

GOOD MORNING: 05/29/18 Farm Direction - Van Trump Report

1 message

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Tue, May 29, 2018 at 7:21 AM

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"You can't reach for tomorrow, if you have your arms wrapped around yesterday."
~Michael Monteleone

TUESDAY, MAY 29, 2018
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Morning Summary: Stocks are set to open lower following the long Memorial Day weekend. Traders are assessing a large number of moving parts. Not only is this a short trade week, but we also have a ton of fresh economic data scheduled to be released and a great deal of geopolitical uncertainty in the air. Italy, the third largest economy in the Europe Union, is in the midst of a meltdown and talk of yet another Eurozone crisis is back in the headlines. The ongoing trucker strike in Brazil is also causing market uncertainty. I should also note, the off-again-on-again June 12th Summit between the U.S. and North Korea is supposedly back on-again and may very well take place on the 12th of June as originally hoped. President Trump tweeted Sunday night, "Our United States team has arrived in North Korea to make arrangements for the Summit between Kim Jong Un and myself." I suspect the markets will be looking for further confirmation from the two leaders later this week. Also changing direction is the price of crude oil, which is now down nearly -10% in just the past four sessions. The sharp drop was triggered by Saudi Arabia's energy minister Khalid Al-Falih recently telling a group of reporters that he was in intensive discussions with Russia and a few other OPEC nations to pump more oil to help ease global supply concerns. Remember, OPEC oil producers, along with Russia are scheduled to meet in Vienna on June 22 to discuss easing self-imposed supply caps, which have been in place for the past several months. It seems like OPEC and Russia are trying to find a price level that is high enough to sustain profitability and supply, yet low enough to encourage demand and to keep the alternative fuel players on the sideline. Many in the trade suspect OPEC likes the thought of keeping crude oil in the \$60 to \$75 dollar price range. The oil market is clearly trying to rebalance itself and find some type of equilibrium. Here at home, Baker Hughes released updated data showing the North American rig count has now hit its highest level of the year. For what it's worth, U.S. crude production has increased by about +25% since mid-2016. In fact, two weeks ago we exported a record outbound volume of 2.6 million barrels per day. Most inside the trade think we will export a little less in June, but regardless it's still a massive number. One report circulating shows China's largest refiner, Sinopec, has recently purchased a record 16 million barrels of U.S. crude oil for the month of June. For those fans scoring at home, that's over +525,000 barrels of U.S. crude oil per day loading in June and shipping to Sinopec in Asia. I should also note, India and South Korea are thought to be grabbing over +200,000 barrels per day of U.S. crude oil in June. Turning to economic reports for the week, traders will be digest some heavy hitters. The most important is probably the monthly employment report scheduled for release on Friday. Today, most will be focused on Consumer Confidence numbers and the Cash Shiller Home Price Index. Tomorrow, it's the ADP jobs data and the updated GDP numbers. Thursday, is Personal Income & Spending and Pending Home Sales. Friday will be crazy, as the trade will try to digest the latest U.S. employment numbers, the latest in regards to Auto & Truck Sales, Construction Spending, as well as the ISM Index, which has become one of the Fed's favorite tools to gauge inflation. From my perspective, I think we may move from racing under a yellow caution flag to more safe conditions. The recent Fed "minutes" could have certainly eased some concerns about the group becoming to hawkish. And the recent setback in crude oil prices look to be easing some concerns surrounding inflation and consumer spending. Yes, there's still the massive uncertainty in the geopolitical space, but I don't think that's going to change anytime soon and does the market really care? I believe the yellow caution flag came out when the 10-year first started to approach 3% and the Fed seemed more hawkish in their rhetoric. I also think


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>> A gathering for the sharpest minds
in agricultural investing.
Hear firsthand about the new
innovations that will be changing
our farms and shifting our industry. <<


Over 700 In Attendance Last Year:

Many of the Largest Producers in our Country
CEO's, and Ag Executives
Traders and Hedge Fund Managers
Bank Presidents, FDIC members
Grain Merchandisers, Exporters, Analyst
Leading Ag Retailers
Livestock Executives
Venture Capitalist and Early Investors
Transportation and Logistics Executives
Innovative Start-ups

\$500
Early Bird Special
For First 200 to Register:
\$299

the velocity of crude oil prices moving higher also created some concern and warranted caution. I will continue to closely monitor both...

What You Need To Know About Italy And The European Union: *The latest political turmoil in Italy has many inside the trade wondering if the European Union is one step closer to falling apart? From what I understand, Italian President Sergio Mattarella on Sunday refused to accept the nomination of a finance minister, who supports the thought of Italy leaving the European Union. Mattarella has made it clear that he will not allow any policy that could put Italy on a slippery slope towards a major confrontation with the European Union or one that could potentially jeopardize Italy's euro membership. Interestingly, during the recent March election campaign, the populist parties called for just that, rules to be scrapped and a possible referendum to be held on leaving the European Union. Keep in mind, years of stagnation and a lack of reform have pushed Italy's government debt above \$2.3 trillion, equivalent to more than 130% of their annual economic output. That's the third highest level of indebtedness in the world after Japan and Greece. So either way, things are going to be a bit dicey for Italy regardless. What the people of Italy might want seems like it could ultimately be bad for the European Union. The departure of Italy, the third largest economy in the European Union, would certainly shake the markets. Many large traders are now closely monitoring the banks in both Italy and France. Lets also not forget, there's a populist revolt happening right now across much of Spain. Bottom-line, the European Union may start to become a bigger concern in the months ahead... You can read further details [HERE](#)*

Some Students Have Racked Up Over +\$1 Million In Student Loans: *The Wall Street Journal ran an article over the weekend that highlights this growing burden of student debt. Due to escalating tuition and easy credit, the U.S. Education Department says we now have over one-hundred people who owe at least \$1 million in federal student loans. The number of students who now owe at least \$100,000 has risen to around 2.5 million. The writer of the article, Josh Mitchell, interviews Mike Meru, a 37-year-old orthodontist, who made a big investment in his education. As of last week, he owed \$1,060,945.42 in student loans. Mr. Meru pays only \$1,589.97 a month—not enough to cover the interest, so his debt from seven years at the University of Southern California grows by \$130 a day. In two decades, his loan balance will be \$2 million. This is an interesting article, you can read more [HERE](#)*

