

GOOD MORNING: 05/30/18 Farm Direction - Van Trump Report

2 messages

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

Wed, May 30, 2018 at 7:06 AM



"God doesn't call the qualified, He qualifies the called." - Max Lucado

WEDNESDAY, MAY 30, 2018

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

Morning Summary: Stocks are rebounding a bit this morning but traders are considering a wave of geopolitical uncertainty... Problems in Italy, Spain, Brazil, Argentina, Turkey, Venezuela, etc. have sparked negative headlines. European and U.S. banks have come under pressure as yields backpedal and debt in several European nations, particularly in Italy and Spain, come into question. Bears are saying contagion associated with banks holding both Italian and Spanish debt is perhaps now a more realistic concern. I personally see it as more market "noise" than a reason to move to the sideline. Just a few weeks back the bears were screaming about the 10-year possibly moving north of 3% and the wave of selling that was going to ensue. The reality is, the market pushed the yield on the 10-year past 3% and very little happened. Now rates have pulled back and the bears are pointing to a possible meltdown in Europe. Keep in mind, the market has known about the Italian debt problem for several years and has also heard many times about a possible referendum vote to leave the European Union. It feels to me like the "noise" to "music" ratio is out of whack... I can understand the argument that table stakes are moving higher in Europe and the trade is wanting to see if the ECB is going to blink? But ultimately, I'm not really sure it matters for the U.S. market. Perhaps more important is the recent strength of the U.S. dollar and trade relations with the Chinese and the structuring of a new NAFTA agreement. From what I am hearing, time might be running out to reach a NAFTA deal that could pass the current U.S. Congress and avoid upcoming tariffs. Don't forget a U.S. exemption for Canada and Mexico from steel and aluminum tariffs is set to expire Friday morning. Adding to the pressure is a Mexican election on July 1 that could usher in populist Andres Manuel Lopez Obrador as president, and bring along new threats of auto tariffs. Chinese trade talks are also uncertain. In economic news, U.S. consumers appear to have a positive mindset as the employment picture remains strong. I suspect as long as there are plenty of jobs available and energy prices stay under control, we should continue to see good discretionary spending numbers. Don't forget, the updated GDP numbers will be released today as well as MBA Mortgage Applications, ADP Employment Report, International Trade In Goods, Corporate Profits, and Retail Inventories.

Are The Markets Again Overreacting To The Crisis In Europe? *Italy's latest political-economic-monetary crisis, which is rattling the financial markets, provides investors with yet another opportunity to learn how to react to the latest news headlines. Normally following prior crises, stock investors also reacted with alarm, but more often than not the stock market quickly recovered and soon was trading for more than where it stood prior to the crisis erupting. A quick history lesson shows us that the most spectacular recent illustration of this was the stock market's reaction to the United Kingdom's June 2016 referendum to exit the European Union. The Dow Jones Industrial Average dropped almost 1,000 points in the two trading days following the vote. But after just eight subsequent trading sessions, the Dow was higher than where it stood before the Brexit vote. Read more [HERE](#) to see what investment opportunities may be presenting themselves this time.*

Is There An Expiration Date On This Bull Market? *There is according to Blackstone's Joeseeph Zidle, who sees stocks getting their groove back this year but that does come with an expiration date. Zidle believes there's evidence that rising inflation will rip into corporate profits, stretching consumer spending within 12 months. It's a scenario that's already unfolding according to Zidle. He believes it's*



November 28-29

• **Special Two Day Event** •
 Kansas City, Missouri



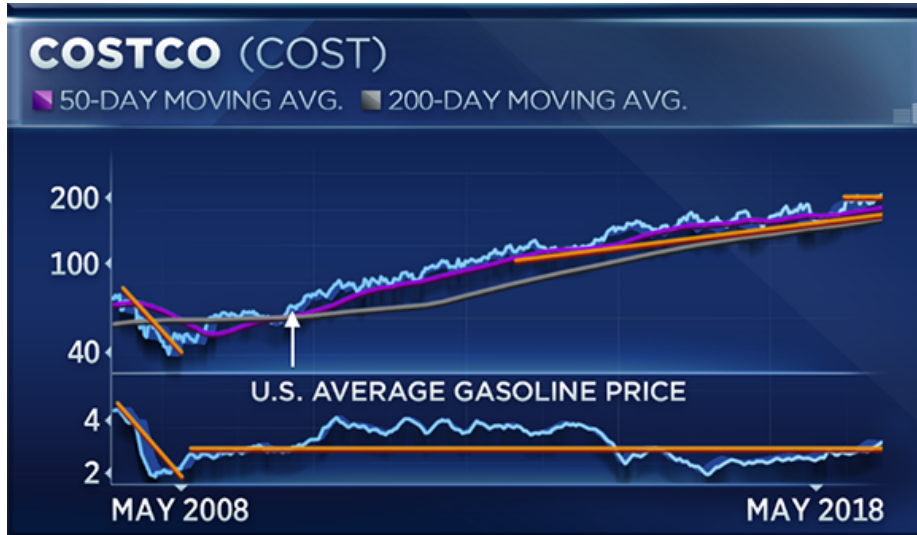
\$500

Early Bird Special
 For First 200 to Register:

\$299

not necessarily strong, but it is broad-based and he says we're seeing it in things like higher oil prices and higher gas prices where oil is up +50% year over year and gas is up +20% year over year. Read more [HERE](#).

One Way Consumers Battle Rising Gas Prices: Interestingly, I was speaking with my kids recently regarding how our economy is consumption based and how habits change when gas prices skyrocket. Piper Jaffray's Craig Johnson has put together an interesting theory on the matter as to how a segment of society adapts when prices skyrocket. Keep in mind gas prices were at their highest level since 2014 over the Memorial Day holiday weekend and that put a pinch on spending for a lot of folks. But Johnson's theory posits that when gas prices are high consumers tend to shop more at retailers like one-stop Costco to limit driving. In the past, Johnson says he's seen that trend give a lift of 200 to 400 basis points to same-store sales. Personally, I find it interesting to think about all the choices and shifts families make when they start spending more at the pump. Read more [HERE](#).



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: I can be long and can be short, I can be black, white, brown, or purple. You can find me the world over and I am often the main event. What am I?

Weather forecasts are calling for eastern Midwest areas to have moderate to heavy rain, including some flooding, due to remnants from former subtropical storm Alberto. Western areas will be drier along with very warm to hot weather, possibly stressing crops in early growth stages. In the southern Plains, northern portions of the region have received some beneficial showers and locally heavy rain. However, high heat and dryness continue to stress crops in the remainder of the region. Northern Plains continue to see favorable conditions for planting and developing spring wheat, corn and soybeans. Episodes of showers help to ease dryness concerns. In the southeastern U.S. heavy rains and wind has affected crop areas of Alabama and parts of Georgia as the post tropical storm Alberto is in the area Tuesday. Flooding is likely, severe flooding possible. This may affect developing spring grains and also cotton. By week's end, a new round of thundershowers will develop across the northern and central Plains. Elsewhere, summer-like heat will return across the Plains in advance of late-week rain,

9255

Click Here To
Learn More

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

- John Wooden



Co-hosted by:



FARM TANK



Today In History



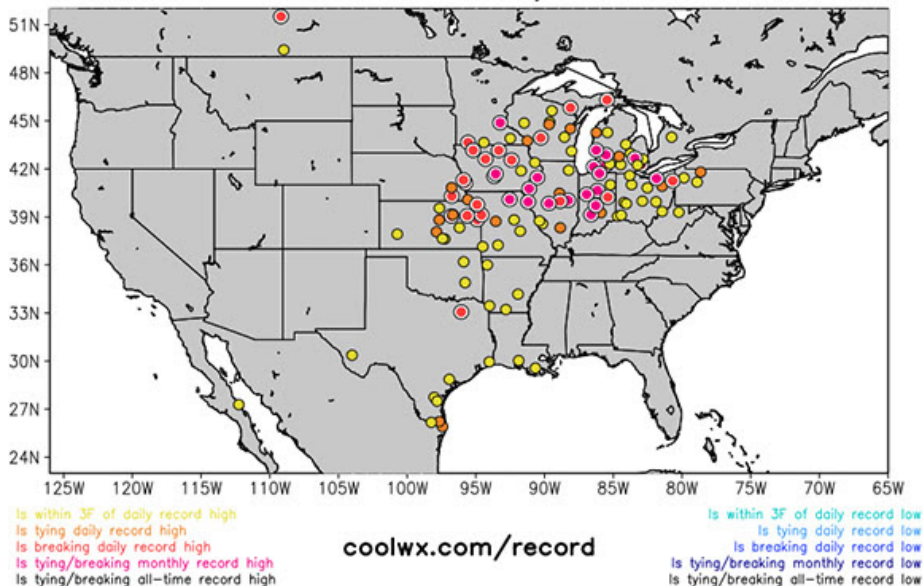
1412, Joan Of Arc - Joan of Arc, the peasant who became the savior of France was burned at the stake on this day in 1412. In 1415, the Hundred Years War between England and France entered a crucial phase when the young King Henry V of England invaded France and won a series of decisive victories against the forces of King Charles VI. Joan's village of Domremy lay on the frontier between the France of the Dauphin and that of the Anglo-Burgundians. It was at this time that Joan began hearing voices telling her to aid the Dauphin in capturing Reims and as a result the French throne. Traveling to Vaucouleurs, a stronghold of the Dauphin, she explained her visions to the captain of the garrison stationed there. As you can imagine, he didn't believe her and sent her home. But in January of 1429, she returned and overcame his objections, impressing him with her determination and piety. Dressed in men's clothes and accompanied by six soldiers, she reached the Dauphin's castle at Chinon in February 1429 and was granted an audience. Charles hid himself among his courtiers, but Joan immediately picked him out and informed him of her divine mission. For several weeks, Charles had Joan questioned by theologians at Poitiers, who concluded that, given his desperate straits, the Dauphin would be well-advised to make use of this strange and charismatic girl. Her efforts at Orleans, found her leading battles and being injured, to which she would dress her wounds and return to fighting. She would be successful in driving the

while mostly dry weather will prevail during the next 5 days in the Pacific Coast States and from the Southwest to the western Gulf Coast.

