

GOOD MORNING: 05/24/18 Farm Direction - Van Trump Report

2 messages

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

Thu, May 24, 2018 at 7:06 AM



"For every minute you are angry you lose sixty seconds of happiness." — Ralph Waldo Emerson

THURSDAY, MAY 24, 2018

[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks are steady this morning as traders debate the latest headlines out of Washington and the longer-term plans for the Fed. I continue to hear headlines, threats and rumors that the meeting with President Trump and North Korean leader Kim Jong Un might not take place on June 12. There's also talk that a Chinese trade resolution is still not a 100% guarantee. As you can imagine, the market becomes a bit more uncertain when hearing these types of headlines. On the flip side, "minutes" from the recent Fed meeting provided the trade with a bit of bullish optimism. Talk seems to be that Fed policymakers will be raising rates again in June, but have perhaps become a bit more "dovish" longer-term, saying they are going to be more flexible on their inflationary targets, indicating to many inside the trade they were in no real hurry to increase interest rates any faster than they had planned. At the same time they seem to believe the U.S. economy is likely to grow a little faster in the second quarter than in the first. Fed members did appear a bit more concerned about rising oil prices and how they could continue to push inflation higher and ultimately put a drag on U.S. consumer spending. Keep in mind, gasoline prices across the U.S. are about +52 cents higher per gallon this year than they were at the same time last year. In fact, these are the highest gasoline prices we've seen heading into a holiday weekend since 2014 when prices were averaging a whopping \$3.67 per gallon. What I find interesting, is the fact U.S. consumers chew through about 400 million gallons of gasoline per day. In fact, on any given day, we consume about 35% of the world's gasoline. From what I understand, OPEC may step in as early as June to fill any gaps in supply that could occur from Iranian and Venezuelan production shortfalls. I suspect any drop in prices at the pump could spur more spending by families as they head out for the extended Memorial Day Weekend. Traders await today's Jobless Claims, Existing Home Sales, and talk from three Fed officials (Dudley, Bostic and Harker). There are also a few earnings reports scheduled for release today including Best Buy, Ross Stores, Foot Locker and The Gap.

NFL's New Policy On The National Anthem: *The NFL now has an official rule against kneeling during the national anthem. Team owners approved a new measure yesterday that gives players the option of staying in the locker room during the national anthem if they don't wish to stand during the ceremonies. Under the new rule, players who choose to be on the field during the anthem will be required to stand. If a player or team employee is on the field during the anthem and chooses not to stand, that player's franchise will be fined by the NFL. In turn, players and employees who choose to attend the anthem ceremonies but do not stand will also be eligible for a fine by their franchise. (Source: Yahoo)*

Hawaii Vacation Travel Plunging: *Summer bookings for hotels on Hawaii's Big Island have fallen almost -50% since the Kilauea volcano erupted on May 3, and now cruise ships have canceled stops to the destination. The closure of the Hawaii Volcanoes National Park, the state's top tourist spot, is further costing the island -\$166 million, and some -\$222 million when including jobs indirectly impacted by park tourists. (Source: SeekingAlpha)*

Holy Grail Of Shipwrecks Found: *A 310-year-old Spanish shipwreck carrying treasure that might be worth up to \$17 billion was discovered with the help of an underwater robot, the Remus 6000. Impressively, it can dive nearly four miles and is loaded with sensors and cameras. From what I understand robot identified*

Today In History



1883, Brooklyn Bridge Opens -

On this day in 1883 after many trials and tribulations, the Brooklyn Bridge was opened and connected the great cities of New York and Brooklyn for the first time in history. Thousands of residents of Brooklyn and Manhattan Island turned out to witness the dedication ceremony, which was presided over by President Chester A. Arthur. The bridge was designed by pioneering engineer, John Roebling, who immigrated to western Pennsylvania, where he unsuccessfully tried his hand at farming. To that point, the Brooklyn Bridge was the largest suspension bridge ever built to that date. He later moved to the state capital in Harrisburg, where he found work as a civil engineer. He promoted the use of wire cable and established a successful wire-cable factory. Roebling is credited with a major breakthrough in suspension-bridge technology: a web truss added to either side of the bridge roadway that greatly stabilized the structure. Using this model, Roebling successfully bridged the Niagara Gorge at Niagara Falls, New York, and the Ohio River at Cincinnati, Ohio. On the basis of these achievements, New York State accepted Roebling's design for a bridge connecting Brooklyn and Manhattan—with a span of 1,595 feet—and appointed him chief engineer. It was to be the world's first steel suspension bridge. After a bizarre accident, where a boat ran over the toes on one of Roebling's feet and just weeks before construction began, he would die from tetanus. His 32-year-old son, Washington A. Roebling, took over as chief engineer. Roebling had worked with his father on several bridges and had helped design the Brooklyn Bridge. He would also suffer work-related injuries associated with compression sickness from working underwater on the caissons, which supported the granite foundations 44 feet below the surface. Roebling continued to direct construction operations from his home, and his wife, Emily, carried his instructions to the workers. In 1877, Washington and Emily moved into a home with a view of the bridge. Roebling's health gradually improved, but he remained partially paralyzed for the rest of his life. On May 24, 1883, Emily Roebling was given the first ride over the completed bridge, with a rooster, a symbol of victory, in her lap. Within 24 hours, an estimated 250,000 people

bronze cannons engraved with dolphins - signifying they belong to the Spanish galleon *San Jose*. Meaning, experts are feeling comfortable about declaring the value of the original cargo of gold, silver and emeralds at nearly \$17 billion. The technology involved with finding the wreckage is the same that found Air France Flight 447, which crashed off the coast of Brazil in 2009. You can read more and watch a short video [HERE](#).



walked across the Brooklyn Bridge, using a broad promenade above the roadway that John Roebling designed solely for the enjoyment of pedestrians.



1775, John Hancock - On this day in 1775, John Hancock is elected president of the Second Continental Congress. John Hancock is best known for his large signature on the Declaration of Independence, which he jested the British could read without spectacles. He was serving as president of Congress upon the declaration's adoption on July 4, 1776, and, as such, was the first member of the Congress to sign the historic document. John Hancock graduated from Harvard University in 1754 at age 17 and, with the help of a large inherited fortune, established himself as Boston's leading merchant. The British customs raid on one of Hancock's ships, the sloop *Liberty*, in 1768 incited riots so severe that the British army fled the city of Boston to its barracks in Boston Harbor. Boston merchants promptly agreed to a non-importation agreement to protest the British action. Two years later, it was a scuffle between Patriot protestors and British soldiers on Hancock's wharf that set the stage for the Boston Massacre. Hancock's involvement with Samuel Adams and his radical group, the Sons of Liberty, won the wealthy merchant the dubious distinction of being one of only two Patriots—the other being Sam Adams—that the Redcoats marching to Lexington in April 1775 to confiscate Patriot arms were ordered to arrest. When British General Thomas Gage offered amnesty to the colonists holding Boston under siege, he excluded the same two men from his offer. In 1776, the Continental Congress declared independence from Great Britain. The next year, John Hancock returned home to Massachusetts, where he served as a major general in the militia and sat in the Massachusetts constitutional convention that adopted the world's first and most enduring constitution in 1780.



