

GOOD MORNING: 05/17/18 Farm Direction - VanTrump Report

2 messages

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

Thu, May 17, 2018 at 6:32 AM



"If you want to know what a man's like, take a good look at how he treats his inferiors, not his equals." — J.K. Rowling

THURSDAY, MAY 17, 2018
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks are set to open slightly lower this morning as the U.S. dollar pushes to a fresh five-month high, the 10-year Treasury yield has broken through 3.1% - its highest level since July 2011, and Brent crude oil touches \$80 per barrel. For many years, I've used a very elementary theory, which stated for every +1 cent per gallon increase at the pump, overall U.S. consumer consumption of goods and services would fall by -\$1 billion annually. Put another way, Americans shelled out an extra \$4.4 billion for gasoline last month than they did in April 2017. If you fast-forward, that's essentially \$4.4 billion that Americans aren't going to be spending on new TV's, kitchen appliances, new clothes or eating out. National data released this past week showed the average gasoline price rose by +6 cents per gallon, meaning we may have just shaved another -\$6 billion from consumer spending. A year ago, a gallon of gas cost -50 cents less, meaning perhaps \$50 billion in consumer spending has been lost. If you want to go a little further back in time, it was just two years ago that gas prices at the pump had fallen below \$2.00 per gallon. I should also note, California shows a gallon of unleaded gasoline averaging \$3.68 per gallon. Hawaii is thought to be even more expensive, with the average at around \$3.80 per gallon. I realize we have become a large exporter of crude oil, so some of those price gains are coming back to the U.S. energy sector as significant gains, I'm just curious as to how it's impacting the masses and their spending habits? As for today, the trade will be digesting more Eurozone economic data, as well as the most updated U.S. Philadelphia Fed Business Outlook, and monthly U.S. Leading Index for April. There's also a few earnings worth keeping an eye on the next couple of days, including, JC Penny, Walmart, and Applied Materials. I'm personally most interested to see what John Deere reports in its earnings release scheduled tomorrow morning before the opening bell. Next week we will be digesting another wave of fresh U.S. housing data, Michigan confidence numbers, U.S. durable goods and details from the "minutes" of the Fed's last meeting. Remember, there's still a ton of debate about the pace of the Fed's next few moves, will they hike interest rates 3 or 4 times during 2018? Lets also not forget, next Tuesday the House votes on the latest Senate-passed legislation that would free regional and community banks from some of the toughest requirements of the Dodd-Frank bill. We are hearing there are also some measures the House is wanting to add in that are aimed at removing some of the barriers for businesses and entrepreneurs who are seeking capital and investment. Wall Street is thinking is could be a step in the right direction for sparking more economic growth...

North Korea Just Playing The Game? *Despite recently throwing the widely anticipated June 12 summit with President Donald Trump into doubt, experts say North Korea will most likely still attend talks in Singapore to discuss the possibility of denuclearizing the Korean Peninsula. It is widely believed that North Korea is simply running through its playbook at the moment, as they seek to creat a bit of leverage heading into the talks. Remember that North Korea reacted much the same ahead of the 1994 Agreed Framework and the Six-Party Talks, which both addressed the rogue regime's nuclear program.*

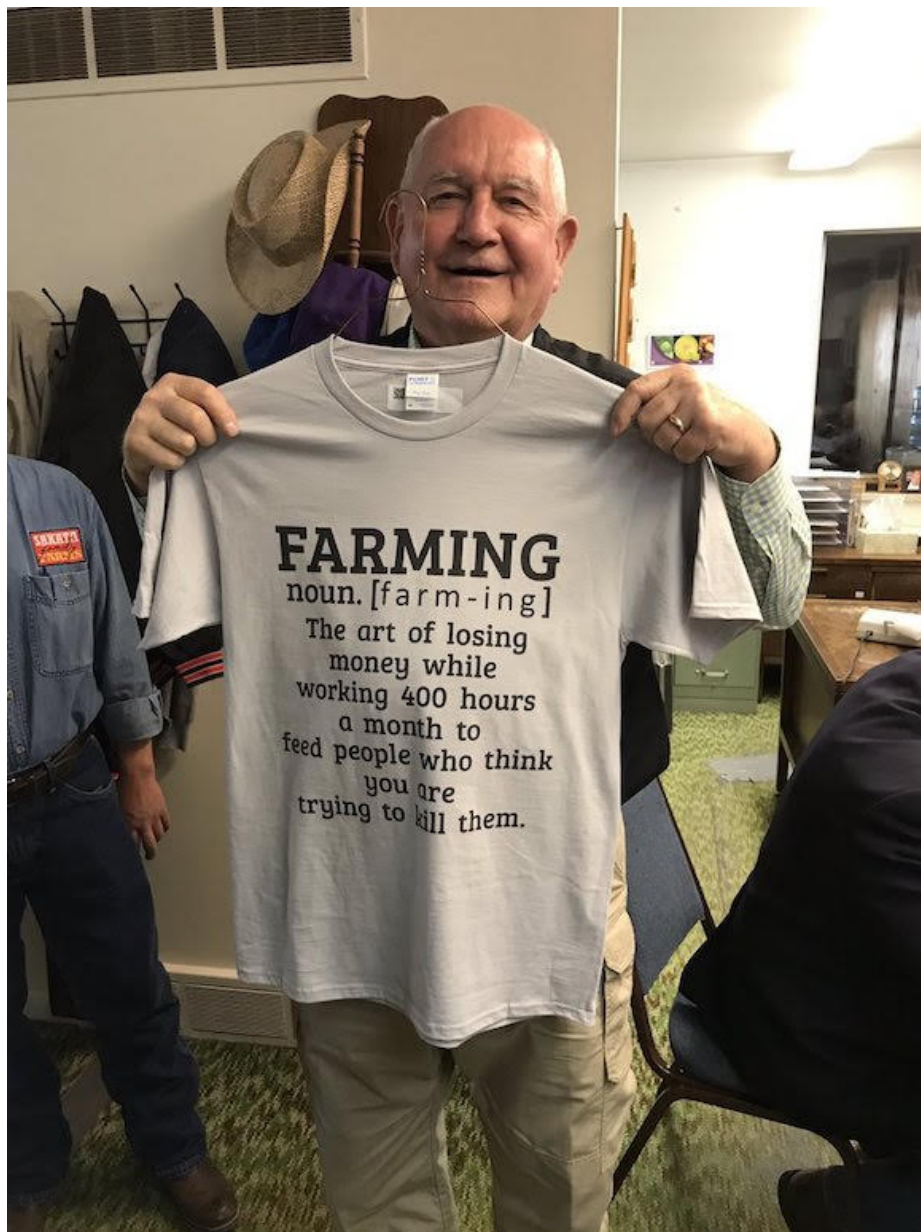
U.S. Ag Secretary Sonny Perdue holding up a funny farming shirt...

