

GOOD MORNING: 06/21/18 Farm Direction - Van Trump Report

2 messages

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"The only person you are destined to become is the person you decide to be." ~ Ralph Waldo Emerson

THURSDAY, JUNE 21, 2018

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Morning Summary: Stocks are slightly lower this morning following yesterday's new all-time high in the Nasdaq. Most of the headlines continue to revolve around trade negotiations, particularly those involving China and NAFTA nations. There's nothing really fresh or new this morning, as all sides still seem content digging their boots in a bit deeper. I suspect we will learn more next week. As for today, traders are expecting to see positive feedback from the most recent stress test data on 38 of the largest U.S. financial institutions. Rising net interest income, sizable tax cuts and loosening regulations should all prove to provide a better outlook for the big banks. But I'm not so sure this equates to higher stock prices for the banking sector. In fact, even though most analysts are pointing to a much better environment for the banking stocks, some fund managers seem to be a bit more uncertain and hesitant. They seem a bit uncertain about the future of banking in general, how crypto and blockchain may massively disrupt traditional transactions, etc.. There also seems to be uncertainty in regards to how the upcoming U.S. elections play out. If we were to shift from a Republican to a Democratic majority in either the House or Senate, big banks could find themselves back in the cross-hairs. As for tomorrow, traders will be eager to hear from OPEC and specifically if Saudi Arabia and Russia will be upping oil production. Most sources seem to believe it's a done deal and now just a matter of how much additional supply they will deliver. The debate seems to be between +500,000 and +1.5 million barrels per day of additional production coming from a couple of the world's leading producers. Obviously, if news from the meeting is disappointing, prices will move aggressively higher as many will be caught offside.

Home Prices Continue To Climb: At the current pace of sales, it would take just 4.1 months to exhaust the available home inventory in the U.S., which is well below the 6-months that's traditionally been considered a sign of a balanced market. Total inventory in May was actually +2.8% higher than it was in April, but is still -6.1% lower than a year ago. Properties typically stayed on the market for only 26 days last month, with the median sales price for an existing home being \$264,800, a +4.9% annual increase. First-time home buyers made up 31% of buyers in May, down from 33% in April, and well below the long-time historical average of 40%. The story really hasn't changed much the past few years for U.S. housing. There simply isn't enough new or existing inventory. What is available, tends to get bid up and drives prices higher. The number of sales have actually been drifting lower, but it's simply because there aren't enough homes. Freddie Mac Chief Economist Sam Khater said, "Sales have fallen in six out of the last nine months dating back to the fall of 2017. In May, home sales above \$250,000 grew 6%, while sales of homes below \$250,000 shrank by 8%. It's clear the lack of inventory is binding for the affordable end of the market. While this is the best economy in the last 20 years, many potential buyers have been sidelined and unable to purchase. The more worrying concern is that relief is not coming anytime soon." (Source: [Marketwatch](#))

Is Legalized Recreational Marijuana Coming To Canada? Canada is set to become the second country to legalize recreational cannabis and the first G7 nation to do so. In fact, Prime Minister Trudeau says cannabis will be legal in Canada on Oct. 17th. Trudeau said that though legalization will be a process and not "a single-day event," he expects that as of the date the new regime comes into force, all stakeholders will be ready to roll. This announcement comes after a historic vote in the Senate Tuesday night to pass Bill C-45, the government's legislation to legalize cannabis.

Florida Gives the Go-Ahead to Build the Biggest U.S. Mall: In what seems to be a strange move, as malls all across America are closing, Florida officials approve a plan to build the largest mall in the U.S.. The mall is the newest project for a family owned business called, "Triple Five," a privately owned company controlled by the Ghermezian family, who also owns some of the largest retail and entertainment properties in North America, including West Edmonton Mall in Edmonton, Canada, and Mall of America in Bloomington, Minn. The Ghermezian family fled Iran in 1964 and ended up in Canada. They built up and saved money

THE 2018 VAN TRUMP CONFERENCE



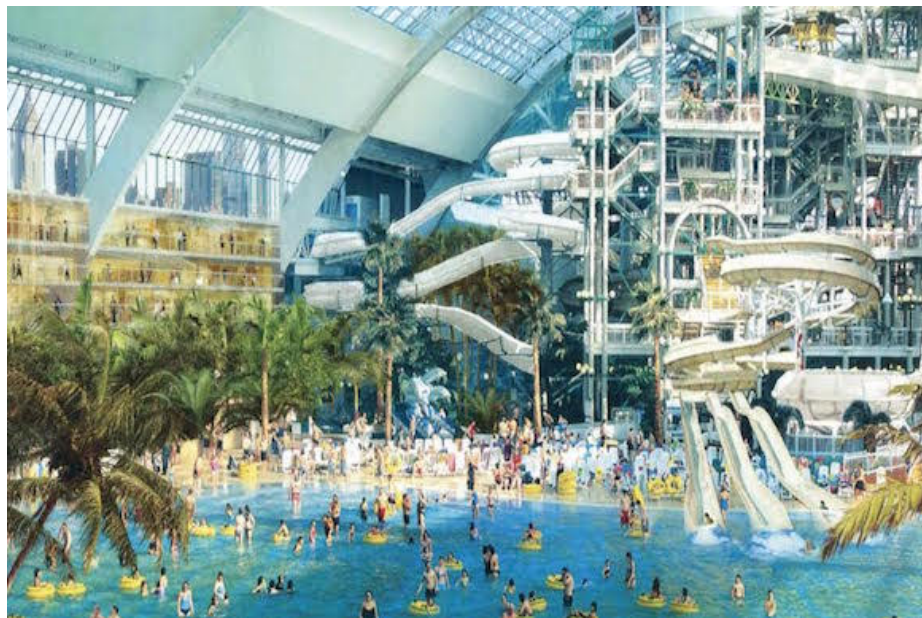
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Innovations
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from their family rug business and started a construction and real estate company. At last glance, the brothers are now estimated to be worth several billion. The mall will be placed in Miami and will be called "American Dream Miami". This retail and entertainment complex is going to come in at an extremely huge number of 6.2 million square feet. Currently the largest mall in the U.S. is the "King of Prussia" in Philadelphia with a square footage of 2.9 million square feet. Not only will the new mall in Miami be the largest in the U.S. but it will also be the most expensive. From what I've seen circulating, the mall is coming in at an estimated cost of \$4 billion. American Dream Miami will include 2,000 hotel rooms, an indoor ski slope, an ice-climbing wall, and a water park with a "submarine lake," where guests could enter a plexiglass submarine and descend underwater. This will definitely be considered a destination-location for both visitors and shoppers. P.S. I knew my wife was always paying way too much to those rug dealers. I think they are banking some nice profits:)



the farm industry."

