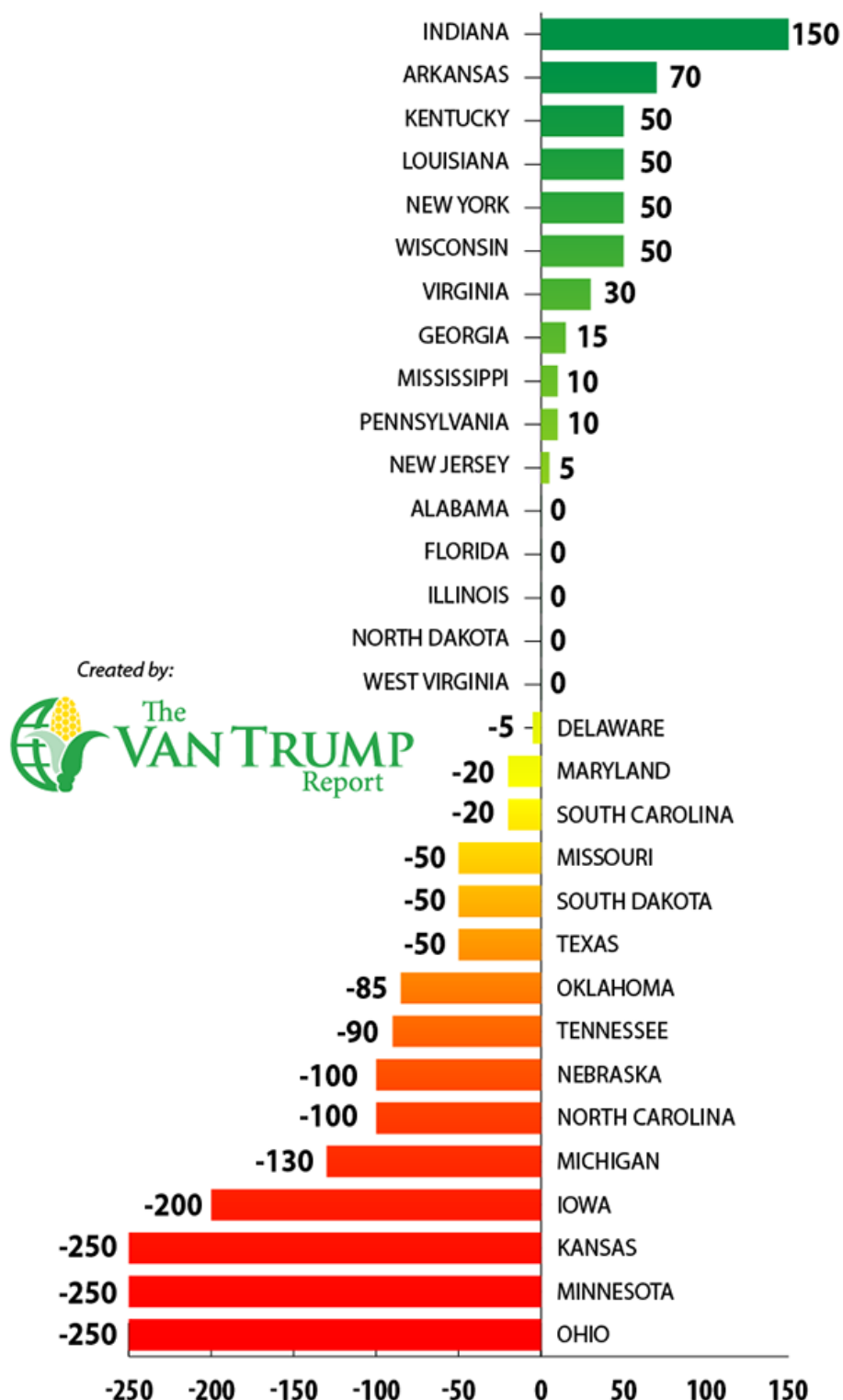
**Tues.-Wed. 6/12-6/13** - FOMC Meeting

**Fri. 6/22** - Cattle on Feed



# 2018 Soybean Change in Planted Acres

Change from Previous Year in Thousand Acres (000)