Will The Bulls Keep Running? *Analyst at Credit Suisse says a U.S. recession probably won't happen for another two years, and in the meantime, stocks are probably a good bet, according to closely-followed Credit Suisse analyst Andrew Garthwaite. In a note to clients last week, Garthwaite stated that it is unlikely the U.S will experience a recession until Q3 of 2020 and that investors should remain overweight in equities. I understand that in the past 50 years, with the exception of 1987, when the equity risk premium hit a very low 1 percent, "equities have never peaked more than 13 months ahead of a recession," he said. High volatility is also here to stay, meaning credit is riskier than equity, Garthwaite said. He told clients to sell and "remain cautious" on highly leveraged companies with low free cash flow. Read more [HERE](#).*

What Your Checking Account Balance Tells Wall Street: *New research suggests checking account customers are doing something that indicates they don't feel as secure as they would like about the economy. They're not feeling as safe as some economists would have expected. Moebs Services, an economic-research firm in Lake Bluff, Ill., analyzed over 12,000 depository call reports and compared them to the Federal Reserve monetary data for 2017. From what I understand, the average consumer checking balance has increased in 23 of the past 30 quarters. Meaning average Americans might be a bit skittish on where things are going. Read more [HERE](#).*



"When the opportunity comes,
it's too late to prepare."
- John Wooden



Co-hosted by:



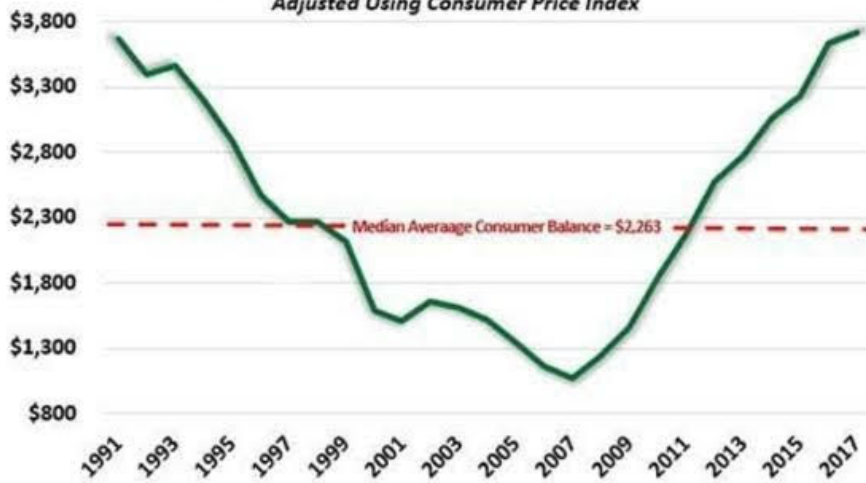
Today In History



1897, Dracula - Classic vampire novel Dracula, by Irish writer Bram Stoker, appear in London bookshops on this day in 1897. Stoker was a childhood invalid, who grew up to become a football (soccer) star at Trinity College, Dublin. After graduation, he got a job in civil service at Dublin Castle, where he worked for the next 10 years while writing drama reviews for the Dublin Mail on the side. During this time, Stoker met the well-respected actor Sir Henry Irving, who hired him as his manager. Stoker Irving' manager for most of the next three decades, writing Irving's correspondence for him and accompanying him on tours in the United States. As time went on, Stoker began writing a number of horror stories for magazines, and in 1890 he published his first novel, The Snake's Pass. Stoker would go on to publish 17 novels in all, but it was his 1897 novel Dracula that eventually earned him literary fame and became known as a masterpiece of Victorian-era Gothic literature. Using the form of diary entries from some of its main characters, Dracula is the story of a vampire who makes his way from Transylvania—a region of Eastern Europe now in Romania—to Yorkshire, England, and preys on innocents there to get the blood he needs to live. Stoker had originally named the vampire "Count Wampyr." He found the name Dracula in a book on Wallachia and Moldavia written by retired diplomat William Wilkinson, which he borrowed from a Yorkshire public library during his family's vacations there. when finally released, Dracula enjoyed moderate success, though when Stoker

Average Consumer Checking Account Balance

Adjusted Using Consumer Price Index



died in 1912 none of his obituaries even mentioned Dracula by name. Sales began to take off in the 1920s, when the novel was adapted for Broadway. Dracula mania kicked into even higher gear with Universal's blockbuster 1931 film, directed by Tod Browning and starring the Hungarian actor Bela Lugosi. Dozens of vampire-themed movies, television shows and literature followed, though Lugosi, with his exotic accent, remains the quintessential Count Dracula.



1924, Immigration Act - President Calvin Coolidge signs into law the Immigration Act of 1924, the most stringent U.S. immigration policy up to that time in the nation's history.

Written in response to WWII and the desire of Americans to isolate themselves from the rest of the world, which most agreed with at the time as the spread of communism was rampant. not to mention that it reflected the overall attitude of racial discrimination stemming from the perceived unfair competition for jobs and land. Americans were hoping to keep unskilled and uneducated immigrants from entering the country. Laws went as far as denying entry to Mexicans and only allowing a trickle of immigrants from Eastern and Southern Europe as well as Japan. At the same time, the legislation allowed for more immigration from Northern European nations such as Britain, Ireland and Scandinavian countries. A quota was set that limited immigration to two percent of any given nation's residents already in the U.S. as of 1890, a provision designed to maintain America's largely Northern European racial composition. In 1927, the "two percent rule" was eliminated and a cap of 150,000 total immigrants annually was established. The law particularly angered Japan, which in 1907 had forged with U.S. President Theodore Roosevelt a "Gentlemen's Agreement," which included more liberal immigration quotas for Japan. By 1924, strong U.S. agricultural and labor interests—particularly from California, which had already passed its own exclusionary laws against Japanese immigrants—favored the more restrictive legislation signed by Coolidge. The Japanese government viewed the American law as an insult, and protested by declaring May 26 a national day of humiliation in Japan. The law fanned anti-American sentiment in Japan, inspiring a Japanese citizen to commit suicide outside the American embassy in Tokyo in protest. In a somewhat ironic twist, despite being known for isolationistic legislation, Coolidge also established the Statue of Liberty as a national monument in 1924.