1935, Baseball - The Cincinnati Reds beat the Philadelphia Phillies 2-1 on this night in 1935 in Major League Baseball's first-ever night game, played courtesy of recently installed lights at Crosley Field in Cincinnati. The first-ever night game in professional baseball took place May 2, 1930, when a Des Moines, Iowa, team hosted Wichita for a Western League game. The game drew 12,000 people at a time when Des Moines was averaging just 600 fans per game. Evening games soon became popular in the minors: As minor league ball clubs were routinely folding in the midst of the Great Depression, adaptable owners found the innovation a key to staying in business. The major leagues, though, took five years to catch up to their small-town counterparts. The first big league night game on this day in 1935 drew 25,000 fans, who stood by as President Roosevelt symbolically switched on the lights from Washington, D.C. To capitalize on their new evening fan base, the Reds played a night game that year against every National League team—eight games in total—and despite their lousy record of 68-85, paid attendance rose 117 percent.

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: When you have me you immediately feel like sharing me. But if you do share me, you don't have me?

Weather forecasts are calling for summer-like temperatures to form in the Midwest during the rest of this month. The warm weather, along with generally adequate soil moisture, will be favorable for late planting and crop development. However, portions of the southwestern and central Midwest are drier, and we will have to watch for stress if this pattern persist into early June. In the southern Plains, a few showers and isolated thundershowers will be in the region during the next five days, but rains will not be enough to improve yield prospects for winter wheat. Later in the period, the weather turns hot and dry for the southern portions of the Plains. In the Southeast and the Delta crop areas have the potential for moderate to heavy rains over the next few days depending on how this tropical weather system in Gulf of Mexico evolves. Looking to South America, Brazil remains dry, with very little rain forecast through the next week. Losses to the safrinha corn crop continue. Total Brazil corn production is already estimated to be 20% below a year ago. The 6 to 10 day outlook for May 28 - June 1 calls for the likelihood of warmer than normal weather nationwide, except for near normal temperatures in Florida. Meanwhile, near to above normal rainfall across most of the country should contrast with drier than normal conditions in a few areas, including Texas, New England, the upper Midwest and the Pacific Northwest. Again, very weather will persist in the Southeast.

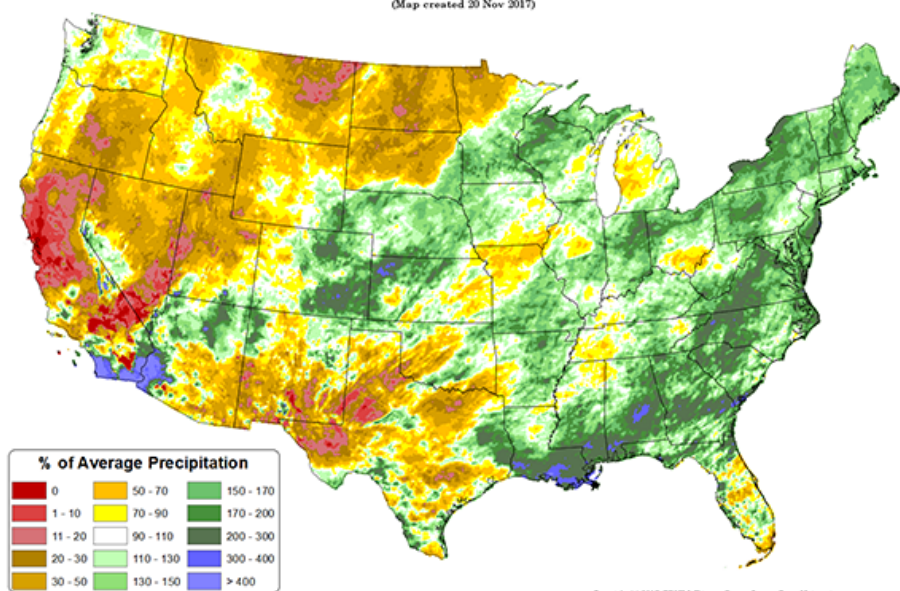
Comparing Rainfall Last Year To This Year: *Here's May 2017 precipitation anomaly compared to May so far this year. As you can see, we have substantially less rain going into Summer across the Midwest than last year.*

Upcoming Events

Fri. 5/25 - Cattle on Feed

Total Precipitation Anomaly: May 2017

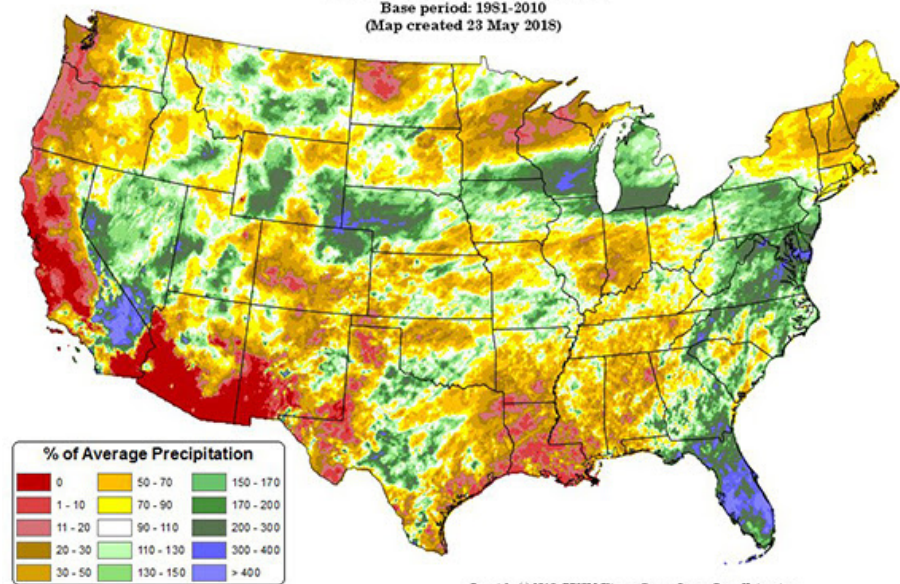
Period ending 31 May 2017
Base period: 1981-2010
(Map created 20 Nov 2017)



Copyright (c) 2017, PRISM Climate Group, Oregon State University

Total Precipitation Anomaly: 01 May 2018 - 22 May 2018

Period ending 7 AM EST 22 May 2018
Base period: 1981-2010
(Map created 23 May 2018)