Midwestern Heat Continues: Check out this chart from coolwx.com showing areas approaching daily high temperature records. Numerous points all across the Corn Belt coming within 3 degrees F of tying daily high temperature records. First map shows Memorial Day record temps, next is Tuesday's record temps.

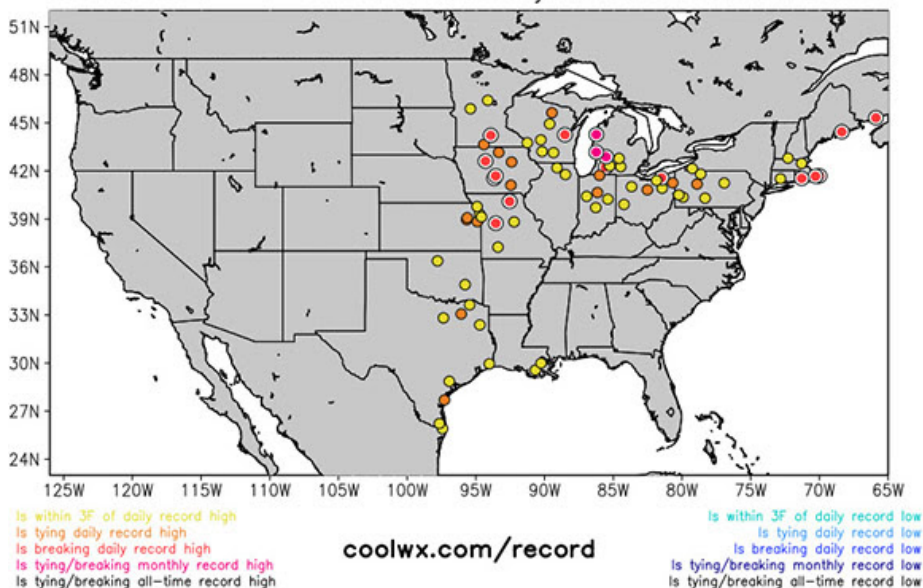
Memorial Day - Mon. May 28, 2018

Locations approaching or surpassing unofficial daily (28 May) temperature records based on temperature at 2000 UTC 28 May 2018



Tues. May 29, 2018

Locations approaching or surpassing unofficial daily (29 May) temperature records based on temperature at 1900 UTC 29 May 2018



Corn bears are talking about the U.S. crop now being ahead of schedule and overall conditions being one of the best ever for this early date. The USDA released estimates after the close yesterday showing 79% of the U.S. corn crop in "Good-to-Excellent" condition vs. 65% rated "Good-to-Excellent" last year. It's worth noting, crop-conditions in Illinois, Iowa, Minnesota and Nebraska are all being reported at better than +80% "Good-to-Excellent". I know it's too early to matter, but when your current conditions are wildly better than last year, which produced record setting yields, it's tough to get the bulls running. The USDA also showed "planting" is now ahead of schedule at 92% vs. the 5-year average of 90%. The crop is also reported at 72% "emerged" vs. the 5-year average of 69%. From a technical perspective, the price action on the charts has turned bearish. The July18 contract has broken nearby psychological support at \$4.00 and will be trying to hold the recent lows at \$3.94², an area prices haven't fallen below since late-April. The DEC18 contract is hoping to find nearby support around the

English out of Orleans on May 8th. Impressively during the next five weeks, Joan and the French commanders led the French into a string of stunning victories over the English. Eventually, Charles VII would be crowned king of France, with Joan standing nearby holding up her standard: an image of Christ in judgment. After the ceremony, she knelt before Charles, joyously calling him king for the first time. On May 23, while leading a sortie against the Burgundians, she was captured and sold to the English, and in March 1431 she went on trial before ecclesiastical authorities in Rouen on charges of heresy. Her most serious crime, according to the tribunal, was her rejection of church authority in favor of direct inspiration from God. After refusing to submit to the church, her sentence was read on May 24: She was to be turned over to secular authorities and executed. Understandably, Joan agreed to recant and was condemned instead to perpetual imprisonment. Only days later, she would tell her captors that St. Catherine and St. Margaret had reproached her for giving in to the church against their will. She was found to be a relapsed heretic and on May 29 ordered handed over to secular officials. On May 30, Joan, 19 years old, was burned at the stake at the Place du Vieux-Marche in Rouen. Before the pyre was lit, she instructed a priest to hold high a crucifix for her to see and to shout out prayers loud enough to be heard above the roar of the flames.



1922, Baseball - The United States Supreme Court rules that organized baseball did not violate antitrust laws as alleged by the Baltimore franchise of the defunct Federal League in 1915. The Supreme Court held that organized baseball is not a business, but a sport. In January 1915, the Baltimore Terrapins of the Federal League sued the American and National Leagues, alleging that they were in violation of the Sherman Antitrust Act of 1890, which was enacted to limit monopolies in interstate commerce. The Federal League chose the U.S. District Court presided over by Judge Kenesaw Mountain Landis, who was known as a trustbuster, to hear their case. What the Federal League did not know was that Landis was also a passionate Chicago Cubs fan who was reticent to do anything that might, in his eyes, damage the sport he loved. Landis delayed hearing the case, while the Federal League struggled. They were unable to lure star players away from the American and National Leagues, and were hurt by the previously baseball-obsessed public's preoccupation with World War I. By the end of the 1915 season, the Federal League was out of business, after less than two years of operation. Meanwhile, its lawsuit was still pending. Judge Landis became baseball's commissioner in 1920, and was charged with cleaning up the big leagues after the Black Sox scandal of 1919, in which the Chicago White Sox purposely lost the World Series for a payoff from gambler Arnold Rothstein. Landis handed out eight lifetime suspensions, determined to rid the game of corruption once and for all. The U.S. Supreme Court finally ruled on the Federal League case in 1922. In his opinion, Chief Justice Oliver Wendell Holmes wrote that baseball did not constitute interstate commerce, in spite of the fact that its clubs and players crossed state lines in order to play. Justice Holmes reasoned that personal effort, not related to production, is not a subject of commerce. As baseball was the subject of interstate personal effort and not interstate commerce, the antitrust law did not apply. Courts have since been reluctant to

