

## GOOD MORNING: 06/19/18 Farm Direction - Van Trump Report

2 messages

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Tue, Jun 19, 2018 at 6:43 AM



"The person who knows "how" will always have a job. The person who knows "why" will always be his boss." - **Diane Ravitch**

**TUESDAY, JUNE 19, 2018**

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**Morning Summary:** Stocks are significantly lower this morning as China's Commerce Ministry labels it a "trade war". The Dow Jones Industrial Average looks as if it could close lower for the sixth consecutive sessions. Interestingly, many stocks have still been posting new all-time highs, while the larger multinational companies are experiencing most of the heavy headwinds. In fact, in the latest data shows over 70% of the stocks in the S&P 500 are trading above their 50-Day Moving Average, back in early-May that number was more like 40% trading above their 50-Day. In other words, even though you are seeing the negative numbers on the nightly news, there's actually been more stocks moving higher than lower. It's just some of the more traditional old-school names are taking the majority of the heat. I'm also starting to hear traders are becoming increasingly more selective with their holdings, myself included. The U.S. economy is very strong right now, that's not my main concern. With technology advancing so quickly, I'm worried about the moves much further out on the horizon. If we would begin to slide, I don't want to be holding "old-school" stocks for the long-term that might not make it out the other side. With massive tech disruption happening across the board, it's tough to forecast which traditional companies can weather the storm and pivot fast enough to survive. Lets take health care for example, I see huge bargains in the space using a traditional fundamental mindset, but when I start to think outside-the-box about what the future might look like, I'm not certain these stocks are bargains and not so certain I want to hold through a rough period in the market. With most countries around the world now sitting on huge debt and an aging population, cutting health care cost has become of major significance. In return, I have to imagine the governments will be putting more and more pressure on the health care sector to start reducing expenses. I'm not sure how this all plays out, but I know there are easier plays in the market and don't want to be carrying the extra weight if conditions get more difficult. I just want readers to think about their positions and investments from a slightly different perspective. The underlying landscape has shifted and changed significantly, so continuing to use the same thought process probably isn't going to produce the same results. I would be careful bargain hunting in this environment, some of the bigger players may have dumped them for similar reasons that I mentioned above. I remember having several stocks in my portfolio during the [dot.com](#) bubble that I thought were bargains but I should not have been holding long-term. I also remember having some in my portfolio during the massive setback in 2008-09 that I shouldn't have been holding. I'm not saying we are anywhere close to a "market meltdown," because I don't think we are, I just want to shift my mentality. I'm not leaving the party, just switching from drinking a good hard scotch to something much more tame. At some point, I still have to get the car back home and safely into the garage. Make certain you know and recognize when it's time to start sobering up. As for today, traditional economic data will focus on U.S. Housing Starts and Building Permits. Tomorrow we will be digesting Existing Housing data and the latest rate policy decision from Brazil. Thursday we have the latest rate decision from the Bank of England, and the first round of the U.S. bank stress tests. Friday's focus will be on the latest OPEC meeting in Vienna, specifically if Saudi Arabia and Russia are going to be increasing their oil production totals to help offset the losses in Iran, Venezuela and Libya.

**Lumber Prices Adding +\$9,000 To Average New U.S. Home Cost:** *U.S. homebuilders are thrilled with demand for housing, but they say they are being hamstrung by rising costs for lumber. Builder sentiment fell 2 points to 68 in June, according to the National Association of Home Builders/Wells Fargo Housing Market Index. A reading above 50 is considered positive sentiment, meaning builds are still positive, they've just become a bit more frustrated as of late. Builder sentiment has been mostly in the 70s since December, except for one dip in April, when mortgage rates took a sizable jump. This time, the weakness is all about the spike in material prices. From what I understand, there are also bigger concerns about recent tariffs placed on Canadian lumber, as well as other imported products. It's worth noting that*

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record-high lumber prices have added nearly \$9,000 to the price of a new single-family home since January 2017. Read more [HERE](#)

**The United States "Space Force"?** Wars have and will be fought on all fronts and space is no exception. President Trump has directed the Pentagon to "immediately begin the process" of establishing a "Space Force" as the sixth branch of the U.S. armed forces. At a meeting of the National Space Council, Trump said: "We must have American dominance in space. I am hereby directing the Department of Defense and Pentagon to immediately begin the process necessary to establish a space force as the sixth branch of the armed forces. Our destiny beyond the Earth is not only a matter of national identity but a matter of national security." Click [HERE](#) to read more about Space Force.

**"Google vs. Amazon"** - With Alphabet tossing around \$550 million for an investment in Chinese online retailer JD.com many analysts are wondering if they are jumping deeper into the online shopping space. Several sources have said "online shopping" has become the new "search". There's also talk that with Alphabet having a massive war-chest of cash, estimated to now be in excess of +\$100 billion, compared to Amazon who is estimated to have around \$17 billion, they could quickly catchup. It will be interesting to see where Google is looking to spend all that cash... For what it's worth, just since June 1, Amazon founder and CEO Jeff Bezos' net worth has grown over +\$5 billion and now totals nearly \$142 billion, according to the Forbes World's Billionaires list. It comes as Amazon's customer base sticks around despite the latest Prime price hike in exchange for a slew of services and perks. The company's stock has continued to increase in value, up +45% year-to-date. Bezos has clearly added to his title as richest person in the world. (Source: SeekingAlpha)



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 begins with a T, ends with a T, and has T in it?

**Weather** forecasts are calling for a brief round of heat stress to the southern and eastern Corn Belt this week. However, showers and thunderstorms are in store later this week, which, along with lower temperatures, should allow favorable crop conditions to return. Thunderstorms and more seasonal temperatures are expected in some

the farm industry.

