

## GOOD MORNING: 05-21-18 Farm Direction \_ VanTrump Report

2 messages

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Mon, May 21, 2018 at 5:38 AM



"Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover." — H. Jackson Brown

**MONDAY, MAY 21, 2018**  
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**Morning Summary:** Stocks are higher this morning as leaders from the U.S. and China walk back from a full blown trade war. Both sides are saying they've agreed to avert a trade war and to stop imposing tariffs on one another. The Chinese still seem apprehensive in making any type of formal announcement that they have made major concessions with American leaders, instead wanting to link any additional increase in the purchase of U.S. goods to exclusively meeting the growing consumption needs of the Chinese people. In other words, they seem to be in agreement with increasing purchases of U.S. agriculture and energy exports, as they can easily explain to their people as helping to fulfill demand. The much more difficult subjects still seem to revolve around technology and intellectual property rights. Rising oil prices, higher interest rates, fears of increasing inflation and a stronger U.S. dollar are all reasons the bears are doubtful the stock market will be able to rally to fresh new all-time highs in 2018. In the past 90-days, the U.S dollar is up over +5%, crude oil up over +18% and a larger number of market insiders are now thinking the Fed will be taking on a more hawkish tone. I should note, the yield on the benchmark 10-year U.S. Treasury Note closed last week at 3.067%, well above the 3% psychological line-in-the-sand that so many large traders have been talking about. There also seems to be a bit more bearish interest and talk about an economic slowdown in Europe, Japan and several of the emerging markets. The economic calendar this week is fairly light. It seems as if another round of U.S. housing data and "minutes" from the most recent Fed meeting will be the main highlights. Lets also keep in mind, many traders will be preparing and positioning for an extended Memorial Day weekend.

**Why Myself And Other Large Investors Are Closely Monitoring Ebola:** A new outbreak of the Ebola virus that has killed at least two dozen people has sent public health officials scrambling to contain the epidemic as it threatens to spread far beyond the remote jungles of the Congo River Basin. Ministry of Health officials first identified the new cases when it reached the town of Bikoro earlier this month. Then this past Thursday, officials said a new case had been identified in Mbandaka, a city of 1.2 million. The new case in Mbandaka has raised the alarm among public health officials because it is the first time the virus has ever landed in a large city that sits directly on the Congo River. In all eight of the previous known Ebola outbreaks in Congo, the virus has been contained within remote jungle villages or relatively small towns, where isolated populations are less likely to spread the disease. But the Congo River is effectively the region's highway system. Barges and boats travel from Kisangani in the east through major cities including Bumba, Mbandaka — and eventually Kinshasa, the capital of Congo and home to more than 11 million people, as well as Brazzaville, the capital of the Republic of Congo. The Congo River connects three national capitals and multiple other large cities. If the Ebola virus traveled upriver from Bikoro to Mbandaka, some officials wonder, has it also traveled downstream toward Kinshasa, which offers direct air traffic to cities including Brussels, Paris, Dubai and Lagos, Nigeria? (Source: TheHill)

**Here's A Crazy Thought...** More people have been killed at schools this year than have been killed while serving in the military. The recent school shooting near Houston on Friday at Santa Fe High School has bolstered a wave of extreme headlines. The figures for 2018 do not suggest schools are more dangerous than

### Today In History



#### 1881, American Red Cross -

The American Red Cross was established today in Washington DC. Clara Barton who had been involved with the Red Cross in Geneva Switzerland and with the International Red Cross during the Franco-Prussian War was determined to bring this organization back to America. She would help found the American chapter and became the President of the ARC in 1881. She would also campaign for America to ratify the Geneva Convention in 1882 which would protect those people injured in war. John D. Rockefeller, and Lars Kovala and three others donated the money to help create the headquarter near the White House. Frederick Douglas would sign the original articles of incorporation for the organization. The group's first disaster relief effort would come in the Fall of 1881 after the Great Fire in Michigan where over five thousand people were left homeless. Barton would lead the ARC for twenty-three years. The Red Cross would get their first congressional charter in 1900 and again in 1905. The charter restates the traditional purpose of the organization which includes giving relief to and serving as a medium of communication between members of the American armed forces and their families and providing national and international disaster relief and mitigation. Today the ARC is a nationwide network of 650 chapters and 36 blood service regions. There are over five hundred thousand volunteers who and thirty thousand full-time employees. These people mobilize every year to give relief to more than 60 thousand disasters and the people affected. These disasters range from home fires, floods, hurricanes, tornadoes to earthquakes and transportation accident. They also train over twelve million people with the necessary medical skills and exchange more than a million emergency messages for the U.S. military service personnel and their families. The ARC also assists thousands of hospitals

combat zones. After all, there are more than 50 million students in public elementary and high schools and only about 1.3 million members of the armed forces. If you crunch the numbers taking all of the ratios into account, even during 2018's lack of military violence, a member of the U.S. military is still about 40 times more likely to be killed as someone is to die in a school shooting. The point is we are seeing a sizable increase at the schools, which is something no one wants to see happening. To date, from January to mid-May, there have been 16 reported shooting incidents at schools, with a total of 29 deaths. During this same time period in each of the past 17 years, from 2000 to 2017, there have been a combined 36 fatalities in school shootings. Meaning 2018 is either some type of anomaly or we are truly starting see a measurable uptick...

**"Justify" One Step Away From History:** Kentucky Derby winner Justify, sent off as the 1-2 favorite, won the Preakness Stakes on Saturday, running his unbeaten streak to five races and setting up a historic shot at horse racing's Triple Crown when he competes in the Belmont Stakes in three weeks. Justify will seek to become only the second undefeated Triple Crown winner following Seattle Slew's 1977 win. Justify will attempt to become the lucky 13th horse to win the Triple Crown. Since all three races were inaugurated, 23 horses have won the first two legs of the Triple Crown but failed to win the Belmont. California Chrome was the last horse to fall short, finishing fourth in the 2014 Belmont. American Pharoah was the last horse to win the Triple Crown back in 2015, before that it was Affirmed who won the Triple Crown back in 1978.