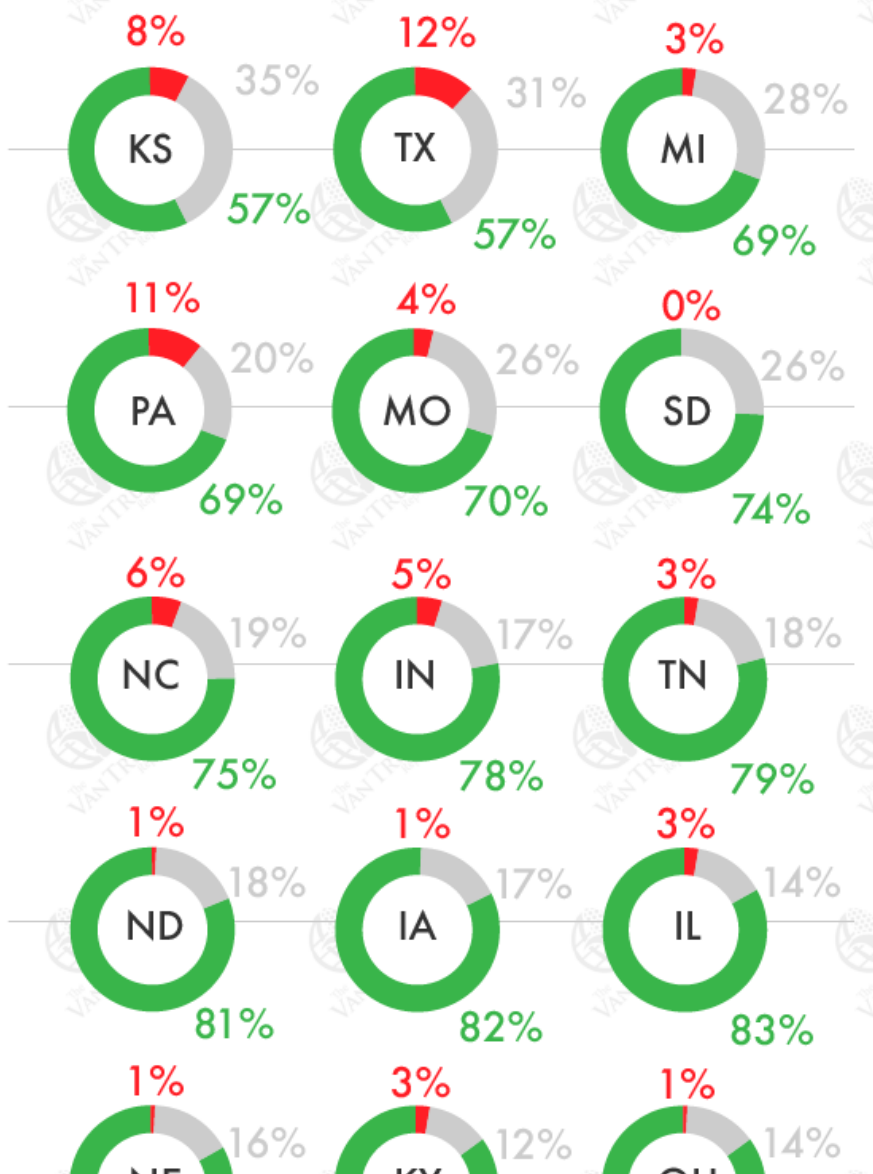
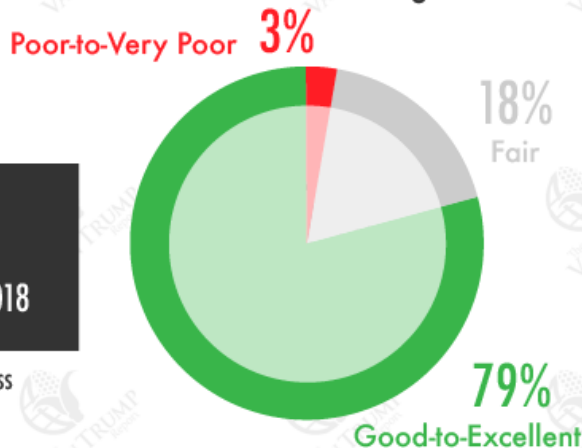
recent lows at \$4.12². Insiders are thinking if this level of support is breached the trade might retrace back to the \$4.00 to \$4.05 area. As both a producer and a spec, I still believe the biggest market moving force is ultimately going to be U.S. weather. Between now and then, I suspect there will continue to be a ton of noise. I've made some good sales and have some hedges in place so I want to remain patient. You had to suspect at some point the market would try and test the nerves of the bulls. I look for continued nearby pressure...

Corn Crop Condition Ratings

Week 21
week ending May 27, 2018

Source: USDA, NASS Crop Progress

2018 U.S. Corn Condition Ratings



overrule the decision, making baseball the only professional sport in the country to enjoy an antitrust exemption. The courts have consistently held that the only way Major League Baseball would lose its antitrust exemption is if Congress were to legislate it out of existence.



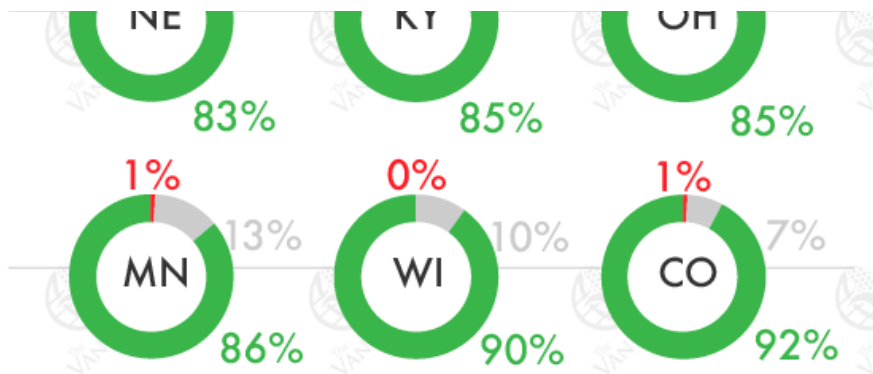
1953, Mount Everest - At 11:30 a.m. on May 29, 1953, Edmund Hillary of New Zealand and Tenzing Norgay, a Sherpa of Nepal, became the first explorers to reach the

summit of Mount Everest, which at 29,035 feet above sea level is the highest point on earth. The two, part of the ninth British expedition to Everest, made their final assault on the summit after spending a fitful night at 27,900 feet. Mount Everest sits on the crest of the Great Himalayas in Asia, lying on the border between Nepal and Tibet. Called Chomo-Lungma, or "Mother Goddess of the Land," by the Tibetans, the English named the mountain after Sir George Everest, a 19th-century British surveyor of South Asia. The summit of Everest reaches two-thirds of the way through the air of the earth's atmosphere—at about the cruising altitude of jet airliners—and oxygen levels there are very low, temperatures are extremely cold, and weather is unpredictable and dangerous. The first recorded attempt to climb Everest was made in 1921 by a British expedition that trekked 400 difficult miles across the Tibetan plateau to the foot of the great mountain. A raging storm forced them to abort their ascent, but the mountaineers, among them George Leigh Mallory, had seen what appeared to be a feasible route up the peak. It was Mallory who quipped when later asked by a journalist why he wanted to climb Everest, "Because it's there." A second British expedition, featuring Mallory, returned in 1922, and climbers George Finch and Geoffrey Bruce reached an impressive height of more than 27,000 feet. In another attempt made by Mallory that year, seven Sherpa porters were killed in an avalanche. In 1924, a third Everest expedition was launched by the British, and climber Edward Norton reached an elevation of 28,128 feet, 900 vertical feet short of the summit, without using artificial oxygen. Four days later, Mallory and Andrew Irvine launched a summit assault and were never seen alive again. In 1999, Mallory's largely preserved body was found high on Everest—he had suffered numerous broken bones in a fall. Whether or not he or Irvine reached the summit remains a mystery.

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



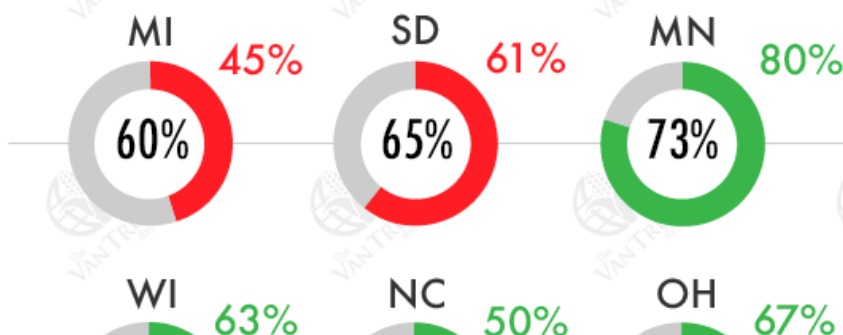
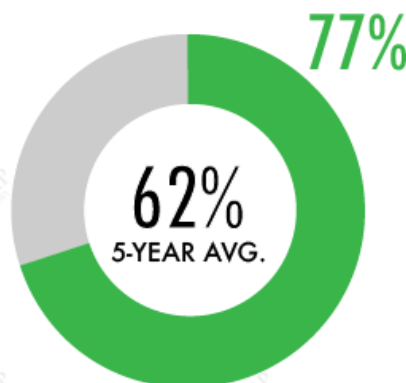
Soybean bulls continue to keep a close eye on the truckers strike in Brazil. There's also more rumors that truckers in Argentina are talking about making a similar play if not guaranteed a +27% hike in wages. Keep in mind, this simply allows the drivers in Argentina to keep pace with their surging rate of inflation. Bears on the other hand are pointing to another twist in trade negotiations with the Chinese. In case you missed the latest audible, President Trump says he is again moving forward with imposing tariffs on \$50 billion of Chinese imports. Last week it seemed like a cease fire had been agreed upon, now this week the trade war is back in full-swing. From what I understand, the White House has set a June 15 deadline for specifying which Chinese goods — up to \$50 billion worth — will be subject to a 25% tariff. Obviously, this has the trade worried about retaliatory measures by the Chinese and the very real potential they place tariffs on U.S. soybeans. Here at home, traders are still debating if more acres will be planted in 2018. The USDA's most recent data showed about 77% of the U.S. crop as "planted" vs. the 5-year average of 62%. Keep in mind, top producing states like Illinois, Iowa, Minnesota and Nebraska are all running double-digits ahead of their traditional planting pace. In fact, I believe only Michigan and South Dakota are lagging their 5-year average. The USDA also reported 47% of the crop is now "emerged" vs. the 5-year average of 32% by this date. In other words, the U.S. crop is off to a fairly strong start with perhaps an all-time number of acres in the ground. Record acres and a strong start to the season, along with continued uncertainty involving the worlds #1 buyer of soybeans, makes the trade believe there is adequate supply.