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

- John Wooden

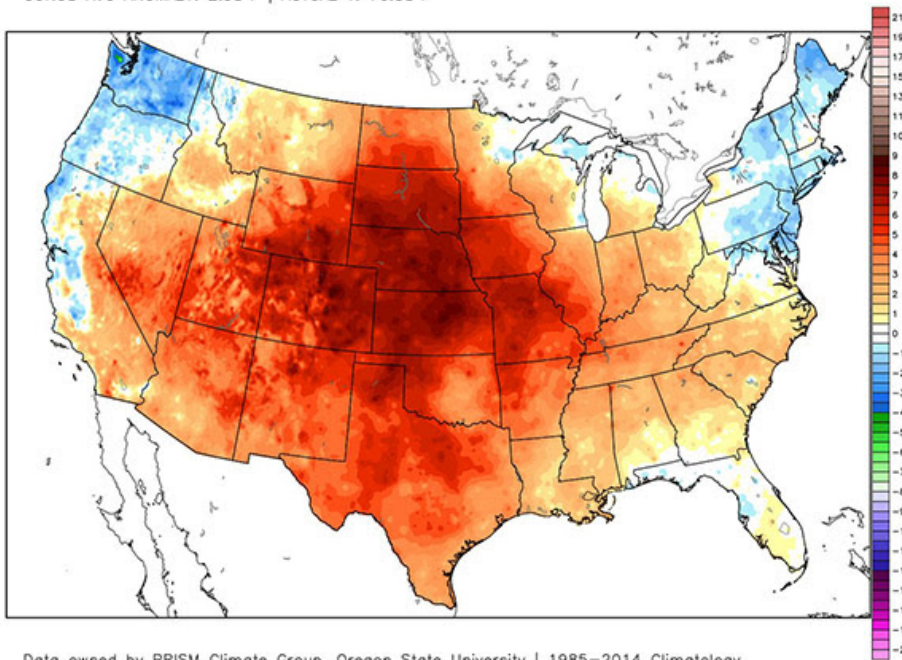




locations Tuesday and Wednesday. This should help ease stress to summer crops. On the Plains, markedly cooler air is covering the northwestern half of the region, accompanied by showers. Meanwhile, drought affected rangeland, pastures and summer crops on the southern Plains and benefiting from weekend rainfall, which totaled 1 to 2 inches or more in many locations. In the South, a disturbance over the Gulf of Mexico has produced drought easing showers in the western half of the region. Hot, humid weather covers the remainder of the South, promoting a rapid pace of crop development. Cooler weather will prevail for the remainder of the week in several areas of the country. However, heat will linger for the next few days in much of the eastern U.S. and gradually return across the Far West. By week's end significantly above normal temperatures should be mainly confined to the southwestern and south central U.S. Meanwhile, heavy rain will affect numerous areas, including the Gulf Coast region and broad swath stretching from the Rockies into the Mid-Atlantic States. Five day rainfall totals could reach 4 to 10 inches along and near the Texas coast and 2 to 4 inches in the western Corn Belt and environs.

**June On Track To Be Warmest Ever:** *We are looking at the warmest June on record since 1981 and possibly since 1934. Also, May 1 - June 18 is the warmest on record for that timeframe. Cool over next week in the Plains will cut into the possibly monthly record, but so far this has been some impressive heat so far this month.*

PRISM 2-m AVERAGE TEMPERATURE [°F] ANOMALY Jun 1-17, 2018  
CONUS AVG ANOMALY: 2.98°F | ACTUAL T: 70.38°F



Data owned by PRISM Climate Group, Oregon State University | 1985-2014 Climatology  
Avg T Calculated using Degree Day method: (T2MAX+T2MIN)/2.0

**Corn** bears continue to apply pressure as trade tensions escalate. They also continue to point to good rainfall totals in the forecast across a large portion of the U.S. corn belt. The latest USDA crop-condition report continues to confirm one of our best ever starts to a season. Interestingly, my home state of Missouri has seen conditions drop by -19% in just the past two-weeks. I suspect this why I've had a more bullish tilt than I obviously should have. It's extremely tough this time of year not to talk your own position and perspective. Make sure your not making similar assumptions. The USDA released their official weekly crop-condition estimates showing a slight overall improvement from 77% to 78% of the crop now rated "Good-to-Excellent" vs. 67% rated "Good-to-Excellent" last year. Corn reported as "emerged" pushed to 98% which is just a hair ahead of our 5-year average of 97% for this time of year. For what it's worth, I had the office pull crop-condition ratings back to 2000 for dates ranging between June 17th to June 23rd. Here's how they looked... 2018 is the best at 78% rated G/E; 2016 @ 75%; 2010 @ 75%; 2014 @ 74%; 2003 @ 73%; 2000 @ 72%; 2015 @ 71%; 2011 @ 70%; 2009 @ 70%; 2007 @ 70%; 2004 @ 70%; 2006 @ 68%; 2005 @ 68%; 2017 @ 67%; 2013 @ 64%; 2012 @ 63%; 2001 @ 63%; 2002 @ 62%; 2008 @ 59%. I continue to kick myself for lifting and taking profits on some of my old-crop hedges just too early vs. the JUL18 contract. Without improvements in trade headlines, it doesn't feel like it's going to get much better. The nearby weather forecast could bring substantial rainfall and recharge soils for key production states like Iowa, Illinois, Nebraska, South Dakota, and Kansas. Missouri is even expected to get some improved moisture. With no real weather story, the U.S. crop off to great start and negative trade headlines lingering, it's tough to envision much of an extended rally nearby. Longer-term, however I believe there's still a bullish story brewing. Remember, "option expiration" for old-crop JUL18 contracts is this Friday June 22, 2018. "First Notice Day" for JUL18 futures positions is the following Friday June 29, 2018. The JUL18 futures contract goes off the board on Friday July 13, 2018. Remember, the Mexican elections are July 1, 2018, which might actually be a positive for NAFTA. And the Chinese tariffs are set to go into play July 6, 2018, meaning perhaps there could be some last minute negotiations. Lots of balls in the air...

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## Today in History



**1917** - During the third year of World War I, Britain's King George V orders the British royal family to dispense with the use of German titles and surnames, changing the surname of his own family, the decidedly Germanic Saxe-Coburg-Gotha, to Windsor. The second son of Prince Edward of Wales (later King Edward VII) and Alexandra of Denmark, and the grandson of Queen Victoria, George was born in 1865 and embarked on a naval career before becoming heir to the throne in 1892 when his older brother, Edward, died of pneumonia. The following year, George married the German princess Mary of Teck (his cousin, a granddaughter of King George III), who had previously been intended for Edward. The couple had six children, including the future Edward VIII and George VI (who took the throne in 1936 after his brother abdicated to marry the American divorcee Wallis Simpson). As the new Duke of York, George was made to abandon his career in the navy; he became a member of the House of Lords and received a political education. When his father died in 1910, George ascended to the British throne as King George V. With the outbreak of World War I in the summer of 1914, strong anti-German feeling within Britain caused sensitivity among the royal family about its German roots. Kaiser Wilhelm II of Germany, also a grandson of Queen Victoria, was the king's cousin; the queen herself was German. As a result, on June 19, 1917, the king decreed that the royal surname was thereby changed from Saxe-Coburg-Gotha to Windsor. In order to demonstrate further solidarity with the British war effort, George made several visits to survey the troops at the Western Front. During one visit to France in 1915, he fell off a horse and broke his pelvis, an injury that plagued him for the rest of his life. Also in 1917, he made the controversial decision to deny asylum in Britain to another of his cousins, Czar Nicholas II of Russia, and his family, after the czar abdicated during the Russian Revolution. Czar Nicholas, his wife Alexandra and their children were subsequently arrested and later murdered by the Bolsheviks.



**1953** - Julius and Ethel Rosenberg, who were convicted of conspiring to pass U.S. atomic secrets to the Soviets, are executed at Sing Sing Prison in Ossining, New York. Both refused to admit any wrongdoing and proclaimed their innocence right up to the time of their deaths, by the electric chair. The Rosenbergs were the first U.S. citizens to be convicted and executed for espionage during

## States With Conditions Improving

North Dakota +8% to 81% G/E  
 Iowa up +3% to 84% G/E  
 South Dakota up +3% to 66% G/E  
 Indiana up +1% to 76% G/E  
 Kansas up +1% to 61% G/E  
 Kentucky up +1% to 86% G/E  
 Pennsylvania up +1% to 76% G/E