Today In History



1769, American Revolution

- George Washington launches a legislative salvo at Great Britain's fiscal and judicial attempts to maintain its control over the American colonies. With his sights set on protesting the British policy of "taxation without representation," Washington brought a package of non-importation resolutions before the Virginia House of Burgesses. The resolutions, drafted by George Mason largely in response to England's passage of the Townshend Acts of 1767, decried Parliament's plan to send colonial political protestors to England for trial. Though Virginia's royal governor promptly fired back by disbanding the House of Burgesses, the dissenting legislators were undeterred. During a makeshift meeting held at the Raleigh Tavern in Williamsburg, Virginia's delegates gave their support to the non-importation resolutions. Maryland and South Carolina soon followed suit with the passing of their own non-importation measures. The non-importation resolutions lacked any means of enforcement, and Chesapeake tobacco merchants of Scottish ancestry tended to be loyal to their firms in Glasgow. However, tobacco planters supported the measure, and the mere existence of non-importation agreements proved that the southern colonies were willing to defend Massachusetts, the true target of Britain's crackdown, where violent protests against the Townshend Acts had led to a military occupation of Boston, beginning on October 2, 1768. When Britain's House of Lords learned that the Sons of Liberty, a revolutionary group in Boston, had assembled an extra-legal Massachusetts convention of towns as the British fleet approached in 1768, they demanded the right to try such men in England. This step failed to frighten New Englanders into silence, but succeeded in rallying Southerners to their cause. By impugning colonial courts and curtailing colonial rights, this British action backfired: it created an American



identity where before there had been none.



1954, Brown vs. Board Of Education - Today would be a landmark day in American History. The United States Supreme Court would

unanimously rule that racial segregation of children in public schools was unconstitutional. The case brought forward Brown vs. the Board of Education of Topeka, Kansas. The history of this case dates back to 1896 where the Supreme Court would rule in the case of Plessy vs. Ferguson and decided that segregated public facilities were, in fact, legal as long as they were equal. Not accepting the status quo, Oliver Brown would file a class-action lawsuit against the Board of Education of Topeka in 1941, after his daughter, Linda Brown was denied entrance into the all-white elementary schools. He claimed that the schools for black children were not equal to the white schools and that segregation violated the "equal protection clause" of the 14th Amendment. This amendment basically states that no state can "deny to any person the equal protection of the laws." The U.S. District Court would hear the case and agree that public schools segregation was indeed detrimental to colored children, but they would uphold the "separate but equal" ruling from Plessy vs. Ferguson. When the case would finally make it to the Supreme Court in 1952, it was decided that four other similar cases would be combined into Mr. Brown's case. Thurgood Marshall, the head of the NAACP, would serve as the chief attorney before the ultimate court. It would be Justice Earl Warren who would use his skills to get a unanimous verdict against school segregation. Warren would write in the decision that public education was no place for a "separate but equal doctrine," and that segregated schools were in fact "inherently unequal." He went further to say that segregation did "deprive colored children the equal protection of the laws guaranteed by the 14th Amendment." In 1955, the Supreme Court would issue a second opinion in the Brown case, which would direct all schools in the nation to proceed with desegregation and that all lower courts were to uphold this decision. The effects of these two opinions would be the fuel which would fire the civil rights movement as had never been seen before, and ultimately lead to the Civil Rights Act of 1964, which gave the Justice Department enforcement rights in desegregation. The little girl, Linda Brown whose father defended her right to an equal education, passed away just this year at the age of 76. Mrs. Brown would go on to attend Kansas State and would work as an educational consultant.



1965, Louie Louie - Based on the outcry from parents who bought into what may have started as an idle rumor, the FBI launched a formal investigation in 1964 into the supposedly

neuro mining

A cartoon illustration of a young child wearing a futuristic brain scanner or helmet with red sensors. The child is sitting at a desk with a small electronic device and a book.

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.

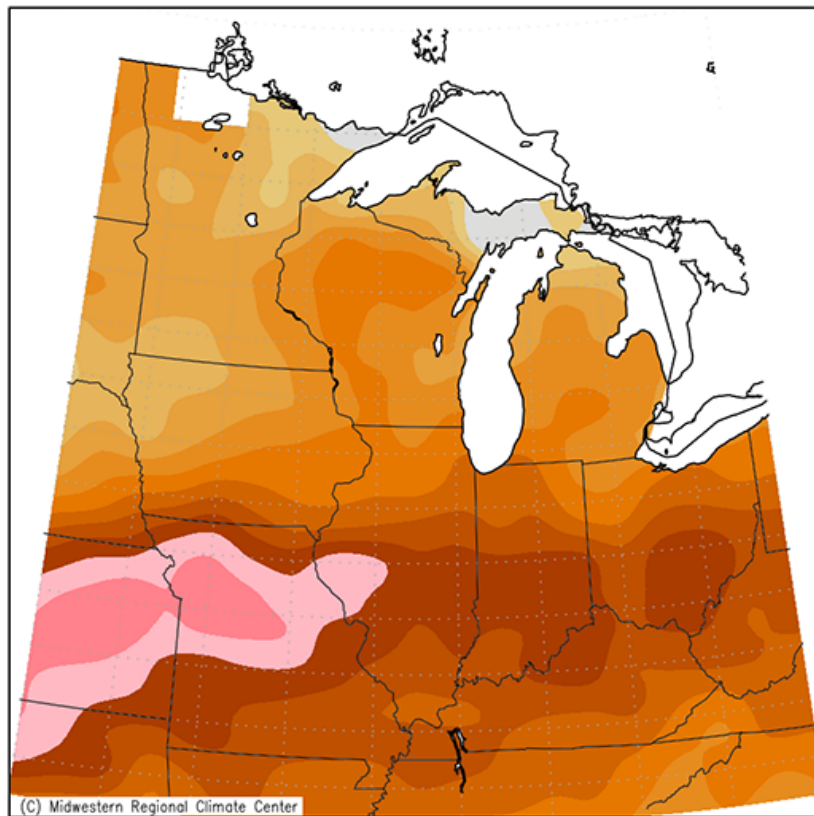
TODAY'S RIDDLE: First I threw away the outside and cooked the inside, then I ate the outside and threw away the inside, what did I eat?