Copyright (c) 2018, PRISM Climate Group, Oregon State University

Mon. 5/28 - Memorial Day - Markets Closed

Tues. 6/12 - USDA Supply and Demand

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

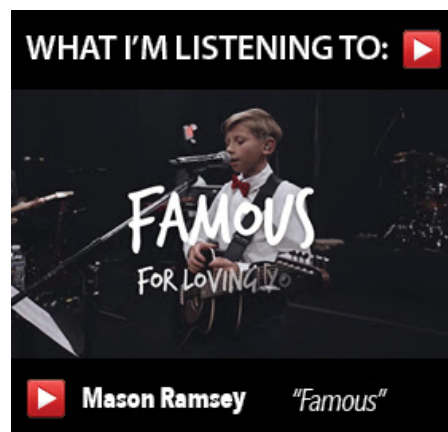
Fri. 6/22 - Cattle on Feed

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

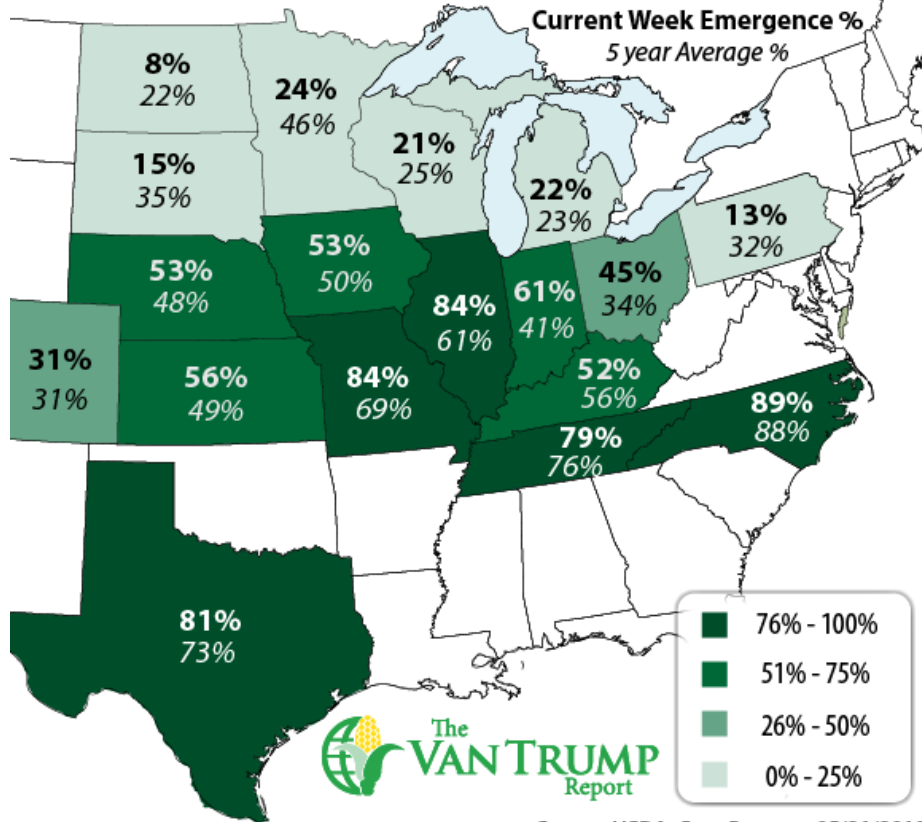


Kevin's Song of the Week

Corn prices are again pushing higher this morning. There's some rumors circulating that the Argentine Finance Minister, Nicolás Dujovne is going to President Mauricio Macri this afternoon with a plan to not only postpone reducing the soybean export duties, but also initiating a 10% export tariff on both corn and wheat, as a way to help battle rising fiscal deficit. Bulls are starting to talk more about dryness developing in some areas here in the U.S. There has also been more talk that the Chinese might become bigger buyers of U.S. corn once trade negotiations are completed. I'm not holding my breath but I suspect there could certainly be an outside possibility. Bulls are also pointing to perhaps fewer U.S. corn acres being planted as some producers up in the Dakotas, Minnesota, Wisconsin and Michigan continue to run into weather related delays. I think this is a legit argument and personally believe U.S. corn acres are going to be trimmed a bit moving forward. It's not just the acres to the North, but I also believe there may have been fewer corn acres planted to the South. Let's also keep in mind the production setbacks seen in South America this year. As a producer, I've taken advantage of the recent rally by reducing a bit more longer-term price risk. As a spec, I remain a conservative bull, not adding to my current positions, rather holding for a longer-term play. I've learned in my trading career, there are some markets where you want to add on the momentum and some where it's better to add on the breaks or weakness. I believe this particular market could be a bit more long-term oriented and somewhat demand driven, hence I like the thought of adding on weakness. Longer-term bull markets will most generally give you multiple opportunities to jump on board the bandwagon...no need to race to jump on board! Just my opinion...

2018 Corn Emerged

Week Ending May 20, 2018



Source: USDA, Crop Progress 05/21/2018

Soybean bulls are talking about rumors of Chinese buyers jumping back in the market for U.S. beans. A couple of inside sources were thinking a few U.S. cargoes may have been purchased off the PNW and perhaps one or two out of the Gulf. Unfortunately, I have absolutely no confirmation of the Chinese booking any recent U.S. cargoes. In fact, I'm extremely apprehensive in biting on the rumors. Perhaps a shipment or two purchased off the PNW would be believable, but with Brazil harvesting a fresh all-time record crop and prices being more competitive, it's hard to swallow much more than that. Remember, this is traditionally the time when China buys from Brazil, I don't see that changing dramatically regardless of improved trade relations. A couple of bullish headlines that might be gaining more traction, are talks of the U.S. trying to get the Chinese to purchase more U.S. agriculture, talk of Argentine leaders perhaps not lowering soybean export tariffs as once promised, and the trucker strike currently taking place in Brazil, which is still in play and might end up doing more logistical damage than the trade had originally anticipated. I've heard in some areas, soybean crushing facilities have had to shut down or dramatically reduce their production runs due to trucker protests and inability to get supply. Keep in mind, sourcing supply in Argentina is also extremely difficult as producer remain tight fisted battling a short crop along with 25% inflation and 40% interest rates. From a technical perspective, old-crop JUL18 soybeans continue to look at psychological resistance up between \$10.50 and \$10.60 as the next nearby hurdle, support seems to remain in the \$10.00 to \$10.20 range. New-crop NOV18 soybeans are again knocking on the previous high of \$10.60.

NEXT level THINKING



My goal at "The Van Trump Report" is to help readers better identify the moving parts and dynamics associated with the financial markets, geopolitical events, economics, media and culture that is currently influencing and shaping the direction of the agricultural markets. I like to believe I "Challenge the Traditional" and encourage our readers to think outside the box.

I use story telling techniques that are written in an easy to read format to help convey my current thoughts about business, markets, technology, weather, sports and life. I also like to include links, filter the noise, and pass along in-depth research and information that I believe could challenge your current thought process and help you make more informed decisions. In addition I include valuable lessons I have learned from other traders, executives and investors, along with an occasional inspirational piece about life, family and faith.

What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific individual needs. For specific investment or hedging advice please seek the help of a licensed representative that can better understand your particular situation, individual needs and overall risk tolerance. This information should ONLY be used for educational and entertainment purposes.

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

Kevin Van Trump

What Others Are Saying

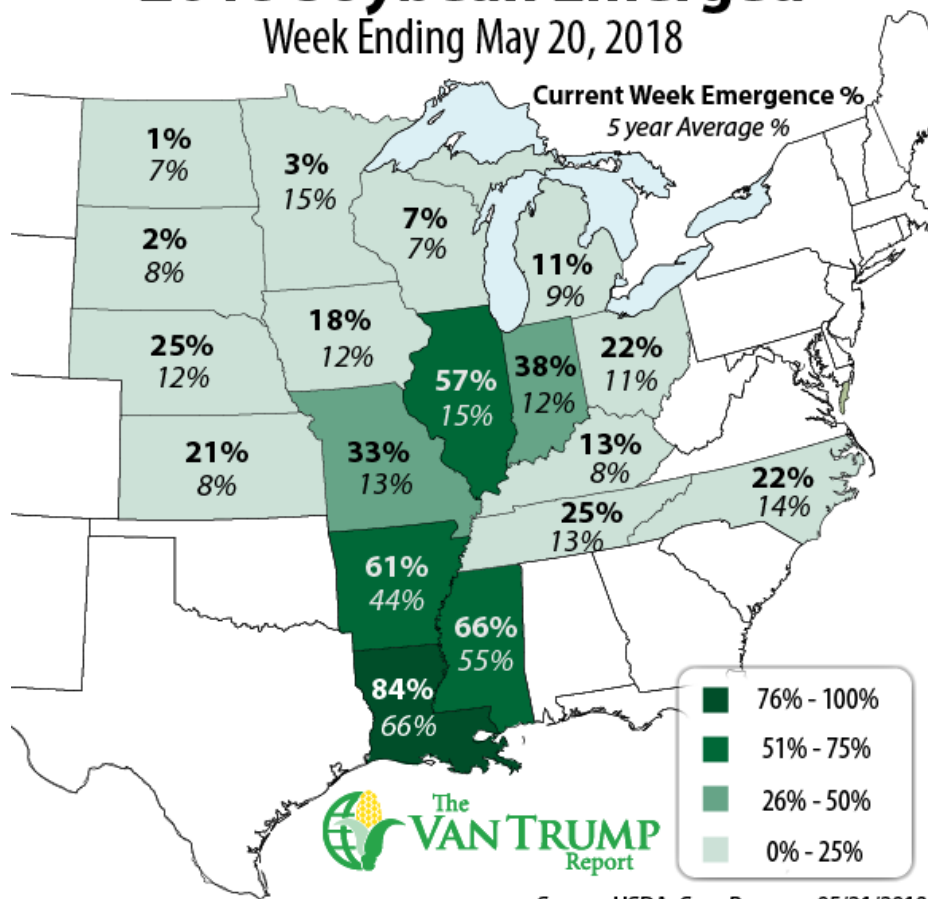
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis 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

2018 Soybean Emerged

Week Ending May 20, 2018



Source: USDA, Crop Progress 05/21/2018

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.