## State With Conditions Unchanged

Nebraska at 86% G/E  
 Ohio at 87% G/E

## States With Conditions Deteriorating

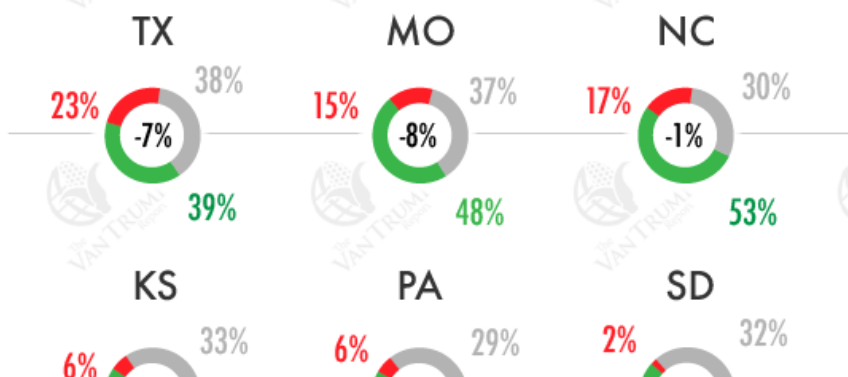
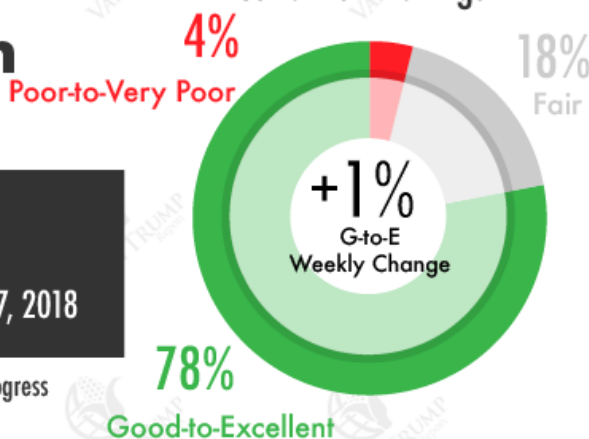
Missouri down -8% to just 48% rated G/E  
 Texas down -7% to just 39% G/E  
 Colorado down -4% to 81% G/E  
 Arkansas down -3% to 69% G/E  
 Michigan down -3% to 69% G/E  
 Tennessee down -3% to 77% G/E  
 Minnesota down -2% to 88% G/E  
 Illinois down -1% to 81% G/E  
 North Carolina down -1% to 53% G/E  
 Wisconsin down -1% to 90% G/E

# Corn Crop Condition Ratings

Week 24  
 week ending June 17, 2018

Source: USDA, NASS Crop Progress

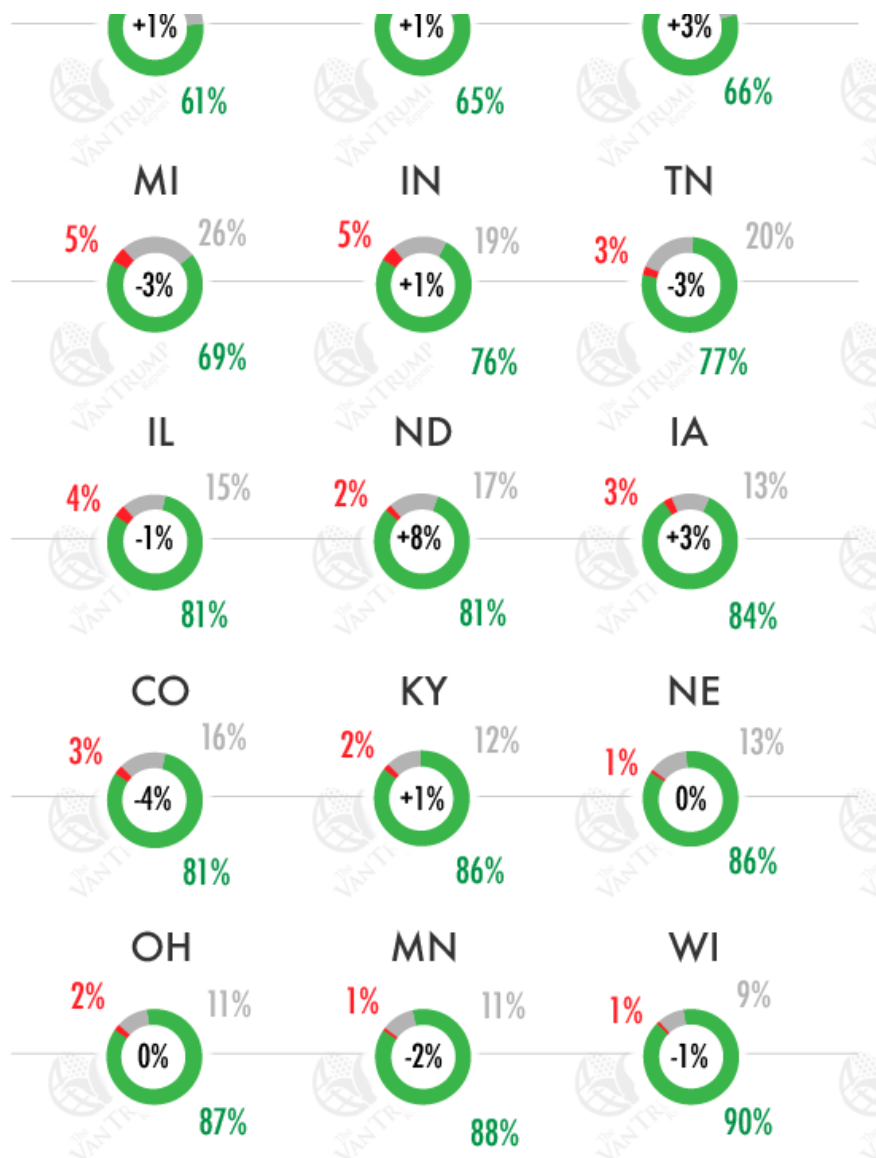
## 2018 U.S. Corn Condition Ratings



peacetime and their case remains controversial to this day. Julius Rosenberg was an engineer for the U.S. Army Signal Corps who was born in New York on May 12, 1918. His wife, born Ethel Greenglass, also in New York, on September 28, 1915, worked as a secretary. The couple met as members of the Young Communist League, married in 1939 and had two sons. Julius Rosenberg was arrested on suspicion of espionage on June 17, 1950, and accused of heading a spy ring that passed top-secret information concerning the atomic bomb to the Soviet Union. Ethel was arrested two months later. The Rosenbergs were implicated by David Greenglass, Ethel's younger brother and a former army sergeant and machinist at Los Alamos, the secret atomic bomb lab in New Mexico. Greenglass, who himself had confessed to providing nuclear secrets to the Soviets through an intermediary, testified against his sister and brother-in-law in court. He later served 10 years in prison. The Rosenbergs vigorously protested their innocence, but after a brief trial that began on March 6, 1951, and attracted much media attention, the couple was convicted. On April 5, 1951, a judge sentenced them to death and the pair was taken to Sing Sing to await execution. During the next two years, the couple became the subject of both national and international debate. Some people believed that the Rosenbergs were the victims of a surge of hysterical anti-communist feeling in the United States, and protested that the death sentence handed down was cruel and unusual punishment. Many Americans, however, believed that the Rosenbergs had been dealt with justly. They agreed with President Dwight D. Eisenhower when he issued a statement declining to invoke executive clemency for the pair. He stated, "I can only say that, by immeasurably increasing the chances of atomic war, the Rosenbergs may have condemned to death tens of millions of innocent people all over the world. The execution of two human beings is a grave matter. But even graver is the thought of the millions of dead whose deaths may be directly attributable to what these spies have done."