Weather forecasts for the week are calling for no major concerns with Midwest planting as progress pushes ahead of normal in the eastern Corn Belt and increasing in the

western Corn Belt. Favorable soil moisture and temperatures are indicated for developing crops. Scattered rain showers are forecast through the balance of the week. In the southern Plains, winter wheat crop conditions remain poor in many western areas. Some beneficial rain is possible during the next week. In the northern Plains, favorable conditions are in effect for fieldwork and planting. Late in the week, they may see a round of moderate to locally heavy rain during the end of the week. The rain will generally be beneficial for crop development. Amounts will be light to moderate in the Delta, and moderate to locally heavy in the Southeast. In Brazil, a round of light to moderate rain in effect through the end of the week. Rain will be timely for the second-crop corn, already expected to be lower in production than a year ago because of heat and dryness. We are getting reports of Australia's wheat areas having little rain forecasted into next week. Soil moisture is especially short in the western wheat areas. Producers are seeding into dry ground.

Significantly Warm Start To May: After one of the coldest Aprils on record, the Midwest was significantly warmer in the first two weeks of May. Temperatures were above normal across the entire Midwest. Many in the central Midwest, Wisconsin and southeastern Minnesota were 7 - 10 degrees F above normal. Maximum temperatures were a major factor, as most of the region averaged 70 degree F and above. However, many of the more than 200 daily records were high minimum temperature records. Most of Minnesota, Illinois, Indiana, Ohio and western Missouri has been dry. Parts of Minnesota, northern Wisconsin and the western U.P. of Michigan had less than a quarter of the normal amount, while central Indiana and west central Ohio had less than half.

Average Temperature (°F): Departure from Mean
May 1, 2018 to May 15, 2018



Mean period is 1981-2010.



Midwestern Regional Climate Center

Illinois State Water Survey, Prairie Research Institute

University of Illinois at Urbana-Champaign

Corn prices are a bit higher this morning but remain within their recent range. Old-crop JUL18 prices seem content orbiting around the \$4.00 area. New-crop DEC18 prices appear comfortable trading nearby between \$4.05 and \$4.25 per bushel, at least until

pornographic lyrics of the song "Louie, Louie." That investigation finally neared its conclusion on this day in 1965, when the FBI Laboratory declared the lyrics of "Louie Louie" to be officially unintelligible. No one will ever know who started the rumor that "Louie Louie" was dirty. As written by Richard Berry in 1955, the lyrics revolve around a sailor from the Caribbean lamenting to a bartender named Louie about missing his far-away love. As recorded in crummy conditions and in a single take by the Kingsmen in 1963, lyrics like "A fine little girl, she wait for me..." came out sounding like "A phlg mlmrl hlurl, duh vvvr me". Whatever the case, the story spread like wildfire, until the United States Department of Justice began receiving letters like the one addressed to Attorney General Robert F. Kennedy and dated January 30, 1964. "Who do you turn to when your teenage daughter buys and brings home pornographic or obscene materials being sold...in every City, Village and Record shop in this Nation?" that letter began, before going on to make the specific assertion that the lyrics of "Louie Louie" were "so filthy that I can-not enclose them in this letter." Over the course of the next two years, the FBI gathered many versions of the putative lyrics to Louie Louie. They interviewed the man who wrote the song and officials of the record label that released the Kingsmen's smash-hit single. They turned the record over to the audio experts in the FBI laboratory, who played and re-played "Louie Louie" at 78 rpm, 45 rpm, 33 1/3 rpm and even slower speeds in an effort to determine whether it was pornographic and, therefore, whether its sale was a violation of the federal Interstate Transportation of Obscene Material law. "Unintelligible at any speed" was the conclusion the FBI Laboratory relayed to the investigators in charge on this day in 1965, not quite exonerating "Louie Louie," but also not damning the tune that would go on to become one of the most-covered songs in rock-and-roll history.