**Wheat** bulls are talking about weather complications here in the U.S. as well as concerns brewing in parts of Australia, Europe, Russia and the Black Sea Region. Crop scouts on the tour here in the U.S. were tossing out tweets about perhaps more serious winter weather problems, tillers head damage, and a crop that's clearly behind schedule. Bears are talking about the recent strength in the U.S. dollar and how it will ultimately create a headwind for the wheat market. Bears also continue pointing to the burdensome supply side fundamentals. As a producer, I like the thought of using the recent rally to reduce more new-crop price risk. Having 60% to 80% of our estimated new-crop production priced or hedged at these levels makes a lot of sense, leaving a

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:



 **Morgan Wallen** "Up Down" ft. Florida Georgia Line

## 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!

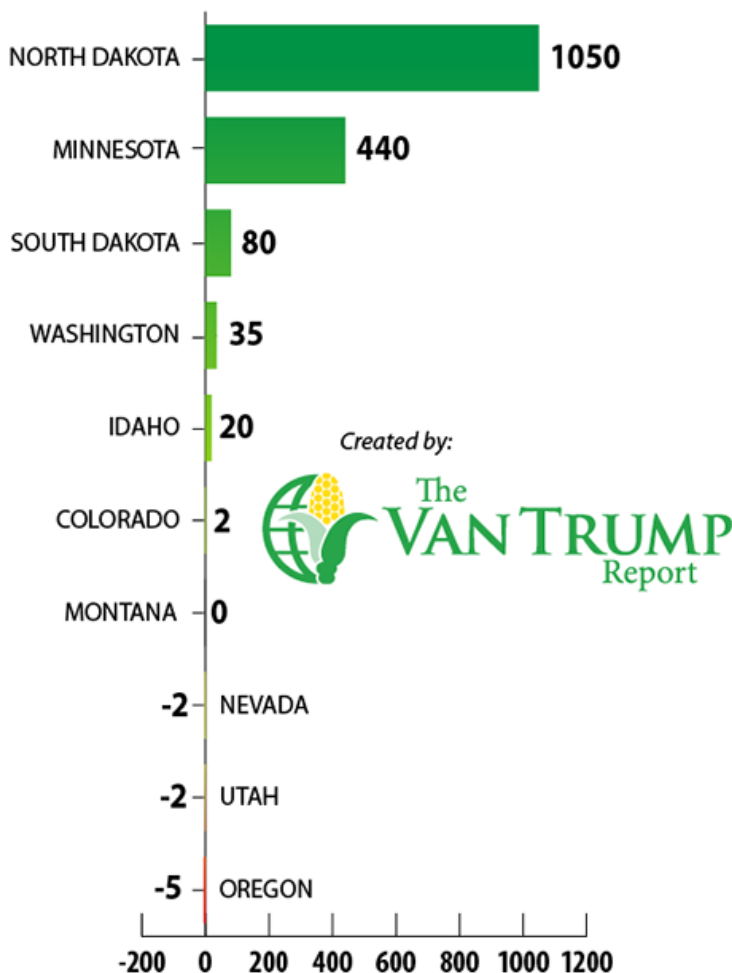
*Kevin Van Trump*

## What Others Are Saying

little upside potential open just in case the market were to breakout further to the upside in the next few weeks. As a spec, I've missed the recent nearby move. I had been long for weeks, took the profits on the previous rally and was waiting for prices to dip lower before buying back in. I'm not willing to chase this weather market so I will continue to sit on my hands and do nothing. This market could see some extreme swings in the next few weeks so make certain you are comfortable in your position and belted in for a wild ride.

## 2018 Spring Wheat Change in Planted Acres

Change from Previous Year in Thousand Acres (000)



"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

**A.M., FDIC**

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

**L.T., Assistant Deputy Administrator for Farm Programs USDA**

### My Own Personal Truisms

"Not To Trade, is often considered a good trading decision..."