1907, John Wayne - Iconic actor John Wayne, who came to epitomize the American West, is born in Winterset, Iowa. Born Marion Michael Morrison, Wayne's family moved to Glendale, California, when he was six years old. When he graduated from high school, he hoped to attend the U.S. Naval Academy. However, after the school rejected him, he accepted a full scholarship to play football at the University of Southern California in Los Angeles. Wayne gained access into Hollywood, after his football coach found him a job as an assistant prop man, working for director John Ford. As time went on, Ford began to trust Wayne and gave him larger roles. It was in 1930 when Wayne was recommended for the epic western "The Big Trail." Though he got the part the movie didn't do well in the box offices. Wayne would spend the next ten years developing his acting skills and refining the distinct persona as a cowboy, which he is so

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: What two words, when combined, contain the most letters?

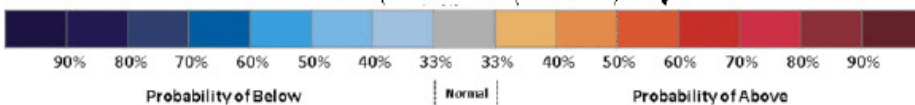
Weather forecasters were correct with the hot and dry conditions that settled over the central and southern Midwest over the holiday weekend. This developing high-pressure ridge over the south-central U.S. has to be closely monitored for the potential of early-summer stress to crops in the region. In the southern Plains heat has spread south to north over the weekend increasing stress to reproductive and filling wheat and germinating and early developing corn and soybeans. The 6 to 10 day is calling for warmer than normal weather nationwide, except for near-normal temperatures along the Pacific Coast. Meanwhile, near to above normal rainfall across most of the country should contrast with drier than normal conditions in a few areas, including New England, the Pacific Northwest, and the south central U.S.

Temperature Probability



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 25 MAY 2018
VALID MAY 31 - JUN 04, 2018

DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F). SHADED AREAS ARE FCS
VALUES ABOVE (A) OR BELOW (B) NORMAL
GRAY AREAS ARE NEAR-NORMAL

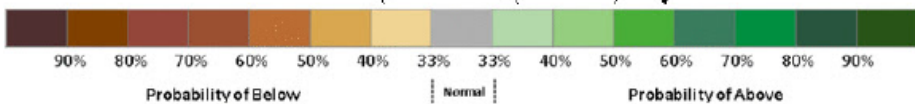


Precipitation Probability



6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 25 MAY 2018
VALID MAY 31 - JUN 04, 2018

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



Corn bulls are keeping a close eye on abnormally hot temps and dry conditions early in the U.S. growing season. Several areas across the U.S. reported record setting heat, some towns breaking century old records. The question is does an abnormally hot May lead to an abnormally hot June and July? And how much soil moisture will be pulled out of the ground? Most will say it's awful early to be stressing the crop, in fact, bears argue the recent warm up will give the crop in many areas a "shot in the arm" boosting growth and bringing Growing Degree Units back to more historical levels. I'm a little more uncertain about that theory, especially after referring back to an article the University of Nebraska published a couple of years back. Their research shows...

"Whether in the presence or absence of adequate soil moisture in the soil profile, heat stress can be an important risk and/or limitation to plant growth and development. While some crops are more susceptible to heat stress during critical growth stages [e.g., pollination for corn and R3 (flowering) stage for soybean], both corn and soybean are also susceptible to extreme heat (and water) stress during early vegetative stages.

noted for. "Stagecoach" was Wayne's big break in 1939, where he played the role of Ringo Kid, and he imbued the character with the essential traits that would inform nearly all of his subsequent screen roles: a tough and clear-eyed honesty, unquestioning valor, and a laconic, almost plodding manner. Wayne's career took off following Stagecoach and included classics like Tall in the Saddle (1944), Red River (1948), Fort Apache (1948), She Wore a Yellow Ribbon (1949), Rio Bravo (1959), and The Man Who Shot Liberty Valance (1962). As history has shown, consumer tastes will change and do so quickly. By the late 1960s, some Americans had tired of Wayne and his simplistically masculine and patriotic characters. Increasingly, western movies were rejecting the simple black-and-white moral codes championed by Wayne and replacing them with a more complex and tragic view of the American West. Wayne would sway even his staunchest critics with his last role in "The Shootist", where he played a dying gunfighter whose moral codes and principles no longer fit in a changing world. At the time, Wayne was battling lung cancer and went on to die three years later of the disease. To this day, Wayne is considered one of the most popular and iconic actors of all time.

Upcoming Events

- 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

Extreme heat stress can reduce plant photosynthetic and transpiration efficiencies and negatively impact plant root development, which collectively can negatively impact yield. The decline in the photosynthetic rate under both heat and water stresses are frequently attributed to

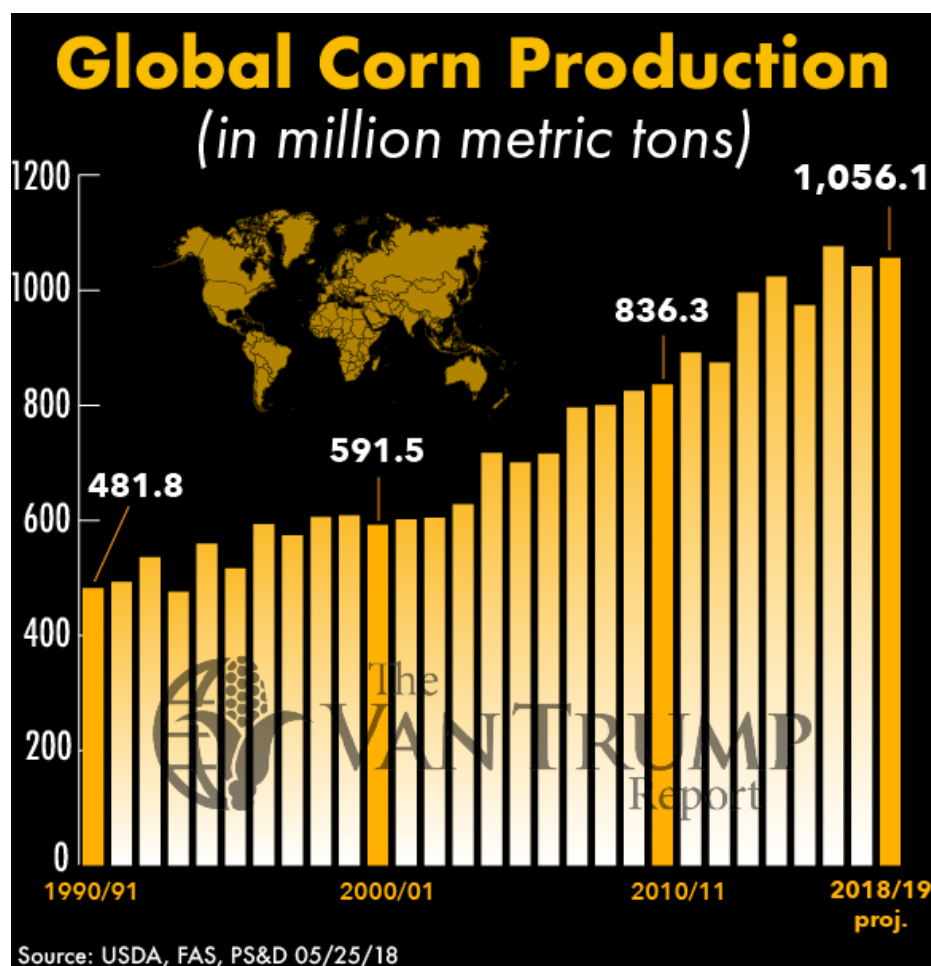
- lowered internal plant CO₂,
- inhibition of photosynthetic enzymes (e.g., Rubisco) and
- synthesis of ATP (adenosine triphosphate), which produces chemical energy that is needed for regulating plant biochemical reactions.