**Stocks Hedge Funds Have Been Loving The Most:** Large investors were required to reveal their biggest first-quarter holdings this week when they filed closely tracked 13-F forms with the Securities and Exchange Commission. The forms, which are due 45 days after the end of each quarter, require investors to disclose long positions in stocks, convertible bonds and options. As expected, a few of the the top holdings included: Facebook, Google, Microsoft, Amazon, Time Warner, Netflix, and Visa. Somewhat surprisingly, Apple stocks was down the line a bit. Read more of the details at [MarketWatch](#)

S&P 500 Stocks Ranked By \$ Value Owned by Hedge Funds as of 1Q18

Ticker	Company Name	Sector	Industry	Total \$ Value Owned by HF's	\$ Value Owned As % of Total Hedge Fund Assets	% of HF's In Study Own The Stock	\$ Value Owned by HF's as a % of Co Mkt Cap	Top 20 S&P 500 Weight as of 1Q18?	1Q18 Relative Perf	2Q18 Relative Perf
FB	FACEBOOK INC	Info Tech	Internet Software & Services	19,432	1.7%	40%	4.2%	Yes	-8.2%	12.7%
GOOGL/GOOG	ALPHABET INC	Info Tech	Internet Software & Services	18,857	1.7%	35%	2.6%	Yes	-0.3%	1.9%
MSFT	MICROSOFT CORP	Info Tech	Software	16,422	1.5%	31%	2.3%	Yes	7.9%	4.0%
AMZN	AMAZON.COM INC	Cons. Discretionary	Internet & Direct Mktg Retail	12,237	1.1%	29%	1.7%	Yes	25.0%	6.2%
TWX	TIME WARNER INC	Cons. Discretionary	Media	10,508	0.9%	25%	14.2%	No	4.6%	-2.8%
NFLX	NETFLIX INC	Cons. Discretionary	Internet & Direct Mktg Retail	8,480	0.8%	19%	6.6%	No	55.1%	7.7%
V	VISA INC	Info Tech	IT Services	8,191	0.7%	23%	3.2%	Yes	6.1%	6.9%
AET	AETNA INC	Health Care	HC Providers & Svcs	7,760	0.7%	19%	14.0%	No	-5.1%	2.1%
FOXA/FOX	TWENTY-FIRST CENTURY FOX	Cons. Discretionary	Media	7,114	0.7%	15%	10.8%	No	7.5%	0.5%
BAC	BANK OF AMERICA CORP	Financials	Banks	7,004	0.6%	24%	2.3%	Yes	2.8%	1.4%
STZ	CONSTELLATION BRANDS	Consumer Staples	Beverages	6,819	0.6%	15%	15.4%	No	0.9%	-5.4%
ADBE	ADOBE SYSTEMS INC	Info Tech	Software	6,568	0.6%	18%	6.2%	No	24.5%	6.8%
AVGO	BROADCOM INC	Info Tech	Semis & Semi Equipment	6,533	0.6%	18%	6.7%	No	-7.0%	-0.2%
MON	MONSANTO CO	Materials	Chemicals	6,295	0.6%	16%	12.2%	No	1.1%	4.7%
MU	MICRON TECHNOLOGY INC	Info Tech	Semis & Semi Equipment	6,259	0.6%	19%	10.4%	No	28.0%	0.9%
BBKNG	BOOKING HOLDINGS INC	Cons. Discretionary	Internet & Direct Mktg Retail	6,109	0.5%	19%	6.1%	No	20.9%	-3.3%
EA	ELECTRONIC ARTS INC	Info Tech	Software	5,531	0.5%	17%	14.9%	No	16.6%	4.6%
APPL	APPLE INC	Info Tech	Tech HW, Storage & Periph	5,257	0.5%	20%	0.6%	Yes	0.4%	8.4%
UNH	UNITEDHEALTH GROUP INC	Health Care	HC Providers & Svcs	5,253	0.5%	17%	2.5%	Yes	-1.7%	9.2%
MA	MASTERCARD INC	Info Tech	IT Services	5,168	0.5%	19%	2.8%	No	16.9%	6.9%

Source: RBC US Equity Strategy, S&P Capital IQ/Clearfi

Methodology Notes: % HF assets = % of HF assets invested in US stocks (does not include ADR's, ETP's, etc.); performance stats are relative to the S&P 500

annually with supplying blood and blood products. Today the American Red Cross is ranked as one of the most popular charity & non-profits in America.



**1927, 1932, American Aviation Firsts** - History would experience two firsts today May 21st just five years apart. The aviator Charles A.

Lindbergh would land his plane the Spirit of St. Louis near Paris, completing the first solo airplane flight across the Atlantic Ocean. Lindbergh was just 25 years old when he completed this record-setting trip. He had been sponsored by a group of St. Louis businessmen to build a single-engine plane that could make the journey. A New York City businessman named Raymond Orteig would offer a prize of \$25,000 to the first pilot to fly nonstop from New York to Paris. It's worth noting that four men had died, three others were seriously injured, and yet two others would go missing attempting to claim the prize. Lindbergh would use this same plane, the Spirit of St. Louis to be the first to fly from California to New York one year prior to the transatlantic crossing. On this trip over the Atlantic (1927), Lindbergh would go without a parachute and radio in order to have more gasoline aboard the plane. Traveling more than 3,600 miles in 33 hours the Spirit of St. Louis would land just past 10 pm. Over one hundred thousand people would be in Paris to witness his landing and to celebrate the accomplishment. This feat and the fame that followed the young Lindbergh would be both a blessing and a curse, which would lead him to become a fugitive from the public. Five years later to the day Amelia Earhart would become the first female aviator and only the second person to achieve the solo transatlantic flight. Amelia would use a Lockheed Vega to make this historic flight. She would take off from Harbor Grace in Newfoundland, Canada and land her plane near Londonderry, Ireland after flying across the North Atlantic in just under fifteen hours on May 21st, 1932. For her crossing, she would be awarded a Distinguished Flying Cross by the United States Congress. She would also be the first to fly solo from Wheeler Field in Hawaii to Oakland California and to make the first female solo flight between the two coasts. Two years later Earhart would attempt to fly around the world, but her plane disappeared in the South Pacific on July 2nd, 1937.



**1898, Armand Hammer** - American businessman and entrepreneur Armand Hammer was born. Hammer's parents, Julius and Rose Hammer were

Jewish immigrants who had fled from the Russian Empire in 1875. His father was a doctor who also would open five drugstores in NYC and was active in the Socialist Labor Party of America. Armand attended Columbia University medical school, and as he was set to graduate, his father's communist activities had led

## 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:** The number 8,549,176,320 is a unique number. Can you tell me what is so special about it?

**Weather** over the weekend saw heavy rains fall across the Eastern Seaboard, causing some river flooding in the Mid-Atlantic region. Also, a very active weather pattern continued across the nation's mid-section, including the Plains and Midwest. Five-day rainfall totals could reach 2 to 4 inches on the central Plains and 1 to 3 inches across the lower Midwest. Cool air managed to overspread the Plains and Midwest over the weekend and led to some frost in the northern Plains and into the Great Lakes region. The 6 to 10 day outlook is calling for warmer than normal weather nationwide, except for near normal temps in Florida and the Northeast. Meanwhile, near to above normal rainfall across most of the country should contrast with drier than normal conditions in the PNW, southern Texas and the Great Lakes region.

authorities to arrest and convict him of manslaughter for performing an abortion. Hammer would be sent back to the Soviet Union to look after the affairs of his father's company the Allied Drug and Chemical. Young Hammer would make a success out of this business, by manufacturing and selling ginger extract which legally contained high levels of alcohol in it during the prohibition era. The company made over a million dollars in one year. He would also trade surplus American wheat with Lenin, begin manufacturing and exporting pens and pencils, and expand his American pharmaceutical company. J. Edgar Hoover and the U.S. government would watch him for the rest of his life because of his father's ties with the Communist movement in America and his many trips to Russia. Hammer, it was later revealed, was actually a go-between for five Soviet General Secretaries and seven U.S. Presidents. He would work to bring peace between the U.S. and the Communist countries of the world. Including flying physicians and supplies at his own expense to help Chernobyl survivors. Hammer would also invest in various U.S. oil productions endeavors, which would ultimately lead to a controlling interest in Occidental Petroleum. By 1986, Hammer estimated worth was over two hundred million dollars. In his personal life, Armand would marry three times, but only have one child, a son. He also enjoyed collecting Art and help to open a dozen museums. He is actually considered the premier patron of the New York City School of Art, which is a part of the MET. Philanthropically, Hammer would give back to the art community and would meet the needs of people around the world who suffered from political and natural disasters. Hammer would die of bone marrow cancer in December 1990, at the age of 92.