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neuro mining



As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

TODAY'S RIDDLE:

The more that there is of this, the less you see. What is it?

Weather on the Corn Belt is seeing showers and thunderstorms maintain generally favorable growing conditions for corn and soybeans. However, pockets of dryness and drought in the southwestern Corn Belt have left soybeans rated 19% poor to very poor in Missouri, where topsoil moisture was rated 67% short to very short on June 17. On the Plains, locally heavy showers and thunderstorms continued yesterday from South Dakota into northern Texas. Recent rainfall has improved soil moisture for spring grains and summer crops while ushering in favorably cooler weather, today's temperatures are expected to average 4 to 12 degrees F below normal. In the South, additional heavy showers in the western Gulf Coast region are easing or eradicating short-term dryness. Elsewhere in the South, hot, humid weather favors a rapid crop development pace. An unsettled weather pattern will prevail for the rest of the week east of the rockies. A deep plume of tropical moisture will continue to produce heavy to excessive downpours

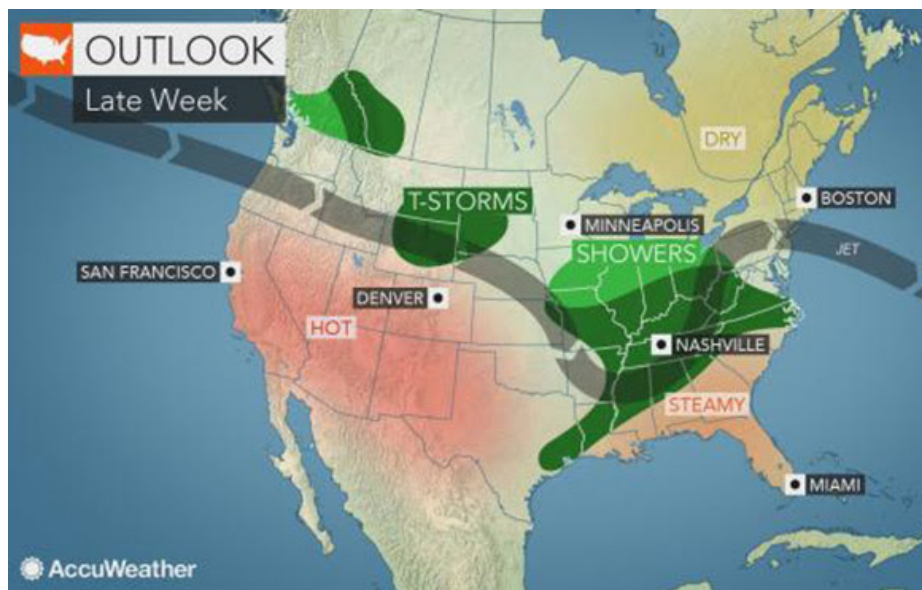
"When the opportunity comes,
it's too late to prepare."

- John Wooden

The
VAN TRUMP
Report

across the western Gulf Coast region over the next 24 hours before shifting north and east. Some of this moisture will interact with a slow-moving frontal boundary draped east-west across the nation's mid-section. Furthermore, an area of low pressure currently in the northern Plains will drift east along the front; the result will be moderate to heavy rainfall from the central Plains into the Ohio Valley.

Late Week Storms: A storm will move slowly from the central Plains to the middle Mississippi Valley through Friday. At the same time, tropical moisture from Texas will be drawn into the storm, which will help to fuel drenching downpours and thunderstorms. I continue to hear about potential for localized flooding, strong winds and hail with these storms. By the weekend, the main storm will depart the Central states and swing across the Northeast. But a few pockets could develop from the northern plains to parts of the lower Mississippi Valley.



Corn traders are not only debating the next card out of the deck in regard to global trade, but also the size of the U.S. corn crop? Several sources are already penciling in a +175 average U.S. yield as weather remains mostly cooperative. There also seems to be some speculation and debate about total planted U.S. acres. Some are saying the late break in soybean prices pushed producers in a few locations back towards more corn acres. I suspect we will all be a lot smarter after the USDA gives us their updated acreage opinion next Friday, June 29th. Data released back in late-March inside the USDA's "Prospective Planting" report showed corn planted acres estimated at 88.0 million, down about -2% or 2.14 million acres from the previous season. Looking beyond the traditional supply and demand fundamentals, "weather" remains another massive question mark? From what I see in the market, weather uncertainties in Ukraine and Russia continue to create more news and headlines than conditions across the U.S. With wide-spread rains remaining in the U.S. forecast it's tough to create much extended bullish upside momentum. I am keeping a close eye on the upcoming presidential election in Mexico, scheduled for July 1st. I'm also keeping a close eye on Chinese trade headlines and weather for the next 30-days.

