

## GOOD MORNING: 05/08/18 Farm Direction - VanTrump Report

2 messages

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

Tue, May 8, 2018 at 7:07 AM



"Yesterday is history, tomorrow is a mystery, today is a gift of God, which is why we call it the present." — **Bil Keane**

**TUESDAY, MAY 08, 2018**  
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Oil will take center stage today as the market awaits a scheduled 1:00 pm CST announcement from President Trump regarding the Iran nuclear deal. It's a decision that could remove a big chunk of supply from the global oil market -- about 1 million barrels a day under the previous sanctions and risk further escalating tensions in the Middle East. There's also continued uncertainty surrounding the Venezuela elections. If the U.S. finds cause to question the legitimacy of their presidential election on May 20 and imposes oil sanctions, the market could get even more nervous. There's talk that as Venezuela's access to credit dries up, international companies are limiting their exposure and pulling out employees, which is causing oil production to plummet. Some insiders are saying their production could ultimately drop to a 70-year low. Keep in mind their production is already down by about -1 million barrels per day. The higher oil prices are also causing debate about a potential drag on the global economies and a higher inflationary push. In addition to the Iran nuclear deal, many insiders are saying this is also shaping up to a make or break week for final NAFTA negotiations. I keep hearing mixed opinions, but it feels like those who were more optimistic a few weeks back have taken a couple of small steps backwards. It's certainly something we need to keep monitoring closely. There's also a lot more attention on the strengthening U.S. dollar. If you remember, the value of the U.S. dollar hit a near term low around mid-February and has hence moved steadily higher. Many believe it could become more of a headwind if the strength continues. Stay tuned... and keep paying close attention to the oil market the next several days. I'm interested to see if market already has the Iranian and Venezuelan concerns baked into the current price?

**Gas Prices Headed North:** The average price of regular-grade gasoline in the U.S. rose +7 cents a gallon over the past two weeks to \$2.90, the 10th week straight of increases. Industry analyst Trilby Lundberg of the Lundberg Survey said Sunday that the jump marks the highest average price since November 2014. Lundberg says the increase is largely driven by higher crude oil costs and the phasing-in of summer-grade gasoline, which is used to prevent smog. The highest average price in the contiguous 48 states was \$3.73 in the San Francisco Bay Area. The lowest was \$2.45 in Baton Rouge, Louisiana. The average price for diesel fuel rose +5 cents, to \$3.14. (Source: [apnews.com](http://apnews.com))

**Interesting Thought.... "Echo Chambers"** - There's a lot of talk about technology and social media, specifically how they are changing America. One of the more interesting thoughts I've read lately was presented by bestselling author Michael Simmons. He proposes that we are starting to live and be grouped into our own "echo chamber," which becomes our "true" reality. We are then somewhat forced to defend or fight to maintain this belief by demonizing other groups. And in an age of social media and targeted, personalized content, these echo chambers become even more insular (see The Filter Bubble for more on this), as we're exposed to less and less information outside our own chosen groups. If you think this is addictive, just wait until five years from now.

**States Keep The Ball Moving:** Real gross domestic product (GDP) increased in 47 states and the District of Columbia in the fourth quarter of 2017, according to the U.S. Bureau of Economic Analysis. The percent change in real GDP in the fourth quarter ranged from 5.2 percent in Texas to -1.3 percent in North Dakota. See what areas are You can get some more break down of the numbers [HERE](#).



## Davos on the Delta

*"The Future of Food & Agriculture"*



May 15<sup>th</sup> - 17<sup>th</sup>  
 Peabody Hotel | Memphis, TN

### Evidence-Based Agriculture Conference

Hear from over 25 of the most innovative startups, investors and industry executives.

## LEARN MORE

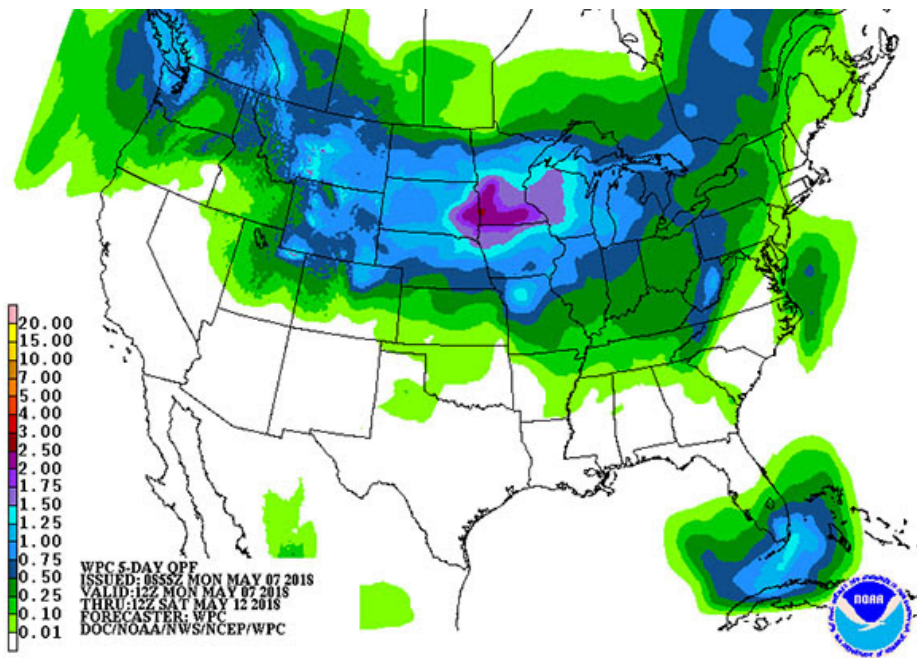
Organizing Sponsors:



**Special Promotional Code**  
**KVT18**  
**\$250 Discount**

Today In History





Corn prices have pulled back a bit from their recent 22-month highs as the bulls circle the wagons and the market takes time to retest its recent gains. Bulls are talking about some additional rain delays in the northern portion of the U.S. corn belt. They also point to the fact demand remains robust here in the U.S. and weekly export inspections further confirm this thought. Bulls also continue to talk about South American production hiccups and the fact the USDA's current estimates for Argentina and Brazil still need to be trimmed. Brazil more aggressively trimmed as the lack of rainfall has caused more widespread concern for second-crop production. Bears are still concerned about trade uncertainties involving NAFTA and the Chinese, and still adequate global supply. Corn planting here in the U.S. made a sizable jump last week, going from 17% to 39% complete. However, this is still behind last years pace of 45% planted and also behind the 5-year average of 44% planted by this date. States running ahead of schedule are: Illinois, where producers planted a whopping 42% of their crop last week, jumping from 32% to 74%; Indiana jumped from 8% to 42%; Missouri jumped from 52% to 78% and Texas jumped from 70% to 81%. States the furthest behind their traditional pace are the Dakotas, Minnesota and Pennsylvania. I should also note, 8% of the U.S. corn crop was to be "emerged" vs. the 5-year average of 14%. As both a spec and producer, I remain a longer-term bull...staying patient!