#### Upcoming Events

**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

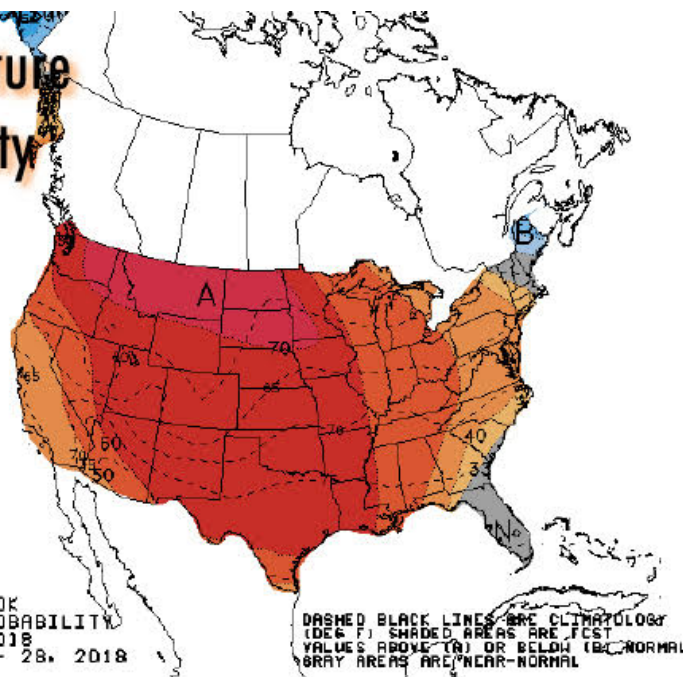
#### Kevin's Song of the Week



## Temperature Probability



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 18 MAY 2018  
VALID MAY 24 - 28, 2018



DASHED BLACK LINES ARE CLIMATOLOGY (10% OF INCHES) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL

90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%

Probability of Below

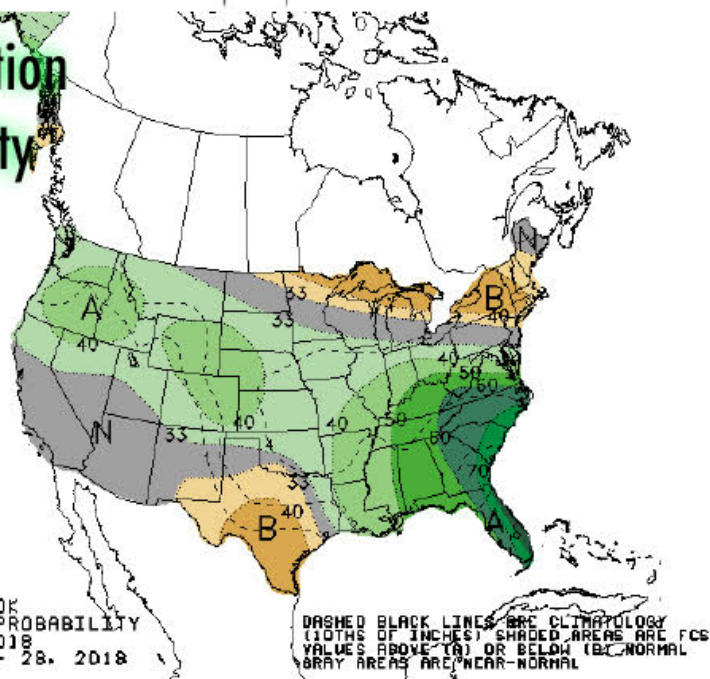
Normal

Probability of Above

## Precipitation Probability



6-10 DAY OUTLOOK  
PRECIPITATION PROBABILITY  
MADE 18 MAY 2018  
VALID MAY 24 - 28, 2018



DASHED BLACK LINES ARE CLIMATOLOGY (10% OF INCHES) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL

90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%

Probability of Below

Normal

Probability of Above

## WHAT I'M LISTENING TO:



**Mason Ramsey** "Famous"

## Kevin's Song of the Week



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!