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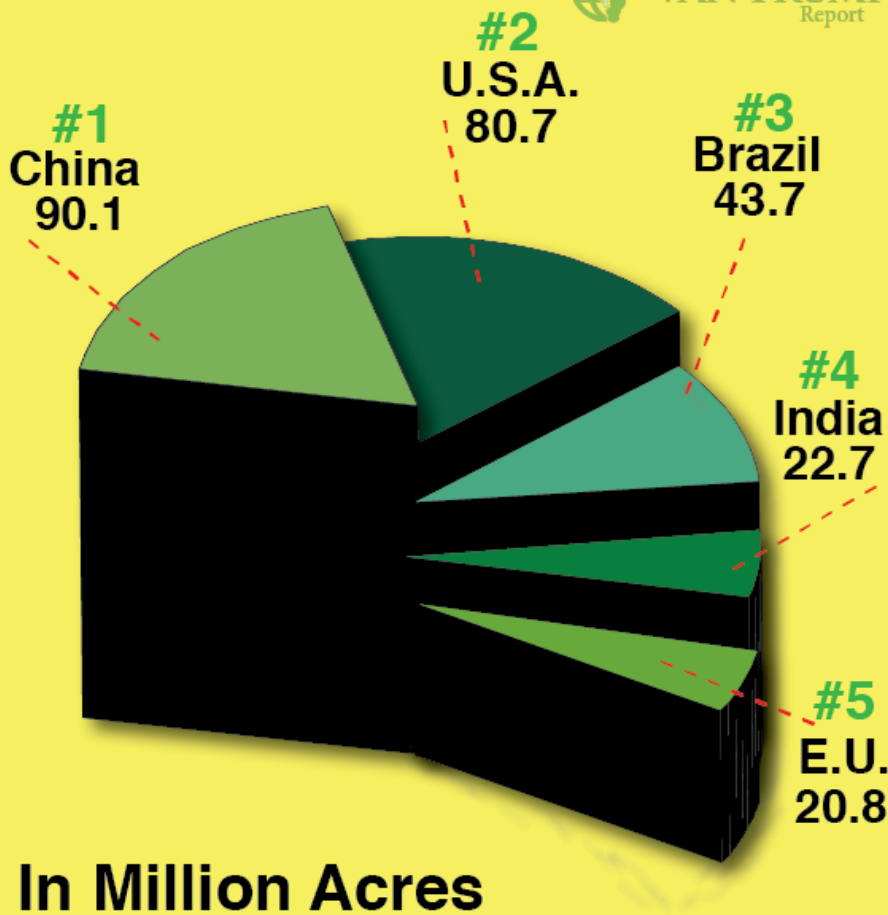
Today in History



1919, Germany Scuttles Battleships

- In its glory days, the Scapa Flow, a body of water in the Orkney Islands, Scotland, sheltered by the islands of Mainland, Graemsay, Burray, South Ronaldsay and Hoy. Its sheltered waters have been used by ships since prehistory and it has played an important role in travel, trade and conflict throughout the centuries - especially during both World Wars. Flow served as the main base for Britain's battle fleet during two world wars and just a few fathoms below Scapa Flow's dark surface lie the remains of another navy: four battleships and four light cruisers of the Imperial German High Seas Fleet, scuttled by their own crews 80 years ago this month in the largest act of self-destruction in naval history. The fleet that died by its own hand on that first summer day of 1919 was the product of one of history's greatest strategic blunders. Between 1898 and 1914, a sudden surge of shipbuilding fervor expanded the Imperial German Navy from a largely coastal force to the second largest fleet in the world, equipped with some of the finest warships afloat. Its creator was Captain Alfred von Tirpitz, who in 1894 wrote a thesis for the Naval Supreme Command, in which he argued for a strong fleet. Tirpitz put forward his 'risk theory,' arguing that it was not necessary for the German fleet to defeat a rival power in battle but simply to be capable of inflicting enough serious damage to cripple or disrupt the enemy's supremacy at sea. So Germany would attempt to end more than a century of naval supremacy by Britain. Unfortunately, Tirpitz had not bargained on Britain's determination to maintain their dominance of the seas and there was no consideration to that Russia and Britain, who had opposing interests in the Far East, would actually work together. And finally, Germany miscalculated the industrial might available to Britain as well as their advantage of her many years of naval experience. Although German cruisers and commerce raiders displayed great daring and skill in the early months of the war, by mid-1915 Germany's regular warships overseas had been either sunk or driven back into their home ports. On only one occasion did the two great fleets meet in battle. Commencing on May 31, it was an epic but inconclusive affair, fought in overcast weather with hundreds of ships adding thick, acrid smoke from their funnels and guns to the fog of battle. So, on November 11, 1918, Germany signed an armistice, ending World War I and as part of the provision, the victorious allies demanded that 10 battleships, six battle cruisers, eight cruisers, 50 destroyers — all ships of the most modern type

GLOBAL HARVESTED CORN ACRES



Soybean prices are momentarily stable, but I personally believe they will remain extremely volatile as we search for true valuation. Keep in mind, this market has dropped by about -\$1.50 per bushel in just the past three weeks. Similar to corn, there are heated debates in the market surrounding trade negotiations involving the Chinese. There are also debates surrounding the U.S. crop, specifically total average yield and how many soybean acres actually got planted. Several sources are now using a +50 bushel yield estimate as U.S. weather has been fairly cooperative early in the game. I'm hearing debates on both side of the fence regarding total planted acres. The USDA reported in the March Intentions report, planted soybean acres for 2018 at 89.0 million acres, down -1% from last year. Planted acreage intentions this year compared to last were actually down or unchanged in 20 of the 31 estimating States. As I've been saying the past few weeks, it's all about Washington and weather. Unfortunately for the bulls, the market is feeling "uncertainty" where it needs to feel "certainty" i.e. global trade, especially in regards to the worlds #1 buyer. On the flip side, U.S. weather is providing almost no "uncertainty". Hence, it's going to be tough to mount a sustained bullish rally nearby. Yes, there might be some bottom-pickers stepping in for a short-term trade, but I suspect buyers of any major size are wanting to see a little light at the end of the tunnel in regard to trade. For all our sake, I hope that happens sooner rather than later. I personally just got jammed up having to price my remaining JUL18 bushels... timing could not have been any worse for escalating trade tensions. Wow, that was not the way I anticipated finishing out the old-crop bushels. The part that makes me the most mad, is the fact I knew and even wrote that between May and November was going to be a wild and crazy ride in the soybean market. Again, just got a little too greedy with those finally few bushels. I had a \$10.70 sale target in place for several weeks, since late-April, I even thought about pulling it on a couple of occasions and simply making sales at or around \$10.50. Instead I'm eating final sales on a handful of remaining 2018 bushels down sub-\$9.00. Ouch!

— and the entire submarine fleet be handed over for internment. But before the ships could be occupied, the German commanders ordered their fleets scuttled to avoid being taken captive. By the time it was over, Britain could only save one of the 16 ships from going down. The ships remain at the bottom of the Scape Flow.