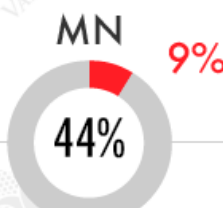
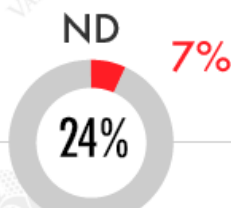
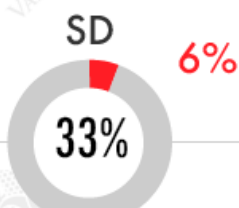
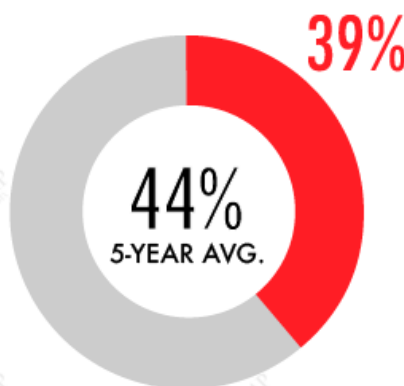
the Army in 1917 at the start of the Great War and be deployed as a first lieutenant to France a part of the 129th Field Artillery. He would stay in the Army Reserve after the war and would eventually be promoted to Colonel of the 379th Field Artillery Regiment. Harry would return from war and marry Bess Wallace and have only one child Mary Margaret Truman. With help from the Kansas City Democratic machine Truman would be elected as Judge in Jackson County. During the depression Truman would help transform the Kansas City Skyline with New Deal era projects. He would win election to the U.S. Senate in 1934, where he would speak out against the dangers of the corporate greed of Wall Street. He would lead a sub-committee on Military Affairs and investigate abuses in spending and profiteering as the nation was preparing for war. Truman would be selected as FDR's running mate, Vice Presidential candidate, in the 1944 election. He would only serve in this position for 82 days, and he would take the oath of office as the President of the United States after the passing of FDR. Truman stated this about the moment, "Boys, if you ever pray, pray for me now. I don't know if you fellas, ever had a load of hay fall on you, but when they told me what happened yesterday, I felt like the moon, the stars and all the planets had fallen on me." In August 1945, Truman would authorize the use of the Atomic bombs in Japan to bring an end to the war, after they refused the demands made at the Potsdam Conference. Japan would surrender the next day. Truman would strongly support the foundation of the United Nations and gain the country's support for what is now called the "Truman Doctrine," a policy that took a hardline on the Soviets and focused on communism containment. He would sign the National Security Act in 1947, which formally brought all the armed forces in America under one administrative umbrella called the War Department (later the DOD), created the Air Force, the CIA and the National Security Council and the NSA. He would also be the first President to support the Jews and the formation of their state Israel and Zionism. Truman would win the election in 1948 for a second term in office and would have the first televised inauguration. In 1950, Truman would be faced with the Korean War when North Korea would invade South Korea. Furthermore, he would be surprised when China would join with North Korea and fight. There was growing concern that this would lead to an escalation with Russia who also had nuclear weapons at this time. After two years in Korea the war would be at a stalemate and fighting would end with an armistice in 1953. After leaving the White House he would return to Missouri and try to live off his Army pension of just over one hundred dollars a month. He would go on to publish his memoirs that were very successful and build his Presidential Library.