Upcoming Events

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

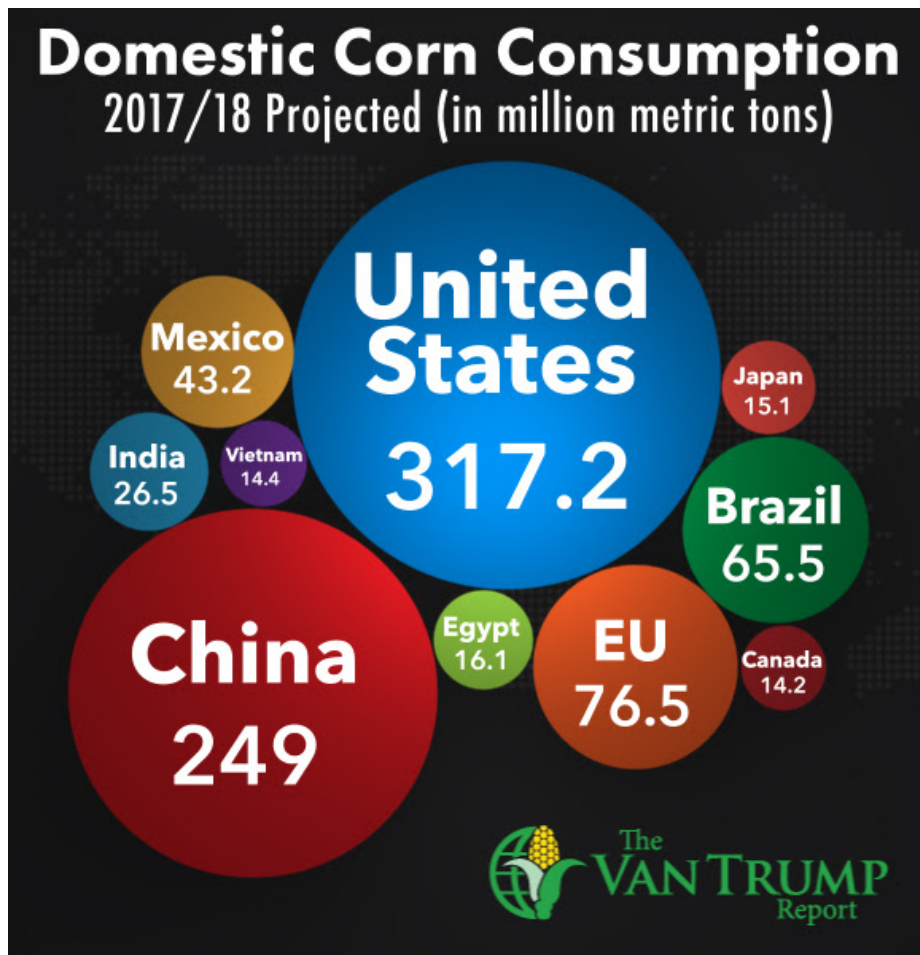
Tues.-Wed. 6/12-6/13 - FOMC Meeting

Fri. 6/22 - Cattle on Feed

Fri. 6/22 - Cold Storage

Thurs. 6/28 - Quarterly Hogs and Pigs

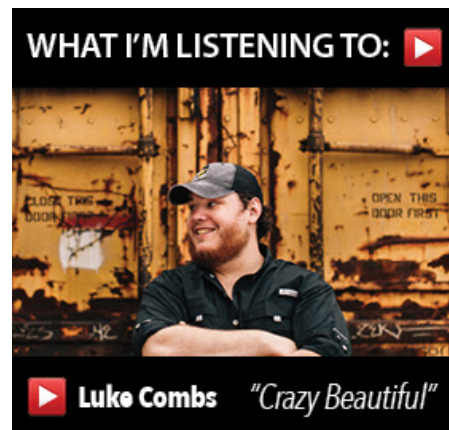
the market learns more about U.S. trade negotiations and or U.S. summer weather. Most inside the trade have already come to grips with the fact South American production will be down by around -20 MMTs. The "big unknowns" now are U.S. trade and U.S. growing conditions? Bulls are arguing that there are already starting to be some pockets of concern in a few key production areas across the U.S. corn belt, especially the western portion. I'm also hearing that more traders are looking more closely at parts of southern Illinois, southern Indiana, portions of Missouri and several areas across the Delta. I suspect if the rains during the next couple of weeks disappoint, the trade will start to add a bit more risk premium and become more nervous about June heat... staying fully engaged. As a producer I want to remain very patient. As a spec, I like holding my conservatively bullish longer-term positions.



Soybean traders continue to be somewhat confused, as prices respond neurotically to every rumor, comment or tweet regarding NAFTA and Chinese trade negotiations. Earlier in the week it felt like we were making progress with the Chinese, so the market rallied. As of late, the Chinese headlines have all but dried up and there's been more doubt about a new NAFTA deal happening any time soon. Who knows what the rumor mill will bring about today? Bears are pointing to headlines and talk that soybeans from the U.S. are now slightly higher than those coming out of Brazil. I personally don't see this as a major headwind, considering we usually start losing sales to Brazil between now and late-summer. It does however make me think the urgency or market risk surrounding any nearby supply shortages is clearly out of the market. Also interesting, are talks that Chinese producers will likely increase their planted soybean acres by +20 million in the upcoming season. Meaning anticipated growth in Chinese imports might ultimately be overstated? There's also continued evidence of weak Chinese crush margins. Some insiders are saying this is due to an increase in their hog slaughter as the Chinese government tries to relocate and push their hog industry deeper to the west. Here at home, demand remains strong, while the crop continues being planted at a fairly brisk pace. Similar to corn, it feels like the market is now wanting to take a more "wait-and-see" approach.

Fri. 6/29 - Quarterly Stocks and Acreage

Kevin's Song of the Week



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.

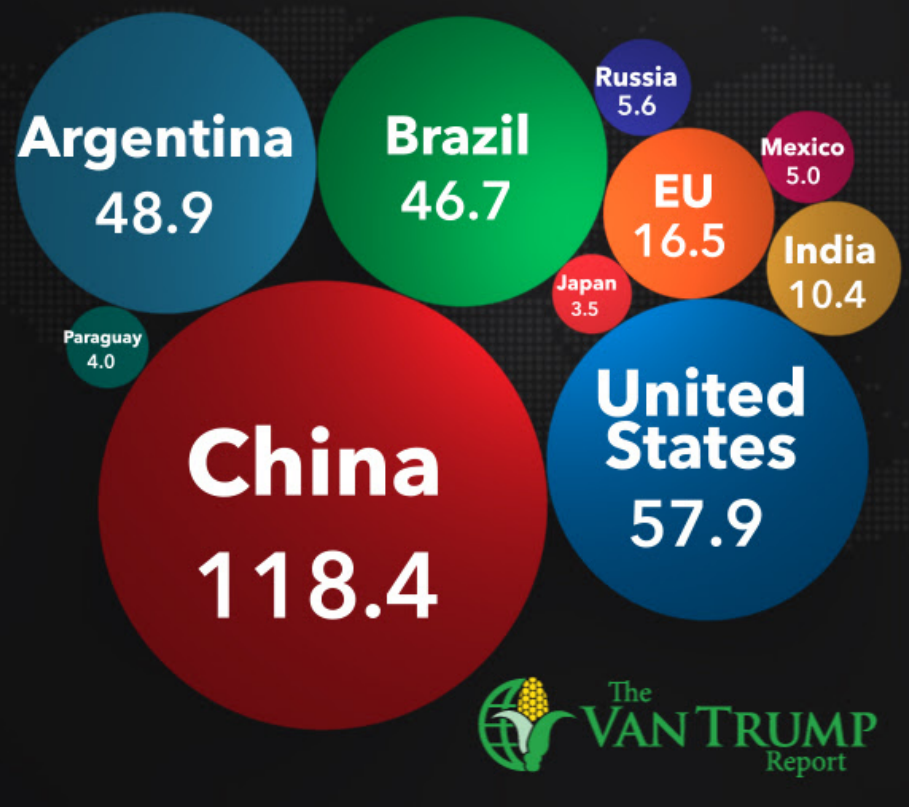
My family and I would like to thank you again for your support!

Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of

Domestic Soybean Consumption 2017/18 Projected (in million metric tons)



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**

Wheat prices are trying to find more stable footing after tumbling aggressively last week. Bulls are starting to talk more about the dry conditions building across many parts of Canada. Poor conditions across the U.S. Plains has been well advertised, but still remain a concern moving forward and will certainly be on our radar. Parts of Russia and Ukraine are also still being monitored, but for the moment their conditions have slightly improved. Unfortunately, weather related rallies have been hard to hold and build upon, as both global and domestic supply remains burdensome. I should also note, five-month highs in the U.S. dollar is not providing any tailwind for U.S. exporters. From a technical perspective, HRW traders are looking at nearby resistance in the \$5.20 to \$5.25 range. Keep in mind, the recent HRW wheat high was just set on May 3 at \$5.68⁴. Nearby support is thought to be around \$5.00 per bushel. SRW wheat is trying to close back above the \$5.00 to \$5.10 per bushel range. The recent nearby high was posted on May 3 at \$5.38⁴. Spring wheat still seems to remain comfortable trading in a fairly wide range between \$5.80 and \$6.40 per bushel. Just not a lot of new headlines to trade right now...staying patient on the sideline.

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..."