1945, Japan Defeated On Okinawa - On June 21, 1945, Japanese troops were defeated on the Pacific island of Okinawa after one of the longest and bloodiest

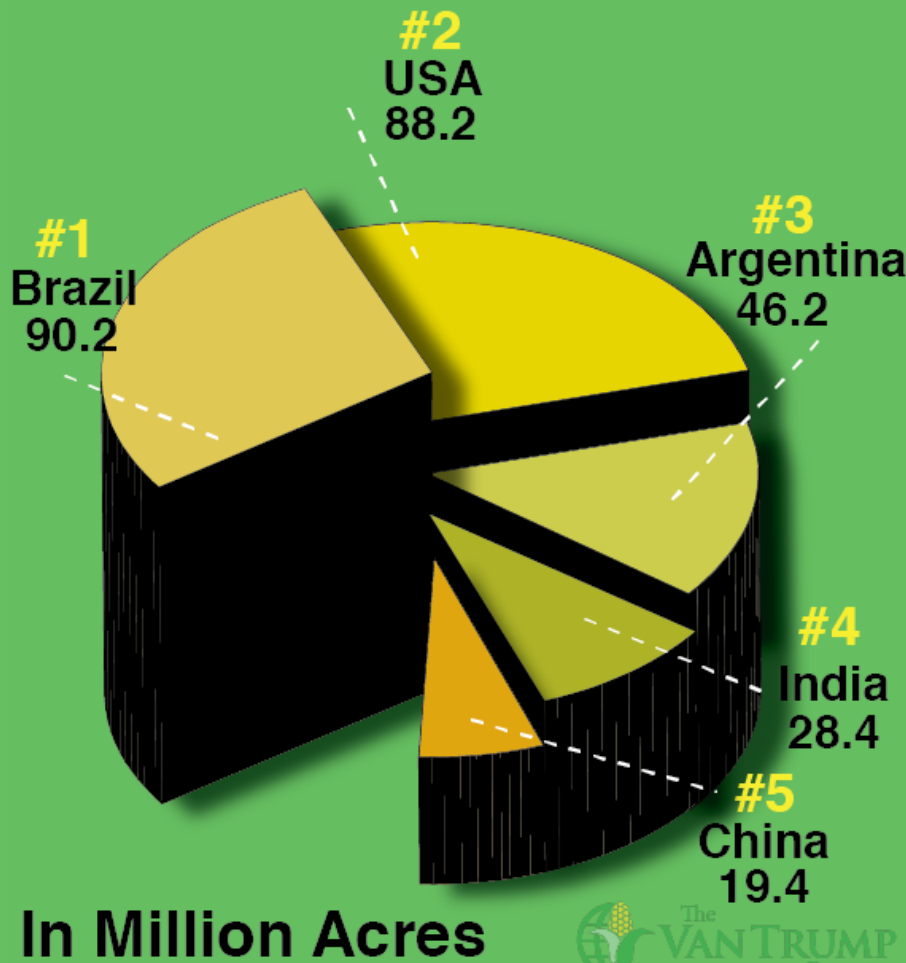
battles of World War II. After seizing the Ryukyu Islands from Japanese control, the United States next prepared to launch an onslaught against the Japanese mainland. Beginning in September 1940, Japan allied itself with Germany and Italy to form the Axis powers and established a base in French Indochina. a short one year later, Japan moved troops to southern French Indochina and was poised to move against the Netherlands Indies, seeking to acquire an oil source. It didn't take long for a U.S. response when joined with Britain, and the Netherlands, they placed an embargo on oil exports to Japan. In response, Japan launched an attack against the U.S. fleet at Pearl Harbor. Soon, the Japanese military forces would occupy the Philippines, the Netherlands Indies, Malaya, and Singapore in rapid succession, and invaded Burma and Thailand, achieving its goal of complete control of the South Pacific. Though Satsuma maintained strong influence over the islands, the Ryūkyū Kingdom maintained a considerable degree of domestic political freedom for over two hundred years. Four years after the 1868 Meiji Restoration, the Japanese government, through military incursions, officially annexed the kingdom and renamed it Ryukyu han. At the time, the Qing Dynasty of China asserted sovereignty over the islands of the Ryūkyū Kingdom, since the Ryūkyū Kingdom was also a tributary nation of China. Ryukyu han became Okinawa Prefecture of Japan in 1879, even though all other hans had become prefectures of Japan in 1872. Following the Battle of Okinawa and the end of World War II in 1945, Okinawa was under United States administration for 27 years. During the trusteeship rule, the USAF established numerous military bases on the Ryukyu islands. In 1972, the U.S. government returned the islands to Japanese administration. Under the Treaty of Mutual Cooperation and Security, the United States Forces Japan (USFJ) have maintained a large military presence. 27,000 personnel,



1963, France Withdraws From NATO - France chooses to pursue an independent policy on its nuclear arsenal on this day in 1963 after it withdraws from NATO. Prior to

Frances withdraw, the U.S. was pursuing NATO allies to arm their vessels with Polaris nuclear missiles. The plan included having crews made up of personnel from various NATO countries. France instead had a plans to keep their nuclear capabilities on their own vessels and thus French President Charles de Gaulle issued a statement indicating French NATO ships would be withdrawn. American diplomats and officials became particularly concerned about the buildup of French nationalism under de Gaulle, who was influential in calling for the French to lead a Europe "of Europeans" rather than Americans. U.S. officials were becoming more concerned that other nations may follow the lead of France. Kennedy, during his European visit, attempted to persuade the French to rethink their position, but de Gaulle

GLOBAL HARVESTED SOYBEAN ACRES



Wheat is trying to find true value while surrounded by weather uncertainty in the Black Sea region and what many bears still deem as burdensome global supply. The U.S. winter wheat harvest is winding up down South and is aggressively moving to the North. The recent rounds of heavy rains could add a few delays, but since we are currently running well ahead of schedule I can't see it adding much worry. There's also not a lot to talk about in regard to U.S. "demand," especially considering the recent strength of the U.S. dollar, which pressed to a fresh new nearby high yesterday. I suspect the trade will be looking for acreage adjustments in next weeks USDA report. Back in March the USDA forecast all wheat planted area for 2018 at 47.3 million acres, up +3% from 2017. This represents the second lowest wheat planted area on record since records began in 1919. The 2018 winter wheat planted area, at 32.7 million acres, was up slightly from last year. Of this total, about 23.2 million acres are Hard Red Winter, 5.85 million acres are Soft Red Winter, and 3.64 million acres are White Winter. Area planted to other spring wheat for 2018 is estimated at 12.6 million acres, up +15% from 2017. Of this total, about 12.1 million acres are Hard Red Spring wheat. Durum planted area for 2018 was estimated at 2.00 million acres, down -13% from the previous year. As both a producer and a spec, I remain patient. Essentially, I have no new-crop price risk remaining and about 30% of my estimated 2019 price risk already removed. I have plenty of time on my side. As a spec, I wouldn't mind being a longer-term bull, but like the thought of establishing the positions at a lower cost.

stood firm in his decision. Fortunately, America's fears were unrealized, however, as no other nations followed France's example.