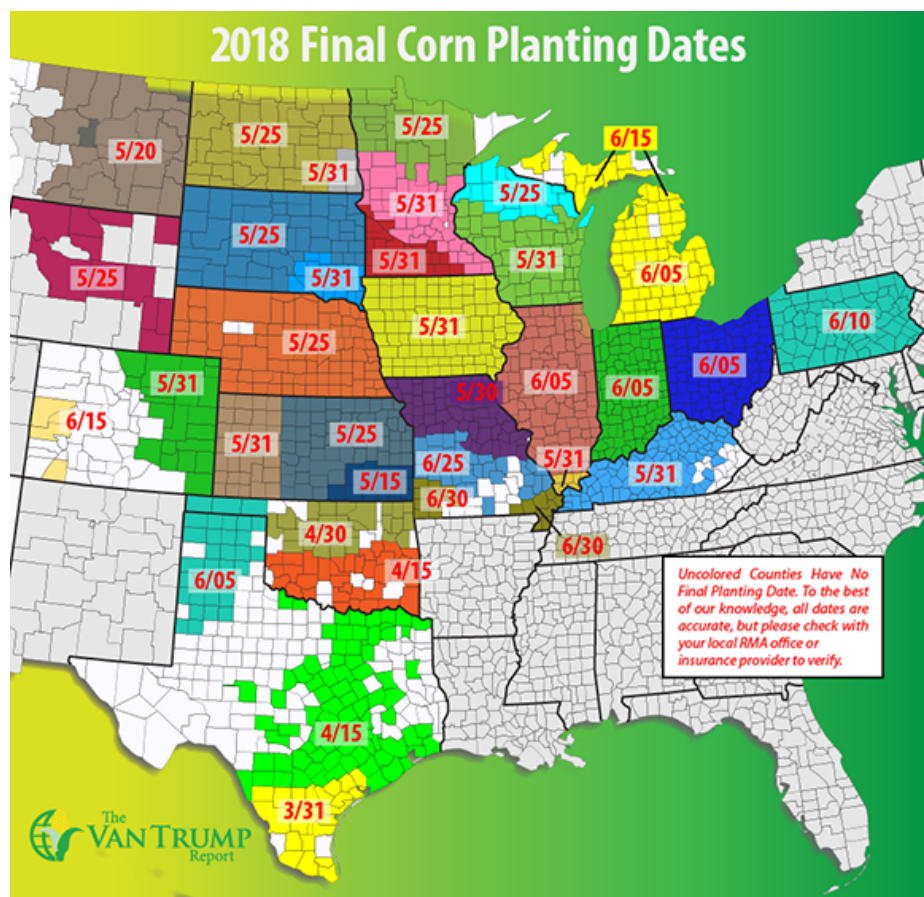
*Kevin Van Trump*

## 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

Corn bulls are keeping a close eye on U.S. weather and headlines out of Washington. There's some ongoing mixed debate about total U.S. planted corn acres. Bears believe the current USDA estimate could be nearly 1 million acres too conservative, while bulls believe the total number of planted corn acres will be coming down, especially in some areas to the northwest. Trade negotiations also remain heavily debated. There seems to be a bit of positive movement between the U.S. and China, with headlines the past few days including the Chinese showing a bit of goodwill by halting their anti-dumping investigation into U.S. sorghum imports. There were also some headlines over the weekend that insinuated China has also offered to hold back penalties on a variety of other U.S. agricultural products it announced in early April as retaliation for U.S. tariffs on Chinese steel and aluminum exports. Even though nothing definitive has been announced, it does feel like we are seeing a few more positive steps in the right direction. Unfortunately, NAFTA negotiators are still searching for more common

ground. Our top trade official, Robert Lighthizer, commented late last week, that after nine months, the United States, Mexico and Canada are still far from completing an update of the 24-year-old NAFTA deal with a slew of sticking points looming over the talks. In fact, he made a more direct statement to the press, saying, "The NAFTA countries are nowhere near close to a deal. As I said last week, there are gaping differences on intellectual property, agricultural market access, energy, labor, rules of origin, geographical indications and much more". In other words, it sounds like political leaders are going to need more time to hammer out their NAFTA differences. Another topic of continued debate in the corn market seems to be Brazil's second crop production. Most inside the trade believe the USDA is still too optimistic with their current estimate and will ultimately need to trim yet another -5 MMTs. Bottom-line, South American corn production will be down at least -20 MMTs compared to last year. This keeps demand for U.S. corn in the spotlight and helps prices remain supported. It also helps to see data that China is chewing through more of their domestic corn supply than many inside the trade had been forecasting. As both a producer and a spec I remain a longer-term bull, paying extremely close attention to upcoming U.S. weather and headlines out of Washington.



**Soybean** bulls are rejoicing in progress being made between U.S. and Chinese leaders regarding trade. There's also continued debate surrounding crop losses in Argentina and lack of U.S. demand by Chinese buyers. The bulls believe the lack of Argentine supply will eventually be reason enough for higher prices as soy meal becomes an even hotter commodity. Bears have been battling this argument by pointing to another record crop being harvested in Brazil, near record acres being planted here in the U.S., and recent political trade complications throwing a monkey-wrench in current U.S. demand forecasts. Even though we've seen some recent steps in the right direction between U.S. and Chinese trade negotiations, many bears are still thinking we could ultimately see 3 to 4 MMTs of beans previously purchased by the Chinese either "canceled" or a portion rolled forward becoming new-crop sales. Either way it reduces the demand for U.S. old-crop soybeans. What I learned late last week from the USDA, is that buyers from an undisclosed destination have recently "canceled" 949,000 MTs of U.S. soybean purchases. Of that total, 829,000 MTs were for shipment before September. Meaning we are already starting to see the cancelations and rolls. We need to keep a close eye on this moving forward as Brazilian prices the past couple of weeks have gotten much cheaper for the Chinese than prices for soybeans coming from the U.S. Just a few weeks back prices seemed to be about equal, now I'm hearing the Chinese can bring in Brazilian soybeans about -\$15 to -\$20 per ton less than shipments from the U.S. gulf. Keep in mind, on Friday morning alone, the Brazilian currency had weakened by almost -1.5% and is now down about -10% in the past 30-days and over -12% since January. I'm worried that some of the world's largest global investors are already starting to eyeball the upcoming Brazilian presidential election in October and don't like what they

*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..."*

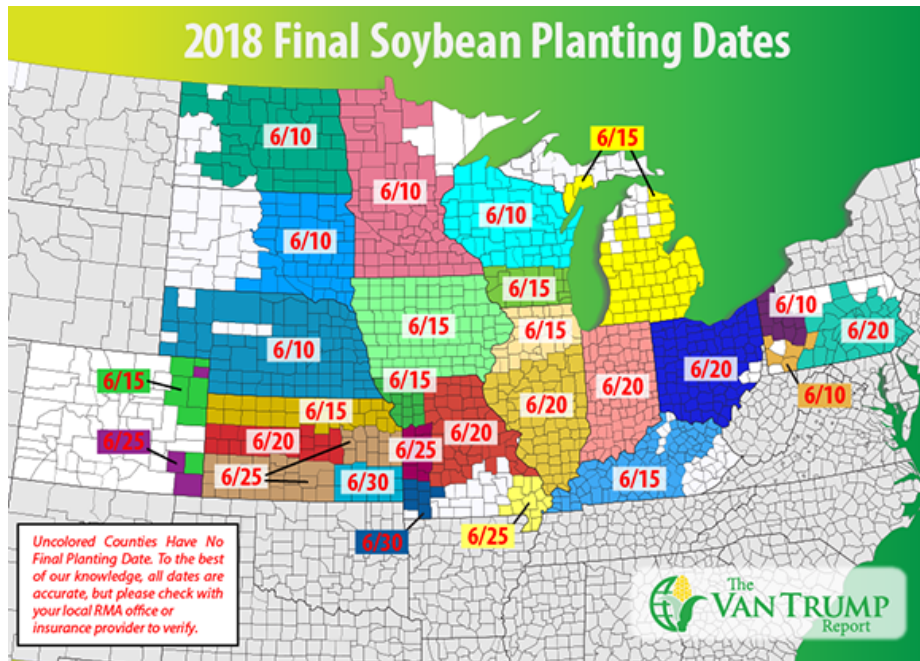
*I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.*

- 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.*



see. If it looks like more social unrest and uncertainty in the government we could continue see the Brazilian currency devalue. Also keep in mind, even though the Argentine peso has stabilized the past couple of days, it has recently posted a series of all-time lows and is down over -16% just during the month of May. Remember, back in late-April into early-May, Argentine's central bank raised their interest rates from 27.25%, a week later to 30.25%, a day later to 33.25%, then quickly to 40%, all in an effort to help support the peso and battle their 25% inflation. Again, there's just a ton of moving parts in this soybean market. Here at home, traders are looking for U.S. producers to now have over +50% of their new-crop acres planted. This is allowing the bears to argue there will ultimately be more bean acres than the USDA currently has forecast. I continue to remain optimistic longer-term, believing a wide-spread U.S. weather hiccup and or some type of trade resolution could easily propel prices higher. Unfortunately in the interim, it could be difficult maintaining the upside momentum.