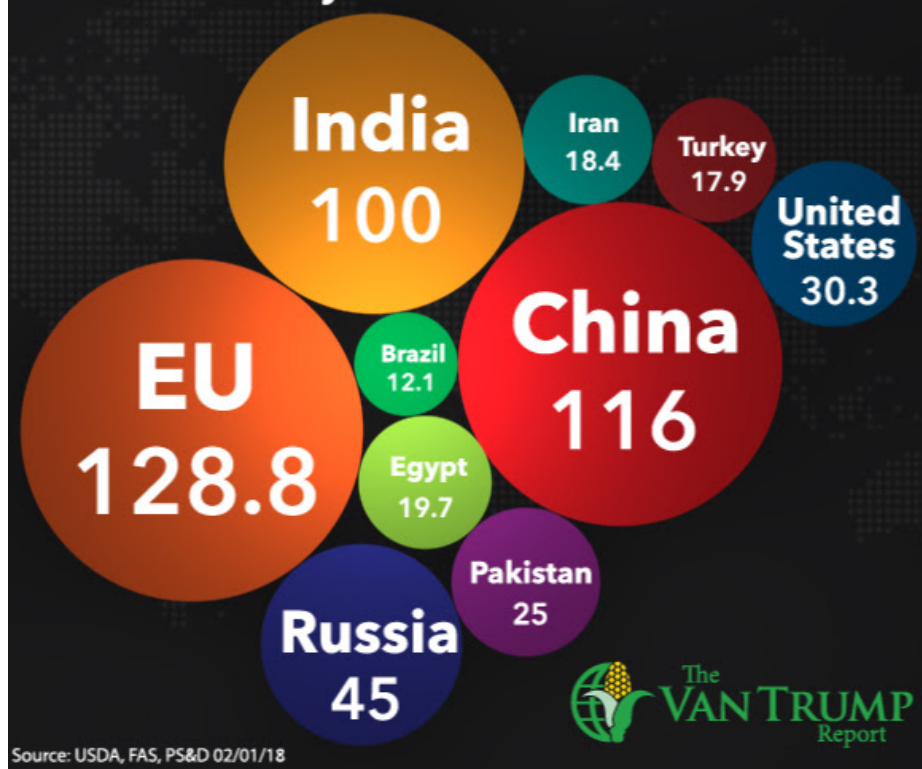
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.

Domestic Wheat Consumption 2017/18 Projected (in million metric tons)



> **Ag and Related Industries Added Over \$1 Trillion To U.S. GDP:** Agriculture, good and related industries contributed \$1.05 trillion to U.S. GDP in 2016, a 5.7% share. The output of America's farms contributed 4136.7 billion of this sum — about 1% of GDP. The value added by America's farms has decreased in each of the last 3 years, from a high of \$1867.0 billion in 2013. The decline is primarily driven by lower commodity prices for major crops like corn and soybeans, where were near record high in 2013. (Source: USDA, ERS)

> **China to Cut Rice, Corn Planting, Grow More Soybeans:** China is expected to grow less rice and corn this year while increasing planting of soybean and other grains, local media citing the country's agricultural ministry. Planting area for rice is expected to drop by more than 10 million compared with a year earlier to 440 million mu (72 million acres). Planting for soybeans will increase by over 10 million mu to 127 million mu (21 million acres). (Source: Reuters)

> **Bartlett Grain To Merge With Logistics Firm:** U.S. crop handler Bartlett and Company, which exports American grain to Mexico, will merge with logistics provider Savage Companies. Bartlett controlled the 20th largest U.S. grain storage network last year, with a capacity of 67.76 million bushels, according to Million & Baking News, an industry publication. The new business will be named Savage Enterprises and will include Bartlett's grain and mill businesses. Savage Companies was established in 1946 and has more than 4,000 employees in North America and Saudi Arabia. It provides transportation and logistics services for oil refineries and other businesses. (Source: Reuters)

> **A Farmer's 30-Year Fight With The Federal Government:** Since May 1987, the Brace family has been the center of one of the longest regulatory fights in U.S. agriculture history. For the last 30 years, Brace has paid over \$1.5 million in litigation costs and refused to bow to the highest law of the land. The Brace's case lays bare a labyrinth of agency contradictions. It's an interesting story, check it out [HERE](#). (Source: AgPro)

> HTC Plans To Ship a Blockchain Phone This year: *The taiwanese electronics maker has unveiled the Exodus smartphone, which would serve as both a mobile connecting point to the world of decentralized networks and a storage device for those who want to carry their cryptocurrency in their pocket. The concept of the phone is give users portable identity and allow them to own their identity and data. They believe the phone is the best place to do that. From what I am hearing, the phone will be built around and use apps that work on the ethereum crypto platform. (Source: CoinDesk)*

> Amazon Pushing Deeper Into Grocery Business: *Amazon has fired another shot in the supermarket wars, debuting a Prime loyalty program that includes an extra -10% off on sales items and weekly discounts at Whole Foods. The retail giant is also bringing Amazon Go, its grocery store without checkout lines, to Chicago and San Francisco. The move will expand the concept beyond its pilot in Seattle. (Source: SeekingAlpha)*

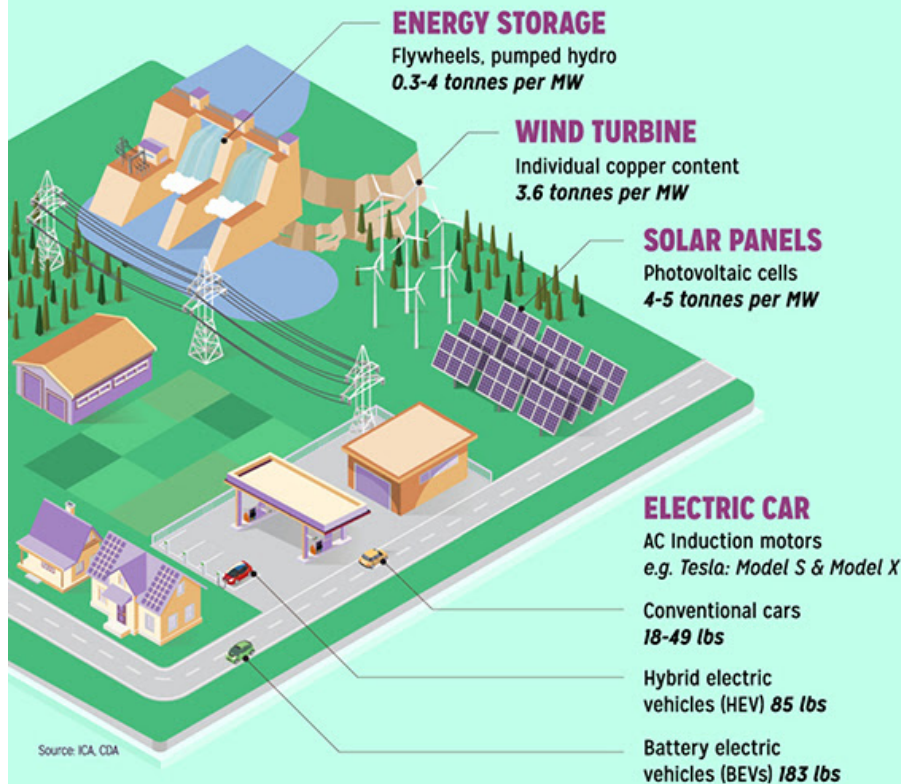
> Starbucks Growth In China Continues: *Starbucks recently said they were looking to double down on the Chinese market as traffic growth comes under pressure in the U.S. It sounds like the giant coffee chain hopes to more than triple its revenue and almost double its store count in China over the next five years. They currently have about 3,300 stores in 141 cities across China.*