Forty-three years later, President Nicolas Sarkozy would announce, France has decided to return as a full-fledged member of the 26-nation military pact, the North Atlantic Alliance, which came together under U.S. leadership at the start of the Cold War in 1949 and has served as the basis for U.S.-European security relations since. Casting aside Gaullist dogma long cherished in France, Sarkozy declared that rejoining the U.S.-led integrated command in Brussels will not diminish the independence of France's nuclear-equipped military and, on the contrary, will open the way for more French influence in deciding what NATO's new missions should be after the Cold War. "The time has come," he said in a speech to France's Strategic Research Foundation, adding, "Our strategy cannot remain stuck in the past when the conditions of our security have changed radically."

Upcoming Events

Fri. 6/22 - Cattle on Feed

Fri. 6/22 - Cold Storage

Thurs. 6/28 - Quarterly Hogs and Pigs

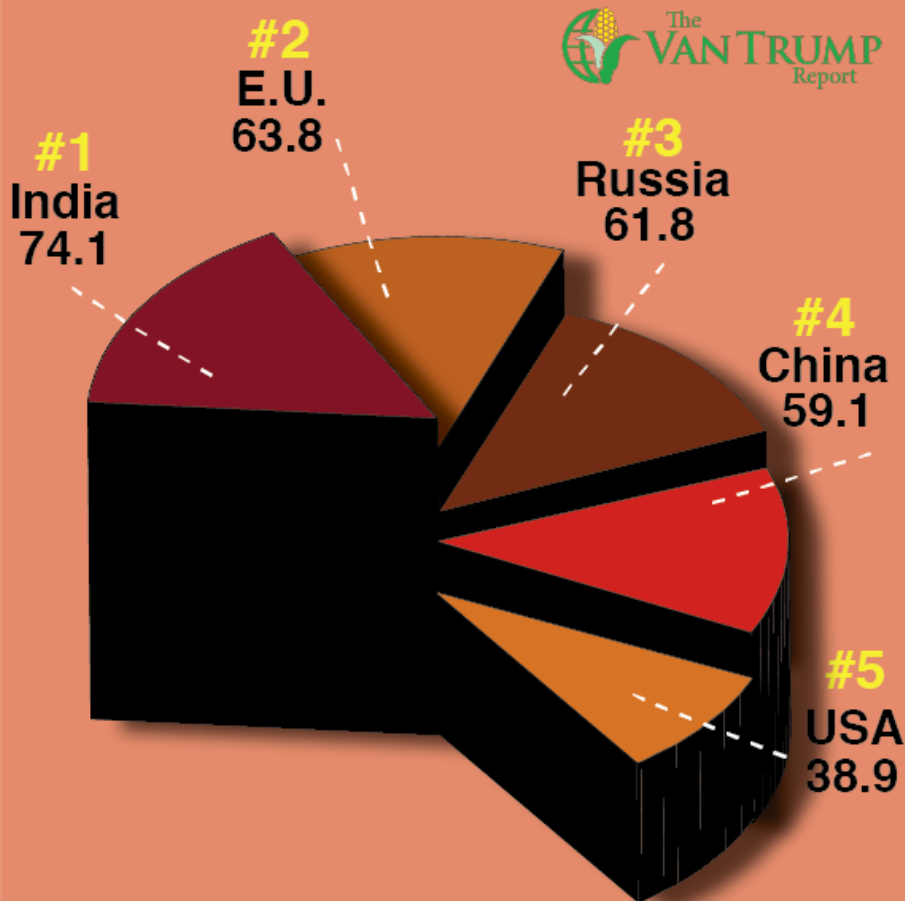
Fri. 6/29 - Quarterly Stocks and Acreage

Kevin's Song of the Week



Kevin's Song of the Week

GLOBAL HARVESTED WHEAT ACRES



In Million Acres



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

Connecting the Dots

> More Insight Into China's Trade Data Problem: China's National Audit Office has called for the practice of collecting revenues from selling trade data and other services to third parties to be addressed. It's not clear what they want customs to do exactly, but this sheds light on the absence of detailed trade figures usually released monthly by customs to clients including Thomson Reuters. The report described the revenue collection as a "problem" and said customs had been ordered to handle the issue. The delay in the release of monthly trade data coincides with a mounting trade spat between China and the U.S. Customs must give a report on how it plans to remedy the problem of data sales according to the audit office report. (Source: Reuters)

> Food Retailers Struggle To Overcome Raising Freight Costs: Retailers and suppliers such as Hormel Foods and Dollar General are exploring alternative approaches to shipping as freight costs continue to rise. According to the Wall Street Journal, their solutions include building their own truck fleets, reducing the frequency of pickup/delivery, and seeking better rates. U.S. trucking and rail-freight spending increased by more than 17% in May compared to May 2017. A number of factors have driven up prices, including a nationwide truck shortage, greater demand, bad weather and higher diesel prices. Read more [HERE](#).

> The Egyptian Government Will Import Rice to increase supply and avoid a potential price shock to consumers, according to a June 19 Global Agricultural Information Network (GAIN) report from the U.S. Department of Agriculture. USDA's FAS in Cairo said that the Ministry of Water Resources and Irrigation's January 2018 measure reducing cultivated rice areas may have led to grain hoarding. Although milled and paddy rice prices increased in April, the recent announcement to increase imports caused prices to fall, and the USDA said it anticipates prices will continue downward as the August/September harvest commences and imports start arriving. Still, the USDA expects a shortfall in supply in marketing year 2019-20, and it sees an opportunity for U.S. paddy rice. (Source: WorldGrain)

> China Might Have Shot Itself In The Foot by including soybeans in the list of US products to hit with a 25% retaliatory tariff starting on July 6, Bloomberg reports. In a report issued Thursday for Rabobank and covered by the news outlet, analyst Sam Funk suggests China could end up paying a premium, as a result, to buy soybeans from South America, while US soybeans will be available at a lower price to other countries. Brazil is the world's biggest soy exporter, followed by the US. China is a major aquaculture grower of tilapia, shrimp and other species that rely on soybeans as a component of fish feed, as does its emerging livestock industry. Additionally, due to the limitations of South America's growing seasons, China may not be able to buy throughout the year, Funk said. Soybean importers often turn to the US for its Northern Hemisphere harvest in September and shift purchases to South America in February, he noted. (Source: undercurrentnews)

> Land with Solar Panels Considered Non-Agricultural: The national Farm Service Agency has determined land with solar energy panels is nonagricultural land and not eligible to be part of a farm's crop acreage base. Land enrolled under Ag Risk Coverage-County (ARC-CO) and Price Loss Coverage contract or ARC-IC contract must be used for an agricultural activity and not for a nonagricultural, commercial or industrial use.