**Wheat** bulls continue to talk about weather worries and yield drag in parts of Australia, Canada, Europe, Russia, Ukraine and the United States. Bears contend the weather threats are mostly limited and large existing global supplies should prove to be more than adequate in keeping world demand satisfied. Weather during the next 30 to 45 days will obviously determine who's right and who's wrong. From a technical perspective, I suspect the JUL18 SRW wheat contract will start running into much stiffer resistance on the charts up between \$4.30 and \$4.40 per bushel. The 10-month high for the JUL18 SRW contract was most recently posted at \$5.38<sup>4</sup>. The JUL18 HRW wheat contract will be facing much stiffer resistance up in the \$5.60 to \$5.70 range. The multi-month high in this contract was posted recently at \$5.68<sup>4</sup> per bushel. As a spec, I'm still apprehensive in buying the bullish breakout to the upside. As a producer, I continue to like the thought of using additional weather rallies as opportunities to reduce a little more longer-term price risk.

*Farm Direction*

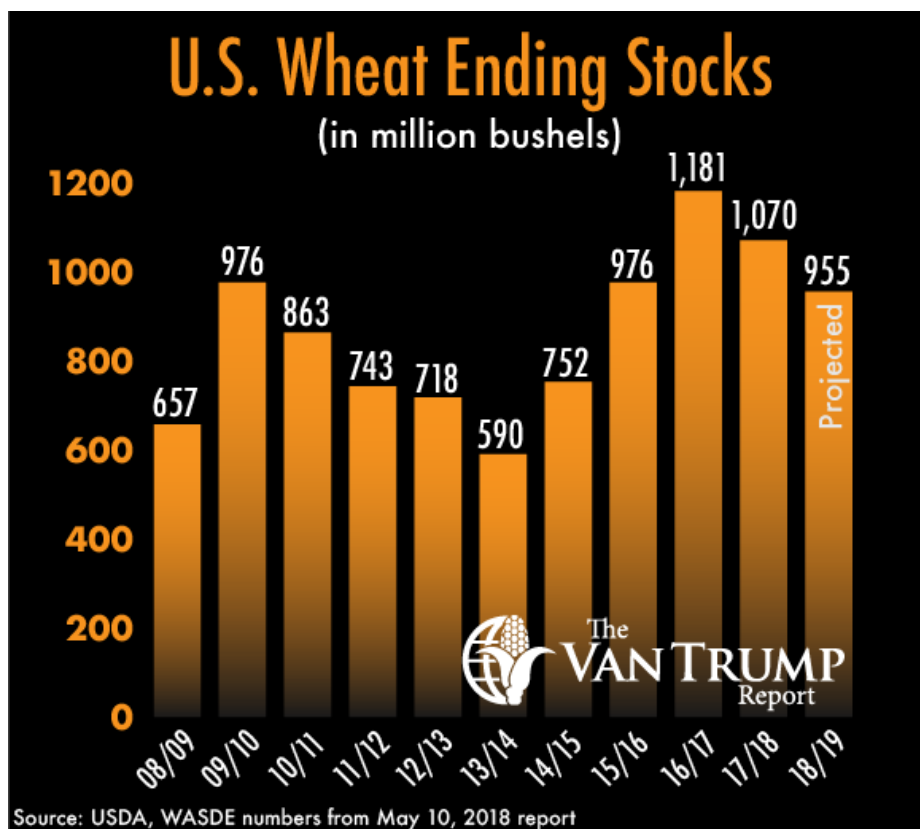
RECIPES

★ **FAMILY FAVORITES** ★

-SENT IN BY OUR READERS-

**Chicken Bacon Ranch Pasta Recipe**

CLICK TO SEE RECIPE



> **Farm Bill Falls Short In The House:** The House rejected a \$867 billion farm bill on Friday with a vote of 198 to 213. Every Democrat voted against the measure, as did 30 Republicans. I'm told many of the GOP lawmakers are members of the House Freedom Caucus and voted no after failing to get concessions on spending and a future vote on immigration in exchange for their support. In addition, the food stamp fight turned the once-bipartisan safety-net package into another contentious political battle in the House. It also pits the House against the Senate where Republicans are working with Democrats on a compromise bill. Pat Roberts of Kansas, the top GOP senator crafting that chamber's version, has already indicated he is starting from a different framework. [Read more HERE.](#) (Source:NPR)

> **What Is Next For NAFTA:** From what I understand, the renegotiation of NAFTA between U.S., Canada and Mexico appears to be running out of time for the countries to settle on an agreement and get it to Congress for a vote before the end of the year. I'm told U.S. Trade Representative Robert Lighthizer said the three nations are "nowhere near close to a deal" and cited major differences on issues ranging from intellectual property to labor rules. Also, White House National Economic Council Director Larry Kudlow told reporters that some areas have come together while others have not, and that the deal is certainly not dead. Keep in mind, the current deal stays in place in the absence of a new agreement. You can read more [HERE](#).

> **Ethanol Exports Showing Strength:** Seven months into the 2017/2018 marketing year, the United States has exported nearly one billion gallons of ethanol, up 15% year-over-year and an indication of ethanol exports' support for U.S. grain demand. March ethanol exports exceeded 215 million gallons, the second highest monthly sales on record behind nearly 220 million gallons in February 2018. Both months far exceed the previous monthly export record of 178 million gallons in December 2011. (Source: FeedandGrain)

> **China Keeps Buying Beans From Russia:** China, the world's biggest soybean importer, almost tripled purchases from Russia amid a trade dispute with the U.S., the biggest producer. Russia sold about 850,000 metric tons of soybeans to China from the start of the 12-month season in July through mid-May, according to Russia's agriculture agency Rosselkhoznadzor. (Source: Bloomberg)

> **If We Increased Ag Exports, We Would Add More Farm Jobs:** The USDA, Economic Research Service estimates that U.S. ag exports totaling about \$135 billion in 2016, supported about 1.1 million full-time, civilian jobs. Using a model of the U.S. economy with a base year of 2013, researchers found that a hypothetical 10% increase in foreign demand for U.S. agricultural exports

would add about 41,500 jobs, or about a 0.03% increase in total U.S. employment. About 42% would be jobs in rural areas where employment in agriculture and food manufacturing would increase by about 18,200 jobs. (Source: USDA,ERS)

> **United Airlines' Investment in Biofuels Gets Big Boost This Week:** United Airlines is one of only two airlines that invested in Fulcrum BioEnergy. On Wednesday, Fulcrum broke ground in Reno, Nevada on the first of several plants the company intends to build that will convert landfill and household garbage into renewable low-carbon fuel for jets. The plant is expected to on line in early 2020 and will convert approximately 175,000 tons of household garbage into more than 10.5 million gallons of biofuel each year. (Source: Bizjournals)

> **Facebook Releases Numbers On Spam And Fake Accounts:** Published as community enforcement numbers, Facebook said that spam and fake accounts were the most common type of offending content. Facebook took action on 836 million pieces of spam and deleted 583 million fake accounts in the first quarter of 2018. The report also shows that Facebook's AI and other moderator tools are better at detecting some kinds of offensive content than others: Facebook detected 99.7% of spam but only flagged 38% of hate speech content. (Source: Facebook)