**1972** - The U.S. Supreme Court rules against Curt Flood in *Flood v. Kuhn*, denying Flood free agency as a baseball player. Flood was trying to break the reserve clause that had tied baseball players to one franchise since the establishment of professional baseball. Curt Flood was traded from the St. Louis Cardinals to the Philadelphia Phillies following the 1969 season. The Cardinals were among the premiere franchises in baseball, and they had won the World Series in 1964 and 1967 with Flood patrolling centerfield. A career .293 hitter, Flood hit .300 six times in his 10 seasons with the Cardinals (1959-1969), and won a Gold Glove Award for fielding seven consecutive years (1963-1969). He was a star player, and he was loath to leave St. Louis for Philadelphia to play for a second-rate team with a reputation for racism among the home fans. Flood consulted Marvin Miller, executive director of the Player's Union and a savvy negotiator and labor expert who had already successfully introduced collective bargaining to the major leagues. Miller was convinced that Flood would lose his battle in court in addition to his baseball career. Still, Flood decided to move forward, and in a December 1969 letter to baseball commissioner Bowie Kuhn, he stated his desire to become a free agent, which would give him the power to decide for which team he would play. Kuhn ignored the letter. *Flood v. Kuhn* was argued in May and June 1970 in the southern



**Soybean** traders watch prices in the JUL18 contract tumble to sub-\$8.90, a level the market hasn't seen since March 2016. From a technical perspective, some are saying the low back in November 2015 could be in play just below \$8.45 per bushel. New-crop NOV18 prices are down heavily again this morning and now pressuring the \$9.00 level. Trade relations with the Chinese and greater uncertainty about NAFTA are clearly creating continued headwinds and extreme pressure. On the flip side, bulls are trying to find anything to stop the bleeding, now pointing to overall U.S. crop-conditions deteriorating a bit. The latest USDA data shows weekly crop-conditions dropping slightly from 74% down to 73% now rated "Good-to-Excellent" compared to 67% rated "Good-to-Excellent" last year at this time. Soybeans reported as "planted" pushed to 97% vs. our 5-year average of 91%. Soybeans reported as "emerged" pushed to 90% which is well ahead of our 5-year average of 81% for this time of year. Bottom-line, the market doesn't seem all that concerned about deteriorating conditions in the U.S. Instead, traders are wanting to focus on what appears to be sexier headlines involving U.S. trade renegotiations. Exports to China are obviously a huge deal, hence the trade likes to keep them in full-focus. There's some hope that something good will happen between now and the July 6th tariff deadline. I'm not holding my breath, but it's very important to think about when considering how you play your old-crop hedges. As I mentioned above with corn, "option expiration" for old-crop JUL18 contracts will be this Friday June 22, 2018. "First Notice Day" for JUL18 futures is the following Friday June 29, 2018. The JUL18 futures contract actually goes off the board on Friday July 13, 2018. With Chinese trade negotiations still at center stage, these JUL18 expiration dates could be of extreme importance.

#### State With Conditions Improving

*North Dakota +3% to 82% G/E*

district of New York. Flood was represented by Arthur Goldberg, a legendary labor lawyer who later became a U.S. Supreme Court justice, but a heavyweight attorney was not enough. After losing in U.S. District Court and then the 2nd Circuit Court of Appeals, the case was argued in front of the Supreme Court beginning in March 1972. The opinion, delivered by Justice Harry Blackmun, affirmed the 1922 Federal Baseball Club v. National League opinion of Oliver Wendell Holmes that baseball is a sport and not a business, and therefore exempt from anti-trust law. The blistering dissent by Justices Thurgood Marshall, William Brennan and William O. Douglas maintained that the ruling was incorrect because baseball was and is a business, and a big business, packaged with liquor sales, broadcasting and many other industries. As Miller predicted, Curt Flood never played baseball again. Just three years later, in 1975, an independent arbitrator ruled in a similar case brought by Andy Messersmith and Dave McNally that the men were free of their contractual obligations and could file for free agency.