> Sprint And T-Mobile Pitch Merger For The Good Of Rural America: Sprint and T-Mobile are making the plea to regulators that their planned merger should be approved because it'll be good for competition and enable nationwide deployment of next-generation 5G service in rural areas that lack access to high-speed internet. T-Mobile plans to increase outdoor wireless coverage to reach 59.4 million rural residents, or 95.8% of rural America. They want to deliver at least 10 Mbps and even faster. It's supposedly not possible without the merger. (Source: Politico)

> ICE Raid Ohio Meat Plant: Federal immigration officials have raided four facilities operated by Fresh Mark, a large meat supplier based in Ohio and arrested more than 140 workers suspected of using bogus identification to gain employment. It's being called the largest workplace enforcement action under the Trump administration. (Source: Bloomberg)

> Amazon's "Prime Wardrobe" Is Now Live: The new shopping service is now available to all Prime members in the U.S. From what I understand you pick at least three items and up to eight. You then have one week to try on the items, decide if you like them or return those you don't want before being charged. Amazon is saying this is their answer to the increasingly popular personalized shopping services that are entering the space. This certainly makes online shopping for fashion a better experience.

> Fed Chair Says Case For A Fourth Rate Hike Is Strong: Citing robust growth and a generational low in unemployment, Federal Reserve Chairman Jerome Powell emphasized the central bank's commitment to further interest rate hikes in a speech Wednesday. Economic gains are negating the need for crisis-era monetary policy, the Fed leader told a European Central Bank forum. "Earlier in the expansion, as the economy recovered, the need for highly accommodative monetary policy was clear," Powell said, according to prepared remarks. "But with unemployment low and expected to decline further, inflation close to our objective, and the risks to the outlook roughly balanced, the case for continued gradual increases in the federal funds rate is strong." Read more [HERE](#).

> How Much Do You Save By Cooking At Home? Intuitively, we all know there are benefits to cooking at home. You can use healthier ingredients, set portions to a reasonable size, avoid food allergies, and of course you can save money compared to ordering restaurant delivery or using a meal kit service. But just how much money do you save by cooking at home? We decided to analyze our recipe data to find out the true cost of cooking at home from scratch, compared to delivery from a restaurant or a meal kit service. The folks at Priceonomics analyzed data from their customer wellio, a platform that breaks down millions of recipes into single ingredients and matching those to grocery items from local stores. See what they found [HERE](#).

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..."

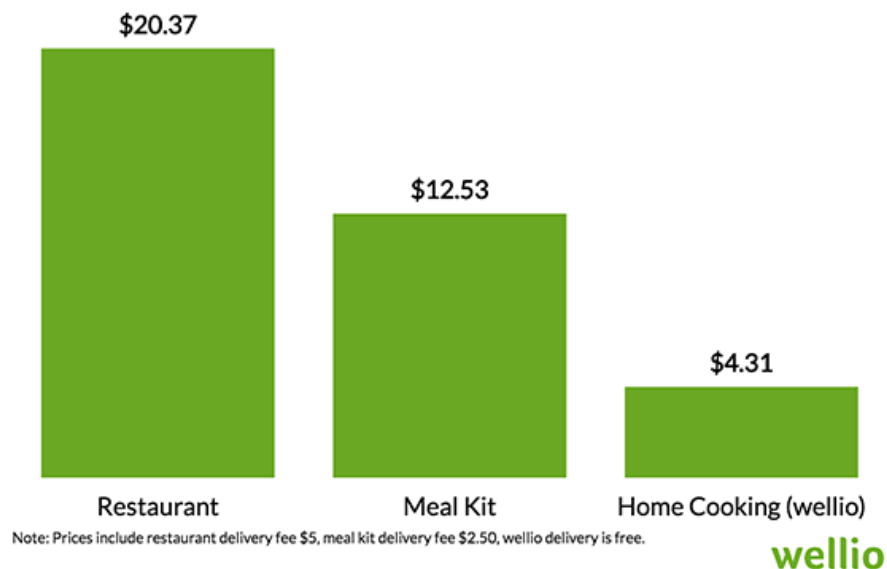
I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

- 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.

Cost Comparison: Home Cooking vs Meal Kit vs Restaurant

Average price per serving based on 86 meals



Central Illinois - We had massive amounts of rain over the weekend. The rain and the heat are causing bacteria blight to start showing up in my fields. There's no way to spray for it or protect yourself from it. I thought I would get through the season without seeing any but I'm starting to see slight signs of it in my field. The only guys that are not seeing any blight this year are guys that planted soybeans the are resistant to the bacteria. I am hearing that guys in both Indiana and Iowa are both getting way to much rain and disease might be the problem this year. My personal opinion about the crop this year is we are far enough along that the only way we see a major crop failure is if it keeps raining this much and disease really takes over, which I could really see happening at this point.

Central South Dakota - We seem to miss all the rains that happen to occur in our state. Its been pretty dry up here even with the one inch of rain we received last weekend. We will need some more soon to keep the crops going. Only a couple of weeks ago I was sure we would only see 20bpa on our spring wheat, but with the recent rain, it should certainly go higher but not near our 60bpa averages. The winter wheat took its time heading out with the weather as it was so we were a bit worried on that as well. Harvest should be the third week in July for out winter wheat. The last couple of years we applied a seed treatment and I have seen a definite improvement in root development. We finally got rid of all our old crop corn, not sure we made any money though!

Central Indiana - We and many others are experiencing Phytophthora. You can't really see the extent of the damage unless you are directly in the field or if you have an aerial view. I have included some pictures that don't do the color contrast justice because it's cloudy today. The problems show up where water runs through the field. There's a very distinct line where the problem starts and stops. A lot of guys believe the problem is Phytophthora, but I have heard that guys are finding out after tissue samples its not phytophthora, it's actually Fusarium. Fusarium is just a pathogen that affects soybeans in similar fashion as Phytophthora. They both cause root rot that leaves the plant looking yellow.