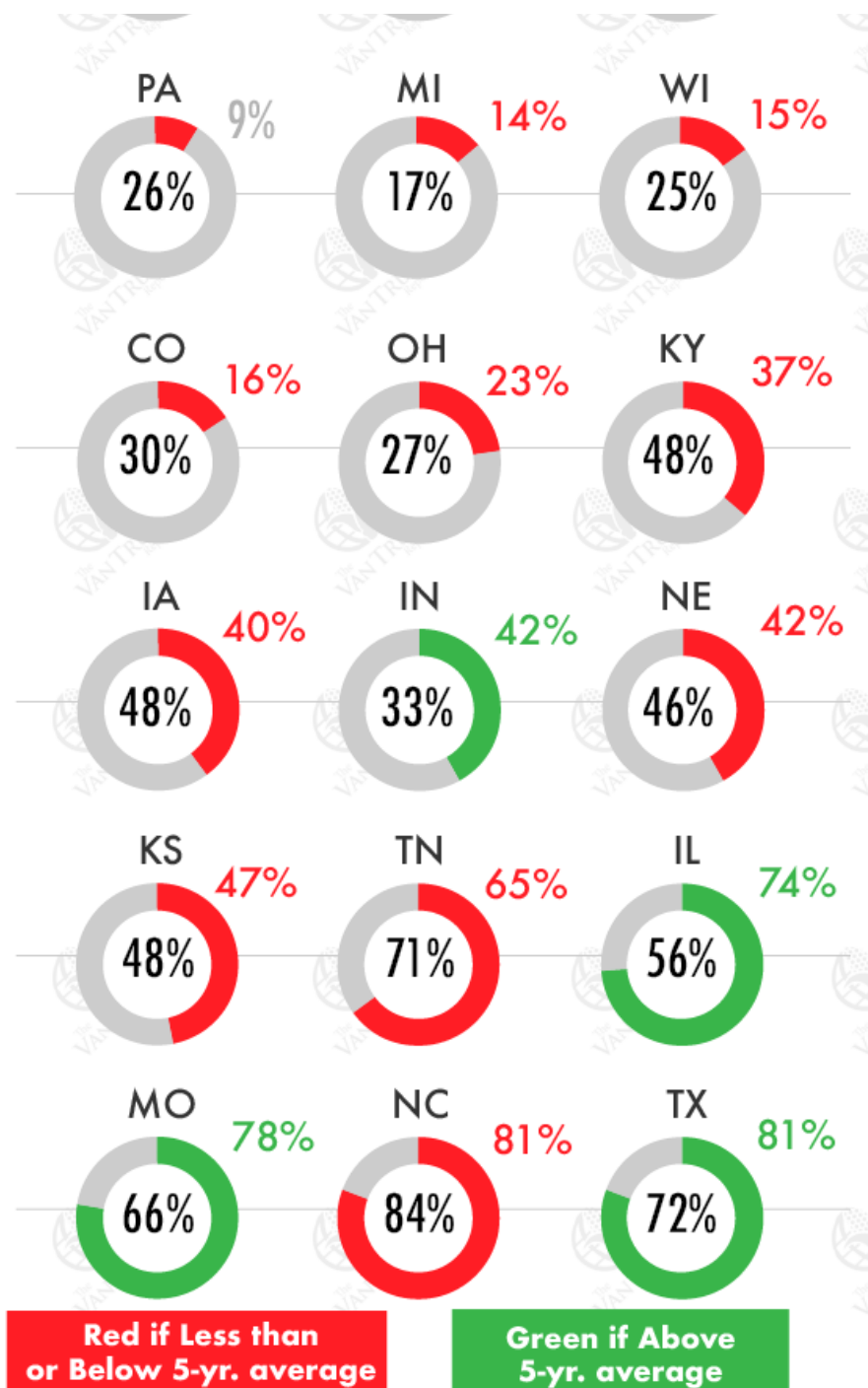
## Corn Planted Pace Percent

**Week 18**  
week ending May 06, 2018

Source: USDA, NASS Crop Progress

### 2018 U.S. Corn Planted Percent Ratings





**1541, DeSoto** - Today May 8th, 1541 would be the day that the explorer De Soto would discover the Mighty Mississippi River. De Soto had come to the New World in the hopes of discovering the riches of North America, namely gold and silver. He would sail up the Mississippi and reach just south of what is today known as Memphis. The expedition would travel up the river on flatboats at night to avoid conflict with the native inhabitants of the area who were then considered fierce warriors. De Soto had for the most part treated the Native Americans with disdain, enslaved them or killed thousands of them including when they met the Alabama people, where a bloody encounter with the Mobilians, led by Chief Tuskaloosa, occurred on the Gulf Coast. The expedition crossed the Mississippi River—which de Soto called the Rio Espiritu Santo—near what is today Memphis, Tennessee, and proceeded to explore regions in Oklahoma and Texas. De Soto was the first European to see the “Valley of Vapors”—what is now Hot Springs, Arkansas. The explorer would travel all the way to present day Arkansas before turning back without any material gain. It's worth noting that during their time here they accidentally released pigs brought on the expedition for food. These introduced species were the ancestors of the feral razorback hogs now found throughout the southeastern U.S. It is while he traveling back down the Mississippi River when De Soto contracted a fever and died on May 21, 1542. De Soto was buried in an unmarked grave somewhere along the River he discovered.

#### Upcoming Events

**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

**Soybean** prices are slightly higher this morning, but the bulls have been backpedaling on lack of fresh news. It's not necessarily the "bad news" that has caused the market to setback over -60 cents in the past few weeks, but rather the lack of news. Headlines surrounding U.S. trade negotiations with the Chinese, who are the worlds #1 buyer of soybeans, are on everyone's mind. With no sign of compromise or agreement and very little fresh or new being reported by the media it's causing the bulls to hesitate. As we know, hesitation often gives us time to think about all the bad things that can happen, hence escalating our fears. In this particular case, causing the large number of bulls to rethink or overthink their current position. This is exactly why I've been saying for the past few weeks, "I suspect prices eventually move higher, but I'm just not sure how we get there." The lack of fresh headlines while we wait for U.S. weather concerns and waiting for the current headlines surrounding trade to eventually turn from a headwind to a tailwind could be a while. The Chinese tariff trade deadlines are still set for May 22nd. We are also rounding the final corner on the NAFTA negotiations. On a more traditional fundamental note, U.S. domestic soybean crush demand remains strong. Meal exports also remain strong. The question is can strong crush demand offset the losses we are seeing in demand to Chinese buyers. The USDA showed new-crop planting jumped from 5% to 15% complete and is actually ahead of last years pace and also ahead of the 15-year average of 13%. As both a spec and producer, I still think prices can go lower before a more aggressive move higher later in the year.

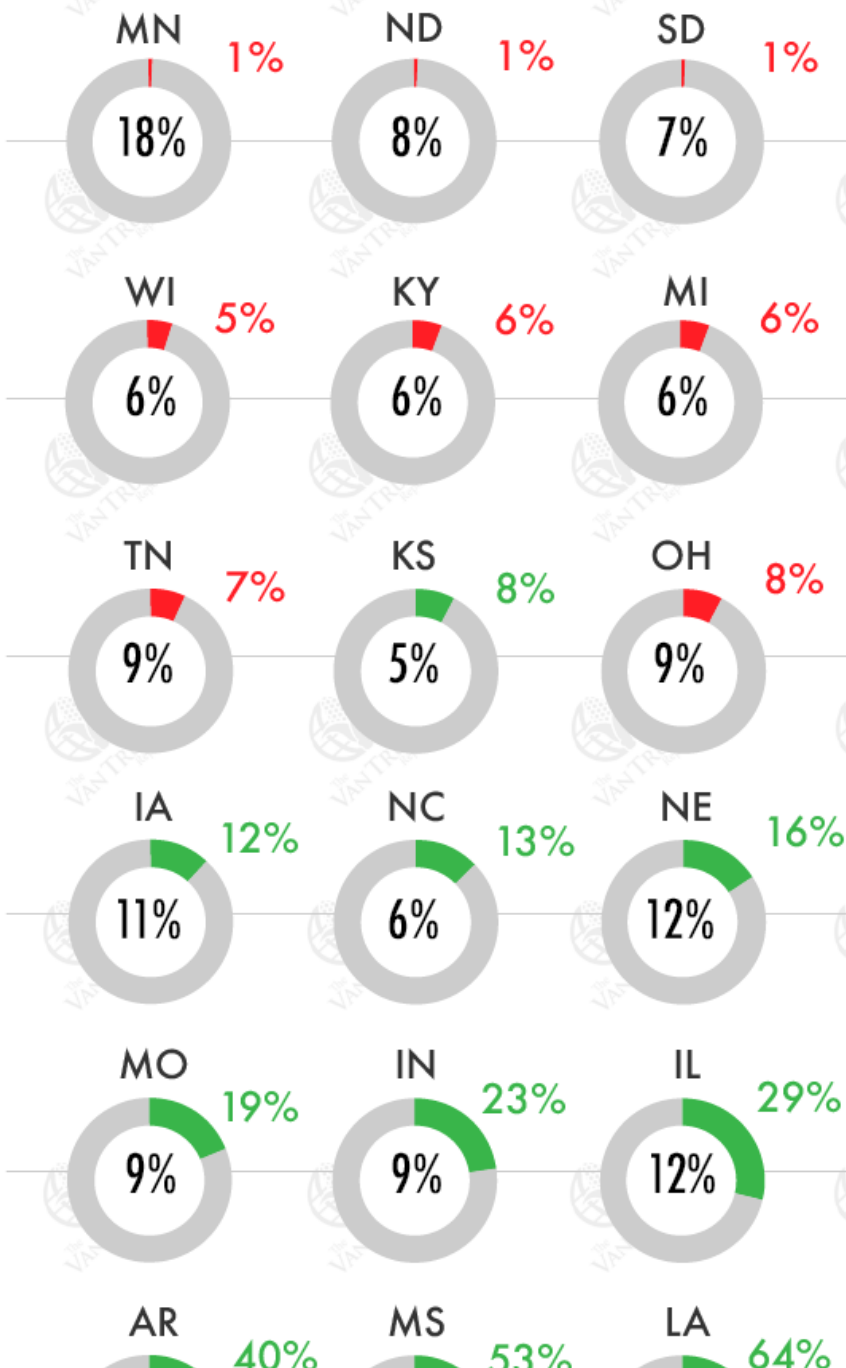
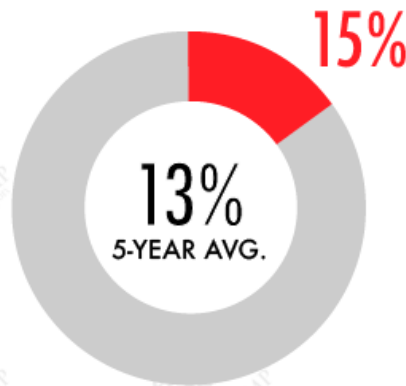
# Soybean Planted Pace Percent