Soybean Planted Pace Percent

Week 21
week ending May 27, 2018

Source: USDA, NASS Crop Progress

2018 U.S. Soybean Planted Percent Ratings



WHAT I'M LISTENING TO:



Jason Aldean "Drowns the Whiskey"

Kevin's Song of the Week

NEXT level THINKING

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

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

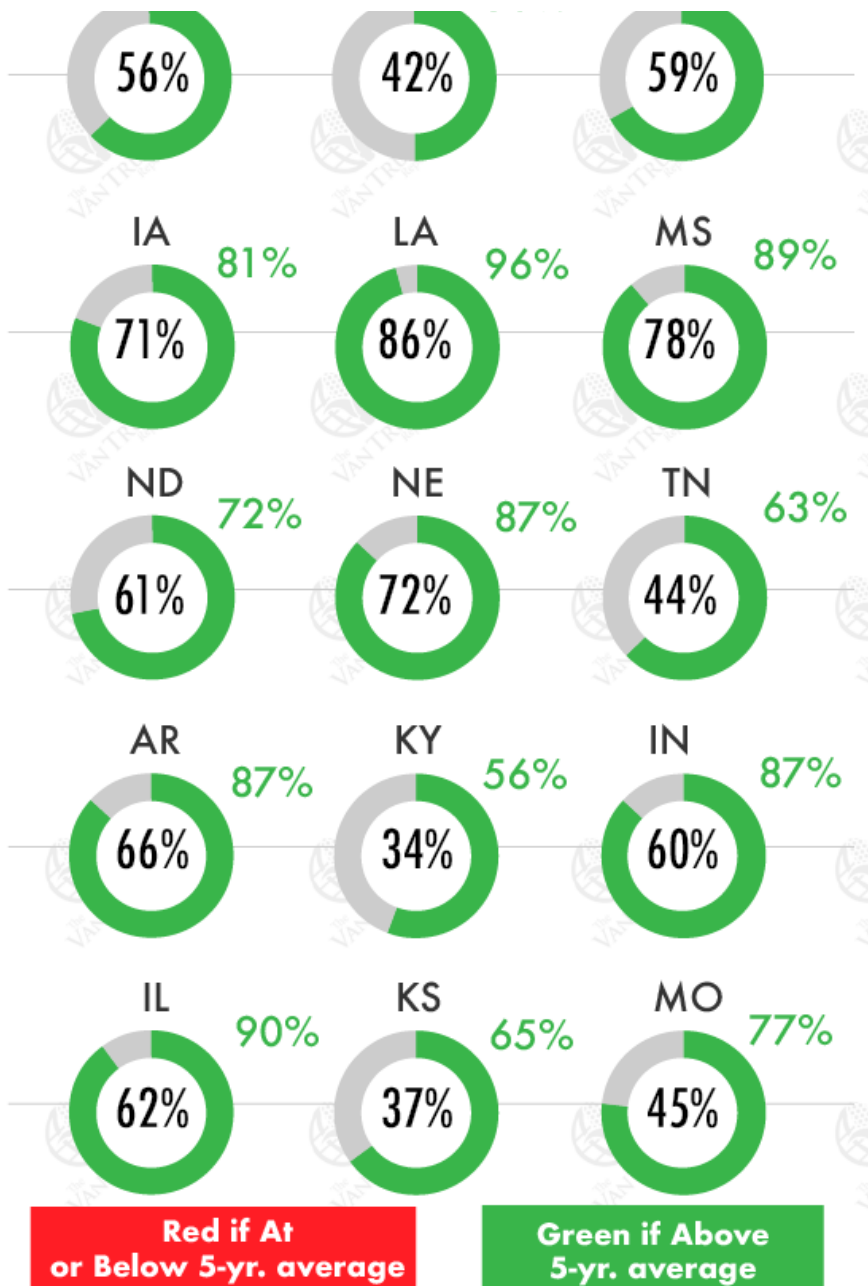
What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific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

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

Kevin Van Trump

What Others Are Saying

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



Wheat bears continue to point to current global and domestic balance sheets as being well supplied. The bears have also been pointing to the continued strength in the U.S. dollar as an ongoing headwind for U.S. exporters. Bulls are pointing to the uncertainties in areas of production inside Russia, Ukraine and Australia. Interestingly, the USDA showed the winter wheat crop here at home as slightly improved, jumping higher by another +2% to 38% now rated "Good-to-Excellent" vs. 50% rated "Good-to-Excellent" last year at this juncture. The USDA also reported that 73% of the winter wheat crop is now "heading" vs. the average of 75%. Spring wheat is reported at 91% planted vs. 89% on average. Spring wheat is reported at 63% emerged vs. 68% on average. Recent rains in some areas of the U.S. have been able to help the bears keep their story alive. As a producer, I am extremely happy that I have been able to reduce most all of my new-crop price risk on the recent rally. I also love the fact I have been able to reduce some of our 2019 price risk. As a spec, I remain on the sideline, happy that I did not chase the weather rally higher. I would entertain being a longer-term bull, but it would have to be at much better valuations in price.

Winter Wheat Crop

2018 U.S. Winter Wheat Conditions Ratings

34%

28%

influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

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

My Own Personal Truisms

"Not To Trade, is often considered a good trading decision..."

"First Rule of HOLES: When you are in one stop digging..."

"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."

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

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

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

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

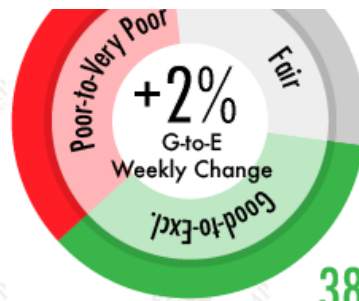
"I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.