"First Rule of HOLES: When you are in one stop digging..."

"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."

"Bulls make money, Bears make money, but pigs get slaughtered..."

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

I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

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



**> March Corn Use Up +9%:** The USDA reported total March corn use for alcohol and other uses at 526 million bushels up +9% from February and +2% from the previous March. Corn for ethanol use was up just over +9% from February and +2.7% from last year. Monthly DDGs production was up +6% from the previous month, but down -3% from last year. Sorghum for ethanol use was also higher on the month.

**> March Soybean crush reported at 182.2 million bushels,** which was in-line with most trade expectations but perhaps on the lower end. the good news is it's still +13% above last years estimate. U.S. soybean oil stocks were reported a bit higher than expected at 2.444 billion pounds. Soybean oil stocks are up over +4% from a year ago.

> **Amazon is reportedly planning more Whole Foods benefits** for its Prime members, like an additional 10% off of already discounted products. It already offers free delivery in some areas and 5% cash back when using its Visa rewards card for groceries. Roughly 75% of Whole Foods shoppers are Amazon Prime members, but less than 20% of Prime members are Whole Foods shoppers. (Source:SeekignAlpha)

> **Brazil's Soybean Exports Lower:** Reports circulating yesterday showed Brazil exported fewer soybean in April than it did in March. In fact, the exports for April of this year are almost -30% below the exports they had sent out during April of last year. Exports on the marketing year are also running behind last years pace. Some argue it's the late planted crop and delays in harvest causing the slowdown. Others are wondering if it's something more serious as U.S. exports are also lower this marketing year. Perhaps China is actually pulling back a bit?

> **Paraguay Soybeans Exports Increase:** Moving to 6.1 mmt, up 200,000 from the previous estimate based on expected Argentina purchases. I'm told this will be 60% of the 10 million being purchased to support the country's huge crush industry.

> **Russian Planting Picks Up:** As the weather improves, Russia's planting pace is accelerating. On the other hand, fieldwork is lagging behind and will have a drag on this years cereal crop according to the ministry of agriculture.

> **Commodity Credit Ups Borrowing Rate:** The U.S. Department of Agriculture's (USDA) Commodity Credit Corporation today announced interest rates for May 2018. The Commodity Credit Corporation borrowing rate-based charge for May is 2.125 percent, up from 2.000 percent in April.

> **Gibson Guitars Files Chapter 11:** Nashville based, Gibson Brands requested court protection from its creditors, saying it had support from many of them for a deal that would allow the company to survive. With sales declining and cost-cutting measures not working, Gibson plans to cut out its Innovations unit, which makes Philips-branded headphones, speakers and other electronic accessories. Known for providing instruments to stars such as Elvis Presley, BB King, Keith Richards, Pete Townsend and Lenny Kravitz, Gibson sells more than 170,000 guitars annually in more than 80 countries, according to a court filing. The company claims market share of more than 40 percent in electric guitars above \$2,000. (Source: Forbes)

> **Odds On Favorite For Nobel Peace Prize:** If all goes well with North Korean talks, President Donald Trump could be the hands-on favorite to win the Nobel Peace Prize this year. Keep in mind that South Korea's former President Kim Dae-jung was awarded the peace prize in 2000 for simply beginning the process of détente with North Korea. Not to mention that current President Moon went out of his way to give credit to Trump for setting the stage for the meeting. "President Trump can take the Nobel prize," he said. "The only thing we need is peace." Read more [HERE](#).

> **What's ROI on A Public University Degree?** The average 20-year payoff for a bachelor's degree—even after factoring in tuition and other college costs—is roughly \$225,000, according to salary data released Tuesday from PayScale. That's how much more money bachelor's degree holders earn compared with a high school graduate, minus how much they paid for the degree—a return-on-investment figure that PayScale calculates every year by looking at graduates of more than 1,400 colleges. Below is a list of the top-10, you can read more and see other colleges [HERE](#).

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.