**Week 18**

week ending May 06, 2018

Source: USDA, NASS Crop Progress

## 2018 U.S. Soybean Planted Percent Ratings



## WHAT I'M LISTENING TO:



**Willie Nelson** "Something You Get Through"

## 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.

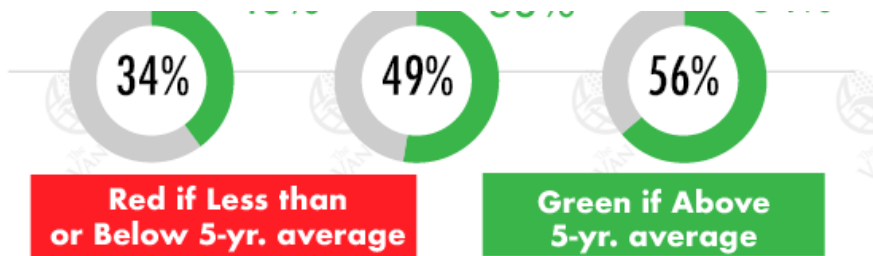
What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific 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



**Wheat** bears are talking about a slightly better global weather forecast and the fact U.S. demand headlines remain limited as prices have become somewhat non-competitive vs. exporters from the Black Sea region and parts of Europe. The talk the past few sessions has been that as U.S. prices rallied we became more "uncompetitive" and might have actually lost some of our routine business to cheaper wheat coming out of Europe and Russia. From a technical perspective, it will be interesting if psychological support on the front-end of the trade can hold at \$5.00 per bushel. Here at home, the USDA bumped Winter wheat conditions slightly higher from 33% to 34% rated "Good-to-Excellent". Kansas conditions were raised slightly from 13% to 14% rated GD/EX vs. 43% rated GD/EX last year. Oklahoma conditions were left unchanged at 9% rated GD/EX vs. 49% rated GD/EX last year. Texas rating was also left unchanged at 16% rated GD/EX vs. 40% GD/EX last year. States where conditions fell: Illinois -5% from 59% down to 53% vs. 60% last year; Montana -4% from 58% down to 54% vs. 69% last year; Arkansas -3% from 61% down to 58% vs. 68% last year; Nebraska -2% from 63% down to 61% rated GD/EX vs. 36% last year; South Dakota -2% from 32% down to 30% vs. 52% last year. A few states where conditions improved on the week: North Dakota +8% from 26% to 34% rated GD/EX vs. 74% last year; Wisconsin +16% from 57% to 73% vs. 70% last year; Missouri +5% from 49% to 54% vs. 60% last year; Colorado +4% from 49% to 53% vs. 45% last year; Indiana +3% from 61% to 64% vs. 67% last year. The USDA also showed 33% of the crop as "headed" vs. 49% last year vs. the 5-year average of 41%. Spring wheat planting jumped from 10% to 30% complete but is still well behind last years pace and the 5-year average of 51% planted by this date. 4% of Spring wheat was reported as "emerged" vs. 19% last year vs. the 5-year average of 22%.

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.

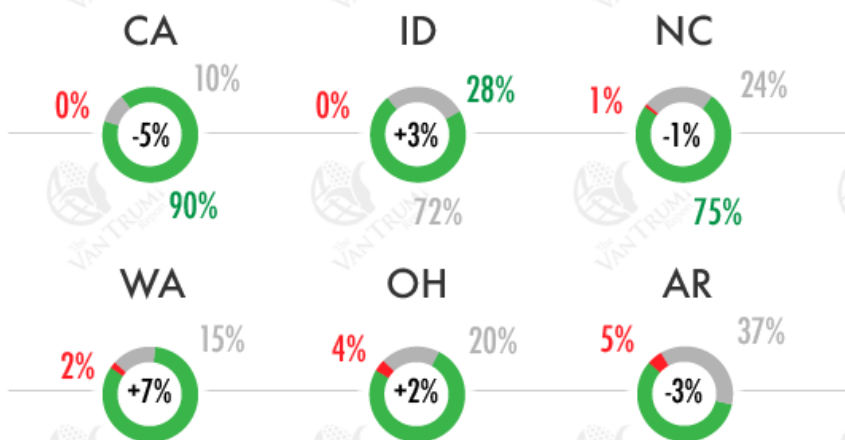
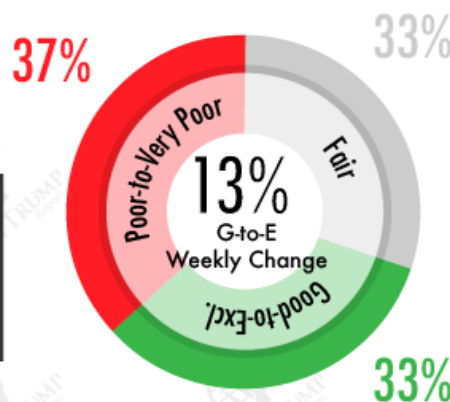
I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.