Conditions

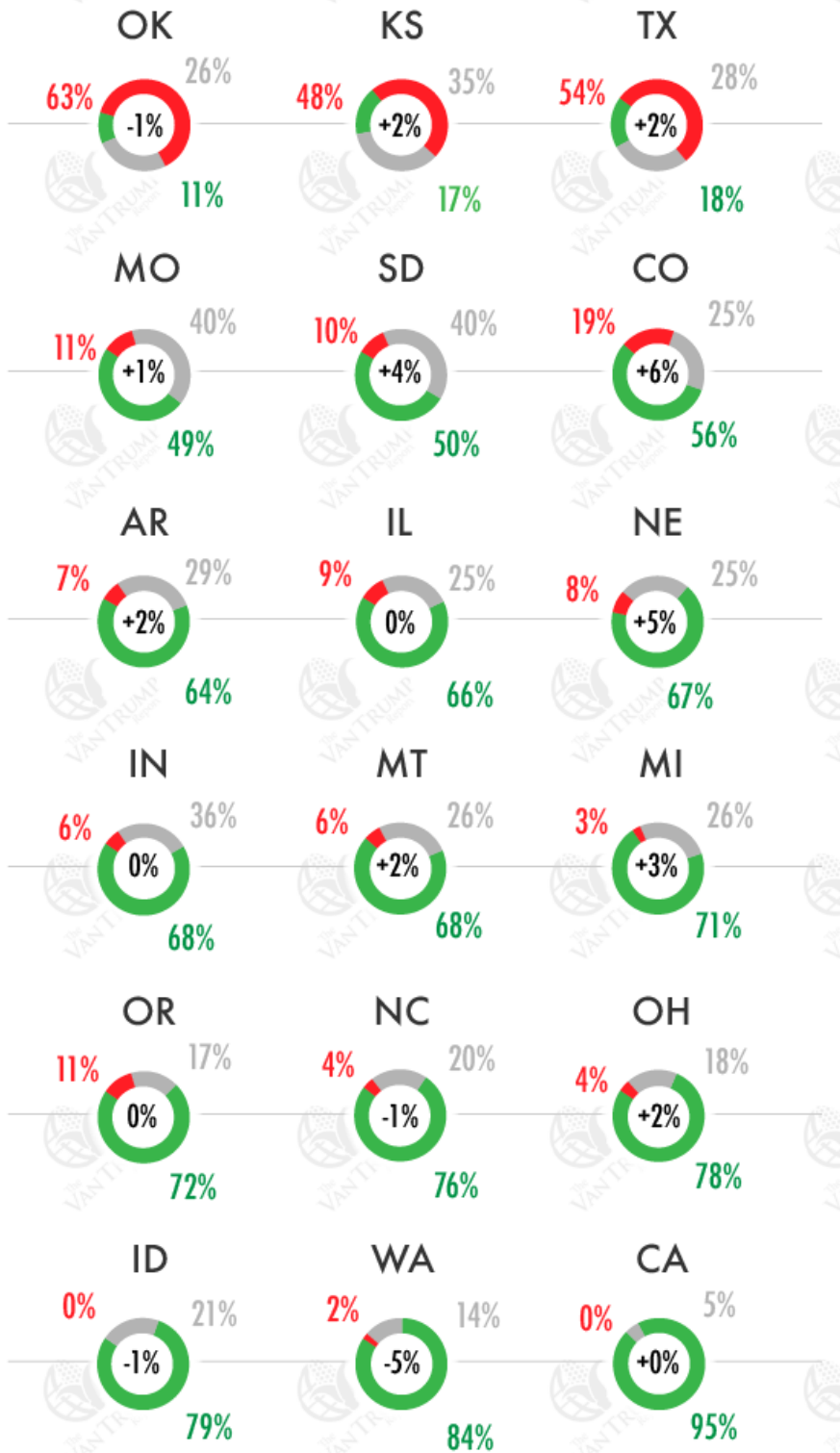
Week 21

week ending May 27, 2018

Source: USDA, NASS Crop Progress



38%



Farm Direction
RECIPES

★ FAMILY FAVORITES ★

-SENT IN BY OUR READERS-

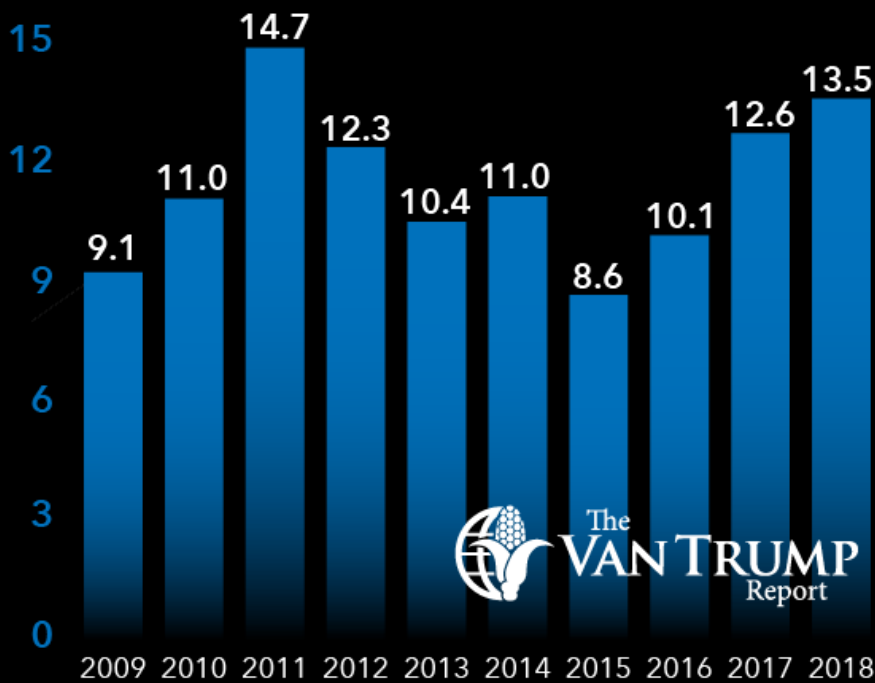


Lemon Blueberry
Dump Cake

CLICK TO SEE RECIPE

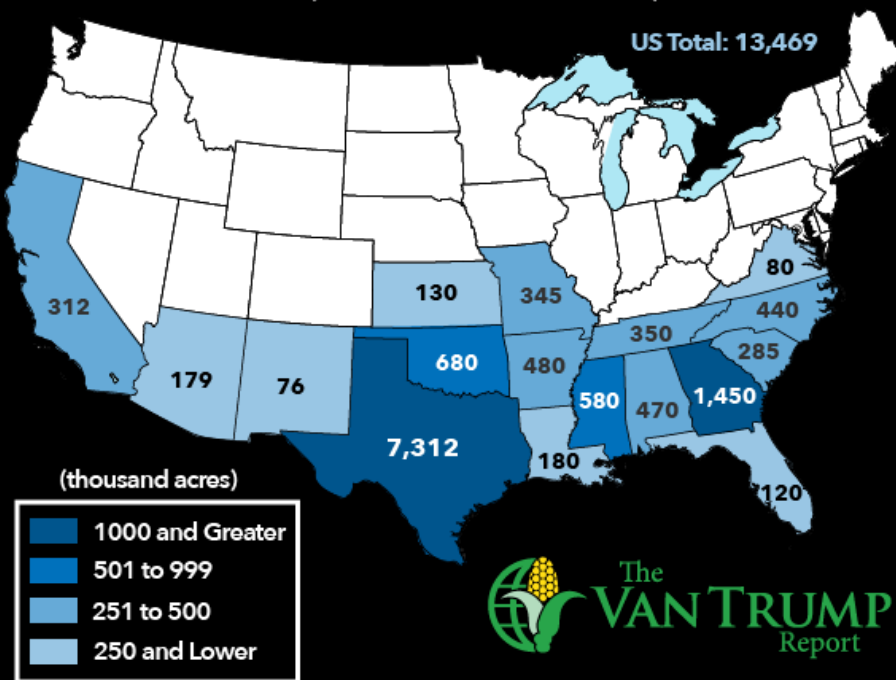
Cotton prices are now at the highest level we've seen in several years. December cotton prices actually traded Limit-Up yesterday hitting a new contract high of 90.65. Prices have been moving higher due to extremely dry conditions in Texas and the recent damage from Tropical Storm Alberto in other Southern areas. Texas annually produces more cotton than any other state in the US, actually about 25% of our nations crop comes from Texas. The main weather concern is in the western part of Texas (the largest producing area in the state and the US), which is calling for triple-digit temperatures during the next few weeks with no real sign of meaningful rain. The crop is already thought to be under considerable stress, so this is only amplifying the problems. The recent heavy rains associated with Tropical Storm Alberto has continued to drive prices as well. From what we understand, Alberto has dumped rain into many key growing areas like South Carolina who is experiencing flash flood warnings. Alberto also affected a lot of Southwest and Central Georgia dropping around 25 inches of rain, which was the second highest cotton producing state in the U.S. last year. On the demand side of the equation, there's already a strong story brewing as global consumption is reportedly up +4% compared to last year. If trade tensions with China ease, demand for U.S. cotton could push higher. Nearby, it still feels like there's more room to the upside, but as a producer, eliminating price-risk on the rally seems most prudent moving forward due to the high prices. One concern I have moving forward is that we might have more acres planted than the market is currently forecasting. There's lots of talk that producers in Kansas and Oklahoma abandoned wheat production and replaced it with cotton acres. Farmers say they are replacing the wheat crop because cotton can be grown with less water. Kansas plans to produce 130,000 acres of cotton this year, which is the most ever by this state. Oklahoma also plans to produce 680,000 acres, which the most cotton produced since 1980. The reason this quick increase worries me is because only three years ago U.S. farmers planted the fewest acres of cotton in 30 years. The country overall is around a million acres short of producing the most cotton since 2011. When producers chase a market, it just never tends to work. I personally like the thought of having about 60% of our expected new-crop price removed at the current highs, with a goal of pricing another 20% with in the next 60-days.

U.S. Cotton Acres Planted (in million acres)



Source: USDA, NASS Updated: 05/29/18

2018 Cotton Area Planted (in thousand acres)



Source: USDA, NASS Updated: 05/29/18



> **Brazil Trucker Strike Slow To Unwind:** The nationwide trucker protest in Brazil has been slow to unwind despite a raft of concessions the government offered over the weekend. While major cities are running short on food, gasoline and medical supplies, President Temer downplayed the threats of a military coup. "What I see is a rejection both in the Ministry of Defense and throughout the military forces to any kind of military intervention." There's talk now that Brazilian oil workers may soon start a multi-day strike...stay tuned!