CROSSING WIRES

A place to share intelligent thoughts...

Urban Agriculture Continues To Get Funded: Gotham Greens is growing, reflected by the recent closing of another \$29 million Series C financing round. The Brooklyn based company has brought its total equity funding to \$45 million. I'm told the investors are sticking with the company as they like the profitability and returns. Gotham currently operates four greenhouses that make up 170,000 square feet of space in New York and Chicago, with 500,000 more square feet under development. The company sells to retailers like Whole Foods under its own brand, selects greenhouse locations close to market. For example, its Chicago facility serves the upper Midwest. Gotham reuses and rebuilds post-industrial sites; take the case of Baltimore, where its greenhouse will be located in the old Bethlehem Steel plant, as they seek to be near their markets. I continue to see traction in the urban space, just not sure how far it will ultimately go. Read more [HERE](#).

General Electric On Hook For Repairs On Most Expensive Navy Ship Ever: General Electric may have to compensate shipbuilder Huntington Ingalls for faulty workmanship on the \$13 billion USS Gerald Ford aircraft carrier that caused propulsion failures. The problem forced the most expensive U.S. Navy warship ever back to port in January and has yet to be fully resolved, Bloomberg reported Tuesday. The overbudget and problem-dogged carrier is now back at sea and set for initial combat duty in 2022. January's failure was the second in under a year with a "main thrust bearing" portion of the carrier's propulsion system. The first, in April 2017, happened during trials at sea a month before delivery. Read more [HERE](#).

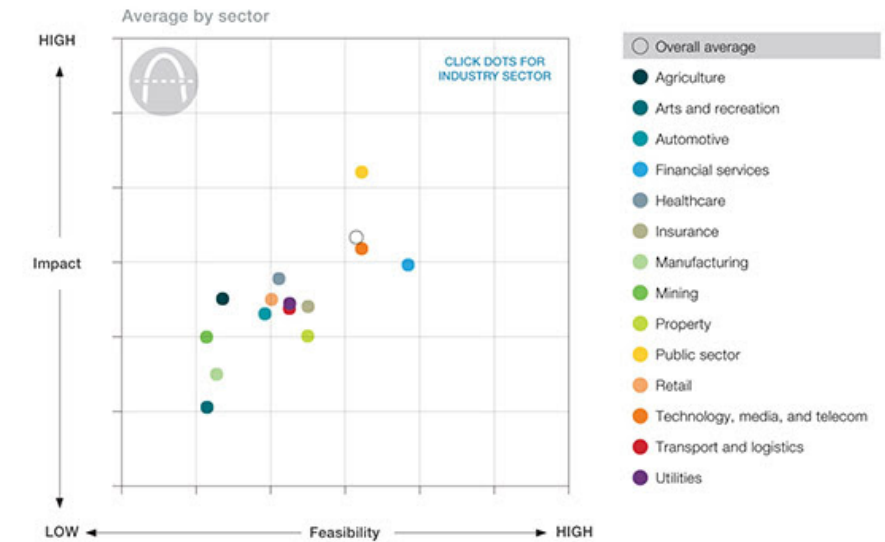
How To Improve Your Decision Making Now: To make a good decision, you need to have a sense of two things: how different choices change the likelihood of different outcomes and how desirable each of those outcomes is. In other words, as Ajay Agrawal, Joshua Gans, and Avi Goldfarb have written, decision making requires both prediction and judgment. But how do you get better at either? We've published volumes on this subject, [HERE](#) are a few of my favorites, but there are three rules that stand out. Following them will improve your ability to predict the effects of your choices and assess their desirability. Read more [HERE](#).

Rocks Turned Out To Be Part Of 2,000-Year-Old Lost City Of Bassania: Sometimes rocks are more than crumbled pieces of the earth. Sometimes, they unveil clues about our planet's ancient past. For archaeologists from the Antiquity of Southeastern Europe Research Centre at the University of Warsaw, the rocks in Shkodër, Albania, turned out to be the ruins of the 2,000-year-old lost city of Bassania. Back then, Bassania was an economic and military stronghold, part of the Illyrian kingdom, which existed from 400 to 100 B.C. The ancient city contained numerous settlements and fortresses, one of which the archaeologists unearthed. Read more [HERE](#).






Blockchains True Strategic Value: Speculation on the value of blockchain is rife, with Bitcoin—the first and most infamous application of blockchain—grabbing headlines for its rocketing price and volatility. Yet Bitcoin is only the first application of blockchain technology that has captured the attention of government and industry. Despite the hype, blockchain is still an immature technology, with a market that is still nascent and a clear recipe for success that has not yet emerged. Unstructured experimentation of blockchain solutions without strategic evaluation of the value at stake or the feasibility of capturing it means that many companies will not see a return on their investments. See how companies know when and how to implement the inevitable future technology [HERE](#).

Granular assessments at the use-case level are necessary to determine which blockchain opportunities to pursue.

Blockchain opportunities by industrial sector



Five common blockchain myths create misconceptions about the advantages and limitations of the technology.

Myth	Reality
1  Blockchain is Bitcoin	<ul style="list-style-type: none"> Bitcoin is just one cryptocurrency application of blockchain Blockchain technology can be used and configured for many other applications
2  Blockchain is better than traditional databases	<ul style="list-style-type: none"> Blockchain's advantages come with significant technical trade-offs that mean traditional databases often still perform better Blockchain is particularly valuable in low-trust environments where participants can't trade directly or lack an intermediary
3  Blockchain is immutable or tamper-proof	<ul style="list-style-type: none"> Blockchain data structure is append only, so data can't be removed Blockchain could be tampered with if >50% of the network-computing power is controlled and all previous transactions are rewritten—which is largely impractical
4  Blockchain is 100% secure	<ul style="list-style-type: none"> Blockchain uses immutable data structures, such as protected cryptography Overall blockchain system security depends on the adjacent applications—which have been attacked and breached
5  Blockchain is a "truth machine"	<ul style="list-style-type: none"> Blockchain can verify all transactions and data entirely contained on and native to blockchain (eg, Bitcoin) Blockchain cannot assess whether an external input is accurate or "truthful"—this applies to all off-chain assets and data digitally represented on blockchain

McKinsey&Company



Today Is Officially... "The First Day Of Summer"