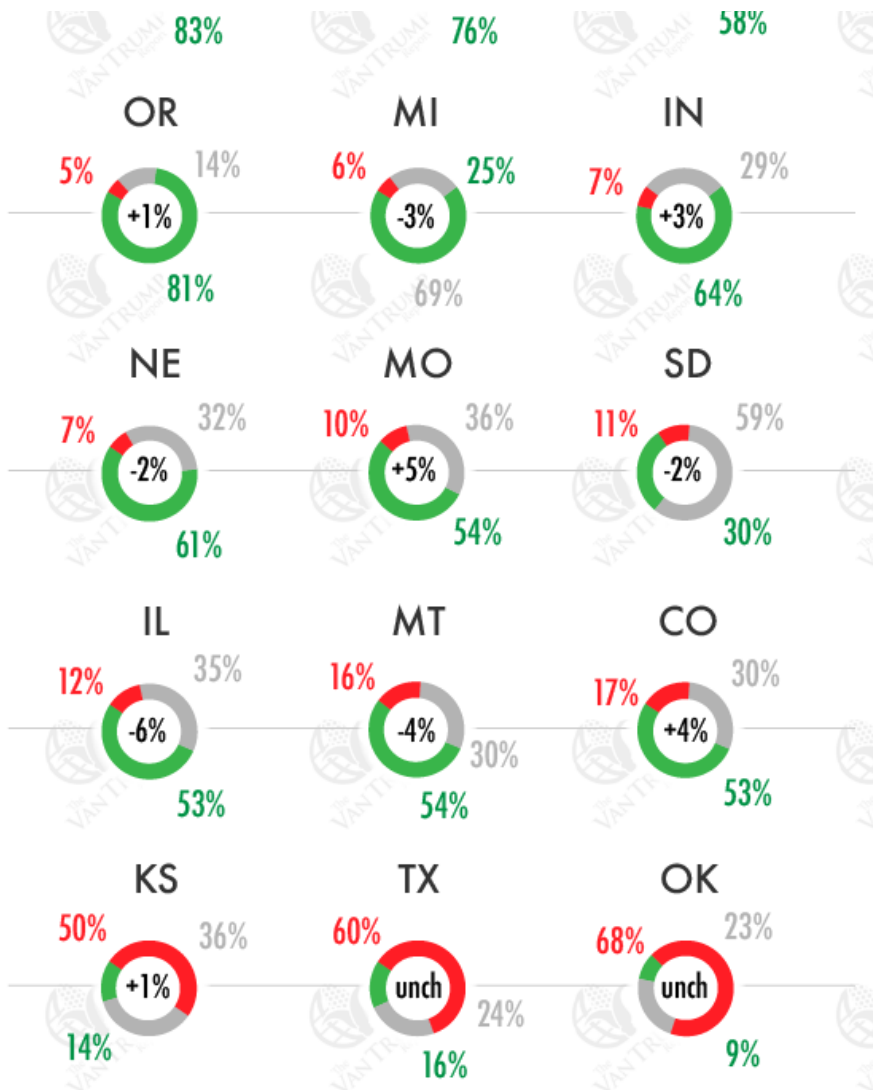
## Winter Wheat Crop Conditions

**Week 18**  
week ending May 06, 2018

Source: USDA, NASS Crop Progress

### 2018 U.S. Winter Wheat Conditions Ratings





**2017/18 U.S. Ending Stocks (in billion bushels)**

	May Est.	Avg. Trade Est.	Trade Range	USDA Apr. 2018
<b>Corn</b>	???	2.178	2.150 - 2.207	2.182
<b>Soybean</b>	???	0.541	0.495 - 0.575	0.550
<b>Wheat</b>	???	1.065	0.941 - 1.090	1.064

**2018/19 U.S. Ending Stocks (in billion bushels)**

	May Est.	Avg. Trade Est.	Trade Range	USDA Apr. 2018
<b>Corn</b>	???	1.628	1.467 - 1.907	NA
<b>Soybean</b>	???	0.535	0.400 - 0.715	NA
<b>Wheat</b>	???	0.930	0.780 - 1.075	NA

**2018/19 Wheat Production (in billion bushels)**

	May Est.	Avg. Trade Est.	Trade Range	USDA Apr. 2018
<b>All Wheat</b>	???	1.774	1.612 - 1.860	1.741
<b>Winter</b>	???	1.183	1.062 - 1.304	1.269
<b>Hard Red Winter</b>	???	0.654	0.550 - 0.797	0.750
<b>Soft Red Winter</b>	???	0.307	0.218 - 0.330	0.292
<b>White</b>	???	0.229	0.201 - 0.260	0.227

**2017/18 World Ending Stocks (in million metric tons)**

	May Est.	Avg. Trade Est.	Trade Range	USDA Apr. 2018
<b>Corn</b>	???	195.18	192.17 - 198.00	197.78
<b>Soybean</b>	???	89.90	88.50 - 91.00	90.80
<b>Wheat</b>	???	271.13	268.50 - 273.40	271.22

**2018/19 World Ending Stocks (in million metric tons)**

	May Est.	Avg. Trade Est.	Trade Range	USDA Apr. 2018
<b>Corn</b>	???	182.75	148.73 - 193.80	NA
<b>Soybean</b>	???	90.52	75.50 - 97.00	NA
<b>Wheat</b>	???	269.18	260.00 - 278.70	NA

**South American Production (in million metric tons)**

	May Est.	Avg. Trade Est.	Trade Range	USDA Apr. 2018
<b>Arg. Corn</b>	???	32.27	31.00 - 33.00	33.0
<b>Arg. Soybeans</b>	???	38.69	37.00 - 40.00	40.0
<b>Brazil Corn</b>	???	88.86	83.90 - 92.00	92.0
<b>Brazil Soybeans</b>	???	116.24	114.90 - 119.00	115.00



**> President Trump To Talk To Chinese President This Morning:** *In a tweet out this morning, President Trump wrote, "I will be speaking to my friend, President Xi of China, this morning at 8:30, primary topics will be Trade, where good things will happen, and North Korea, where relationships and trust are building".*

**> Argentine Farmers Becoming More Tightfisted With Supply:** *There's starting to be more talk that the Argentine producers are becoming more tightfisted with their grain and soy supply in an effort to battle extreme inflation. This obviously will place more pressure on the crusher as they already need more supply.*

**> China's Soybean Imports To Fall Lower For First Time In 15-Years:** *Chinese insiders are saying total soybean import growth could actually turn negative this year. It would mark the first time we haven't seen an increase in 15-years. Keep in mind, acres here in the U.S. and South America continue to grow larger.*

**> Brazilian Soybean Exports Booming:** *Given two back-to-back record harvests, and record-large inventory levels, the increase in Brazilian soybean exports was no surprise. For the 2017/18 marketing year, Brazilian soybean exports are projected at a record-high 2.7 billion bushels, marking the eighth consecutive year of record soybean exports. Following back-to-back record soybean crops in the U.S., soybean exports are projected to fall 5 percent in 2017/18 to 2.1 billion bushels. Due to reduced export volumes, U.S. soybean ending stocks are projected at 550 million bushels – the second-highest on record behind 574 million bushels in 2006/07. (Source: [fb.org](http://fb.org))*

**> Nestle Will Take Starbucks Around The World:** *Nestle will pay Starbucks \$7.15 billion in cash plus additional royalties for the right to sell Starbucks products around the world. Starbucks will use the influx in cash to give back shareholders \$20 billion in the form of buybacks and dividends. (Source: Business Insider)*

**> China's Keeping Eyes On U.S. Apples And Logs:** *China's main ports will step up quarantine checks on imports of apples and logs from the United States, and shipments found carrying disease or rot could be returned or destroyed, the Chinese customs agency said on Monday. "Recently, pests were detected in apples and logs imported from the United States at the ports of Shanghai, Shenzhen, Qingdao, Xiamen and others," the Chinese General Administration of Customs said in a statement posted on its website.*

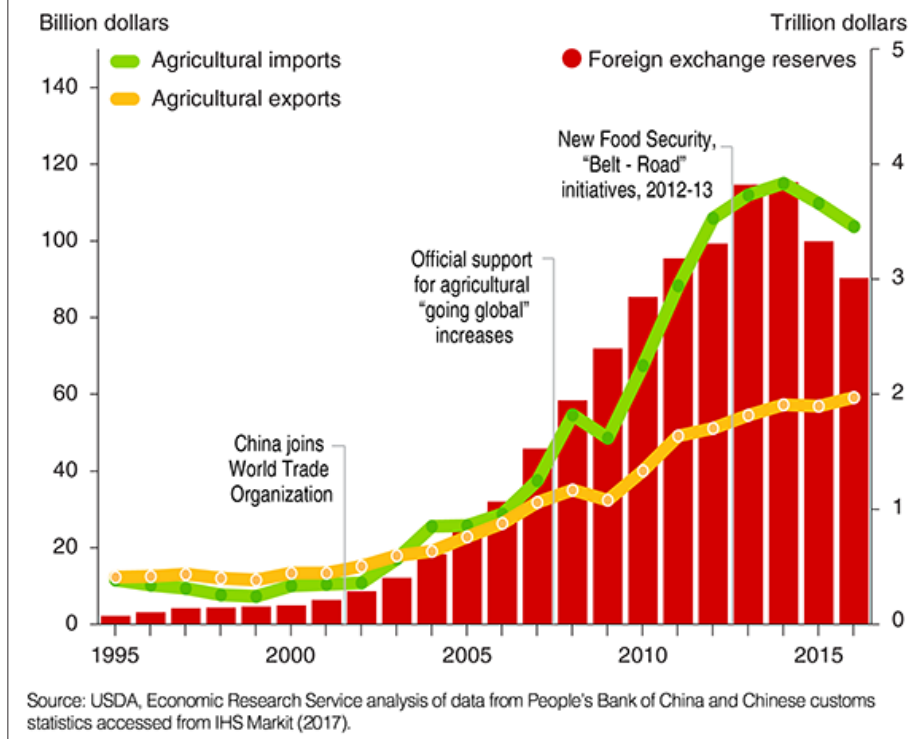
**> California's Solar Support:** *There's no question that solar power is entering the mainstream, but California is about to give it a giant boost. The state's Energy Commission is expected to approve new energy standards that would require solar panels on the roofs of nearly all new homes, condos and apartment buildings from 2020 onward. There will be exemptions for homes that either can't fit solar panels or would be blocked by taller buildings or trees, but you'll otherwise have to go green if your property is brand new. It makes you wonder if and when other states will follow. Read more [HERE](#).*