> Traditional Retail Might Be Finding A Winning Formula: *Macy's may have changed their formula to a winning way. The department store giant beat earnings expectations with a combination of reduced inventories, targeted market strategies and new merchandise. Shares of Macy's closed up +10% Wednesday, the company's best day since December 2008. From what I understand, not just Macy's is gaining ground in the retail race - it seems both traditional brick and mortar as well as e-commerce is on the upswing. Read more [HERE](#).*

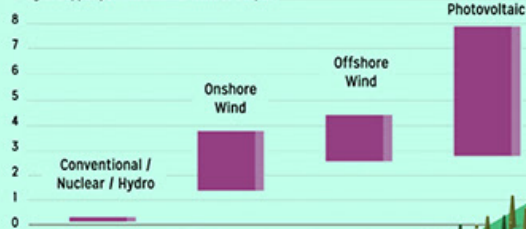
> U.S. Housing Starts Drop In April: *U.S. homebuilding tumbled in April and permits fell, suggesting the housing market continues to tread water amid shortages of land and skilled labor. Data showed housing starts dropped -3.7% to a seasonally adjusted annual rate of 1.287 million units in April. Building permits fell -1.8% to a rate of 1.352 million units last month. Starts fell in the Northeast, West and Midwest, but rose in the South. U.S. financial markets were little moved by the data. Read more [HERE](#).*

> Copper Is Driving the Energy Revolution: *Renewable energy is set to fuel a new era of copper demand - here's how much copper is used in green applications from Electric Vehicles to photovoltaics. Understand, renewable energy systems are 5 times more copper intensive than conventional systems. (Source: [VisualCapitalist](#))*

How much copper is needed in renewable energy infrastructure?



9 Kg of copper per incremental Mwh of Output



Source: Schrodgers - graph from CDA, IEA, Bernstein analysis & estimates

Renewables are **5 times** more copper intensive than conventional systems.

FROM THE FIELD

Central Pennsylvania - I grew all untreated conventional corn last year, no tilled into green cover crops with no significant insect or disease issues. I'm working on getting herbicide costs down this year though. Did 1 quart Gramoxone 2-4-d and 1 pint cinch ATZ on the first pass then followed with steadfast q and status on the second around v4-v5. It saved me \$20/acre on seed costs but the second pass herbicide probably cost an extra \$10-\$15 over round-up and Resolve Q. On the ground I've been farming for a while and have the fertility up it made about 170 which is decent here especially with heavy deer pressure. I'm not really sure I needed the second pass. The worst weed was volunteer buckwheat from the previous year's cover crop.

Western North Dakota and Northern Minnesota - We are on the drier side in some areas and wetter in other where the late snow has melted. We have not had much rain but we are getting some pop up showers here and there. There are bottoms where the deep frost is coming out of the ground and bringing water to the surface so we are dealing with wet areas from such a cold, long winter. The corn that has been planted looks very good. Most of it has been on the light, sandy ground. Nevertheless we are facing one very big hurdle, all the small coops are out of Urea and CGI is getting train cars in a little at a time but today there was probably 200 plus trucks waiting on 10 rail cars. The only other option is to run a truck down to the twin cities, but by the time you sit for 6 hours in line you can't get back across the ND border in your 11 hour window so it basically takes 2 days to get one load of Urea from Minnesota. North Dakota has temporarily waived the 11 hour rule for guys hauling fertilizer but Minnesota has not so there's no way to justify a 2 day trip to get one load of Urea. I'm sure CGI is doing the best they can but they are only getting over 80 of our acres per day which slows our planting down enough that I'm debating switching back to soybeans. Price of Urea has jump from the high \$200's to \$370 and the guys that pre-ordered in the fall aren't getting their orders filled so it's kind of a mess right now.

Northwest Missouri - We farm about 90 miles from the far Northwest corner of Missouri. For us, and what seemed like most all our neighbors corn went in fast and smooth. We had next to no hiccups. It was a fairly cold winter and it seemed to stretch on and on but like in a flip of a switch it went straight to summer. Moisture has been limited but we are getting little pop up showers here so all the corn and soybeans look good but they haven't amounted to much more than a half inch at a time and when the wind blows and we are pushing 85-90 degrees almost everyday it doesn't last long. The ponds are starting to look a little low so that is our first sign that it might be a tough summer. Cattle are fairly prevalent in this area so hay is important but the first cutting is going to be much shorter than we hoped for because it was colder a little later than usual. Overall things look good but we need this spring rain to really start kicking up a notch.



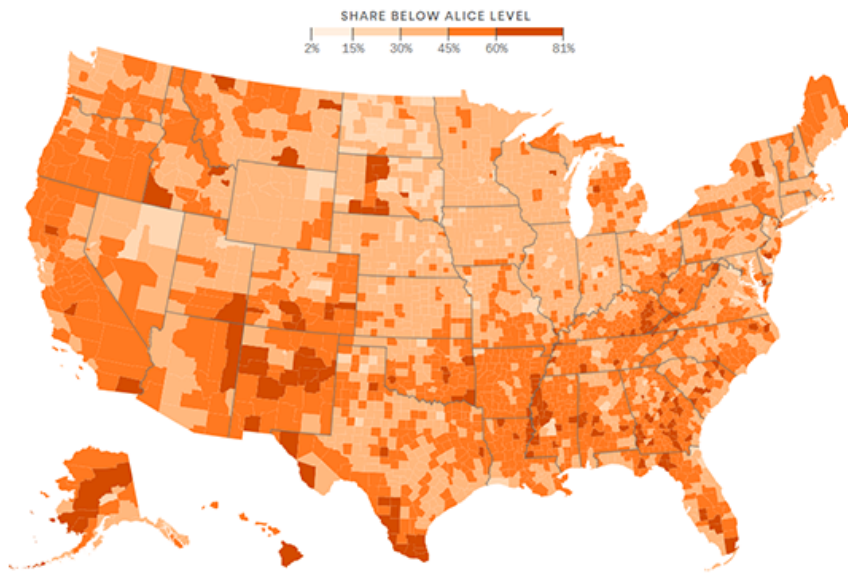
Amazon's Prime Members Now Saving At Whole Foods: Amazon.com Inc. and Whole Foods Market are making a surgical strike in the already brutal grocery price war. On Wednesday, Whole Foods debuted a much-anticipated loyalty program that offers special discounts to Prime customers, including 10 percent off hundreds of sale items and rotating weekly specials such as \$10 per pound off wild-caught halibut steaks. Those perks are available now in Florida and will roll out to all other stores starting this summer. Amazon previously announced free two-hour delivery from Whole Foods stores for members of Prime, its subscription club with fast shipping and video streaming. Read more [HERE](#).