Extreme heat stress (even in the presence of adequate soil moisture) can cause a reduction in plant stomatal conductance, which reduces plant transpiration rate, causing reductions in plant productivity and yield. If extreme heat stress is coupled with dry wind over the plant canopies, the magnitude of stomatal closure and the reduction in rate of transpiration is greater for corn and soybean.

Heat stress is a complex function of intensity, duration, and the rate of the increase in air temperature. In addition, the effect of an increase in soil temperature (as a result of increase in air temperature) may be even stronger when accompanied by a decline in soil water content."

Read the full article [HERE](#)

Bottom-line, I have to believe that any "extreme" shift in air and soil temperatures can have an adverse and perhaps longer-term impact on the plant. I also believe "shallow-rooted" crops, which I have to imagine we have a lot of this year, are also less tolerant to "extremes".



Soybean prices gained over +40 cents last week. The question now becomes can we add to the recent gains and breakout to the upside or will we again stall out? Traders are keeping a very close eye on Brazil and the escalating social unrest over the weekend. The recent trucker strike morphed into something of much greater magnitude and has the trade a bit on edge. From what I understand, farmers and federal police joined in support of the truckers and the strike began to quickly gain momentum. The Brazilian government started scrambling to make sense of it all and in some areas even authorized the use of military force, which was like throwing gas on the fire. From what I heard over the weekend, there were actually a few airports that had ran out of fuel, homes that were out of natural gas, and some fairly large livestock operations that are

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."

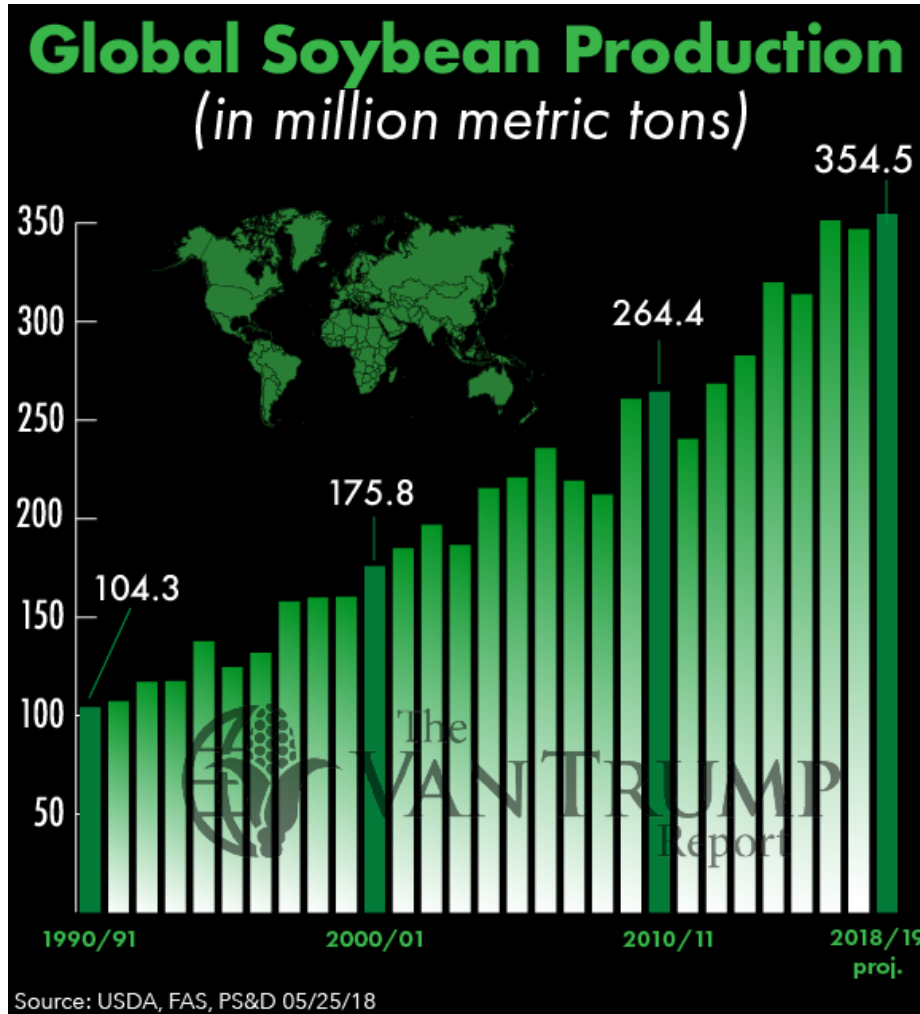
A.M., FDIC

"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

still dangerously close to running out of feed. In many parts of the nation, despite the government folding their hand and agreeing to the demands, many truckers still remain on the sideline. Most macro traders suspect in the meltdown, the Brazilian currency could fall under more pressure. Normal that would be a headwind for the U.S. soybean market, but if logistic's across the nation are still at a standstill, it won't play into the nearby headlines or concerns. If global buyers need soy they may temporarily be forced to come to the U.S. sooner than some had forecast. Lets also keep in mind, there have been some big protests happening in the streets of Argentina, as citizens are largely against taking a loan from the IMF, fearing what may have to ultimately be lost in order to pay back the debt incurred. I remain a longer-term bull, believing there's still more upside potential, the big question remains when?

happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

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



Wheat prices jumped by +25 cents last week and are up over +20% on the year as weather here in the U.S. and parts of Australia, Canada, Europe, Russia and Ukraine remain uncertain. Prices are higher again this morning as extreme heat here at home and continued weather concerns in Australia and parts of Russia keep the bulls engaged. As a producer, I continue to like the thought of reducing a bit more long-term risk on the rallies. As a spec, I am not interested in chasing prices higher. I still don't see prices in Russia moving aggressively higher, or U.S. exporters becoming wildly competitive in the global export marketplace. In fact, I still have a hard time seeing any major fundamental or balance sheet reason for being an aggressive bull at the current valuations. From my perspective a majority of the recent length is simply weather and "momentum" based shifting by the funds. Continue to closely monitor global weather forecasts and direction of nearby money-flow. Probably the most important headlines the next few days will be here at home and the uncertainty remaining in Russia, where several sources are starting to lower their production forecasts.