## PUBLIC COLLEGES WITH THE HIGHEST RETURN ON INVESTMENT

College	26-Year ROI With Financial Aid	26-Year ROI With Sticker Price	Graduation Rate
SUNY Maritime College	\$1,030,000	\$1,003,000	57%
Colorado School of Mines	\$949,000	\$909,000	77%
Georgia Institute of Technology	\$904,000	\$856,000	86%
The California Maritime Academy	\$866,000	\$837,000	62%
University of California-Berkeley	\$833,000	\$759,000	92%
Massachusetts Maritime Academy	\$825,000	\$783,000	76%
Missouri University of Science and Technology	\$789,000	\$753,000	64%
New Jersey Institute of Technology	\$767,000	\$704,000	61%
Maine Maritime Academy	\$748,000	\$718,000	62%
Virginia Military Institute	\$736,000	\$680,000	78%



**Southwest Minnesota** - The last few days has seen a wide mix of weather with rains early then very strong winds. We are still recovering from the two major snowstorms that hit two weeks ago. I think in isolated areas that there is still some significant frost in the ground. We usually have at least one week of planting by this time of year but still waiting as of right now. We may be able to roll with the planters by the end of the week. We do have a chance of rain later this week and if that would happen it will push to the first of next week. Even with the planting delays, I do not think guys will switch any corn acres to beans unless we get into late May or early June. What you likely will see is guys switching from longer season corn to a shorter variety of 105-day to 100-day instead of the 110-day. Over the past three years, we have had some of the best yields ever across all of our farms.

**Central Illinois** - We have gotten all of our corn planted and hope to finish up the beans in the next few days. The corn went in the ground pretty good. We would like to get the beans planted ahead of this rain that will be here in the next day. They are not really sure on the rain totals but I am worried we could get some heavy rains this time of year that would crust things over. In the past, this has caused poor and/or uneven emergence. If we can get things planted before the rains it will probably keep us out of the field for the rest of the week. Normally, if we can get our corn planted in May it seems like we can make a pretty good crop. These markets have given us a good opportunity over the past few days going higher.

**Western Iowa** - We are almost 80 degrees today and I think we still had piles of snow on the ground Saturday. We were sloppy wet all last week but things are starting to firm up now. If the next rain misses us we should be able to get in the fields to plant this weekend. We are staying with the same rotation with our corn and beans. The late rains last year helped most of the crops except for the corn on our sandier soil farms. We did have some hail and wind that hurt the corn and beans a little. We still made 235bpa on the corn and the beans were right at 70bpa. The hail bruised up the beans pretty good so who knows what we could have made without that. We had great test weights with everything over 60# that really helped the yields. With all the late heavy snows the soil profile should be fully recharged for all crops this year.



# CROSSING WIRES

A place to share intelligent thoughts...

**Crypto Fans Have New App For Tracking Prices:** *CoinMarketCap has emerged out of the flames of the cryptocurrency cauldron to become the defacto source for tracking all valuations. The site is ranked as the world's 174 most popular and has more traffic than the likes of the Wall Street Journal and Bloomberg. Celebrating its fifth anniversary with the release of its new app, a reworking of their website and are preparing to launch more services. Read more [HERE](#).*

**Is U.S. Workforce Ready For AI Revolution?** *According to a study published last week, the United States is quickly falling behind other developed nations in preparing workers for a future driven by AI and automation. The Automation Readiness Index looks at 25 advanced economies to determine which is making the greatest strides in preparing their workforce for an automated future. Researchers broke it down into three main categories: innovation environment (money spent on research and development, and investment in the space), school policies (early education and lifelong curricula), and public workforce development (government-led programs, re-training of workers). Click [HERE](#) to see who is leading the charge and why.*

**FedEx Delivers With Hydrogen:** *FeEx is making a big deal with its first delivery using a new hydrogen fuel cell electric vehicle. The van has been built in partnership between Workhorse Group and Plug Power, and uses a hydrogen engine. The ride is in service at FedEx's facility in Menands NY, and runs a standard delivery route for the logistics outfit, covering 160 miles before needing a refill. What's interesting here, is that scientists recently discovered how to efficiently breakdown ammonia to extract the hydrogen. We may see a new player in the alternative fuels race. Read more [HERE](#).*