> **Crushing Plant Workers Strike In Argentina:** Workers at crushing plants in Argentina began a country-wide strike late last week to protest lay-offs earlier this year by global grain leader Cargill. The company has faced several walk-offs since January after it laid off dozens of workers in an effort to restructure and reduce costs at some of its operations in Argentina, the world's No. 1 exporter of soybean oil and meal. From what I am hearing, everything at the national level will be affected by the strike. (Source: Reuters)

> **CRISPR Could Save Hershey's Kisses:** Diseases kill 20-30% of cocoa pods every year before they have been harvested, which severely threatens the chocolate industry. But recently, researchers at Penn State were able to use CRISPR technology to eliminate a gene that made the plants more susceptible to disease, which could mean more chocolate for all. (Source: [FastCompany](#))

> **Price Of Diesel Is Hurting Farmers:** The ag sector from the U.S. to Russia, and Brazil to Europe is seeing profits harmed by the rise in diesel prices. The global oil benchmark, Brent crude, touched \$80 a barrel last week for the first time since late 2014. In the U.S. fuel accounts for about 5% of farmers' overall costs. USDA estimates farmers will spend an estimated \$15.25 billion on fuel and oil in 2018, an 8% increase from 2017. (Source: Reuters)

> **Who Is Drinking All The Beer:** In 2013, Americans drank more than 6.5 billion gallons of beer, which works out to about 27.6 gallons per person. That number has been in decline for some time, but it also can't tell you everything about beer in America. Craft beer has continued to increase its footprint in the States, and beer remains the most popular drink among Americans, according to data provided by [24/7 Wall St](#). It notes that 43% of Americans prefer beer, while 32% favor wine and 20% cite liquor as their go-to. Using numbers from Beer Marketer's Insights, [24/7 Wall St.](#) put together data on shipments of beer per capita, a metric commonly used to indicate consumption.

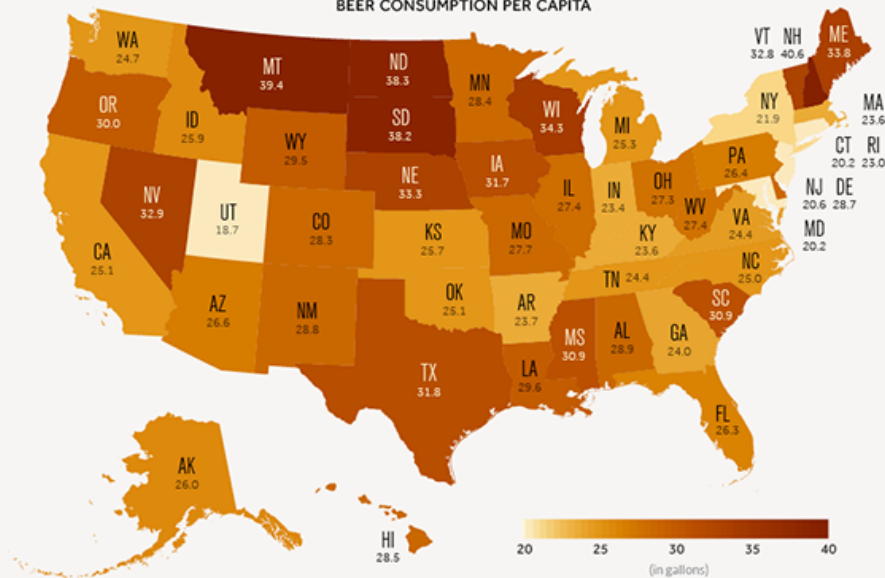


# United States of Beer

For Americans who partake in alcohol, beer is still the drink of choice.

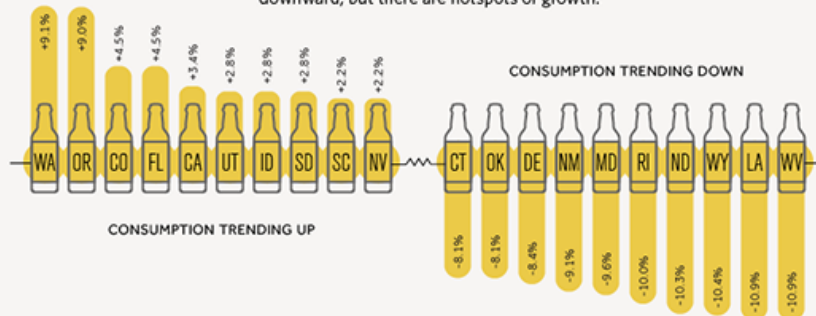
43% 32% 20%

## BEER CONSUMPTION PER CAPITA



## 5-Year Trend

Beer consumption in the U.S. is trending downward, but there are hotspots of growth.



SOURCES: 24/7 Wall St.

visualcapitalist.com

## FROM THE FIELD

**Northwest North Dakota** - We are just west of corn country in North Dakota. I would say that corn is the most dangerous crop for us to grow just because of the potential early cold snap. But, guys are starting to push the envelop a little and planting these shorter dry land type varieties. The problem I see with making the jump from our current crops of Spring wheat, canola or soybeans is we are not set up to handle the additional bushels. Most guys in this area don't have the combine capacity, trucks or bins to handle 150-bushel corn so that's our biggest obstacle at the moment other than simply dealing with the potentially dangerous weather problems. We have been growing Spring wheat and canola for years and we are starting to add soybeans into the mix. Last year soybeans made just under 30 across the farm which we would consider to be an okay year. I want to see 40-bushel soybeans but we will take 30 over a disaster. Elevators pay a premium for higher protein wheat up to 16% and we came in around 15.5% so we can't complain about that. We are hoping for a little rain over the next few days but it probably won't amount to much more than 1/4 inch at the best. Time will tell...

Central Illinois - We are working on side dressing corn today but we are hoping to get rained out because it's dry around our area. Planting for us started last week of April and we completed everything by the 2nd and 3rd day of May. We had one minor rain delay but as a whole we and many of our neighbors got everything planted in a timely manor. We normally plant roughly 50/50 corn and soybeans but this year we are slightly heavier soybeans. I would say the most unusual thing that happen this year that rarely happens is we planted corn and soybeans simultaneously. In this area guys tend to plant corn then soybeans. The earlier you get soybeans planted in this area, typically the better the yield can be because they have more sunlight in the flowering stage which is what we should see this year we are hoping. Now all we need is the spring rains to kick in and we should be good to go!

Southcentral Illinois - We finished planting corn last Friday and will finish with beans here soon. Emerged corn is looking good and the some of the early beans are trying to break through. We need some moisture as things are getting drier than I like to see. There hasn't been a drop of rain in 10 days since we had nine-tenths. All that did was the gumbo ground crust over and make it harder for the beans to break through. Everyone is pretty tired as we have pushed from sun up to sun down to get beans in the ground. We still have a bit of corn left to market. We don't do a lot on the board but would like to learn. I am not far from passing the farm along so we haven't looked at new land or equipment for a bit and are just trying to keep things going during these challenging times.