Cool Guy, Cool Cars...Interview With Jay Leno: Jay Leno got rich by being America's class clown. The comedian has an estimated net worth of \$350 million, largely thanks to his tenure as the host of The Tonight Show, which he left in 2014. He's still cracking jokes, but now he does it on Jay Leno's Garage, which started as a web series and is now in its fourth season on CNBC. If you've never watch an episode, you've missed some awesome cars. You can read more and see some of Leno's babies [HERE](#).

No Place To Hide Economic Data: The temptation is great for government officials to manipulate economic statistics. Foremost among them is gross domestic product, the most commonly used measure of a country's economy, which often serves as a proxy for a government's financial stewardship. In a free society, groups like the civil service, media, businesses, and opposition leaders serve as a check on the impulse to flatter GDP figures. In autocratic regimes, there are fewer barriers. Turns out, there is an easy way to tell if a country's GDP is being artificially inflated. Check it out [HERE](#).

Millennials At Home With Cashless System: Increasingly, millennials are resorting to going cashless and are galvanizing a shift to electronic business-to-business payments. Remember, this is the generation who grew up with iPhones and prefer to do their banking on their smartphones. I'm told 67% have used a bank's mobile app while only 33% of baby boomers have. Estimates predict that 75 percent of the U.S. workforce will be millennial by 2030, meaning it begs the question...will Millennials move us to a cashless society? Read more [HERE](#).

40% Of Americans Still Can't Afford Middle-Class Basics: At a time of rock-bottom joblessness, high corporate profits and a booming stock market, more than 40% of U.S. households cannot pay the basics of a middle-class lifestyle — rent, transportation, child care and a cellphone, according to a new study. The study, conducted by United Way, found a wide band of working U.S. households that live above the official poverty line, but below the cost of paying ordinary expenses. Read more [HERE](#).



Accidental Cross-Breeding Leads to Higher Yielding Soybeans

In Australia there is a hardy perennial vine that appears in most parts of the country. The vine is called *Glycine tomentella* and is believed to be the distant relative of modern-day soybeans. The cool part is, scientist now believe the plant contains genetic resources that can substantially increase soybean yields. In fact, researchers at the University of Illinois Department of Crop Sciences have seen significant yield increases in soybean lines derived from crossing with *Glycine tomentella*. The discovery happened by accident as researchers from U of I and the USDA ARS had been working for several years to introduce disease-resistance genes from *Glycine tomentella* into soybean. After developing thousands of experimental lines, they finally managed to move genes from the Australian vine into a new soybean line that was resistant to soybean rust. But the researchers noticed how good the lines looked, so they decided to test for yield and found that several lines yielded significantly more than the traditional soybean parent. *Glycine tomentella* has no agronomic characteristics and the seeds are less than a tenth the size of soybean seeds. From what I understand, the process of getting *Glycine tomentella* genes into soybean is highly complex. The two plants are so distantly related that any mating would usually result in aborted seeds. But collaborator and study co-author, Ram Singh, developed a growth hormone solution that is sprayed on the young pods to keep seeds from aborting. Once that grows into a plant, it is crossed-back repeatedly with a soybean variety until the *Glycine tomentella* gets into the soybean genome. Aside from increased yield, some of the plants look and perform almost exactly the same as the original soybean plant. They plan is to fully map the genome of the promising plants, with the ultimate goal of identifying the genes responsible. Interestingly, the folks at U of I released a material transfer agreement last year that allows any soybean breeder to cross with these lines. The researchers say they have had little requests to utilize the resources, but are hoping that with the latest release in yield information others will become more interested. (Source: phys.org)



The Crazy Costs of Weddings

A recent study found the average amount Americans spend on a wedding has actually decreased to \$33,391, which includes the two most expensive items, the venue and the engagement ring. Personally, my wife and I been to a wide array of weddings the past few years. It seems like the "traditional" has been thrown out the window as weddings have become either much more "simple" or much more "extreme". It seems like the price has also become much more volatile. We've been to weddings that have cost less than \$5,000 to a couple of weddings that have cost closer to \$500,000. below are some interesting facts. You can see entire report from The Knot [HERE](#).

Formal Weddings Shrinking: *Formal weddings have steadily decreased (20% in 2009 to 16% in 2017), as couples look to nontraditional venues such as barns, farms, historic homes, wineries, museums and parks to bring their personalities to life on their wedding day.*

Per Guest Expense has Actually Increased: *Spend per guest has increased (from \$194 in 2009 to \$268 in 2017), while guest count has decreased (from 149 in 2009 to 136 in 2017), as couples aim to create the ultimate guest experience.*

Custom Guest Entertainment *has more than tripled, with up to 40 percent of newlyweds saying they splurged on fun reception amenities (think: sparklers, selfie photo stations, lawn games, candy bars, liquor tastings, magicians and musical performances).*

Big Spenders: *Those wedding that cost more than \$60,000 are classified as being in the top bracket. Of those weddings in the top bracket, the average cost is \$105,130.*

Most Expensive Place to Get Married: *Manhattan, \$76,944 average spend. Least Expensive Place to Get Married: New Mexico, \$17,584 average spend.*

Percentage of Destination Weddings: 25%

Wedding Dress: *\$1,509 is the average spent*

Marrying Age: *Bride, 29.2; Groom, 30.9*

Bridesmaids & Groomsmen: *5 is the average number in a wedding*

Most Popular Month to Get Engaged: *December, with the average length of engagement 14 months.*