> **Egypt Reverses Ergot Ban:** Egypt's top administrative court has ruled that the country should accept wheat with marginal levels of the common grain fungus ergot, a local newspapers said on Sunday, freezing a lower court order to ban the fungus entirely which had vexed traders. From what I hear, that ban was never adopted at Egypt's ports, as the government appealed the decision and said it would continue to permit up to 0.05 per cent in cargoes during the appeal process. (Source: [AlbertaFarmerExpress](#))

> **Bayer Wins U.S. Nod for Monsanto Deal:** Bayer has won U.S. approval for its planned takeover of Monsanto after agreeing to sell about \$9 billion in assets, clearing a major hurdle for the \$62.5 billion deal that will create by far the largest seeds and pesticides maker. The asset sales agreed to by Bayer were the largest ever divestiture ever required by the U.S. Bayer committed to selling its entire cotton, canola, soybean and vegetable seeds businesses and digital farming business, as well its Liberty herbicide, which competes with Monsanto's Roundup. (Source: [Bloomberg](#))

> **Microsoft Passes Google:** Microsoft on Tuesday became the world's third-most-valuable company, behind only Amazon and Apple, as its market cap ended the day at \$753 billion, passing Alphabet's \$739 billion. (Source: [BusinessInsider](#))

> **U.S. To Continue Trade Actions Against China:** U.S. officials announced Tuesday morning that by June 15, Washington will release a list of some \$50 billion worth of Chinese goods that will be subject to a 25% tariff. The U.S. will also continue to pursue litigation against China at the World Trade Organization. By the end of June, the U.S. will announce investment restrictions and "enhance export controls" for Chinese individuals and entities related to the acquisition of industrially significant technology. Again, the back-and-forth on trade tensions continues... (Source: [Reuters](#))

> **New Estimate For Death Toll In Puerto Rico in the wake of Hurricane Maria:** 4,600 est. The official death count last year was 64. Based on a household-based survey, researchers suggest that the number of excess deaths related to Hurricane Maria in Puerto Rico is more than 70 times the official estimate. You can view the research [HERE](#). (Source: [New England Journal of Medicine](#))

> **Hawaii Faces a Taro Shortage:** Taro farmers from the Hawaiian island of Kauai are preparing to face major losses after extensive floods last month. Growers of the state's taro crop, a part of the traditional Hawaiian diet, say they expect to produce drastically lower yields for at least the next year. The destruction has led USDA to designate the island a disaster area, which allows farmers to apply for emergency loans and other assistance (Source: [AP](#))

> **Fire Ants Taking Over Australia:** Australia could have a \$33 billion ant problem on its hands. Red fire ants, whose bites can lead humans to experience the sensation that the body is on fire, have been detected outside a containment zone in Queensland's Scenic Rim. To date, the Australian government has put more than \$400 million towards eradicating fire ants since 2001. This is a serious issue as these ants can make everyday activities no longer possible in high infestation areas. (Source: [Quartz](#))

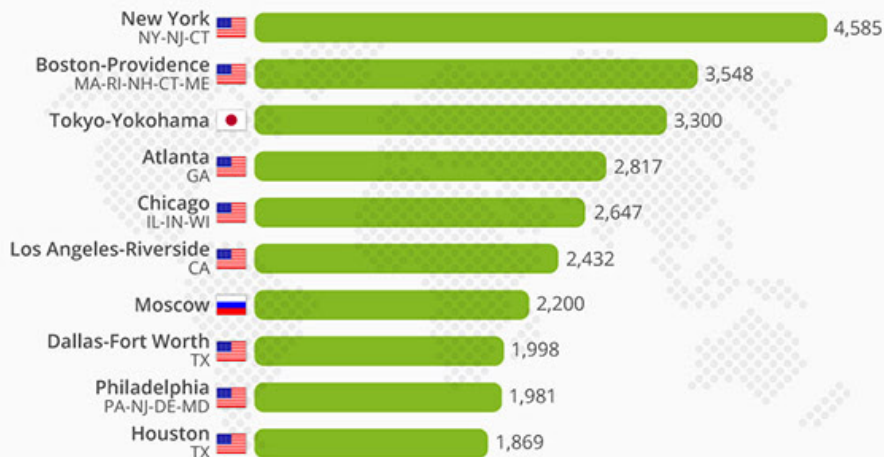
> **Crude Oil and Cotton Margins Bumped Higher:** NYMEX crude oil futures margins will jump to \$2,550 per contract. Brent crude margins jump to \$2,625 per contract. Cotton margins jumped by +25% to \$2,500 per contract.

> **Virgin Galactic Closer To Transporting Passengers In to Space:** Reports circulating show their Unity spacecraft reached 114,000 feet above Earth in the second powered flight, putting the company only months away from launching its first commercial passengers. "It will be something like two or three more flights before we're actually in space," declared founder Richard Branson. Galactic, which is competing with Jeff Bezos' Blue Origin, has more than 700 would-be astronauts signed on to launch, with tickets priced at \$250,000 per flight. (Source: [SeekignAlpha](#))

> **World's Largest Cities By Area:** Even though Tokyo-Yokohama metropolitan area boasts a population of 38 million people, it isn't the world's largest urban region by area. Every year, [Demograpahia](#) releases its World Urban Areas Report which features a wealth of demographic statistics on a host of cities across the world. While Tokyo-Yokohama comes first in the population stakes, it comes third in land area with 3,300 square miles. The New York-New Jersey-Connecticut metro region claims the title as the largest urban area in physical size, sprawling out over 4,585 square miles.

The World's Largest Cities By Area

Urban areas by total land area in 2018 (square miles)



@StatistaCharts Source: Demographia

statista

FROM THE FIELD

North Central Kansas - I am a farmer of corn, soybeans and wheat but I make a nice living off custom cutting through Oklahoma and up south through Kansas. After talking to my people, I will lose about half my jobs and the guys that actually want me to cut don't want to pay enough money for me to drag my combines and semi's down to southern Oklahoma. I am still considering cutting in Southern Kansas because the jury is still out on that crop, a couple big rains and we might be cutting 50-60 bushel wheat. But, if we don't see anything in the next 6 weeks we will literally not even load up the combines this year and hope we can make the payments with some custom combine work this fall. It's no good for the guys that grow the wheat but at least they have insurance, I rely on this work to make my combine payment and there's no insurance on that.

Eastcentral Washington - We have been having absolutely perfect spring weather as the days have been in the 80's and the nights in the 50's. All the spring crops look good and have mostly emerged. The rest are not far behind and our soil moisture conditions are excellent. The winter wheat here is in good shape but I don't feel it matches the crop two years ago. As you drive around you see various sizes, meaning a lack of uniformity in the stands. Harvest for some is only five weeks away and we usually start ours around August first. We grow multiple crops up here including garbanzos, dry peas, winter wheat and lentils to name a few. I am seeing a change in farmer profiles up here, meaning it used to be that an average farm was 1,100 acres with a 50/50 split on owning and renting. Now I see average farms at 2,000 acres and only 10% owned. Not sure if it means anything but definitely interesting.

Northcentral Illinois - We are probably a little closer to central Illinois then the northern part of the state. I farm between 20-40 miles northeast of Decatur. I'm told they have a little more moisture north of us but not much from the sounds of it at this point. We are extremely dry on my farms... I don't know if we just sit in a weird spot but we seem to just miss every rain over the last few weeks but the corn is holding in there. Because the heat came on so fast I'm seeing corn plants curl up. I'm not worried right now because we have a real good chance of rain in the next few days. I have a buddy that's north of me and he's experiencing rapid growth syndrome(RGS). His fields look deceptively bad because of the yellow leaves from RGS but if he gets this rain that's coming up from this tropical storm and the temps drop a little I think we will see these fields look as good or better then we have ever seen.

CROSSING WIRES

A place to share intelligent thoughts...

Is The World Ready For Gene-Edited Rice? Scientists have used CRISPR/Cas9 gene editing to create a rice plant variety that produces 25 to 31 percent more grain per plant in real world tests, or far more than you'd get through natural breeding. The technique "silenced" genes that improve tolerances for threats like drought and salt, but stifle growth. That sounds bad on the surface, but plants frequently have genetic redundancies -- this approach exploited this duplication just enough to provide all of the benefits and none of the drawbacks. What are the challenges science faces to bringing this to market...find out [HERE](#).

Will Coca-Cola's First Alcoholic Drink Make It To The States? The 132-year wait is over. Just this week Coca-Cola launched its first alcoholic product in company history. Unfortunately, as they often do with new products, it is only being launched in a few select markets. The lemon-flavored fizzy drink will be available with 3%, 5%, and 7% alcohol, but only to consumers on the Japanese island of Kyushu. The drink, called Lemon Do, offers a cheaper alternative to beer and more choices of flavors. The problem is there are no plans to widen the offering at this time. Find out why [HERE](#).

If Your Routers On This List, The FBI Says "Reboot It"... Hoping to thwart a sophisticated malware system linked to Russia that has infected hundreds of thousands of internet routers, the F.B.I. has made an urgent request to anybody with one of the devices: Turn it off, and then turn it back on. The malware is capable of blocking web traffic, collecting information that passes through home and office routers, and disabling the devices entirely, the bureau announced on Friday. Learn more and see the list of affected routers [HERE](#).

Jeff Bezos Shares His Lunar Manufacturing Plans: Speaking at the Space Development Conference in Los Angeles, Bezos chatted about the idea of making the moon a center for heavy industry, which he thinks will help conserve resources here on Earth. "In the not-too-distant future — I'm talking decades, maybe 100 years," he said, "it'll start to be easier to do a lot of the things that we currently do on Earth in space, because we'll have so much energy. We will have to leave this planet. We're going to leave it, and it's going to make this planet better." Read more about the billionaire's plans [HERE](#).