#### Upcoming Events

**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



Iowa up +2% to 80% G/E

Kentucky up +2% to 86% G/E

South Dakota up +1% to 61% G/E

Indiana up +1% to 74% G/E

#### State With Conditions Unchanged

Kansas at 56% G/E

Arkansas at 67% G/E

#### States With Conditions Deteriorating

Illinois down -6% to 77% G/E

Missouri down -4% to just 44% rated G/E

Texas down -6% to just 38% G/E

Nebraska down -5% to just 82% G/E

Ohio down -4% to just 81% G/E

North Carolina down -4% to just 56% G/E

Michigan down -3% to just 68% G/E

Minnesota down -3% to just 83% G/E

Wisconsin down -2% to just 87% G/E

## Soybean Crop Condition Ratings

**Week 24**  
week ending June 17, 2018

Source: USDA, NASS Crop Progress

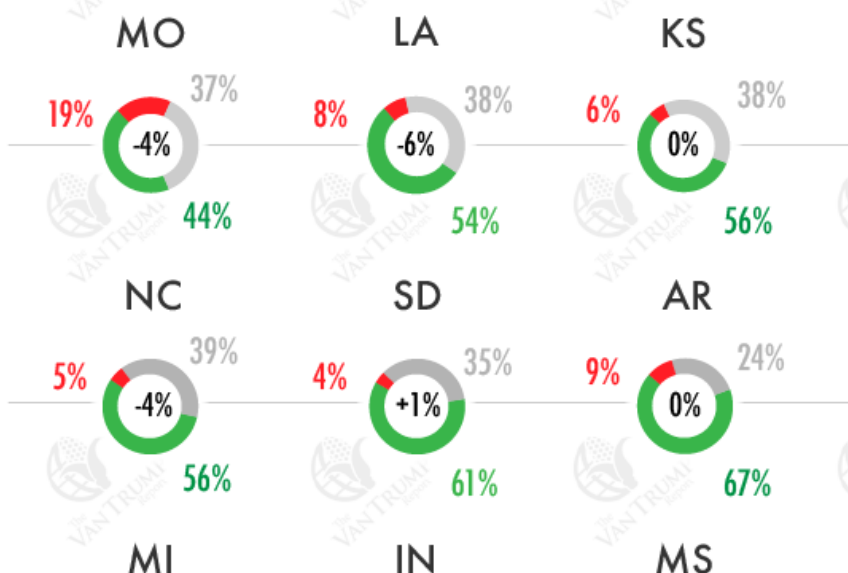
### 2018 U.S. Soybean Condition Ratings

73%  
Good-to-Excellent

5%  
Poor-to-Very Poor

-1%  
G-to-E  
Weekly Change

22%  
Fair



## 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!

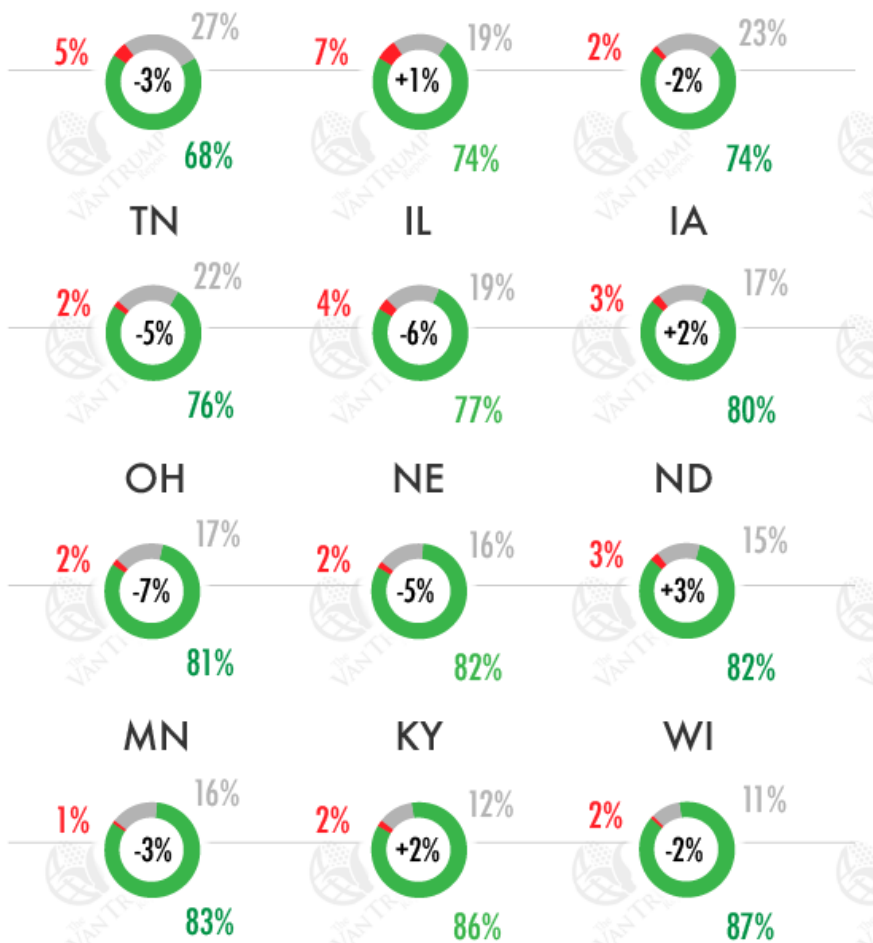
*Kevin Van Trump*

#### 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



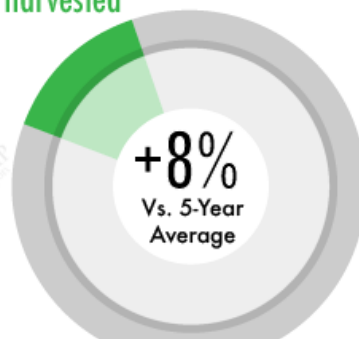
**Wheat** prices are down over -60 cents since late-May despite continued uncertainty about weather in the Black Sea region and portions of Australia. There's also continued talk of lower production out of Europe. Here at home, I still see no real "demand" story as export inspections continue to disappoint. The weather is also being seen as mostly neutral to perhaps slightly improving. The U.S. harvest is running well ahead of schedule and many inside the trade are thinking the USDA will be bumping their yield estimate higher in the July report, something they've done in 9 out of the past 10 years. Along the same lines, the USDA released weekly crop-condition estimates showing a slight overall improvement from 38% to 39% now rated "Good-to-Excellent" compared to 49% rated "Good-to-Excellent" last year at this time. Winter wheat reported as "headed" pushed to 95% which is right in-line with our historical 5-year average. Winter wheat reported as "harvested" is now 27% vs. 26% last year vs. the 5-year average of 19% by this date. In other words the harvest is running well ahead of schedule, perhaps some of the rains this week will slow things down a bit? Weekly Spring wheat crop-condition estimates showed a more significant overall improvement, jumping from 70% to 78% now rated "Good-to-Excellent" compared to just 41% rated "Good-to-Excellent" last year at this time. Spring wheat reported as "headed" is 9% vs. our 5-year average of 12%.

## Winter Wheat Harvested

**Week 24**  
week ending June 17, 2018

## 2018 U.S. Winter Wheat Harvested Percentage

27% harvested



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..."

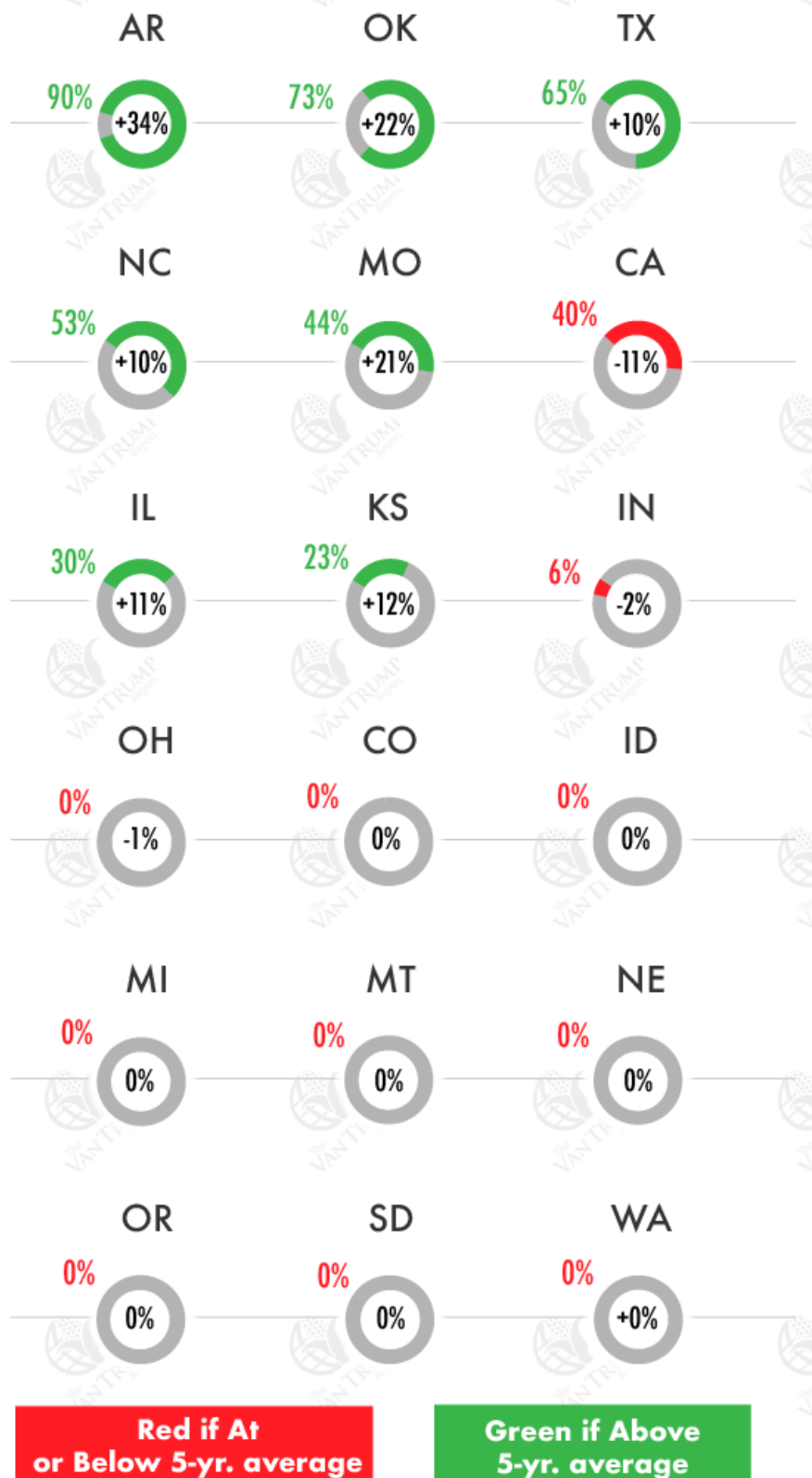
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.