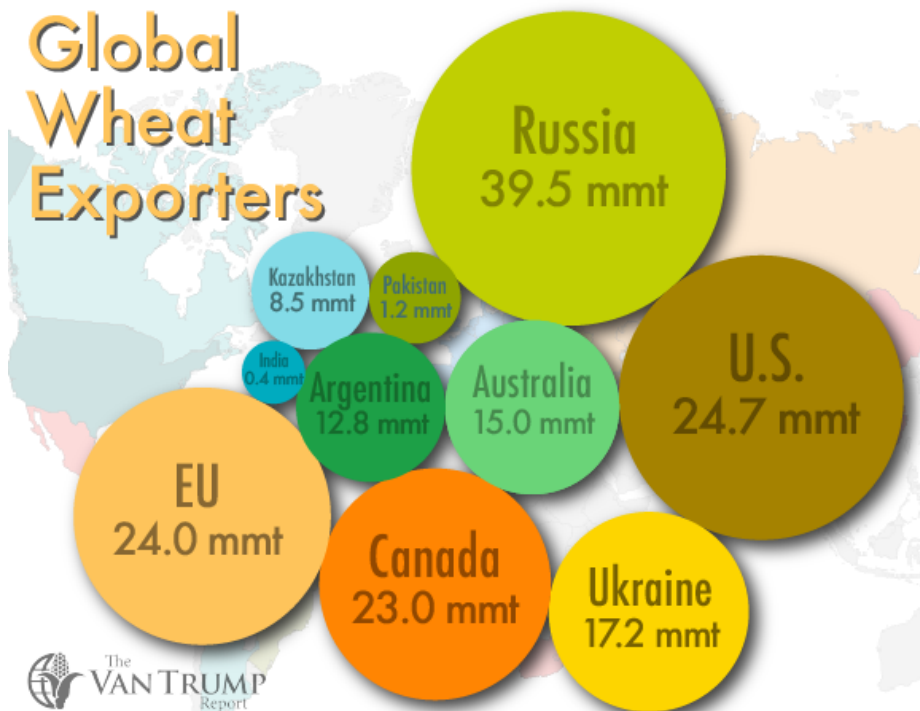
- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

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.

Wheat bulls continue to talk about weather concerns and possible production problems in parts of Australia, Canada, Europe, Russia and Ukraine. There's also rumors that Argentine leaders could slap a 10% export tariff on both corn and wheat to help battle their rising deficit. Here at home, the concern is rising temperatures and the additional stress it will be adding to an already stressed crop. I've been hearing that the harvest is rolling down south, with producers in central Texas talking about better than expected yields but less than expected protein levels. From my perspective, that sounds fairly familiar for that area, so I don't see it moving the market much in either direction. Bears continue to point to burdensome global supply and a strengthening U.S. dollar. From a technical perspective, SRW wheat has now pushed above the recent highs posted at \$5.38⁴, which is essentially the highest price we've seen traded since back in late-July end early-August. The HRW wheat contract is still about -10 cents off the highs set back at \$5.68⁴ per bushel. Most inside the trade are still looking for that area between \$5.65 and \$5.75 to be stiff resistance on the charts. We are clearly in a weather market, which are notoriously difficult to forecast and determine price risk. As a producer, I continue to like the thought of reducing additional risk on the rallies. As a spec, I remain on the sideline, having clearly missed this boat. I am also still not in any hurry to establish an outright short position... Content watching the weather in Australia, Canada, Russia, Ukraine and here at home. If we continue to rally, I will be looking to reduce more longer-term price risk using strategies to capture 2019 premiums.

Russia Wheat Exports Highest in the World: With the pace of sales slowing in recent weeks, U.S. wheat exports for 2017/18 are trimmed 15 million bushels to 910 million. The comes as data on shipments of Russian wheat exports reveal a continued surge through March and into April. This pace exceeds the already high expectations for Russian exports for the 2017/18 marketing year. Raised 1 million metric tons this month to 39.5 million, Russian exports are forecast to set a new volume sales record and to firmly establish the country's position as the world's top wheat exporter. Map below show exports for Marketing Year 2017/18.

Global Wheat Exporters



The VAN TRUMP Report

Source: Updated with latest WASDE data released May 10, 2018



> Cattle-on-Feed report scheduled for release tomorrow could show 11.6 million head of cattle on feed as of May 1, which is up about almost +5% compared to last year at this time. Marketings are thought to be higher by about +6%. Placements seem to be the big wild-card, with many insiders thinking they could be significantly lower by about -7% to -9%.

> U.S. Wants China To Approve More Biotech Crops: Our friend Tom Polansek over at Reuters put together an excellent article about U.S. trade with the Chinese and how we are trying to get more GMO crops approved for imports. Read more [HERE](#).

> Saudi Arabia Buying U.S. Corn: USDA reported a sale of 140,000 metric tons split between old and new-crop bushels.

> Brazil Signals Fuel Tax Cut To End Truckers Strike: The Brazilian government will propose a reduction of the tax on diesel in a bid to end a nationwide truckers' protest against higher fuel prices. Since the beginning of the week, truck drivers have been staging demonstrations against a rise in fuel prices of nearly 50% in less than a year. (Source: Reuters)

> South Africa's Record Crop Finding New Home: With lower prices and Europe's hunger for corn, South African corn has found a surprising destination to sell. The increased trade comes as EU imports surged 41 percent this season amid strong demand for animal feed and cheap grain from more traditional suppliers such as Ukraine, Brazil and the U.S. Spain has accounted for all of the EU's recent purchases from South Africa, whose last harvest more than doubled from a year earlier when the worst drought on record hurt crops.

> Trade War Is A Win For Other Nations? The real winners of the trade wars between the U.S. and China could be our neighbors to the south — particularly Brazil. Brazil may bring millions of new acres of land into production faster with the help of Chinese investments in its roads and railways. Already the South American nation has supplanted the U.S. as the biggest global supplier. This trade war may push that gap wider. That is especially true if Beijing goes through with a threatened 25% tariff on U.S. soybeans in retaliation to a list of American tariffs that's on hold for the time being. Brazil is already projected to increase its soybean production by about 9.5 million hectares over the next 10 years according to USDA estimates. (Source: Politico)

> The Senate's August Break May Be Cut Back: The Senate's traditional August recess is likely to be trimmed or possibly scrapped entirely as GOP senators expect that Majority Leader Mitch McConnell will soon announce plans to gut the four-week recess. Reports are McConnell's caucus and President Trump are pressing for more action from Washington as spending bills and nominations are stacking up.