**Kroger Trying To Stay In The Game:** Kroger announced it has signed an exclusive agreement with Ocado that will bring the British e-grocer's automated fulfillment capabilities to America and help Kroger compete in the rapidly evolving home delivery market. The grocer will leverage Ocado's Smart Platform technology, which offers online ordering, automated warehouse fulfillment and delivery logistics. The terms of the service agreement are still being worked out, but they include building a network of up to 20 of Ocado's signature automated fulfillment centers over the next three years. It will be interesting to see how Kroger performs in the online space, as they seek to redefine the food and grocery customer experience. Read more [HERE](#).

**The Cost Of Poor Customer Service :** CEOs of companies large and small are recognizing the importance of delivering a better customer service experience. Believe it or not some are now emphasizing customer service more than product quality and price. In a recent report by NewVoiceMedia's 2018 "Serial Switchers", it is reported that poor customer service is costing businesses more than \$75 billion a year. That's up \$13 billion since its last report in 2016. From what I understand, many companies are failing to create a positive, emotional experience that are now driving customer loyalty. I'm told 67% of customers have become "serial switchers" because of it. For business owners, there is a lot of good information to digest [HERE](#).

**Technology Will Change The Urban Landscape:** The full impact of self-driving vehicle technology will unfold over years, but Andy Cohen, the Los Angeles-based co-CEO for design firm Gensler, is convinced it will bring the end of parking structures as we know them, require more expansive building drop-off and pickup zones and more elaborate entry lobbies. Over time it opens up opportunities to reclaim curb space dedicated to metered parking and redevelop land in prime urban spots currently taken up by gas stations. Interesting how far the reach of technology will go. Are you positioned to take advantage of situations like these that are coming? Read more [HERE](#).

**Building Responsibility In Our Kids:** I've seen the subject of chores for kids stir up a lot of emotion with some of my friends. Meaning, parents who ask too much of kids may become frustrated by unfinished work and some parents worry that chores could be an undue burden on their precious angels. I'm pretty sure you all know how I was raised and where I fall on the subject. So, for many of you out there just starting your families, I hope the following myths about kids and chores will help you find some direction moving forward. Learn more [HERE](#).

**\$28 Million Lets You Live Where Shaq Did:** I'm told former NBA superstar Shaquille O'Neal recently put his estate in the Orlando Florida area up for sale. O'Neal is asking \$28 million for the property he bought in 1993. At the time, Shaq paid \$3.95 million. Shaq had a number of themed areas and most were pretty darn cool. From what I understand his house included spaces like the "Shaq Center", a facility with a basketball court with bleachers, a large saltwater fish tank, a walk-in cigar humidor with wine storage and two garages that can fit 17 cars. His "Shaq-apulco" outdoor area boasts a swimming pool, rock waterfall, hot tub and swim-up bar with access to a covered outdoor kitchen. I suspect the next owner has a bit of remodeling to do!











### Decoded The Cockroach

Did you know the American Cockroach can live for a week without its head. It can also fly short distances and withstand 10 times more radiation than a person. All these feats and more are encoded in the cockroach's genome. Interestingly, Chinese scientist have completed and sequenced a complete set of genetic instructions, which you can see [HERE](#) in Nature Communications. It is actually the second largest insect genome ever sequenced, and larger even than the human genome. In China, the cockroach is often called "xiao qiang" meaning "little mighty." The team of Chinese scientists found that groups of genes associated with sensory perception, detoxification, the immune system, growth and reproduction were all enlarged in the American cockroach, likely underpinning its scrappiness and ability to adapt to human environments. In the American cockroach, the team found thousands of genes, including more than 1,000 thought to help the insect detect chemical cues from the environment. Among these are more than 300 genes associated with perceiving bitter tastes, which could help them decide which foods are safer than others. The scientists also found more than 20 genes thought to be related to immunity, reproduction and development. Genes such as these are promising targets for future pest control methods and are already being developed for agricultural pests. One of the more significant studies from the American cockroach the team is following up on is its extraordinary healing capabilities. If you cut a leg off of the cockroach, the insect will quickly regenerate it. The team is identifying the proteins and pathways involved in this process, with the hope that they can be harnessed for medical treatments. Cockroach extract has long been used in traditional Chinese medicine to speed healing on cuts and burns. I have included below a few more interesting cockroach facts: (Source: Wiki; New York Times; Newsweek)

**Millions Of Years Old** - *The cockroach is estimated to be at least 200 million years old. And since there are roach fossils dating back as far as 350 million years, they actually pre-date some dinosaurs.*

**Allergies & Infections** - *Cockroaches produce proteins that some people can be sensitive to, particularly those with asthma. The trails of fecal matter and decaying molted exoskeletons that roaches leave behind also contribute to the allergens they produce. Roaches also carry bacteria, which can lead to the spread of disease as roaches crawl across food or surfaces in the home.*

**Roaches Can Eat Almost Anything** - *This is not a myth. Roaches can eat almost everything from plant matter to people food, dead skin cells, garbage and even feces.*

**Not Much Oxygen Needed** - *Studies suggest some roaches can go up to 40 minutes without breathing, if necessary, and others can survive up to 30 minutes underwater. They do, however, breathe oxygen. A cockroach's ability to hold their breath for long periods of time is believed to be a result of regulating water loss. Unlike us, cockroaches don't use their mouths to breathe but rather use small tubes in their body called spiracles. These are also used to transport water vapor out of their body if they need to conserve water they will simply keep the tubes shut.*

**How Much Food & Water Do They Need?** *Most roaches can go up to a month without food because they are cold-blooded. However, they will die in a week if they do not have access to water.*

**Does A Clean Home Matter?** *Roaches might enter clean homes, depending on ease of access to the water and food sources in the home. Dirtier homes just provide easier access, so it is more common. This is why it is important to not only keep your home clean, but also to ensure that cracks and points of entry for roaches and other insects are properly sealed.*

**Do Cockroaches Sleep?** *Most of the cockroach pest species have specific activity rhythms. They tend to "sleep"(or inactive) during the day and start to become active at night to look for food, usually four hours after lights out. That is why we often see them running around during our midnight snack and bathroom runs.*

**How Long Do They Live?** *Cockroaches can live anywhere between a few months to a couple of years, depending on the species.*