**> Disney's Avengers Fastest To \$1 Billion:** *"Avengers: Infinity War" continued to crush the competition at the box office, hauling in \$112.5 million in North America over the weekend to score the second-biggest second weekend of all time. The Walt Disney Co. film has now grossed over \$1.2 billion world-wide, becoming the first film to ever top \$1 billion in 11 days. Last week, the superhero mashup set new records for the biggest domestic and global opening of all time, raking in \$250 million in North America and \$630 million overseas. The film has not yet opened in China. (Source: Marketwatch)*

**> Bill's Bitcoin Advice?** *Bill Gates said he would bet against bitcoin if he could. Since there is no easy way to do so he is staying away from the game. I find it interesting to hear smart people disagree on trades and the reasons why. We all know bitcoins are not an asset class but it's hard to say for sure it's not a viable investment opportunity. I still have a toe in the water just in case! (Source: CNBC)*

**> Watch China's Foreign Reserves To Understand Their Import Demand:** *China's outward agricultural investment coincided with several related economic trends, including rapid growth in ag imports and foreign exchange reserves. As you can see from the chart, China's ag imports took off in 2008 all the way through 2013. China's foreign reserves also grew rapidly during those years, peaking at \$4 trillion in 2014. These reserves provided financial resources to support outward investment. Interestingly, as ag imports began to fall-off, so did foreign exchange reserves. There is a correlation that we need to keep our eye on. The less foreign exchange reserves China has on hand, the less they are in foreign markets for ag products. (Source: USDA, ERS)*

## Chinese agricultural exports, imports, and foreign exchange reserves



## FROM THE FIELD

**Central Wisconsin** - We got 60 acres in one day before the weather took us out again. It seems like all around us guys are getting started but we will have to wait a bit. We run corn, beans and some small grains and hay for feed. We had unbelievable yields last season with our corn blowing our long term averages away. Yields were 240bpa with with normal yields around 180-195bpa. The beans were awesome as well with yields at 62bpa versus normal of 52. Interestingly, we are seeing guys cut back on their seed expense, going with older known hybrids, yet still they were seeing bumps in yields. For me, it's about the weather and management practices. I'm seeing guys use smarter nitrogen programs and getting other inputs in the ground with the savings from their seed purchases. Wisconsin is trying hard to get a crushing plant up here, which would open some doors for our beans.

**Central Mississippi** - This has been the best start to corn and soybean planting that we have seen in a number of years. We got all our corn planted between the 20-25th March, and all have good stands. We were able to get fertilizer on at the right time and we are going to start spraying soon. We were able to get soybeans planted between the 17th-23rd of April and the fertilizer was also put on the at an optimal time. We tend to get pulled in too many directions when we have to plant, spray and fertilize all at the same time but this year we were able to get everything completed in a correct and timely manner. Now we are very optimistic that this could be a really good crop but we don't want to get too hopeful just yet.

**Northwest Indiana** - Finished up beans yesterday. All done planting. I think the earliest I ever finished corn was the May 6th and now I got both crops in the ground already. Spraying is all done and anhydrous ammonia was all on pre-plant. I was all excited getting it done so fast in great conditions but now I'm not sure what to do with all my spare time in May. I have beans and corn both up and looking great. My area is probably 75% planted with 90% done on corn and 60% done on beans. We are dry but have moisture below, looking forward to a descent rain.

## CROSSING WIRES

A place to share intelligent thoughts...

**Where You Gonna Get Your BBQ?** May is National Barbecue Month, with festivals occurring all across the country. From rib fests to smoke-outs and block parties, there's a barbecue battle or bash for you this spring and summer — and a few with beer or bourbon pairings. So as you are planning your first road trip of the summer, don't forget to mark your map with some of the finest smoked meats in the country. Click [HERE](#) to find some of the best cook-offs near you.

**Are Our Bodies Ready For Space?** Everyone is talking about the race to space as companies like SpaceX and Boeing prepare for future travel plans to the moon and beyond. But are we looking at what extended time in space will do to our bodies, meaning what are the effects of no gravity over time. Well, much of what scientists are learning comes from NASA's ongoing Twins Study: a research program involving former NASA astronaut Scott Kelly, who lived in space for nearly a year, and his identical twin brother, Mark, who lived on the ground at the same time. Check out the nine biological oddities that researchers have found might happen to our bodies if we live in space. Read more [HERE](#).

**Palantir Knows Everything About You:** There are reports circulating that Peter Thiel's data-mining company is using War on Terror tools to track American citizens. Read more at [Bloomberg](#)

**What's It Really Mean To Be Generous?** So what more is involved in being a generous person besides consistently donating one's money, time and resources? Philosophers should have a lot to say to help us answer this question, especially in light of the explosion of work on virtue and character in recent decades. Some question if you are generous just because you give or is there more to it, meaning are we doing it for the benefit of someone else or to make ourselves feel good? Read more [HERE](#).

**How To Use The "Bad Idea" Concept:** When brainstorming, we typically ask people to give us their best ideas. But what if the path to finding great ideas is to intentionally find start with terrible ones? Think about the world prior to vaccines. What would be the dumbest way to prevent an outbreak of polio? Inject everyone with the virus. But, of course, that is exactly how it is done. Funny to think about it, but it's true. Read more [HERE](#) to find out about some counterintuitive outcomes...interesting to ponder.