Farm Direction
RECIPES

★ **FAMILY FAVORITES** ★
 -SENT IN BY OUR READERS-

Chicken Bacon Ranch Pasta Recipe

CLICK TO SEE RECIPE

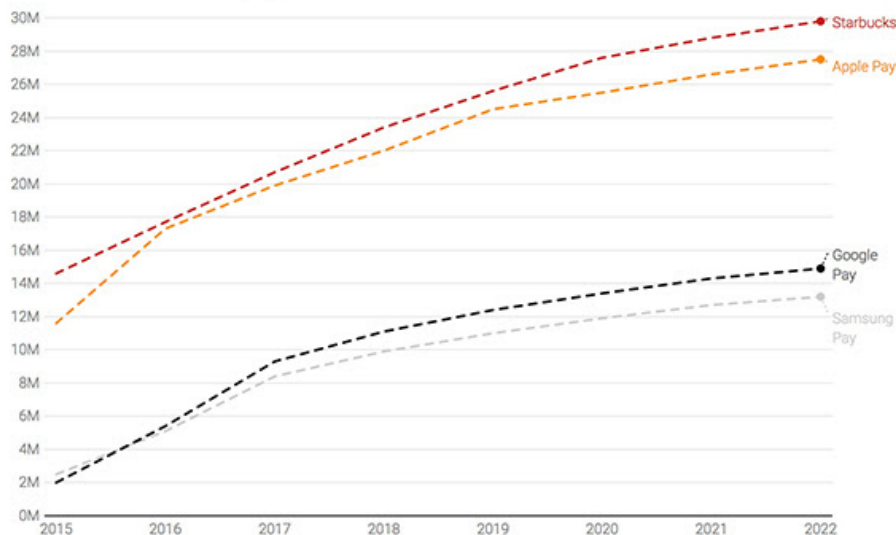
> Moving to Retaliate Against U.S. Tariffs: Japan, Russia and Turkey are the latest countries to notify the World Trade Organization of plans to retaliate against the Trump administration's tariffs on steel and aluminum imports. Japan calculated that the duties would add approximately \$439.9 million in costs, while Russia calculated \$537.6 million. Neither party said what they would target but both plan to respond with their new tariffs. (Source: Reuters)

> First Deal Of the Legal Sports Betting Era: Earlier this month, the U.S. Supreme Court gave the go-ahead to legal sports gambling. Now we have the first result of that deal: Paddy Power Betfair, a U.K. based sport-betting heavyweight, is buying FanDuel, a big fantasy sports operator. We will likely see more of these deals in the future as it pairs a company who already handles legal sports gambling with someone who has a large digital footprint in the U.S. sports market. Paddy Power will own 61% of the combined company, with the ability to eventually own all of it. (Source: Gizmodo)

> Want To Make Money off the 'Fortnite' Video Game? Not interested in video games? You can still make money off 'Fortnite' one of the fastest-growing games of all time. Though Epic games, the creator is not a publicly traded company, Tencent Holdings of China is. Tencent is part of the 'BAT' investment acronym which includes other Chinese companies Baidu and Alibaba and has a 10% in Fortnite. Tencent has the largest game-distribution platform in the world's most populous country. Look into Tencent (ticker symbol TCEHY), it is a very large company and it holds a large investment in a game that is becoming a phenomenon. (Source: MarketWatch)

> Starbucks Beats Apple and Google To Be the King of Mobile Payments: By the end of this year, a quarter of U.S. smartphone users — 55 million people — over the age of 14 will make an in-store mobile payment. More than 40% of those people will have done so through Starbucks' mobile payments app. The Starbucks app, which launched before the other three top payments apps — Apple Pay, Google Pay and Samsung Pay — has long been the most successful payments app. According to Starbucks, its mobile order-and-pay system accounted for 12% of all U.S. transactions in the quarter ended April 1. (Source: Recode)

U.S. in-store mobile payment users



Includes mobile phone users ages 14+ who have made at least one payment in the last six months.

Source: eMarketer estimates

recode



Northwest Oregon - It was great to see some news from NW Oregon make the report the other day. Traeger grills began and were made three miles from our farm in empty barns owned by the local Benedictine Abbey. They gained some national traction when Terry Bradshaw became their "celebrity" face, but they eventually sold and moved overseas. We live in one of the most diverse agricultural areas in the world. There are over 200 commodities grown between the Coastal range and the Cascade range. We grow some storage onions, green beans, cauliflower and turf grasses among other things. One of the newest and fastest growing commodities are Hazel Nuts. In the last 10 years the acres have grown eight-fold. We are hesitant to dive in as we believe production levels may have peaked for the current demand levels. We are weeding onions now and finishing with planting beans as well as getting ready to plant cauliflower.

Northern Minnesota - Believe it or not there's still guys that have wheat that is not planted and they are still going to continue to planting until June. I planted my last wheat about a week ago and its just starting to shoot out of the ground, which is quick because we have had so much moisture and

now heat. We seem to have about 5 days of heat then about a day or day and half of rain that stops us for the next 2-3 days. Needless to say it's been a slow planting season and we have a chance of rain tonight again. Today was the first day we got back in the field in several days and we will be sitting again more then likely Thursday. I have about 600 acres of soybeans to go which I will get a majority of them done today. We should be able to finish the remainder tomorrow if it doesn't rain or next week if it does. I have one quarter that I will prevent plant to corn if it rains tonight and if we miss the rain then I will try and get it planted next week. Corn pays the best and has the earliest prevent plant date so it's a pretty easy decision up here. I have hope we see a rain so I have one less quarter to mess with this year.

Eastcentral Nebraska - My area is set up for the best corn crop ever, depending on weather during pollination. I expect near perfect condition ratings. We got a late start due to cool wet conditions, but once it dried out it it stayed dry. Probably one of the most condensed planting seasons ever. Almost everything was planted in the last week of April and the first week of May. Near ideal soil planting condition. A little colder than ideal, but not too cold. We have good subsoil moisture from last fall's rains, and just enough general showers this last week to get good moisture to the seedlings. Very little Nitrogen leaching, so the only N loss would be from surface applied Urea that didn't get rained in soon enough. At this point, our only real risk to irrigated corn will be severe heat during our condensed pollination window. Hail could be a problem closer to York, but my townships have some of the lowest hail risk ratings in the state. August weather and operator error are going to be the primary yield limiting factors here.



First All Autonomous Weed Killer: I have to believe it is a matter of when and not if, most producers will adopt robotic technology to attack weed pressure. And now Swiss company Ecorobotix is in the game and hopes to be to market by 2019 with the first ever all autonomous machine. You may remember that John Deere recently purchased Blue River Technology, who also has a machine weed killer, the main difference is you pull theirs behind a tractor. Take a look [HERE](#) to see what the future of weed control may look like.

Interesting Shift In Payment Priorities: U.S. consumers have demonstrated that they are more devoted to their mobile phones than their automobiles. Interestingly, payment priority of cell phones is higher than personal and auto loans. If you think about it, someone who is struggling to pay all their bills each month can always get to where they are going with a rideshare app and since they do most all their transactions and shopping online, phones could be considered a necessity. On top of that, the shift is increasing the attractiveness of bonds generated from mobile-phone loans, a small but growing portion of the asset-backed securities market. Read more [HERE](#) about a possible play on bonds backed by phone purchases.

Who Gets To Be In Finances Most Exclusive Club: It has no name and no board of directors but has a roster drawn from the world's wealthiest and most successful traders. Members essentially become their own one-person firms, even firms within firms, by gaining a seal of approval to deal in the complex products typically reserved for institutions that manage hundreds of billions of dollars. And all without drawing the attention of Wall Street's everyday millionaires. Learn more about how this exclusive and secretive group operates [HERE](#).