**Walking The Talk...Does Religion Make You More Moral?** *Big Think ran a good article discussing many aspects of what it means to claim to be "religious." What I found interesting and am constantly calling to the attention of my family and close friends is that of the discrepancy between beliefs and behavior. Many people say they are religious but what does it really mean if your actions do not back it up? Why do we think we need the label of being religious? Obviously it matters or the majority of us wouldn't claim it. Take a deeper look at some interesting thoughts on the subject [HERE](#).*

**How A Russian Robot Eliminated Jihadists Threat:** *Russian Counter-terrorism forces engaged Jihadist extremists in the region of Dagestan prior to recent World Cup Soccer Matches. In the video you will see a compact armed robot approach the property to engage the jihadists and following the encounter, the bullet-ridden bodies of six men were later shown in pictures released by investigative authorities. You can watch the robot execute its mission [HERE](#).*





### Innovation In Weather Predictions

Four students from Penn State have set their sights on merging meteorology with industry by delivering critical weather information to decision makers using advanced visualization techniques. The students, Seth Cohen, Steve Hallett, Nathan Lis and Andy Moffitt are in the College of Earth and Mineral Sciences' Department of Meteorology and Atmospheric Science at Penn State and founded Innovation Weather, LLC in 2017. The group is providing new, innovative products and services designed to help mitigate meteorological hazards. From what I understand, they are focused on developing algorithms to diminish risk in agriculture, turfgrass and commodities trading. With that in mind, they have created a suite of products, which include their keynote item, the "Frost Formation Probability". With it, the team uses algorithms that combine a variety of weather variables to determine the likelihood that frost will form in an area of interest under certain meteorological conditions. The algorithm has been rigorously tested for regions within the U.S., as well as for select international locations, such as South America and Europe. Amazingly, the product can provide up to 60 hours of lead time before the frost will occur. Their frost probability maps look similar to temperature maps that can be viewed on popular weather sites. In addition to the Frost tool, the company has developed the Temperature and Moisture Threshold, Growing Degree Days and Crop Degradation Index. You can learn more about each at their website [HERE](#). It's worth noting that Innovation Weather can customize algorithms to meet your specific needs. As I understand it, each of their products has undergone significant testing and they do provide verification case studies for your location. I suspect as technology advances, weather forecasting will continue to be farm specific with recommendations for many of our managerial practices. (Source: Penn State)



## Innovation Weather

### Ford Making A Big Bet On American's Appetites for Trucks and SUVs

In Ford's recently released Q1 financial report, the carmaker announced the Ford Fusion, Focus, C-Max, Taurus and Fiesta -- are all on the way out in North America. In fact, Ford said they are losing money on every Focus, Fiesta, and Fusion that is sold. Ford wants to transition its lineup to one that is dominated by SUVs, crossovers and trucks. Furthermore, only the Mustang and new Focus Active mini-crossover will be in Ford's North American lineup. The company also said they are exploring new vehicles that combine the best attributes of cars and utilities, such as higher ride height, space and versatility. Ford's CEO indicated that Ford is going all-in on America's seemingly insatiable desire for SUVs, introducing the EcoSport this year, in addition to several more SUV models planned for the future. Hackett's hoping that those models will boost



profits that have, in recent years, been propped up by the company's best-selling F-Series trucks. If you want some numbers on American's current purchasing habits, a recent report by University of Michigan Transportation Research Institute showed the average fuel economy of new vehicles sold in the U.S. in December fell to 25 miles per gallon, down 0.2 mpg from November as consumers bought more fuel-thirsty trucks than more efficient passenger cars. The drop is widely considered to be due to American's appetite for light trucks including Ford's bestselling F-Series pickups. The total number of light trucks sold in the United States rose +4.3 percent to about 10.90 million in 2017, while sales of passenger cars slumped about -11 percent to 6.3 million. Below, you'll see a picture of Ford's Focus Active, which kind of looks like a Subaru Crosstrek. Soon it will be the only car-like thing in Ford's North American lineup outside of a Mustang... Wow. Ford is making a big bet. It will be interesting to see if they are going to be right. From my perspective, it seems like the company could become very vulnerable should we see a major economic downturn or big jump in fuel prices. (Source: Jalopnik)