Source: USDA, NASS Crop Progress



*Farm Direction*  
RECIPES

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

**Garlic Butter  
Pepperoni  
Pizza Rolls**

**CLICK TO SEE RECIPE**





**> Lab Grown Meat Faces U.S. Oversight:** Lab-grown meat startups that rely on animal cells to produce beef, poultry and seafood products have caught the eye of the U.S. Food and Drug Administration, which has begun the process of regulating the industry. The FDA plans to hold a meeting July 12 to get input from the industry on the safety of the tech as well as considerations for how to possibly label the products so consumers know they are getting meat from a lab and not a cow. As you know, many in the beef industry including the U.S. cattlemen's Association believe the USDA should only allow meat from animals grown and slaughtered in the traditional way to be labeled as beef or meat. (Source: Bloomberg)

**> European Wheat Crop Shrinking:** The EU's top rating agency cut their yield forecast for soft wheat by over -2%, their estimated yield is below last year but still above the 5-year average.

**> Billion Dollar Bug Making Comeback:** Prior to Bt technologies farmers lost \$1 billion annually to corn rootworm—in the form of chemical costs or actual yield loss. With resistance to traits that once killed the pest on the rise, it might just nibble its way back to a billion-dollar price tag. Corn rootworm (CRW) poses a double threat—the adult snips corn silks, and if unchecked could prevent successful pollination and kernel development, and the larvae munch on roots which leads to risk for disease and plant stress. CRW was once controlled by traits but with resistance on the rise is now at risk of running rampant: it's time to find a solution to slow the spread of resistance. Read more [HERE](#).

**> High Oleic Soybeans Continue To Grow:** High oleic soybean varieties are one of the most recent achievements in U.S. soybean innovation. Projections indicate that high oleic planting in the United States could reach more than 17 million acres in the future, which would make high oleic soybeans the fourth largest row crop in the U.S. Currently, the U.S. doesn't export high oleic soybeans. High oleic traits have received global regulatory approval, however, nodding at potential demand abroad for this U.S. Soy innovation. (Source: FeedandGrain)

**> South Korea Joins Japan In Suspending Canadian Wheat Shipments:** South Korea announced on June 18 that it has suspended imports of wheat and flour from Canada after Canadian officials revealed last week the discovery of genetically modified wheat in southern Alberta. This follows Japan's announcement on June 15 that it has suspended its tenders and sales of wheat from Canada. No GM wheat has been approved for commercialization anywhere in the world. The Canadian Food Inspection Agency (CFIA) on June 14 released a statement indicating it has discovered genetically modified wheat in southern Alberta. (Source:WorldGrain)

**> Farmers In a Fight Over the Word "Pickles":** Austin, Texas farmers are in a fight with the state over the definition of the word pickle. A state regulation says only pickled cucumbers can be called "pickles" but the two farmers outside of Austin argue that the definition should be expanded to include all kinds of vegetables and food items. (Source: WBUR)

**> Bitcoin Jumps After Square's Cash App Approved for Crypto Trading:** Bitcoin spiked yesterday afternoon following news users of the "Cash" mobile payments app could trade the cryptocurrency in New York. Cash is owned by Square and has 7 million monthly active users. New York's Department of Financial Services granted Square a virtual currency license allowing users of the Cash app in the state to trade bitcoin. Bitcoin trading launched for most Cash users in late January. Bitcoin remains about 10% lower for the month, and down 51% for the year so far. (Source: CNBC)

**> Google Places Half-A-Billion Dollar Bet On JD.com:** Google's investment in China's second-largest commerce player will help the U.S. tech giant expand in Asian markets and take on the likes of Amazon. For its part, JD.com will get better access to U.S. and European consumers. The two companies described the \$550 million investment as one piece of a broader partnership that will include the promotion of JD.com products on Google's shopping service. Interestingly, Google's main search services are blocked in China due to their refusal to censor search results in line with local laws. (Source: Reuters)

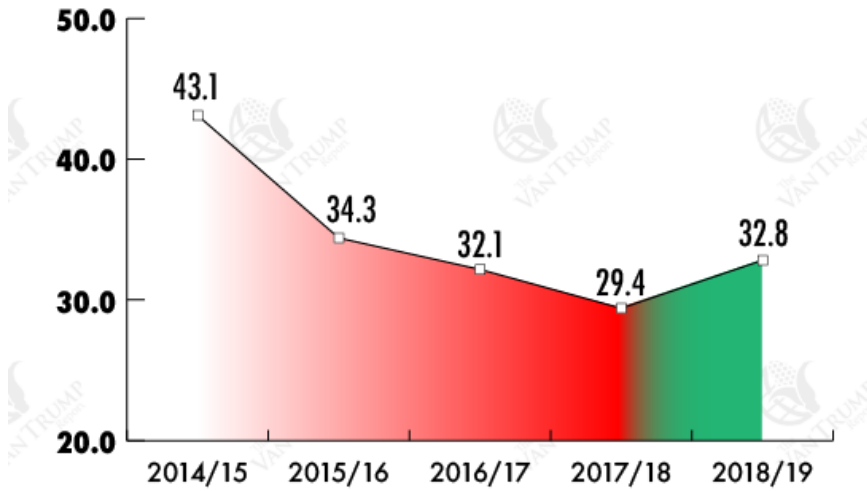
**> Rising U.S. Oil Exports To China At Risk With Tariffs:** The escalating trade war between China and the United States threatens to halt surging U.S. crude oil exports to China, which has become the biggest Asian market for American drillers over the last 2½ years. The impact on overall U.S. crude oil exports could be muted in the near-term, provided drillers are able to find other buyers. But if the standoff persists, it could destroy a huge source of future demand growth, drive down the cost of U.S. crude and weigh on the balance sheets of America's shale drillers. Chinese companies spent nearly \$2 billion to import American crude oil in the first quarter of the year, according to S&P Global Platts. Read more [HERE](#).

**> World Coffee Stocks Rise First Time In Four Years:** World coffee production for 2018/19 is forecast 11.4 million bags higher than the previous year at a record 171.2 million primarily due to Brazil's record output. With global consumption forecast at a record 163.2 million bags, exports are expected up in response to strong demand.

Ending stocks are forecast to rebound following 3 years of decline. Brazil is driving world production as the country's combined Arabica and Robusta harvest is forecast up 9.3 million bags to a record 60.2 million. (Source: USDA, FAS)

## World Coffee Ending Stocks Rebound

(million KG Bags)



Source: USDA, FAS



**Central Michigan** - I wouldn't say I'm a no-tiller, but last year I did have a no-till plan, even though I sure don't call it that. After wheat I put down manure and chiseled plowed it in. I raked and picked stones on about a fourth of those acres and leveled it twice. Then I V-ripped it and spread some potash and spread oats and wheat for a cover crop. I killed the wheat about 3 weeks before planting. Planted (into the stale seed bed) and sprayed matador. I have a very good stand and it looks like every bean came up. Not exactly no-till but no tillage in the spring has been working out.

**Northcentral Iowa** - We are currently ahead of the average rainfall around here. Our last rain is still sitting in the tire tracks in the field with more scheduled this week. We late getting into the field as we didn't even turn a wheel until the third week of May, but it only took four days to finish the corn. Its been hot but bearable up here as winds have kept the air moving and hopefully will dry out the remaining wet spots in the field. We are trying to finish side-dressing before the next showers this week or the corn will be too tall. We are trying to devise a plan for our remaining corn in the bin, hoping something pops in the next two weeks. Not much else happening up here, just waiting for pollination and hoping for timely rains.

**Northwest Indiana** - Things are plenty hot around here, almost nasty and it's humid as all get out as well. Fortunately, we are good on moisture levels. What helps with that is the fact we are no-till and do cover crops. We have been doing covers for eight or nine years and no-till a little less. Not everyone around us uses cover and we are a bit different in how we manage ours. We like to plant into cereal rye and when it reaches head high we roll it and leave it. A lot of folks can't wait it out and burn down rye that is only waist high. That doesn't make sense to me as it isn't taking any nutrients to speak of at that point. We feel there has been a definite cost saving as we no longer have any tilling equipment sitting in the barn most of the year doing nothing.