How Sleep-Ins Can Save Your Life: Many people complain they do not get enough sleep, and it seems they are right to be concerned. Researchers have found that adults under the age of 65 who get five or fewer hours of sleep for seven days a week have a higher risk of death than those who consistently get six or seven hours' shut-eye. However the effect of short sleeps over a few days may be countered by a later lie-in. The research found that individuals who managed just a few hours' sleep each day during the week but then had a long snooze at weekends had no raised mortality risk, compared with those who consistently stuck to six or seven hours a night. Learn more [HERE](#).

Marketing Value And Mission Not Products: It used to be that companies would buy paid media, interrupt people's days, and plant a seed, hoping it would lead to a harvest of sales. Nowadays, the top brands attempt to inspire people around something bigger than just consumption and will actually inspire people around the mission, and the purpose that the brand stands for. As the Millennial generation wants to build their lives around experiences and missions, a new ranking from the World Value Index, identifies whose winning the competition for their dollars. Take a look at the top 200 major brands, nonprofits and social movements that are leaving deep impressions with consumers. Read more [HERE](#). To see a larger version of the graphic click [HERE](#).

WORLD VALUE INDEX 2018

ENSO.CO/WORLDDVALUE

1	St. Jude Children's Research Hospital	31	Nestlé
2	Red Cross	32	AAA
3	Salvation Army	33	Kraft
4	Goodwill	34	CVS Pharmacy
5	Habitat for Humanity	35	Lipton
6	Doctors Without Borders	36	Home Depot
7	Amazon	37	Walmart
8	Boys and Girls Club	38	Subway
9	Save the Children	39	Coca-Cola
10	Girl Scouts of the USA	40	Newman's Own
11	World Wildlife Fund	41	LEGO
12	Google	42	Fisher-Price
13	National Geographic	43	Lowe's
14	YMC	44	McDonald's
15	Johnson & Johnson	45	LAY'S
16	Olympics	46	Target
17	Campbell's Soup	47	NIKE
18	Dove	48	Whole Foods
19	Netflix	49	Visa
20	Disney	50	AARP
21	FedEx	51	Ben & Jerry's
22	Microsoft	52	Trader Joe's
23	UPS	53	Panera
24	Wikipedia	54	United Nations
25	Samsung	55	Petfinder
26	PayPal	56	Toyota
27	United Way	57	Facebook
28	Kellogg's	58	Sony
29	Bill & Melinda Gates Foundation	59	eBay
30	YouTube	60	Yahoo
		61	Ford
		62	Chick-Fil-A
		63	Doritos
		64	SunChips
		65	Pepsi



Predictive DNA Setting New Standards

Ranchers now have a new tool to use when purchasing their next Bull for the herd. Traditional methods have analyzed how a prospective bull's progeny has developed over generations, using genetic predictions called Expected Progeny Differences or EPDs. That changed last November with the introduction of a genomic testing kit by the American Angus Association, using predictive DNA technology. I'm told the test will provide even more specific traits for buyers. For \$37 a producer can send in a tissue or blood sample and get the results comparing your bull to the genetic makeup of others in the breed. I should mention that this is playing out in rising auction prices for the best bulls as identified by genetic profiles or simply for their elite pedigree. In one such case recently, Missouri rancher Brian Bell teamed up with Oklahoma rancher David Bogle to outbid a global audience in North Dakota as they set a world record sale price of \$800,000 for a bull named Elation. Keep in mind this investment will keep on giving as the pair will not only breed Elation with their herd, but also sell his semen worldwide. The duo has already sold over 4,500 samples at \$50 a pop and are well on their way to covering their costs. It's worth noting that in 2017, more than 2.5 million samples of beef semen were sold in the U.S. last year, doubling since 2010. From what I understand the science is getting ready to narrow its focus to tailor the tests in order to better predict how productive cattle will be in specific environments with humidity, elevation or toxic vegetation. Interestingly, about 85 percent of U.S. beef ranchers still develop herd genetics the old-fashioned way — by setting a bull loose with cows in a pasture. With that said, it sounds like a great opportunity for those looking to diversify or expand. I tip my hat to Bell and Bogle for taking the risk and spending the money to have the opportunity to grab huge market share early in this game. A person can have the attitude of trying to save money or trying to make money. Everyday there a million opportunities presented to us if we have our eyes open and are positioned to take a risk and pursue them. (Source: [NPR](#))

SAV ELATION 7899

CALVED 12/26/16 • AAA +18911198

Sire: Sinclair Emulation XXP • Dam: SAV Blackcap May 1782



- Holds the world record as the highest-selling bull of all time, purchased at the 2018 SAV sale. From the foundational Emulation line of cattle known for leading the industry in fertility, longevity, udder and feet quality for decades; blended with the greatest maternal cow line in the Angus breed.
- An elite curvebender — attractive, extremely long-bodied, thick and muscular with an athletic, sound structure and docile temperament.
- His phenomenal dam, SAV Blackcap May 1782, has a weaning ratio of 112 on 4 calves.
- Elation's 16-year-old Pathfinder granddam, SAV May 2397, is the third top income-producing cow in SAV history. She has seven sons in major AI studs.
- Ranks in the top 15% for Birth Weight (BW) EPD, top 2% for Weaning Weight (WW), top 10% for Yearling Weight (YW), top 3% for Weaning Value (\$W), top 15% for Feedlot Value (\$F) and top 25% for Beef Value (\$B).
- The son of Sinclair Emulation XXP, a linebred son of N Bar Emulation EXT, considered by many as the most influential Angus bull in modern history.

As of 6/27/2018

Production								Maternal				Carcass				\$Values								
CEI	BW	WW	YW	RADG	DMI	YH	SC	DOC	HP	CEM	MILK	MW	MH	SEN	CW	MARB	RE	FAT	\$W	\$F	\$G	\$OG	\$YG	\$B
1+3	-4	+75	+120	1+13	1+81	1+2	+12	1+27	1+83	1+7	+22	1+42	1+2	-15.05	+62	+31	+40	+0.00	+73.57	+71.01	+14.78	+21.59	-6.61	+134.24



Schaff Angus Valley

Brian Bell • 660.438.2188 • squarebcattle.com
23265 Poorboy Road, Warsaw, MO 65355



SQUARE BRANCH
CATTLE COMPANY

Whose Leading The Driverless Race

The race to establish the world's first driving business without human operators is taking shape. And I suspect in the next two to three years nearly all will be navigating city streets at least at casual speeds. Meaning they will have mastered Level 4 on the five-step scale, which is the point at which a car can drive on a pre-mapped route and handle all challenges without the need for a driver to intervene. To this point, only Alphabet's, Waymo, has tested Level 4 vehicles on passengers who are not its employees. Personally, I would currently find it difficult to step in and relax on busy city street with no driver or steering wheel, but I can't avoid that fact it is coming... and soon. As the race to Level 4 proceeds, companies will also be creating businesses surrounding the technology in order to profit from the huge opportunities from future taxi services. I'm told the robo-taxis business will grow from \$5 billion today to over \$285 billion by 2030. I thought I would share the top five contenders in the space, all of whom probably offer a potential investment opportunity. (Source: Bloomberg)

> **Waymo:** With over five million road miles in 25 cities and billions of miles of computer simulation, Waymo leads the pack. The company by far has the lowest rate of disengagement, meaning the times when an engineer needs to grab the wheel because the bot couldn't handle the situation. It also reported fewer accidents while testing in California last year. Waymo had three collisions over more than 350,000 miles, while GM had 22 over 132,000 miles. Keep in mind, a pilot program of driverless vans will begin commercial service later this year, picking up paying passengers in Phoenix and branching out from there. Also, the company recently announced a deal to add 20,000 Jaguar I-Pace SUVs to the fleet.