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..."

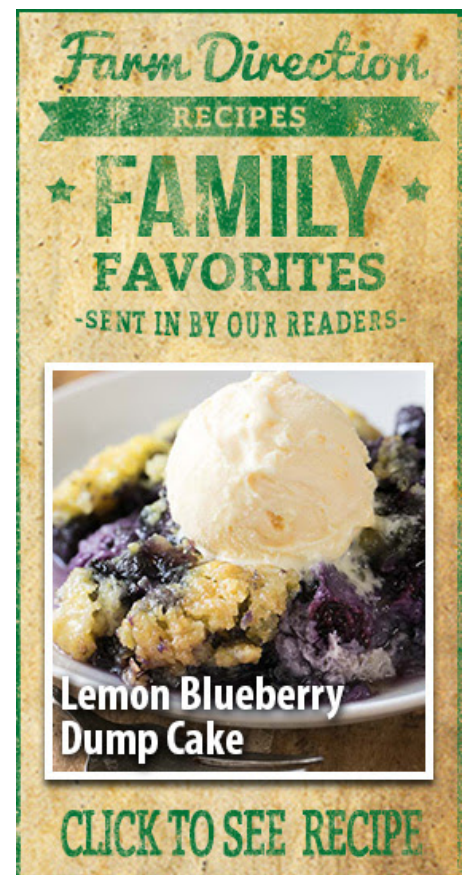
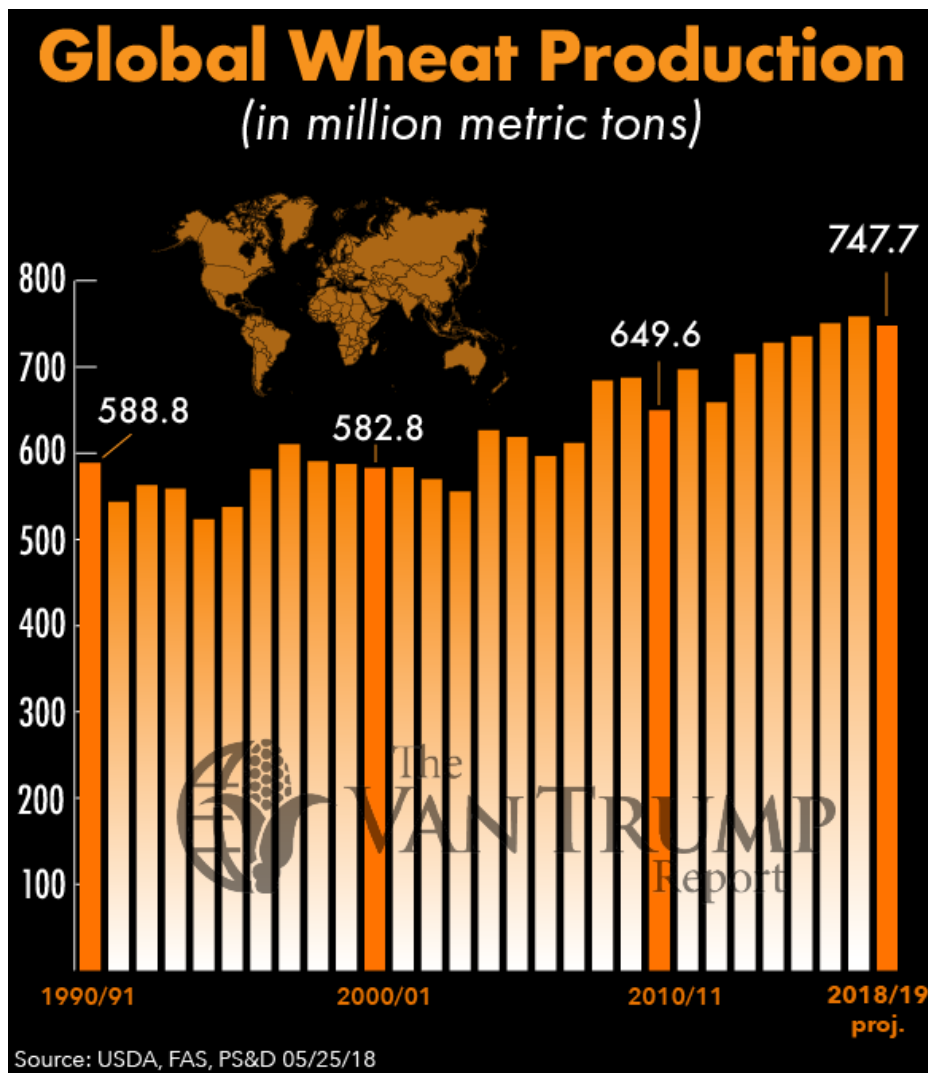
"Bulls make money, Bears make money, but pigs get slaughtered..."

"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.



Cattle on Feed report showed "placements" declining for the second straight month vs. last year. The report showed 1.695 million head of cattle were placed in feedlots last month. That was -8% less than last year. Marketings, or the number of cattle leaving feedlots last month were reported at 1.803 million head, which was almost +6% higher than last year. May 1 cattle on feed were reported at 11.588 million head, up +5% vs. last year and the largest in 12 years.