Understanding The Next Big Thing for Investors...Blockchain: With all the noise and uncertainty surround cryptocurrencies, there may be something lost in the reporting...the future of blockchain. Those who are skeptical of cryptocurrencies may overlook the potential for blockchain technology. While many cryptocurrencies could fail, with their values going to zero, blockchain technology is likely to be an important part of many businesses in the future. Blockchain technology does solve many problems for many different types of businesses. Seeking Alpha ran a great article on the subject and hopefully it will clarify any confusions as well as offer potential investment opportunities. Read more [HERE](#) .

Blockchain the key

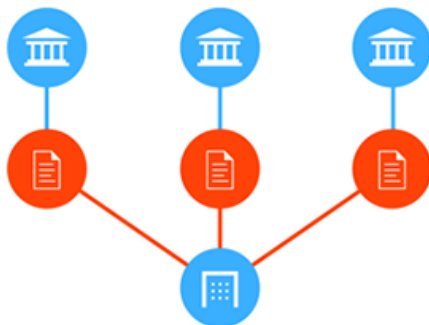
Blockchain technology, a public online ledger of transactions, gained prominence in the digital currency market as a technology that underpinned the first digital currency, bitcoin.

NETWORK

Centralised

Each party keeps its own individual record of the data, and relies on a third party to ensure those records stack up with each other.

CURRENT BANKING SYSTEM



NETWORK

Open

Single digital ledger of transactions is shared across network and is accessible to all who participate.

HOW BITCOIN BLOCKCHAIN WORKS



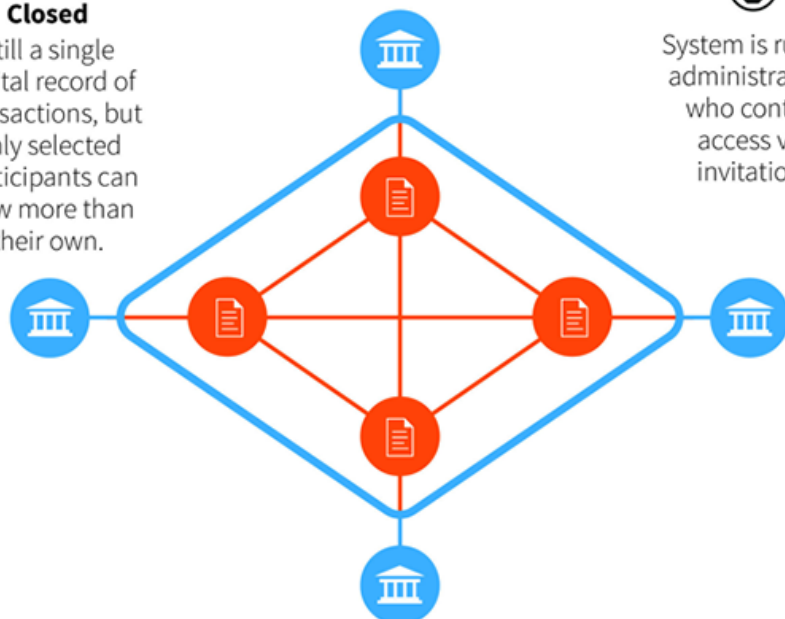
System is run by a global network of "mining" computers that compete to process transactions, with winners paid in bitcoin.

NETWORK

Closed

Still a single digital record of transactions, but only selected participants can view more than their own.

PROPOSED PRIVATE BLOCKCHAIN



System is run by administrators, who control access via invitation.

Source: Reuters

C. Hughes; G. Cabrera, 02/02/2018

REUTERS

FROM MY PERSPECTIVE

Kevin Van Trump



VERIFIED, INSTANT AND SECURED TRANSACTIONS FOR AGRICULTURAL COMMODITIES

WEBINAR: 5/31 AT 3PM CT | PRESENTED BY: GRAINCHAIN

BROUGHT TO YOU BY:



During 2018, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aquaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

Join us each Thursday at 3pm CT for [Agrifood Conversations](#).

REGISTER NOW



Learn More About "GrainChain"

Title: How Blockchain Is Helping Farmers Get Paid Quicker

Time: Thursday, MAY 31 @ 3:00 pm CT

GrainChain is bringing blockchain technology to agriculture. This company secures contracts and payments for growers and actual buyers using blockchain technology. The main goal of GrainChain is to take the seed from the ground once it is harvested to provide securities of payment as soon as the grain hits the scale. They want to provide the growers with instant payments and guaranteed contracts. The GrainChain platform allows for growers to work with any farmer with a greatly reduced risk of fraud and non-payment through a phone app. GrainChain is simply more than a phone app, though. This idea establishes the ability to create smart contracts between growers and buyers to change the way grain is sold. Typically, grain is sold by the farmer to the elevator by waiting in traffic, weighing the grain, and then given a receipt for the grain they just sold. This process could take several weeks before the grower ever receives a payment. Where GrainChain is different is the farmer already has the grain sold through the phone application causing them to drop off their corn with no delay and get paid instantly. When a grain shipment is contracted and processed through one of the grain elevator facilities using GrainChain there is no need for any manual interface, the system autonomously begins to grade, weigh, and certify the different grains the moment it is delivered. The system is used to eliminate the potential of cheating with the weights, and a number of other dishonest schemes that were distorting commodities prices in the past. They also provide immediate paperwork that is trackable in the software systems, rather than paper notes.

Investors and Producers may be wanting to know the in-depth details of this company and how the grower actually gets paid. To enter into these smart contracts, buyers purchase GrainPay tokens and the funds are held in escrow to secure the payment for the individual grain contracts. The tokens are then transferred to the grower when the grain is delivered as per the smart contract. The grower can instantly exchange those

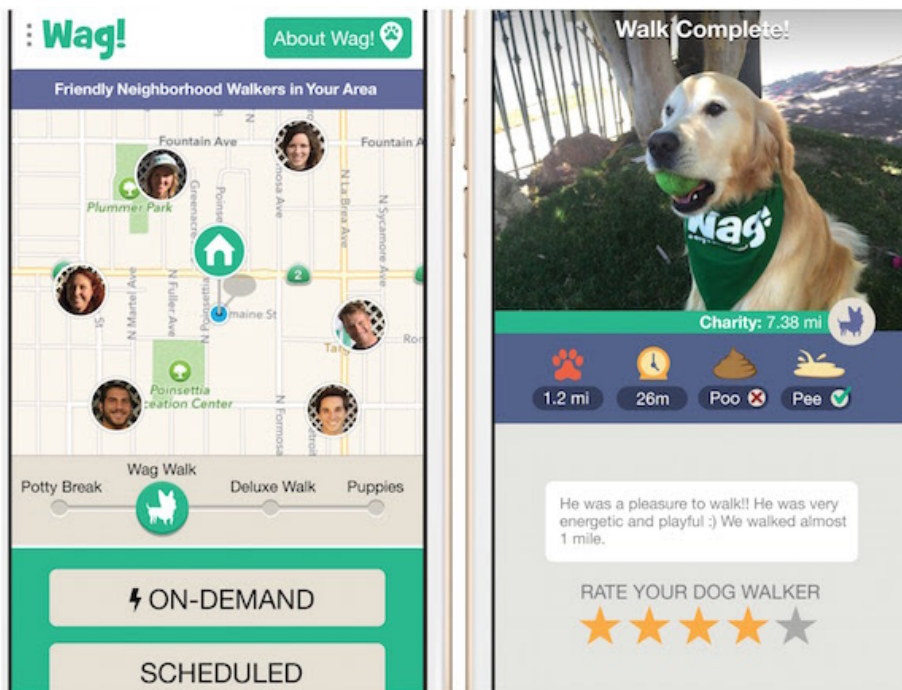
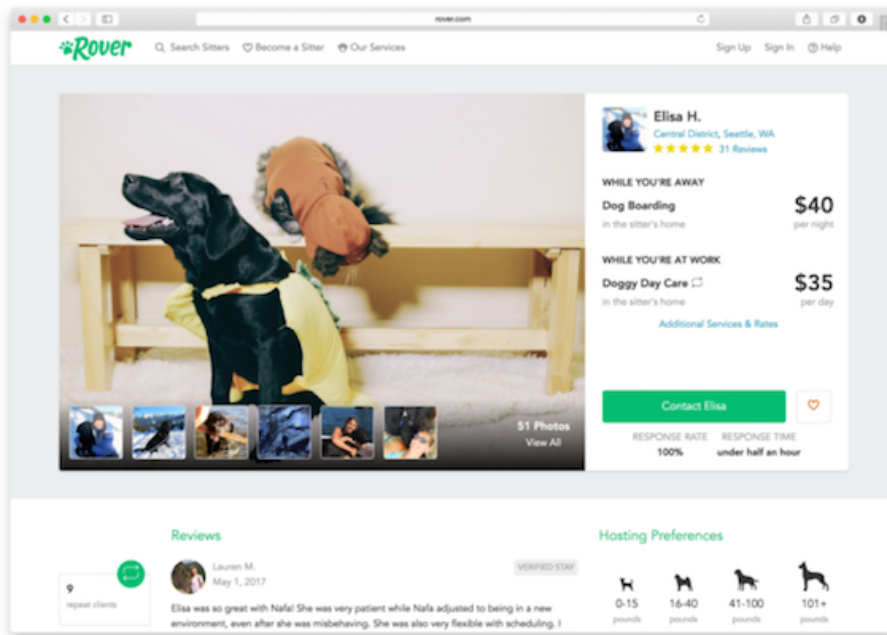
GrainPay tokens for U.S. dollars and have the escrowed funds deposited into their bank account without having to deal with cash or checks. Meanwhile, the title of the grain is promptly transferred to the buyer upon delivery, because the grain is paid for instantly. In short, GrainChain allows the IOT devices to cause an event to execute the change of title within the different grain contracts and create true instant settlements. This level of transparency, trust, and security opens many new possibilities never seen before in the industry. Overall, GrainChain provides fast payment, full liquidity, fixed conversion rates, and fully traceable and transparent accounting of the tokens. For more information and explanation Click [HERE](#).