> **GM's Chevy Bolt:** Currently the Bolt can only navigate the busy streets of San Francisco at speeds up to 25 miles per hour. One advantage for GM is that there's a factory north of Detroit that can crank out self-driving Bolts. That will help GM get manufacturing right and lower costs without relying on partners. Where GM lags Waymo is in the speed department, meaning GM doesn't test faster than 25 miles per hour, deeming that the safest top speed at this point. GM plans to spend \$1 billion of its \$8 billion annual capital expenditure budget to develop self-driving cars and mobility

services. That money will allow GM the option of developing its own ride-hailing business. It's worth noting that the automaker already has a stake in Lyft Inc.

> Mercedes-Benz: Is in the ballpark with its current technology, Intelligent Drive, which allows their vehicles to get closer to real self-driving because the system can help steer clear of pedestrians and avoid other accidents. For the cars of tomorrow, Daimler works closely with Robert Bosch GmbH and will be using a system from Silicon Valley intelligent computing company Nvidia Corp. The test cars can drive at Level 4 autonomy and maybe even Level 5, which means the car doesn't need a steering wheel or pedals to operate. Before those systems are on the road, Kaellenius said Mercedes will offer Level 3 autonomy as an option in the cars it sells by 2021. This means that the car can handle most driving while prompting the driver to take over in certain situations that the computer can't handle.

> Aptiv Plc, Former Delphi Automotive: No one would have imagined a decade ago that the arm of bankrupt GM parts unit Delphi would be a player in the self-driving revolution. The company has been testing ride-hailing services in Singapore since 2016 and will have them operational in 2021, according to Navigant. Aptiv has been working with Audi AG and Bayerische Motoren Werke AG cars to develop its technology.

> Zoox Inc: Has a self-driving Toyota Highlander SUV which runs on the same busy streets that GM uses to test the Bolt. But Zoox's car can also drive at highway speeds. From what I understand, the company plans to have its car ready for passengers in 2020. The challenge for Zoox is getting more funding to build its car. The company has raised more than \$280 million but needs additional cash to finish. It can cost \$1 billion for car companies to finish a new model. Established carmakers have their own vehicles, and Waymo has partnerships with manufacturers

HOW WAYMO'S SELF-DRIVING CAR WORKS

One of Waymo's three lidar systems that shoots lasers so the car can see its surroundings. Waymo says this lidar can detect a helmet two-football fields away.

A forward facing camera works with 8 others stationed around the car to provide 360 degrees of vision.

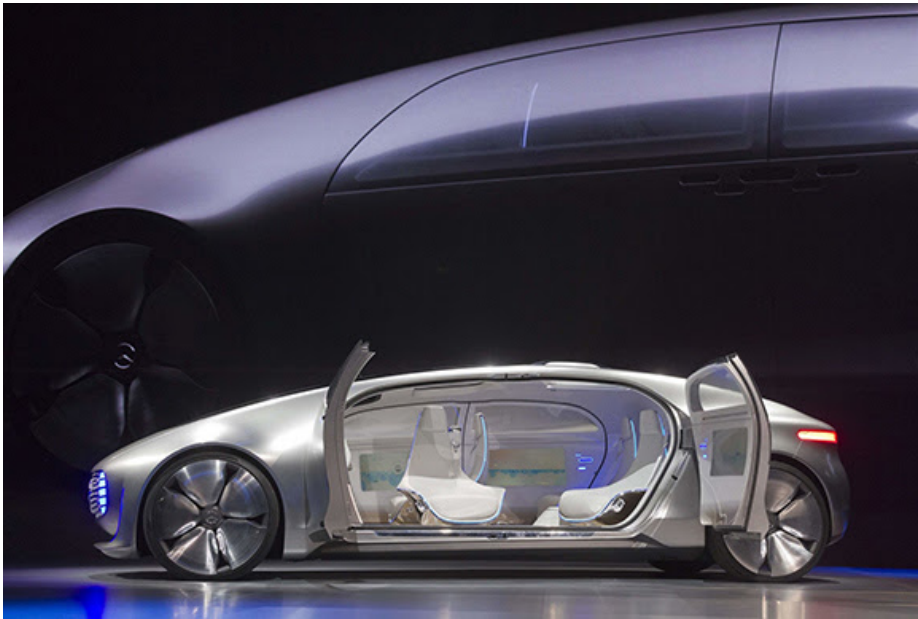
Radar sensors can detect objects in rain, fog, or snow.

Waymo's self-driving sensors are tightly integrated into the hybrid minivan created by Fiat Chrysler.



SOURCE: Waymo

BUSINESS INSIDER



Great Success Story... From Peeling Shrimp to Owning the Rockets

People may now know Tilman Fertitta from being the star from the show "Billion Dollar Buyer," which airs on CNBC. I personally find the show very interesting and have actually had my wife DVR the series when it is in season. I also like The Profit, and Shark Tank which also run at night on CNBC. If you don't know Tilman Fertitta from the CNBC show, then perhaps you know him as the billionaire who paid a record \$2.2 billion for the Houston Rockets NBA franchise back in September 2017. Remember, the sporting world was freaking out because Tilman paid more than any other sports franchise has ever sold for. Here are a few of the top sales ever: Los Angeles Dodgers sold for \$2.0 billion back in 2012; Manchester United sold for \$1.47 billion in 2005; Miami Dolphins for \$1.1 billion in 2008; Cleveland Browns for \$1.05 billion in 2012; Atlanta hawks for \$850 million in 2015; Chicago Cubs for \$845 million in 2009. Bottom-line, Tilman Fertitta is not afraid to take risk and make things happen. Fertitta was born and raised in Galveston, Texas. Growing up, Tilman's father owned a seafood restaurant. He was working in the front of the restaurant and in the kitchen peeling shrimp by the time he was 11 years old. Through this experience, he says he learned how to check in fresh fish and also how to fry it. At 13 years of age Tilman told his father he could go home and let him start running the business. By the time he got to high school, he was already investing in the stock market and running the family business. Fertitta decided to drop out of college and not pursue a degree, believing it would have just slowed him down and done very little for his entrepreneurial mindset. Fertitta started his first business at the age of 23. He took out a \$6,000 loan to start a hotel business. Soon after getting his small hotel business off the ground he leveraged himself again and became a partner in a small business called Landry's Seafood restaurant, which had just one location in the Houston suburb of Katy, Texas. Six years after becoming a partner in Landry's Seafood, Fertitta decided to sell his hotel and buy a majority stake in the small seafood business. He worked his way up to become the restaurants CEO, opened a few more locations and took the company public in 1993. Over the next 13-years he boldly expanded the operations and continued to invest his earnings and profits back into the business. In 2010, acting as the majority shareholder, Tilman put a bid for all outstanding shares of company stock, and gained sole control and ownership. Landry's Seafood is now called Landry's Inc., and is owned entirely by President & CEO Tilman Fertitta. His assets include 600 restaurant, hotels, casinos and entertainment destinations in 35 states. Companies that are owned by Tilman include Bubba Gump Shrimp Company; Joe's Crab Shack; McCormick and Schmick's; Morton's Steakhouse; Rainforest Cafe; Mastro's; Vic & Anthony's; Grotto; Brenner's Steakhouse; Brenner's on the Bayou; La Griglia; Willie G's Seafood & Steaks;