# CROSSING WIRES

A place to share intelligent thoughts...

**How Tyson CEO Tom Hayes Is Reinventing The Company:** *If Tyson's current pace of deal-making is any sign, investors should expect a few more deals before the end of the year. In May, Tyson spent \$850 million to buy the poultry rendering and blending assets of American Proteins, Inc. and AMPRO Products, Inc. The acquisition will enable Tyson to recycle more animal products for feed, pet food and aquaculture. It will also expand Tyson's presence in the animal feed ingredient business. Then in early June, Tyson scooped up privately held Tecumseh for an undisclosed price. The company is known for its Smart Chicken brand and air-chilled chicken processing -- a departure from water-chilling, the industry standard. TheStreet caught up with Hayes to discuss his ongoing push to reinvent Tyson Foods. See what else Tyson has planned [HERE](#).*

**Jaguar Sets New World Speed Record With Electric Boat:** *You frequently see car manufacturers trying to break electric speed records on land, but what about boats? Jaguar, Vector and Williams feel the need for nautical speed and have broken both the world and UK speed records with the Jaguar Vector Racing V20E, reaching an average speed of 88.61MPH on England's Coniston Water. While that may not sound fast, that's nearly 12MPH faster than the previous best, set all the way back in 2008. See what lies ahead for watercraft [HERE](#).*

**Military Plans To Have Fighting Robots by 2028:** *United States Army Secretary Mark Esper recently revealed that the military has a strategic vision of utilizing autonomous and semi-autonomous unmanned vehicles on the battlefield by 2028. In a preview of the U.S. Army's strategic vision, released on June 6, Esper said the integration of these forces would become a critical strategic component, quoting from the document: The Army of 2028 will be able to deploy, fight, and win decisively against any adversary, anytime, and anywhere ... through the employment of modern manned and unmanned ground combat systems aircraft, sustainment systems and weapons. Read more [HERE](#).*

**How Top Auction Houses Are Fighting Forgeries:** *Forgeries have got so good – and so costly – that Sotheby's has brought in its own in-house fraud-busting expert. The sums of money at stake in art, never paltry to begin with, have grown monstrous. Thirty years ago, the highest auction price for a painting was \$10.4m, paid by the J Paul Getty Museum for Andrea Mantegna's Adoration of the Magi in 1985. In contrast, while the \$450m paid for Leonardo da Vinci's Salvator Mundi in 2017 counts as an outlier, abstract expressionists and impressionists frequently come, in auctions or private deals, with nine-figure price tags. With frauds getting better, a crisis of authentication for the institutions of the art world is becoming critical. Find out how the industry is fighting back [HERE](#).*

**Bob Dylan Rocks A New Brand Of Booze:** *The free spirit of the music world has gone into the spirits industry. Dylan has partnered with liquor entrepreneur Marc Bushala on Heaven's Door, billed as "a collection of super-premium craft American whiskeys." Many times companies use a celebrities name to push their product, but I'm told this stuff is legit. According to the company, the first of three whiskeys has sold out but there may be a bottle or two floating around. From what I understand the Heaven's Door plans to open their own distillery in 2019. Read more about Heaven's Door [HERE](#).*

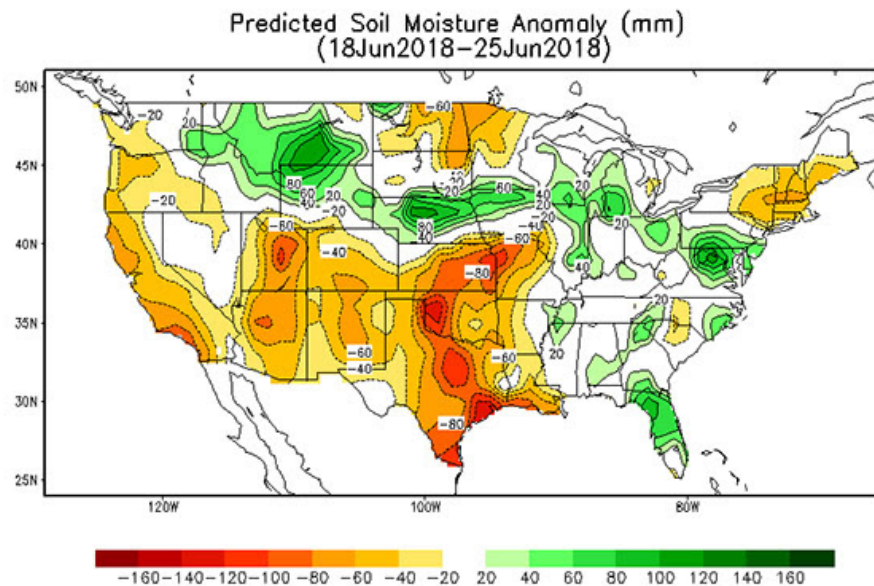
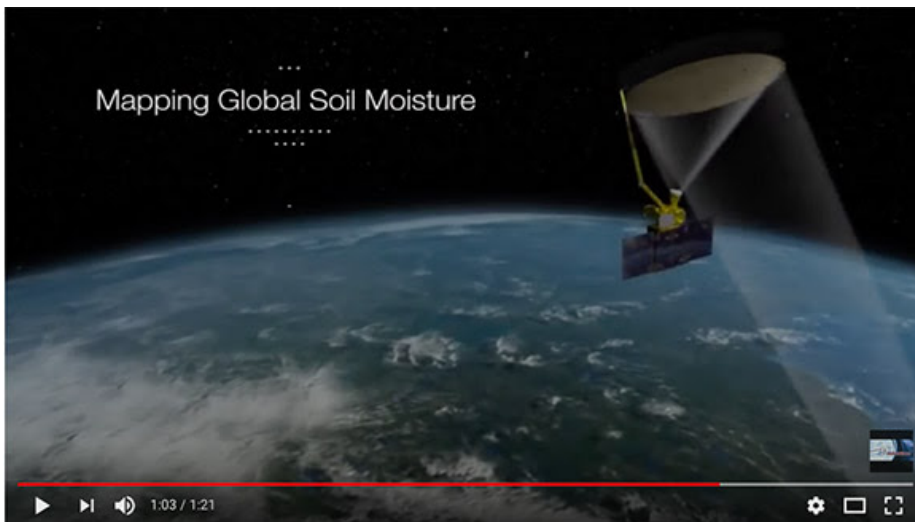






### USDA Teams With NASA For Improved Soil Moisture Tracking

Data from the first NASA satellite mission dedicated to measuring the water content of soils is now being used operationally the by the USDA to monitor global croplands and to help make better commodity forecasts. With tools developed by a team at NASA's Goddard Space Flight Center in Greenbelt, Maryland, SMAP soil moisture data is being incorporated into the Crop Explorer website of the USDA's Foreign Agricultural Service. The USDA has long used computer models that incorporate precipitation and temperature observations to indirectly calculate soil moisture. That approach, however, was prone to error in areas lacking high-quality, ground-based instrumentation. The agency is now incorporating direct SMAP measurements of soil moisture into Crop Explorer, which allows ag analysts to better predict where there could be too little or too much water in the soil. With global coverage every three days, SMAP can provide the Crop Explorer tool with much more updated and accurate data regarding soil moisture conditions. I should note, soil moisture data included in the new SMAP also contains information from the European Space Agency. To learn more about SMAP and how it is helping to make better forecasts Click [HERE](#). If you actually want to see the USDA's Crop Explorer tool Click [HERE](#). I have also included a short 2:00 minute video that shows a quick glimpse of all the high-tech now being used to help forecast Click [HERE](#) (Source: NASA)