> **China To Increase Imports...Ease Tensions:** China will import record volumes of U.S. oil and is likely to ship more U.S. soy after Beijing signaled to state-run refiners and grains purchasers they should buy more to help ease tensions between the two top economies, trade sources said on Wednesday. Reuters reports that China pledged at the weekend to increase imports from its top trading partner to avert a trade war that could damage the global economy. (Source: FeedandGrain)

> **Russian Wheat Prices Head South:** The export market is being pressured by a slowdown in sales of old-crop wheat. The number of buyers is falling, exporters are switching to the 2018-crop wheat trade, where demand is on the rise. Export price for Russian wheat closed it on average down another \$2-3/MT at \$210-213/MT FOB for 12.5%-protein wheat, \$201-204/MT FOB for 11.5%-protein wheat, and \$198-200/MT FOB for feed wheat in Novorossiysk port, May-June delivery. (Source: Blackseagrains)

> **Senators Put Forward USDA-FDA Spending Bill:** A Senate spending bill sent to the full chamber Thursday provides \$23.235 billion in discretionary funding for a host of programs administered by USDA and FDA, which is \$225 million above fiscal 2018

levels. Ag research would received \$2.73 billion in funds and the Natural Resources Conservation Service would get \$879.1 million, which is \$5 million above fiscal 2018 levels. Funding for the National Organic Program would increase \$15 million, from \$12 million. The would also set aside \$2 million for a pilot program to provide grants to address farmer stress and suicide, citing the elevated rate of suicide among agricultural workers. (Source: Politico)

> Summer Hurricane Forecast Is Here: On the heels of the costliest hurricane year on record, the Atlantic is expected to produce five to nine of the mighty storms during the six-month season that starts June 1 according to the NOAA. A total of 10 to 16 named storms, tropical-strength or stronger, will likely cross the basin, threatening people, real estate, crops and energy resources in the U.S., Mexico and the Caribbean, according to the agency's annual forecast Thursday. Of those, one to four may become major hurricanes with winds of 111 miles (179 kilometers) per hour or more. Hurricane season is closely watched by markets because about 5% of U.S. natural gas and 17% of crude comes out of the Gulf of Mexico. (Source: NOAA)

> Cryptocurrency Gets A Big Publicity Boost: Actor and tech investor Ashton Kutcher surprised Ellen DeGeneres on her show recently with a \$4 million gift to her wildlife charity for her 60th birthday. However, the comedian and talk-show host received the donation to her wildlife charity in Ripple's XRP cryptocurrency. The \$4 million was sent instantly to an account in Rwanda via Ripple. Ripple is the third-large cryptocurrency, with a market cap of about \$24.7 billion. I do want to note that the cryptocurrency has dropped about 80% since its high point in January. (Source: Marketwatch)

> Uber Is Investing \$23 Million In A Flying Taxi: The company announced it plans to invest \$23.5 million in France over the next five years to develop aerial mobility. The ride-hailing company will put the money toward an R&D facility focused on Uber Elevate, the initiative to develop vertical takeoff and landing aircraft for uberAIR flights. The new French center will join Uber's other Advanced Technologies Group hubs in Pittsburgh, Toronto, and San Francisco. Those facilities are focused mostly not he company's self-driving car program, which has been scaled back since a self-driving Uber vehicle killed a pedestrian in Tempe, AZ back in March. (Source: The Verge)

> Major Recall From Fiat Chrysler: Fiat Chrysler is recalling nearly 5 million vehicles in the U.S. because in rare circumstances, drivers may not be able to turn off the cruise control. The company is warning owners not to use cruise control until the cars, SUVs and trucks can be fixed with a software update. The problem was found in testing of the vehicles' computer network. FCA says it has no reports of crashes or injuries. After the testing uncovered the trouble, FCA said it reviewed customer complaints and found only one that may be related. The recall includes 15 Jeep, Dodge, Chrysler and Ram models from six model years with gasoline engines and automatic transmissions. (Source: ConsumerReport)

> Apple Wins \$539 Million In A Case Against Samsung: A U.S. jury decided Samsung had copied patented smartphone features. The unanimous decision adds another, possibly final chapter to a legal battle that started in April 2011. dAS for the large settlement, the endless legal battle between the world's largest smartphone makers was probably more about making a statement than about money for Apple. Since filing the original suit in April 2011, Apple raked in more than \$300 billion in net profit. Compared to that the \$539 million in damages aren't much more than a drop in the bucket. (Bloomberg, Statista)

A Drop in the Bucket?

Damages awarded to Apple in a patent lawsuit against Samsung compared to its net profit

\$539m
Damages awarded to Apple in
the patent lawsuit against
Samsung dating back to April 2011

\$313,530m
Apple's cumulative net profit
since April 2011*



* as of March 31, 2018

Sources: Media reports, Apple

statista

FROM THE FIELD

Central Kansas - We have only had 4" of rain since October and the wheat doesn't look good because of it. We did just receive over an inch over the last day and a half. A lot of our wheat has turned yellow but is still growing. I have to believe that there will be plenty of berries that just shrivel up and don't make it. The recent moisture definitely will help the corn which has emerged and is doing ok, considering it may have suffered a little herbicide carryover. It was extremely dry during planting. We always try to get them in a little moisture when planting. Our beans are half planted as we like to wait a bit longer than most and avoid traditional heat events at bad times. It does cause a smaller plant but overall we see higher yields. Our popcorn continues to well commercially. we are nearly all sold out of inventory.

Northwest Illinois - We are not really overly wet and we are not overly dry either, but we are seeing spots out in the field start to die off. The corn that is dying off has smart stax traits in it and we have never really seen this in this particular kind of corn. I do my own spraying so I know it wasn't from spraying mistakes. Last year these fields were soybeans and we used Flexstar so there could be residual from spraying it on the soybeans. I have been told it could be the Flexstar or even a lightning strike so I'm going to have my agronomist come out and look at it to see what we can figure out. I hope this isn't going to be a reoccurring thing this year.

Southern Illinois - I wanted to take a quick second to explain the pictures floating around online...from that altitude, it is hard to tell, but I have seen similar patterns. Sometimes in no-till beans on corn stalks a pattern like that can show up if planted at an angle to old stalks. Where the planter flattened the old rows it can "appear that emergence was faster and things look greener in streaks where the stalk are not blocking the small bean plants from showing through. I'm guessing it was tilled as you can see some brown contrast, but sometimes I've seen it look like this still from similar effect listed above. That said, the stripes look further apart than what I've seen so am guessing tillage at a greater angle to the rows and some sort of moisture / residue related emergence "appearance" effect from that.



CROSSING WIRES

A place to share intelligent thoughts...