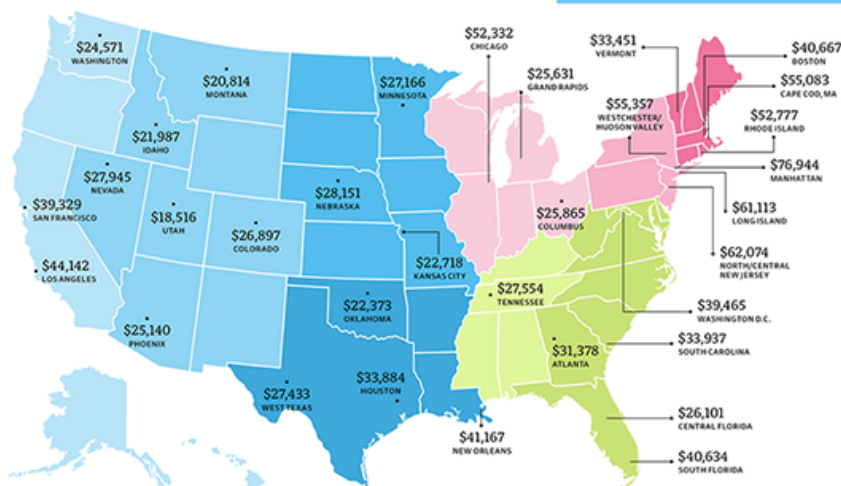
Most Popular Months to Get Married: *#1 is September; #2 June; #3 October*

Popular Wedding Colors: *Ivory/Champagne (37%), Dark Blue (32%) and Gold (30%)*

Wedding Spend Across America

\$33,391

AVERAGE WEDDING COST
(with ring, excluding honeymoon)



2017 National Average Spend



Jack Nicklaus And His Extremely Cool Watch Story...

Golf and Watches... are a couple of items that for years have grabbed mens attention. I came across a fantastic story that involves both. The story is from a web-series hosted by the website Hodinkee which speaks with people from all walks of life -- from musicians and athletes to tech innovators and business moguls -- about their watches. They sat down with Jack Nicklaus, a man that was once at the pinnacle of his sport. In fact, many argue he's the greatest golfer to have ever played the game. He recorded 18 professional Major wins, 73 PGA tour wins and 113 professional tournament wins. He was also runner-up in the Majors 19 times over the span of his storied career. He also has a really cool watch story. Unlike many athletes, Jack Nicklaus is not a collector of watches. In fact, he only owns one watch, a Rolex Day-Date reference 1803 in yellow gold. It has been on his wrist every day since he received it back in 1967. That means this watch was with him during most all of his Major victories and lives accomplishments. He shared that he would wear the watch to the course, then put it into a small bag and place it into his golf bag, and then slide it back onto his wrist while walking off the 18th green. It has never left his side, while traveling to play in the Ryder Cup, while deep sea fishing, while swimming with barracudas (he is a certified SCUBA diver), and while raising his five children and helping to raise his 22 grandchildren. This gold Day-Date Rolex is a big part of his story. And that story may soon be grabbing headlines as Nicklaus has stated that he plans to sell this watch at auction and give the proceeds to his charity called the Nicklaus Children's Health Care Foundation. For now, the details are scarce, but many collectors believe Jack's watch will end up at Phillips, the same auction house that saw the earth-shattering \$17.8 million record-setting sale of Paul Newman's Rolex Daytona last summer. Jack has said that he wants to raise a million dollars with this watch. In the case of the Day-Date Rolex, hitting the \$1 million mark would break the previous Day-Date auction record of

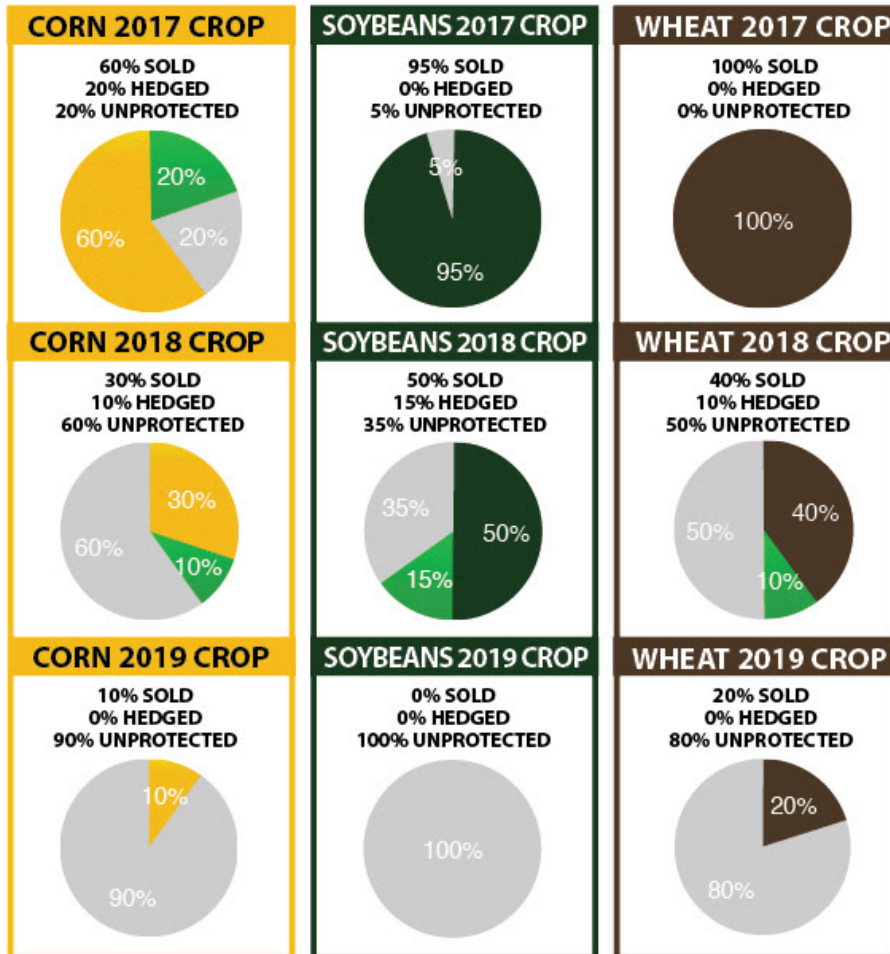
a little over \$470,000. Despite the market for Day-Date Rolexes being a bit soft, Jack Nicklaus's "The One" watch has a fantastic story. Add to this the fact that Jack will give the entire proceeds to charity and I'm sure this amazing watch will fetch +\$1 million. Ultimately, I have always admired Nicklaus. He's an incredible competitor and seems to be a great man! He also has a cool watch with an extremely storied past. I think it's awesome that he is putting it up for auction and donating all of the proceeds to his charity. I am hearing about a possible date for the auction will be this summer. I will keep you posted. (Source: Hodinkee, Robb Report) Click [HERE](#) to see the interview.





ANSWER to riddle: Corn on the cob.

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](#) | [Update Profile](#)

[Quoted text hidden]