### New Way to Track Your Energy and Save Money!

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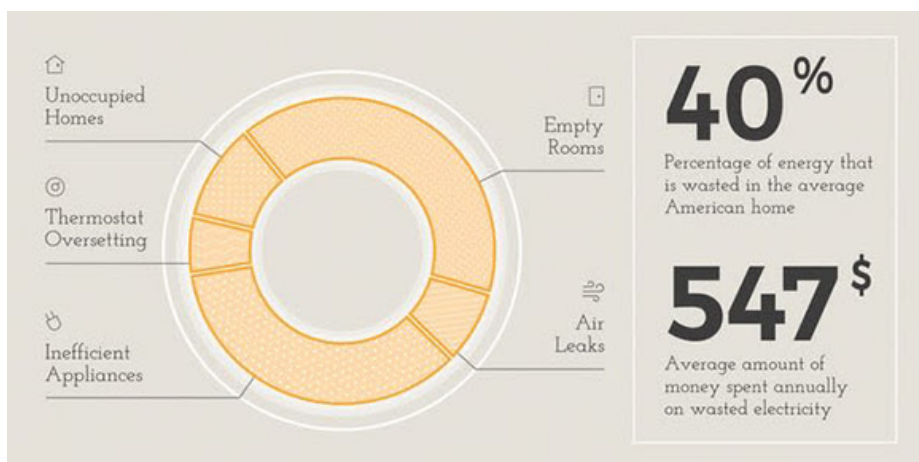
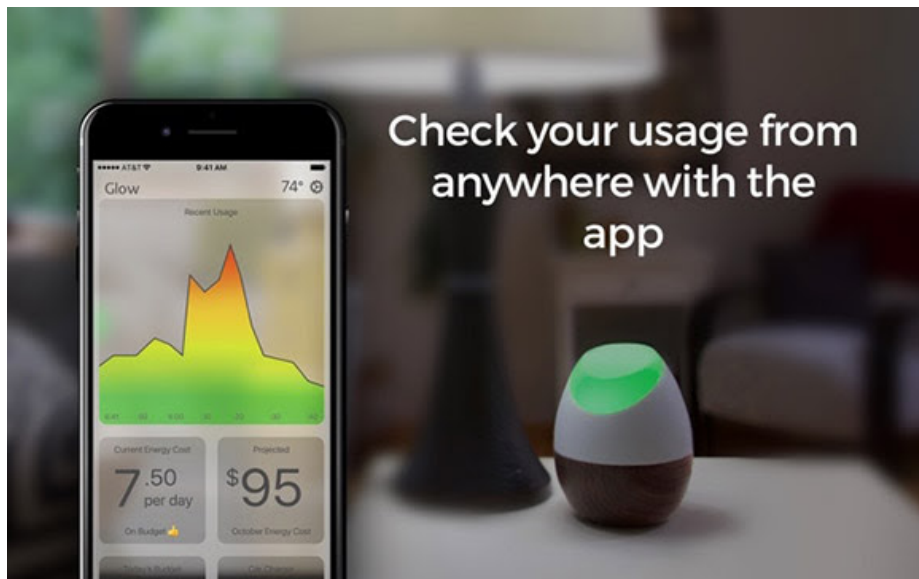
*Inefficient/second refrigerator: \$300/year*

*Continuously running dehumidifier: \$250/year*

*Water heater oversetting: \$60/year*

*Poorly sized HVAC system: \$200-600/year*

*Unreplaced incandescent bulb: \$5-\$15/year*



### Relationships Are More Important Than Money!

A friend sent this video my direction and I wanted to pass it along. It's a short 3 minute Goalcast video presented by Simon T. Bailey. There are some terrific passages and things I'm sure we can all takeaway. Below are a few comments that I found interesting, I'm sure you will hear several more. It's definitely worth your time... Click [HERE](#)

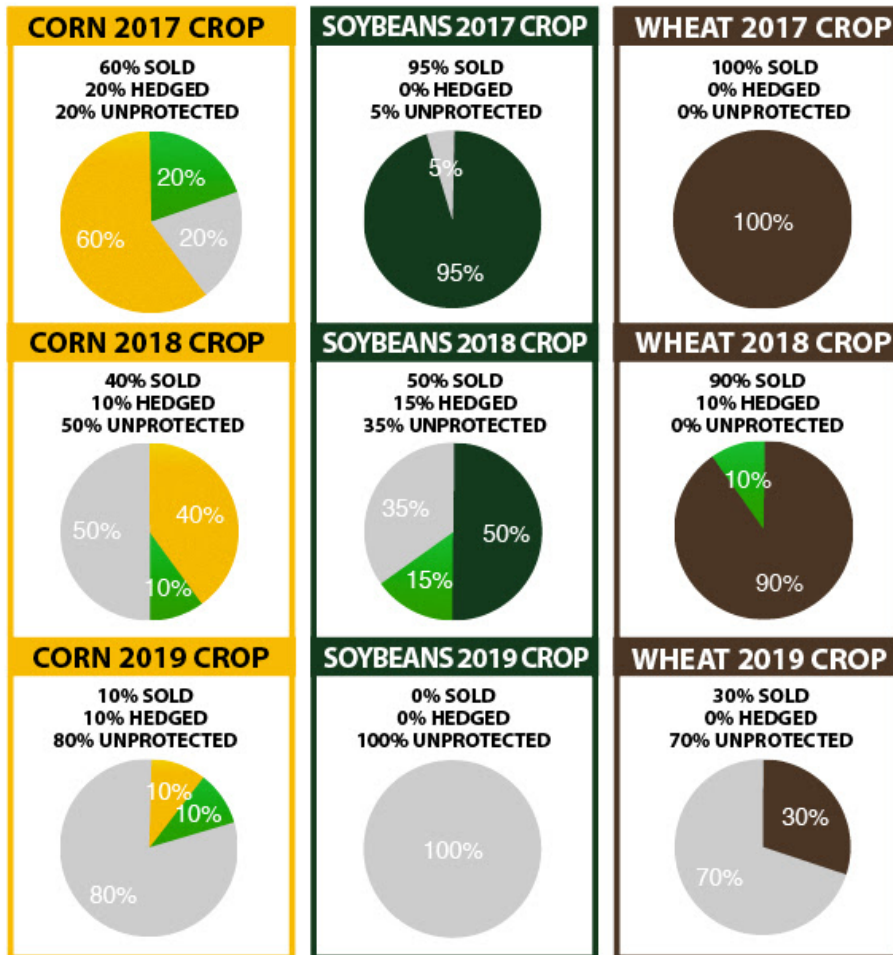
- *I was so busy trying to make so much money that my ladder was against the wrong wall.*
- *You give everybody the best of you, but you give us the rest of you.*
- *I had the house, but I lost the home. I had success, but I had no significance. I had power, but I had no purpose. I had money, but I had no meaning.*
- *It's not who you are that holds you back from brilliant success, it's who you think you are not!*





**ANSWER to riddle:** A teapot.

**CASH SALES & HEDGING TOTALS**



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Tue, Jun 19, 2018 at 6:44 AM

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