Disrupting The Billion Dollar Pet Business

Pet businesses and services have exploded the past few years and are now nearing \$70-\$80 billion. In fact, this industry has been growing for two decades and for the past 20-years has steadily outpaced the U.S. economy. Most of that growth has been on the backs of increasing brick and mortar locations for the top two companies, PetSmart and Petco. But more significant disruption is beginning to make waves in the space. The online market for pet supplies was first influenced by Chewy.com, a pet supply company which many of our friends still use, and one that was sold to PetSmart last year for more than +\$3 billion. That obviously incentivized investors, as they have now pumped in over \$670 million in two startups, one called "Rover" and one called "Wags". Rover is more like an Airbnb for pets. It was founded in 2011, and is now the largest pet services marketplace that helps match more than 150,000 vetted sitters across 10,000 cities in North America with pet-owners looking for someone local to take care of their dogs and other animals. A "service" is booked on Rover every four seconds. The way I understand it, they started out by matching pet owners with other pet owners who were willing to take cars of another dog for a short period of time while the owner was either on vacation or busy for the day. Wags is considered more of a "Uber for dog walking". In other words, a pet owner can log onto the Wags app that shows available pet lovers in your area who are willing to take your pet on a walk or play with your pet for an agreed upon amount of time. The pet owner gets a complete report card and a few comments about the outing. In some cases Wags walkers will actually have a camera on the walk where you can log in and watch. Regardless, both of these pet businesses are clearly creating disruption. Sharing communities like Uber and Airbnb have had great successes to date, but dealing with pets and the rare occasions of mishaps could certainly prove to be a bit more difficult, especially with the social media storm that could ensue. Much like what happened to Wags Inc. early in their process, when a contracted worker actually lost a customers dog. The saga didn't play out well at first, causing potential investors at the time to reconsider. But as time heals all wounds and lessons are learned from early mistakes, processes are in place to better ensure positive experiences for customers. Rover, notes on its website that it "accepts less than 20% of potential sitters," and has over 200,000 sitters throughout North America. I feel this space, which doesn't have a lot of tech savvy companies competing, certainly has a lot of potential for growth, I'm just a bit worried about the pain points that could be involved as combine try to work out all the kinks. As we like to say, the first ones through the door often tend to get the bloodiest. It will be interesting to see if "Rover" and "Wags" can navigate the waters where the combination of mistakes and accidents with family pets can clearly happen. With mass social media now at every consumers fingertips, it only takes one major disaster to spread like wild-fire across the internet, bringing down entire companies. I tip my hat to those who are taking a shot at the new industry, where the use of new technology is providing unique opportunities to get ahead of the pack. I'm just not willing to throw my money at the sector, at least not yet. This is somewhat similar to my thoughts regarding driverless vehicles. I love the concept and definitely believe it will be the future, I just want to be patient and

observing as pioneers in the space are forced to deal with a wide range of difficult variables. (Source: TechCrunch, Bloomberg, Petbusiness)



The Gap vs. The Gain... Something That Made Me Stop And Think

I was sent an interesting article the other day and I wanted to share the overall concept. I've never been a huge "rah-rah" guy, but I do understand the importance of staying positive and looking at the glass as half-full rather than half-empty. I've also often wondered why some people are always harder on themselves and more negative with their personal inflection than others. I've found this can be something that really holds people back and needs to be better understood. A really good article recently written by Ben Hardy, titled, "[Unsuccessful People Focus On "The Gap."](#) [Here's What Successful People Focus On](#)", concludes that best-of-the-best focus on "The Gain" rather than focusing on "The Gap". In simple terms, they focus on how far they have come since their last check-point, rather than how much further it is to their final destination, i.e. "the gain" rather than "the gap" remaining to the ultimate goal. Hardy writes...

If you're growing but constantly measuring where you are against your ideal, you'll never get there. This will lead you to always feeling dissatisfied with yourself, which isn't helpful to your future goals and it robs you of the joy of the distance you've made. When you rob yourself of the joy of measuring how far you've come, you don't experience happiness, gratitude, or confidence. And when you don't experience these, you actually set lower

and less clear goals and start to believe in being content. Research is clear that as people, we are happiest when we are improving. Self-acceptance is important, but self-acceptance is also intended to be a vehicle for positive growth, not for staying stagnant and justifying mediocrity. Moreover, you can't have hope for the future if you don't believe you can change. Trying to force yourself to remain the same stunts hope and happiness. Put simply, when you take the time to reflect and measure how far you've come, you'll set clearer and more powerful goals, because those goals will be set from a place of confidence, happiness, and gratitude. They'll also be set from a place of tangible measurement, not abstract idealization.

HAPPY PEOPLE

Live in the moment
Forgive
Open to new ideas
Compliment others
Look within
Encourage change
Appreciate loved ones
Set goals
Communicate

UNHAPPY PEOPLE

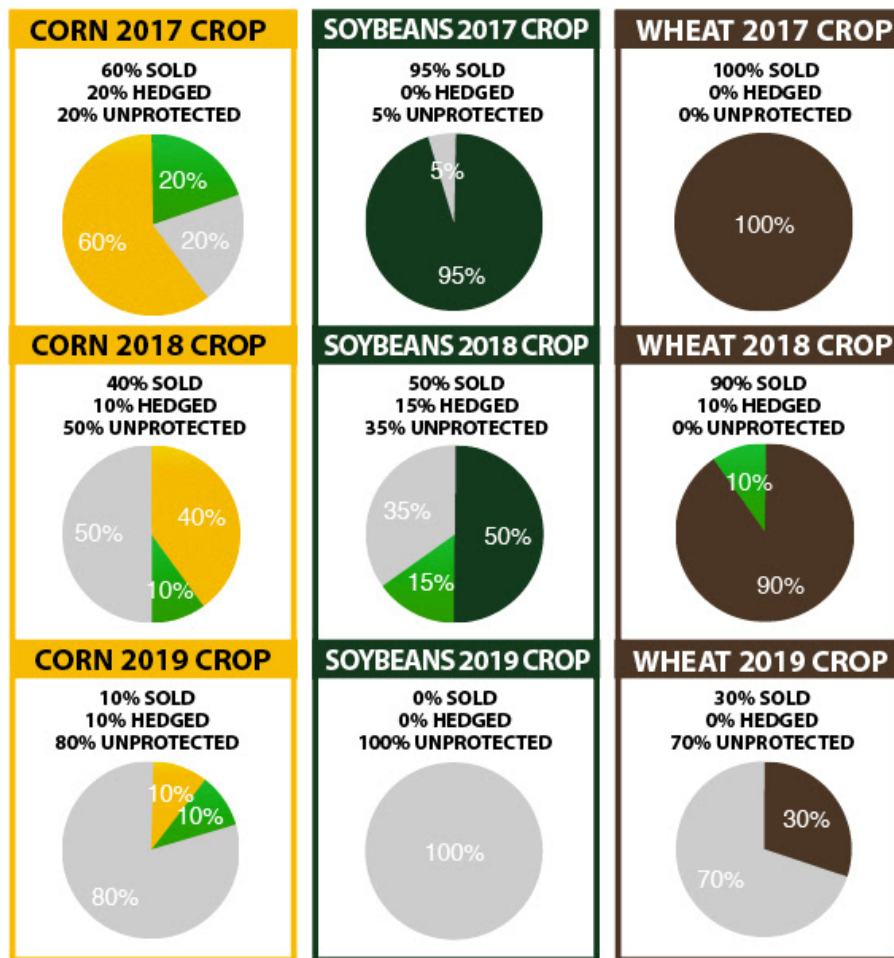
Live in the past
Hold grudges
Closed minded
Criticize others
Blame others
Fight change
Take for granted
Stays stagnant
Disregard others

HAPPY PEOPLE
focus on what they have
UNHAPPY PEOPLE
focus on what's missing.

HEARTFELTQUOTES.BLOGSPOT.COM

ANSWER to riddle: Rice.

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

Wed, May 30, 2018 at 7:07 AM

[Quoted text hidden]