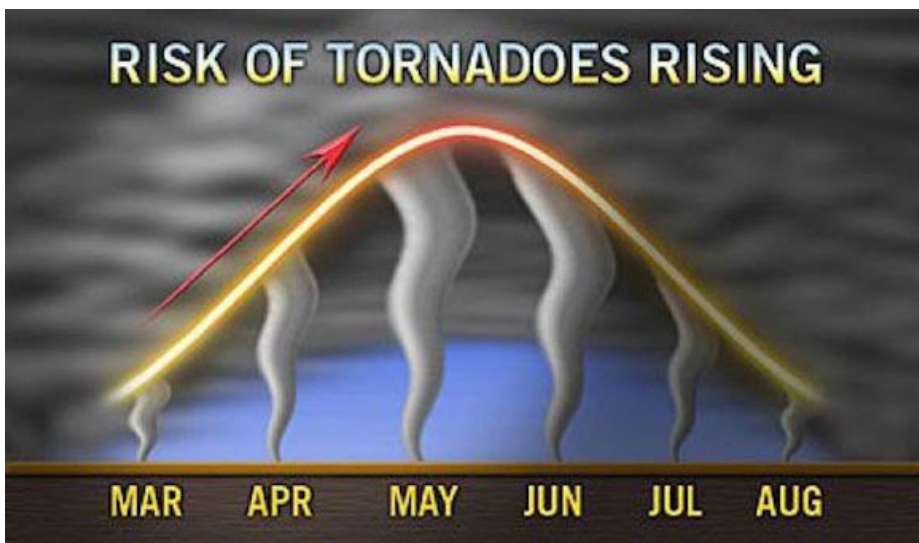
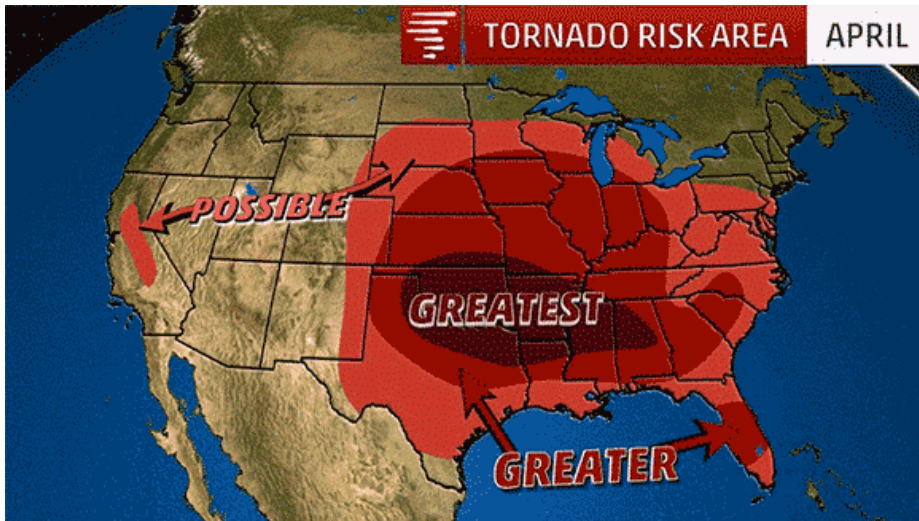
**Got 245 Days...Take The Worlds Longest Cruise:** The brand new Ultimate World Cruise from Viking Ocean Cruises is a dream come true for travelers with some time—and cash—to spare. Starting at about \$93,000 per person, the luxury cruise will hit 59 countries spread across six continents. It leaves from London on August 31, 2019, circumnavigates Earth, and returns to the same city on May 2, 2020. If you're doing the math, that's 245 days. Learn more [HERE](#).





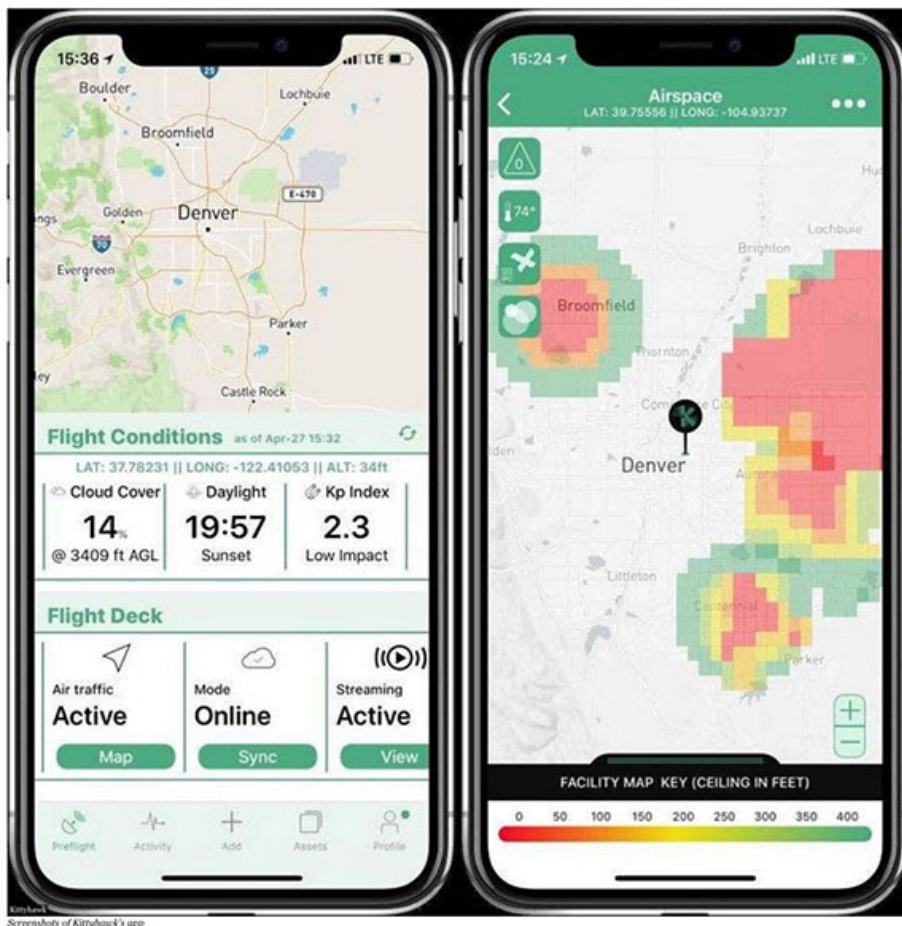
### **Tornado Season Now In Full Swing... Appears To Be A Mild Season**

April kicked off what is typically the most active and dangerous three-month period of the year for tornadoes in the U.S. During the past 20 years, the U.S. has averaged about 1,225 tornadoes annually, 55% of which were sandwiched between April and June. May has seen the most tornadoes each year with an average of 275. This is followed by June and April, which average about 215 and 187 respectively. Tornado intensity is also a factor as about 58% of all twisters rated EF3 or stronger touched down in those three months. The most violent EF5 rating has been assigned to 59 tornadoes dating back to 1950, and all but 10 of those occurred in April, May or June. All tornadoes pose a threat, but intense twisters account for a higher number of fatalities and damage. From what I understand, tornado outbreaks occur when a storm system propelled by a strong southward dip in the jet stream punches into the Plains, Midwest or South. This is accompanied by warm and humid air flowing northward out of the Gulf of Mexico. The jet stream provides deep wind shear, or changing wind speed and direction with height, supportive of rotating supercell thunderstorms. If wind shear is particularly strong in the first few thousand feet near the surface, these supercells would more likely produce tornadoes. Historically, the greatest threat of tornadic thunderstorms has migrated from the South into parts of the Plains and Midwest as we advance through April, May and June. For example, the potential for tornadoes in the South is much lower in June compared to April. Although moisture is abundant across the southern region in late spring, the strong jet stream needed to help make conditions favorable for tornadic thunderstorms move northward. To date, we had 145 tornadoes reported in April and 55 so far during the month of May. The good news is we've seen nothing larger than an EF3. (Source: The Weather Channel)