Americas New Food Trends: Food trends will always be a thing. Sometimes they are dictated by economic circumstance or ethical considerations, and sometimes they are shaped by emerging nutrition science that redefines how we think about what we eat. In this shapeshifting market, we can track with per capita consumption and sales data just what's happening to our three meals a day—and occasional snacks. Some food items are going through boom times. This is the case with avocados, beets, chicken, and many other items. But many others are falling out of popularity. Here are a handful of the latter group, collected and charted from breakfast through post-dinner dessert. See what is falling out of consumers favor [HERE](#).

Netflixication Of Movie Theaters: An interesting phenomenon is occurring in the cinema space...people are watching movies they normally wouldn't thanks to movie ticketing service Movie Pass. Digital streaming service news hub Exstreamist recently revealed that 82% of MoviePass users, on average, have gone to movies that they would not be willing to pay for directly. The study surveyed 1,311 current self-reporting MoviePass subscribers in conducting this research. I'm finding it difficult to determine their motivation, meaning are they bored looking for new experiences on the weekends or does lowering the price per movie somehow make it worth it or and I suspect this is it for the majority - they feel they have you use it because they paid for the service. Read more [HERE](#).

Red White And Beer: Thanks to the craft brew movement, every state in our union now has their own brew. With temperatures rising, and grills getting fired up, it's time to check out what your state's brewers have been up to. Popular Mechanics sent their editors out to determine their summer favorites. If you are a stout lover, you will have to wait for the fall issue. Click [HERE](#) to see your state's beer.

Another Deadly Virus Outbreak: Eboli has been making the news lately but a lesser known Nipah virus outbreak in southern India this week has prompted the Coalition for Epidemic Preparedness Innovations (CEPI), a global alliance of governments and non-profits, to step up efforts to find a cure for the deadly disease. I'm told the virus, which was first identified in a Malaysian village in 1999, lead to over 100 deaths, including those of many farmers who had contracted it through their pigs. The virus has claimed the lives of at least 12 people over the past many days in the western coastal state of Kerala, sparking global concerns as the World Health Organisation (WHO) has listed the Nipah infection as a public health risk with epidemic potential. What is concerning to doctors is that the virus could now spread among humans via contact with infected patients. Learn more [HERE](#).

The Science Behind Michael Jackson's Impossible Moves: Before reading the rest of this article, please first stand up and try to tilt your whole body forward at a 45 degree angle. You may only bend at the ankle. Assuming that you are not Michael Jackson, you will fail at this endeavor. But why? Do you not have the incredible core strength Michael Jackson possessed at his peak? Honestly, probably not, but even if you did you'd be unable to perform Jackson's famous anti-gravity tilt from the music video for "Smooth Criminal." And if you're a true fan, you'll already know why—but don't worry, you're still about to learn something cool. See how Jackson did it [HERE](#).



Soybean Leaf Disease Showing Resistance

Plant pathologists at Iowa State University and University of Kentucky have confirmed the pathogen that causes frog-eye leaf spot, a common soybean disease, which has shown resistance to fungicides in Iowa. Frog-eye leaf spot occurs across the U.S., and is responsible for significant yield loss. ISU plant pathologist Daren Mueller estimates this disease was responsible for more than 17.5 million bushels of lost yield, valued at \$158.1 million across the U.S. in 2015. The destructive pathogen known as *Cercospora sojina*, is genetically diverse, allowing it to mutate into resistance from the fungicide quinone outside inhibitor or QoI. Resistance to QoI was first documented in Tennessee in 2010 and has been detected in several other states since then. In order to track down the disease in Iowa, isolates of *C. sojina* were sampled from multiple locations across the state in 2017 and were tested for resistance at the University of Kentucky. All samples evaluated were found to be resistant to the fungicides. It's worth noting that the fungus can produce spores on the residue of a previous soybean crop. Although most soybeans are grown in rotation with corn, meaning there is little soybean residue in newly planted soybean fields, enough soybean residue can remain to supply spores to begin an epidemic. Wind readily transports the spores of *Cercospora sojina* whether these have been produced on residue or new lesions from one field to another. Keep in mind that spore production and infection requires warm, humid weather and leaves are most susceptible to infection when they are just emerging and become less susceptible as they mature. Frog-eye leaf spot is a polycyclic disease, meaning that the number of lesions on the plant will continue to increase as long as the weather is favorable for infection. As for management of frog-eye leaf spot, plant pathologists argue for an integrated method that does not rely solely on fungicides. To get ahead of the disease, producers should review their crop rotation, tillage, planting of frog-eye leaf spot-resistant soybean varieties and applying fungicides with multiple modes of action. If you would like more resources on fungicide resistance, you can visit [Take Action website](#). Funding for this research was provided by the soybean checkoff through the Iowa Soybean Association and United Soybean Board. (Source: [Iowa State University](#))



Lilium Bets \$100 Million On Flying Autonomous Cars

Munich-based Lilium Aviation, reached a major milestone a few weeks back when they completed a successful test flight of its all-electric, two-seater, vertical take-off and landing (VTOL) prototype.

Watch the [VIDEO](#) and see the vehicle take off like a helicopter then thrust forward like a plane. Though the concept has been around for decades...remember the Jetsons, the technology for powering the crafts beyond short range flights has been the biggest hurdle. Keep in mind these are electric vehicles requiring heavy batteries to power them but at the same time weighing them down. Remember, you can't just pull your plane over and grab a quick recharge like you can a Tesla. In my opinion, Lilium has moved itself to the head of the class, as it is able to fly for 180 miles at a speed of 180 mph. As I understand it, the most sophisticated technology in the space currently struggles to stay in the air an hour at 100 mph. Ultimately, Lilium's plan is to build a 5-passenger version to be used in dense, urban areas in an on-demand capacity. The plan would consist of pulling out your smartphone to book a seat, then make your way to the nearest launchpad. I'm not sure society is taking the idea seriously yet regarding this new disruptor to future transportation. Because we have heard about it for so long and seen companies come and go, it can be hard to grasp the reality of it all. But the reality of Lilium's recent \$90 million series B funding, makes them one of the best funded electric aircraft projects in the world. Investors, including Evan Williams who co-founded Twitter, recognize that Lilium's innovative eVTOL technology puts us in the lead in this exciting new industry, with no other company promising the economy, speed, range and low-noise levels of the Lilium jet. Obviously, the technology will continue to develop making this type of travel a reality, but what about the infrastructure and regulations surrounding the new industry. I must admit, I love the fact that an hour commute to the airport could be turned into a 15 minute ride, avoiding the stresses of traffic and parking, but am I willing to put my life in the hands of a stranger who is not only navigating off the ground while avoiding others doing the same. I suspect this is where AI will truly prove its worth as it will most likely serve as not only the pilots of the planes but as the new air traffic controller as well. I'm guessing we are a ways off yet but just like we see consumer demand changing the way we farm and will farm, sentiment will certainly lead to modes of transportation that save time and money. As projects like Hyperloop become mainstream on the ground, it won't be long before the crowd demands the same in the air. (Source: businessinsider.com, npr.org, theverge.com)