#### **What Are the Odds...**

Dylan McWilliams, a 20 year old, has been attacked by a shark, mauled by a bear, and bitten by a rattlesnake, all in just over three years. In his most recent adventure, McWilliams was body boarding off the island of Kauai, Hawaii, when he felt something hit his leg. He saw a shark swimming below, freaked out and kicked it as he swam back to shore. Once out of the water, he found he had been bitten and it actually required stitches. Keep in mind, shark attacks do occur in Hawaii on occasion, but the overall odds of being attacked by a shark in any U.S. waters is thought to be just one in 11.5 million. While shark attacks get all the media attention, you are actually more likely to be attacked by a bear. McWilliams, who has been backpacking across the U.S. and Canada for the past few years, also managed to beat 1 in 2.1 million odds of being injured by a bear. Last July, a black bear bit him on the head while he was sleeping on a camping trip in Colorado. He escaped by actually poking the bear in the eye. The bear injury took nine staples to the back of his head to fix the gash. Given McWilliams' luck, maybe its no surprise to know he stumbled onto a rattlesnake while hiking in Utah. McWilliams thought the bite was minor and had little venom in it so he decided not to go to the hospital, he became extremely sick for several days, but bounced back. Somewhat surprisingly, the odds of being bitten by a venomous snake in the U.S. are estimated at 1 in 37,500. So let's do the math on this. Since each event is independent, the odds of each are multiplied together making the odds of all three of these things happening to one person about 1 in 893.35 quadrillion. Many believe this makes him one of the unluckiest guys on the planet. But I think McWilliams is living a cool life and gaining a ton of stories and life experience. (Source: National Geographic)



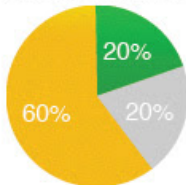


ANSWER to riddle: Time

## CASH SALES & HEDGING TOTALS

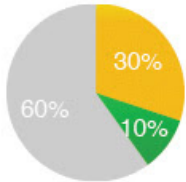
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60% SOLD  
20% HEDGED  
20% UNPROTECTED



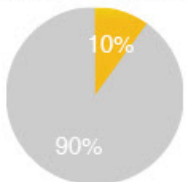
### CORN 2018 CROP

30% SOLD  
10% HEDGED  
60% UNPROTECTED



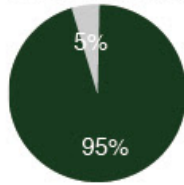
### CORN 2019 CROP

10% SOLD  
0% HEDGED  
90% UNPROTECTED



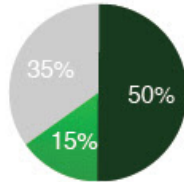
### SOYBEANS 2017 CROP

95% SOLD  
0% HEDGED  
5% UNPROTECTED



### SOYBEANS 2018 CROP

50% SOLD  
15% HEDGED  
35% UNPROTECTED



### SOYBEANS 2019 CROP

0% SOLD  
0% HEDGED  
100% UNPROTECTED



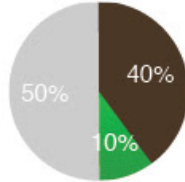
### WHEAT 2017 CROP

100% SOLD  
0% HEDGED  
0% UNPROTECTED



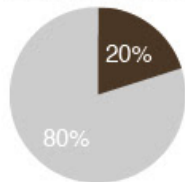
### WHEAT 2018 CROP

40% SOLD  
10% HEDGED  
50% UNPROTECTED



### WHEAT 2019 CROP

20% SOLD  
0% HEDGED  
80% UNPROTECTED



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