Saltgrass Steak House; Claim Jumper; and Golden Nugget Hotels and Casinos. Tilman also partnered with the City of Galveston to open a 140,000 square foot convention center, the Galveston Island Convention Center at the San Luis Resort. He has also acquired the adjacent Holiday Inn Resort Galveston – On the Beach. And also acquired the adjacent Hilton Galveston Island Resort, the Westin Houston Downtown, Boardwalk Inn, and Blue Water Inn. He also opened the Downtown Aquarium, a 20-acre entertainment complex in Houston with an aquarium; a restaurant built around a 150,000-gallon, floor-to-ceiling centerpiece aquarium; a bar; banquet facilities; amusement rides; and midway games. A train carries guests into a tunnel running through a 250,000-gallon shark tank. He has now opened other Aquarium restaurants that have since opened in Denver; Nashville; and on the Kemah Boardwalk in Texas. Tilman also owns Post Oak Motor Cars, a company which owns and operates Post Oak Motor Cars, Ltd., the largest factory-authorized Rolls Royce Motor Cars and Bentley Motors dealership on the Gulf Coast. Fertitta now has amassed several billion in assets and brings in over \$3.5 billion in annual revenue. Forbes now calls him the "World's Richest Restaurateur". I suspect regardless of if Houston wins the current playoff series against Golden State, Tilman will figure out a way to make the franchise insanely successful. For what it's worth, the Rockets finished first in the Western Conference, which was their best season in franchise history. They finished with an overall record of 65-17. Many inside the NBA, say it's because Tilman had the cojones to go after superstar player Chris Paul in the offseason, who now plays a huge role for the team. "What people perceive as impulse is Tilman's ability to adapt and develop a game plan and implement the game plan more quickly than others..." I also find it interesting that Tilman is leaving his entire fortune to his children. While many other billionaires are signing a pledge to leave the majority of their vast fortunes to charity. Tilman says, "I look at things much differently. I try to instill what's right and wrong within my kids, I don't spoil my kids. My kids go to work every day." Fertitta explains that his children have been working at his company since they graduated from college and he believes that doing so has taught them that they can contribute more to society by continuing to grow the business and create jobs. "That's what makes American capitalism," he says. Tilman also says he teaches his kids about the importance of philanthropy and how they can make a difference. Furthering that thought by saying he'd rather give his money to his kids to manage than someone who didn't grow up with his values and who may not share his thoughts or worldview. (Source: Wiki, CNBC, ESPN)

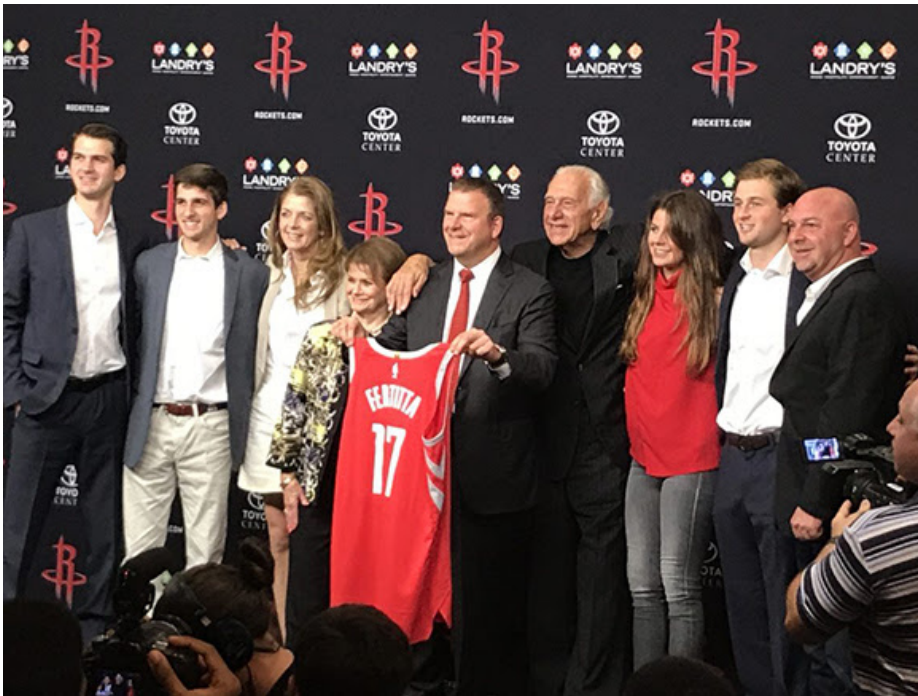




We don't use consultants at Landry's.
We're our consultants.

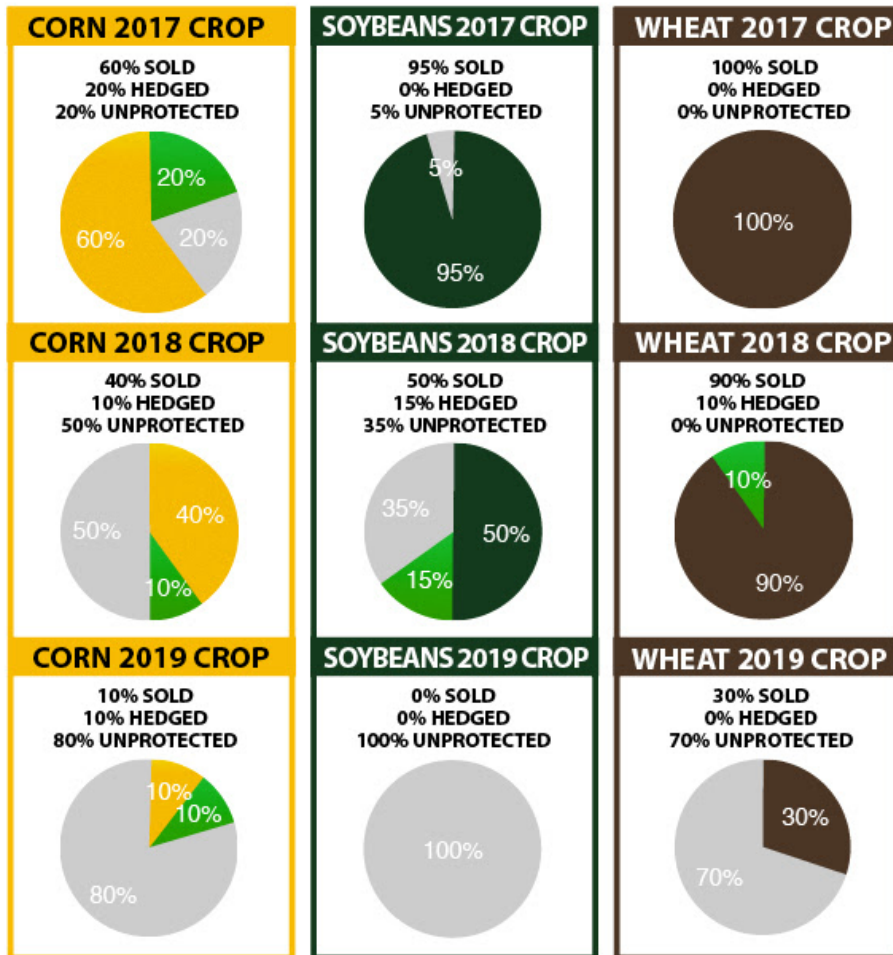
- Tilman J. Fertitta -

quote-parrot.com



ANSWER to riddle: Secret.

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](#)

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

Thu, May 24, 2018 at 7:07 AM

[Quoted text hidden]