### High-End Sneaker Market Is A Booming Business

"Stadium Goods" is a store in SoHo, which is located in a neighborhood in Lower Manhattan, New York City. When you walk into Stadium Goods it's 3,000 square feet filled with rows and rows of sneakers covered in shrink wrap. You may think this store is similar to a Foot Locker or FinishLine. The only similarities is they all sell sneakers, but Stadium Goods only sells rare and limited edition sneakers with very high price tags. For example, one afternoon someone came into the store to buy a pair of white Nike Jordan 1's. The original price on the shoes was listed at \$190, but the sneakers ended up selling for \$2,750. Another example would be a rare pair of Adidas sneakers that was featured in the store ended up selling for \$12,350. A recent shoe that came out was the "Lebron James 14 Nike," of which only 46 pairs were released. Bidding for these rare shoes were open for just three days and went as high as \$6,000. Sneaker collectors have been around for years buying and swapping shoes through eBay, Craigslist, and personal transactions. Only in recent years have they people been able to turn their hobby into a big business. John McPheters, the co-founder of Stadium Goods, says the strong shift in the sneaker market has been driven by, "men who are now learning from childhood how to treat fashion as a sport — the way that women

have always treated fashion.” Stadium Goods has really taken advantage of this trend. Just last year, Stadium Goods locked in a deal with Forerunner Ventures and Cherin Group for \$4.6 million in new equity funding. Earlier in 2018, a European Luxury Group called LVMN bought a minority stake for an undisclosed amount. During Alibaba's Single's Day promotion, Stadium Goods rang up \$3 million in sales in one day. Stadium Goods isn't the only company succeeding in this business. GOAT is a similar business that sells high-end sneakers and has raised over \$95 million from investors like Ashton Kutcher. GOAT only sells sneakers with price tags over \$300. In February, GOAT merged with another company called Fight Club and they have a valuation of around \$250 million. I remember getting my first pair of Nikes and wearing the old Chuck Taylor Converse when playing basketball. I never would have guessed people would one day be paying thousands for fashion collector sneakers. Below are a few of the sneakers currently bring some big bucks at Stadium Goods!



*Air Jordan 11 Jeter- \$36,000.00*



*Air Mag- \$26,995.00*





*Air Jordan 1 Retro High- \$22,500.00*



*Lebron James 8- \$15,000.00*

### **Why It's So Important To Focus On The Longer-Term Play**

We were talking in the office about how many of today's kids are less focused and receptive to the long-term play and "grind" that's often associated with it. Instead they are much more interested in feeling good in the short-term. A friend of mine sent me an e-mail the other day, that really hammered home the importance of having a longer-term perspective. Before reading it, I had no idea there was actual evidence and data backing up this theory. I just remember my parents and grandparents always telling me to view things from a longer-term perspective. I included an excerpt of the article titled, "[How Top Performers Progress Faster](#)" written by Kevin Evans, Head of Growth and Marketing at Intelligent Change. It definitely put some facts behind the theory of taking a "longer-term perspective"...

*In 1997, music professor Gary McPherson sought to find the answer to why certain music students progress quickly while others don't.*

*He took a look at 157 randomly selected children, following the children for a few weeks before they picked up their first instrument around age 7 through to high school graduation. McPherson then tracked their progress through interviews, biometric tests, and videotaped practice sessions.*

*After 9 months, a bell curve began to emerge, as it usually does, showing the extremes of some students progressing quickly versus some not progressing at all, with the vast majority somewhere in between.*

*What accounted for this difference? IQ? Nope. A sense of rhythm? Nope.*

McPherson discovered the X factor was an answer to one simple question:  
"For how long do you think you'll play your new instrument?"

Prying deeper beyond the children's initial answers of "I dunno," they finally gave him a solid answer which he separated into 3 levels of commitment: Short/Medium/Long.

McPherson then measured how long each child practiced; low (20 minutes per week), medium (45 minutes per week), and high (90 minutes per week). The resulting graph looked like this:  
Commitment Level

With the same amount of practice, the long term-commitment group outperformed the short-term commitment group by 400 percent! The long-term-commitment group, with a mere twenty minutes of weekly practice, progressed faster than the short-termers who practiced for an hour and a half. When long-term commitment was combined with high levels of practice, skills skyrocketed.

For the long-term commitment group, at some point very early on, the children had a crystallizing experience that brought the idea to front of mind, that said, "I am a musician." It became their identity.

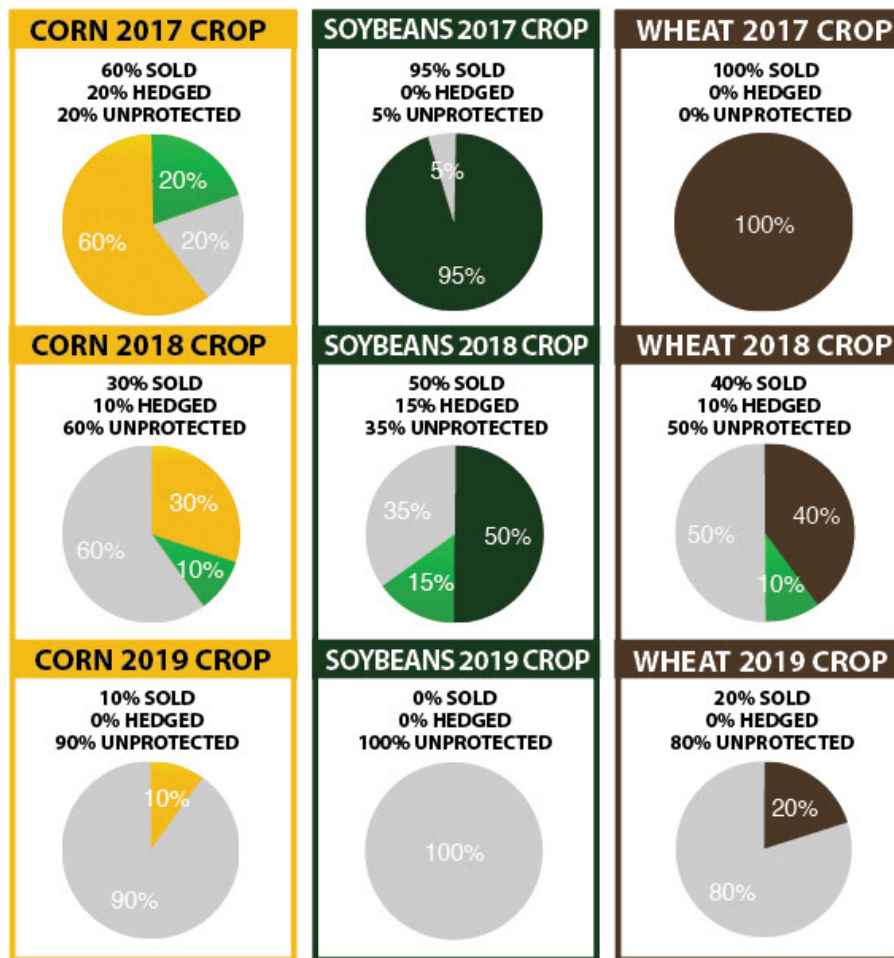
If you are committed to something short term and you hit a bump in the road, you may be likely to quit. But if you are committed to the 'big picture' and are in it for the long haul, the bump in the road simply can become a learning experience; a signal to adjust one's course and/or practice a little harder. Additionally, similar to how your brains Reticular Activating System (RAS) kicks into high gear when you notice all the Teslas on the road when you declare an interest in buying a Tesla, by adopting a long-term commitment, you start to notice things that can help you improve.

Knowing what you are trying to accomplish up front solves for numerous tactical decisions that follow. The fuzzier the target, the harder it is to hit. What are you trying to build? What dent in the universe are you trying to make?



**ANSWER to riddle:** This is the only number which includes all the digits arranged in alphabetical order.

**CASH SALES & HEDGING TOTALS**



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