### Commercial Drones Can Now Be Airborne In Seconds

Acquiring authorizations from the FAA for commercial drone flights has always been a slow process, leaving many businesses to simply avoid using them. That will change with the recent rollout of a new FAA program. Enterprise drone software company Kittyhawk is collaborating with Boeing, who is one of the ten companies that participated in the FAA's closed beta of drone authorizations and one of three to use that beta and create software that is now available to the public. Phase one of the collaboration is the FAA's Low Altitude Authorization and Notification Capability (LAANC), which just came online. LAANC allows drone pilots to receive near-instant authorizations from the FAA for flights under 400 feet for various applications. I'm told that 150 airport and metropolitan areas will be open for use, with 350 more following throughout the year. There are other companies on the market but Kittyhawk differentiates itself not only because of its partnership with Boeing, but also because of its software's ability to manage every phase of drone operation. Through its SaaS services, the company provides operations and management solutions for drone flights in real-time including keeping flight logs, providing weather data on a hyperlocal basis, mission planning, maintenance management and more. Considering the fact that Goldman Sachs is forecasting the commercial and civil use of drones to reach \$13 billion in two years, the timing of LAANC is perfect. With changes in FAA policy, it's not a bad time to consider starting your own commercial drone business. From construction to agriculture, to oil and gas drones are rapidly finding their way into nearly every industry. If you were to consider starting your own business keep it simple and ask yourself, what industries do you know and what needs in your area are not being filled. Opportunities will present themselves that we haven't even thought of yet, especially with live streaming protocols that are now possible. Some of you may have gotten in the game early at high costs and low ROI, but don't turn your back on a possible new tool for your operation. (Source: Forbes, Goldman)



### Today Marks the 73rd Anniversary of V-E Day

73 years ago today, Nazi Germany unconditionally surrendered. The formal surrender of the German forces occupying the Channel Islands did not occur until the following day, May 9th 1945. It thus marked the end of World War II in Europe. Just days before, on April 30, 1945, Nazi leader Adolf Hitler committed suicide during the Battle of Berlin. As you can imagine, following the announcement of surrender, celebrations erupted across the globe, the day became forever known as Victory in Europe Day, aka V-E Day, marking the end to six long years of terror the Nazi regime had reigned down upon the continent. From Moscow to Los Angeles, people celebrated. In the United Kingdom, more than one million people celebrated in the streets to mark the end of the European part of the war. In the United States, the victory happened on President Harry Truman's

61st birthday. He dedicated the victory to the memory of his predecessor, Franklin D. Roosevelt, who had died of a cerebral hemorrhage less than a month earlier, on the 12th of April. Truman said of dedicating the victory to Roosevelt's memory and keeping the flags at half-staff. Here in the U.S., a special ceremony is held every year at the National World War II Memorial in Washington, D.C. While the surrender of Germany did mark the beginning of the end to the war, it wasn't quite over for the U.S. as we still had Japan to deal with. That victory didn't come for another three months. In the meantime, Europe's streets were at long last cleared of the Nazis and the people of Europe began repairing their devastated cities and lives. Below are some photos taken around the world on that day that gives you a sense of just how joyous May 8, 1945, truly was. (Sources: Wikipedia, History Channel)



Winston Churchill waving the crowds in Whitehall



Paris Overlooking Champs Elysees Avenue



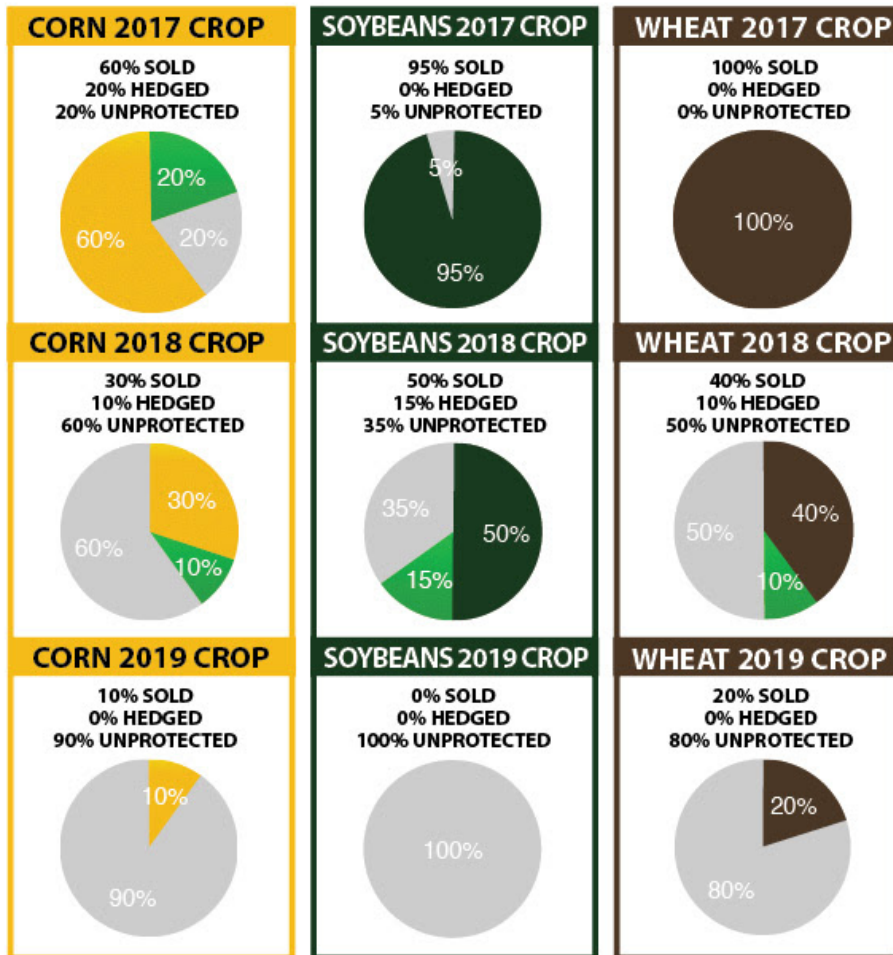


Celebrating in New York



**ANSWER to riddle:** Advice.

**CASH SALES & HEDGING TOTALS**



**PLEASE READ** The Van Trump Report is a publication intended to give analytical research to the Agricultural community. The Van Trump Report is not rendering investment or hedging advice based on individual portfolios or individual business operations. Kevin Van Trump is NOT registered as a stock or commodity advisor in any jurisdiction. You need to consult with your own registered advisor for specific strategies and ideas that are appropriate to your specific portfolio or business entity. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete. This report is not intended, and shall not constitute, or be construed as an offer or recommendation to "buy", "sell" or "invest" in any securities or commodities referred to in this report. Rather, this research is intended to identify issues and macro situations that those invested in the agricultural industry should be aware of to help better assess and improve their own risk management skills. Please read the entire [DISCLAIMER PAGE](#) for full risk-disclosure and copyright laws.



© FARM DIRECTION 2011

[About Us](#) | [Testimonials](#) | [Subscribe](#) | [Contact Us](#) | [Disclaimer](#)

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

Tue, May 8, 2018 at 7:08 AM

[Quoted text hidden]