Guitar With A Story Sells For Almost Half Million

The guitar was auctioned by Julien's Auctions at the Hard Rock Cafe in New York about a week ago and brought in a whopping \$490,000. The 1965 Fender Telecaster was one that Bob Dylan used during his first electric tour in 1966. This guitar could be argued as one of the most historical guitars in rock history. This was also the guitar Bob Dylan used at the Newport Folk Music Festival. Dylan says this particular guitar was instrumental in helping him make his first leap into electric, perhaps helping him become one of the most iconic and influential Rock & Roll musicians in American history. This guitar was used on Dylan's famous track called, "Blonde and Blonde," and also used in "The Basement Tape Recordings," which played a significant roll in the uprising of rock music. Joining Dylan on a tour that took him through the U.S. and Canada, was a background group called the Hawks, which later renamed themselves "The Band." Though, the headlines read Bob Dylan's guitar sells at auction, the guitar originally belonged to Robbie Robertson, who was a member of "The Band." Robertson had owned this guitar throughout most of his musical career and made the final decision to auction this guitar off giving the proceeds to the American Indian College Fund. Robertson bought this guitar in 1965, which he ordered with a black finish on it. By 1970, from using

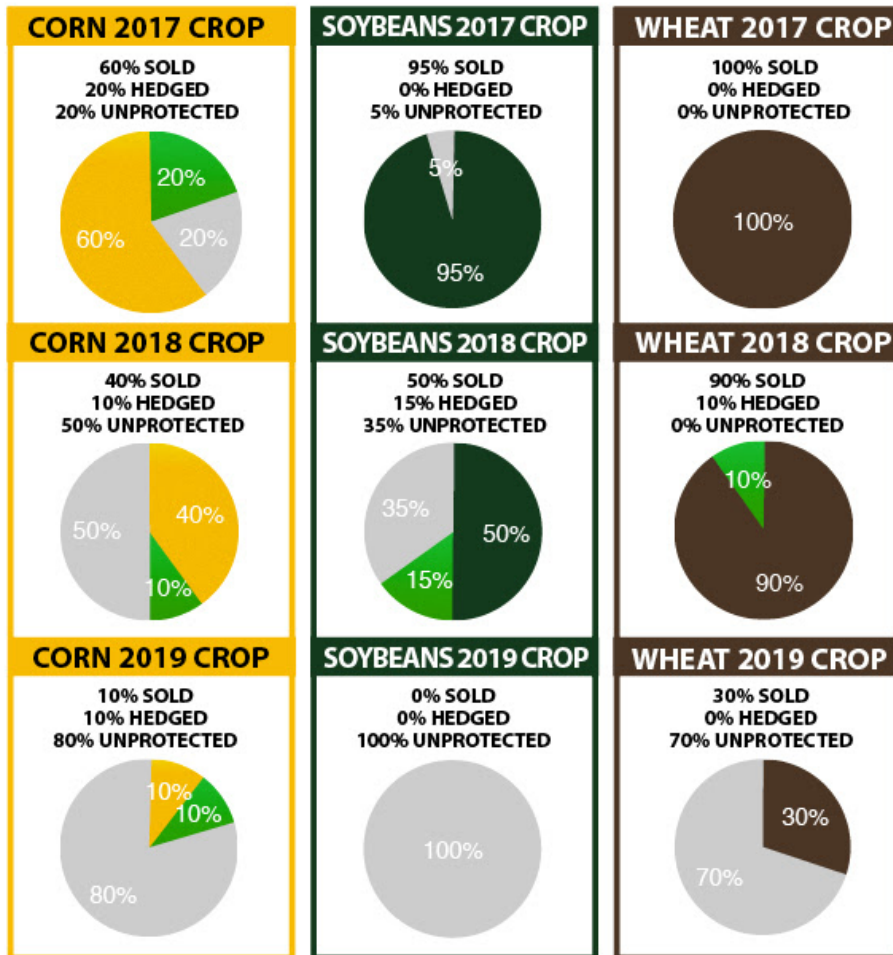
the guitar so often, the black paint starting chipping of so Robertson stripped all the original black finish giving it a bare wood look. Robertson said this look gave the guitar a new life and creative surge. This was Robertson's favorite guitar, one he used during a majority of his musical career. He says he tried to find other guitars, but nothing quite played as well as his 65 Telecaster. The Band eventually left Dylan's side in 1967, in which they produced their first and most famous album, *Music from Big Pink*. The Band also produced many famous tracks such as *The Weight*, *Atlantic City*, and *The Night They Drove Old Dixie Down*. The Band is also known for putting on one of the most famous concerts, "The Last Waltz." This concert was held on Thanksgiving Day in 1976, which was the last time "The Band" ever played together. The Band came out for their concert around 9:00 p.m. that night and performed their encore around 2:15 a.m. The concert that was also produced into a film starred special guests like Eric Clapton, Ringo Starr, Bob Dylan, Ronnie Wood, Muddy Waters, Neil Young, Neil Diamond, Van Morrison, Bobby Charles, Dr. John, Paul Butterfield, Emmylou Harris, Ronnie Hawkins, Joni Mitchell, and The Staple Singers. This guitar doesn't stop at only being used by Bob Dylan and Robbie Robertson, but was used by more of the world's most famous guitar players and been to some of the best events in music history. This guitar was used by Eric Clapton, George Harrison, and Levon Helm. The guitar has also seen some of the best events such as Woodstock Music Festival, Isle of Wight Music Festival, Summer Jam at Watkins Glenn, The Hollywood Bowl, and The Rock of Ages. This guitar has been through so much history with Robertson that it went for more than money than George Harrison's first electric guitar, which sold for \$430,000 at the same auction. The guitar also went for more than an Elvis stage worn belt that went for \$354,400 at the auction. Robertson believes his 1965 Telecaster is perhaps one of the most historical guitars in music history! Super cool...





ANSWER to riddle: Post Office

CASH SALES & HEDGING TOTALS



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