For some in the U.S. where the temperatures have been scorching hot, it might be hard to believe that today is just the first day of Summer! In the Northern Hemisphere, the start date of summer is based on the summer solstice, when the sun is in the most northern point from the Earth's equator. This will also be the longest day of the year, delivering on average 14.5 hours of sunshine! From

today forward though, the days will start getting shorter. Of course that doesn't mean the temperatures will necessarily start cooling down though. In fact, the 90s and 100s many of us just endured - and in some cases continue to endure - were delivered by Spring, which has me kind of dreading what "The Dog Days of Summer" might have in store! The Farmer's Almanac more specifically puts the "Dog Days" between July 3 and August 11. Now of course we have to ask, how did "Dog Days" come to describe the hottest part of Summer? This actually goes back to Ancient Rome and derives from the star Sirius, aka "the dog star." It's part of the constellation Canis Major, which means Large Dog, and is the brightest star in the night sky. We know now that Sirius is actually a star system, but is seen by the naked eye as a single star. Toward the beginning of the Roman Summer, Sirius would disappear from the night sky and start rising and setting in conjunction with the Sun. The Romans believed that the "heat" from Sirius added to the heat of the Sun during this time, creating a string of steamy hot "Dog Days." Sirius no longer rises at the same time as the Sun because of what's known as "axial precession". Very simply explained, the angle the Earth sits on its axis changes over time, thus altering when and where the stars appear for us as compared to thousands of years ago. It takes about 26,000 years for Earth's axis of rotation to complete a full circle! The "Dog Days" have always had some interesting folklore behind them as well. Many ancient cultures believed them to be a time of evil. The Greeks thought that Sirius caused abnormal behavior in animals and men. The poor souls suffering from the star's emanations were said to be "Star-Struck." Romans actually sacrificed dogs and sheep to the goddess Robigo in order to prevent the stars emanations from causing wheat rust. The Ancient Egyptians believed Sirius caused the annual flooding of the Nile, which was actually a celebrated occurrence. There are quite a few funny old wives tales about "Dog Days" that I remember from when I was a kid... and one that I still hear to this day is that if it is dry on the first day, July 3rd, it will stay abnormally dry for the next 40 days. The market will be watching closely!



Great Vacation Idea... A Cruise With Cool Things To Do!

How about an amazing cruise that also stops and allows you to play some of the best golf courses in the world. The name of the company is "One Ocean Expeditions" and its making dreams a reality by combining fun hobbies with amazing cruise voyages. They have many different cruises you can chose from, not just ones focused on golfing, but these are just too cool not to pass along. They have one golf cruise that takes you through Scotland and Ireland. Day one you sail to Newcastle (Ireland) home of The Royal County Down Golf Club, which is currently ranked the #1 course in the world by Golf Digest magazine. From there you travel to Scotland and play Machrihanish Dunes, where you will see the odd Hebridean black sheep wandering through the rough. From there you sail over and play another course of great historical significance; 'The Lost Course'. A true links course providing a challenging test, were you play through beautiful rolling dunes alongside the bracing Atlantic Ocean. From there, you will play The Royal Dornoch (#2) which officially opened in 1616, and was established by Old Tom Morris. Next is The Royal Aberdeen Golf Club, which is the sixth oldest golf club in the world. You top things off the final day by playing the legendary St. Andrews. Wow, what an amazing cruise and golf outing! The cruise a buddy sent my way, wanting me to consider, is titled, "Fiddles and Sticks." This is actually a cruise ship that stops at six amazing golf courses along its journey off Canada's Maritime Provinces. Canada's east coast is the home of some of the most prestigious golf courses in all of North America. Golf isn't the only thing guests of the ship will enjoy. This trip also includes wildlife and photography expeditions so guests can experience and explore the beauty of Canada's East Coast. One of the expeditions included during this cruise is the sought out Sable Island and the wild horses it's known for. This cruise also includes opportunities to stand up paddle board, zodiac cruising, and sea kayaking. The cruise will also make a stop at Prince Edward Island, which has some beautiful beaches. The cruise consists of 7 nights and just 96 passengers. From what I understand, the price of this cruise starts at around \$2,500, which also includes green fees, daily expeditions, accommodations, and meals onboard the ship. This cruise sets sail June 27 for its inaugural season. Below is a daily travel schedule for the Canadian cruise. Like I mentioned above, they also have some other amazing cruises, so I thought I would pass along. You can check out their website [HERE](#).

Day 1: Canada's historic port town of Louisbourg, Nova Scotia. This town was first visited by the English and then was French military fortified the town in 1713. At one time in the 18th century, Louisbourg was the 3rd busiest port in North America. Make time to check out the fortress of Louisbourg National Historic Site while waiting for the cruise.

Day 2: Inverness, Nova Scotia. Inverness is the home of the Cabot Links, which is one of North America's top courses. This is a very tough course to play as players are exposed to the winds of the Gulf of St. Lawrence.

Day 3: The travelers will stay in Inverness, but will have a chance to play Cabot Cliffs. This course was completed in 2016, as an add-on to Cabot Links making it a 36 hole layout. These courses combined have been rated one of the top 20 golf course destinations in the world.

Day 4: The Magdalen Islands, a town filled with waterfront houses made of sandstone and know for being a unique fishing community. Ship travelers will have the pleasure of enjoying the nine-hole course at L'Etang-du-Nord during this day of the cruise. This course is the only golf course on this island that offers coastal views. If you need a break from golfing this island offers great whale watching in the zodiacs and some of the best beaches in Canada.

Day 5: Prince Edward Island - Golfers and cruisers will have the chance to play at Crowbush, which is located in Prince Edward Island. Crowbush is a challenging championship course that has earned a 5-star rating from Golf Digest. After playing at Crowbush, guests will be invited back to the ship for dinner featuring fresh Atlantic seafood, which is something Prince Edward Island is known for.

Day 6: Ingonish - The golf featured cruise will land in Ingonish. The course that will be played is called Highland Links. This course was designed by an architect named Stanley Thompson who built it in the 1930's. Highland Links repeatedly ranks in the top-10 courses of Canada.

Day 7: Sable Islands - This is the only stop on the cruise guests will not have a chance to golf. One Ocean Expectations planned a day for the cruisers to relax in Sable Island. This island is known for having heavy currents and amazing scenery. This island is also full of wild horses and is said to be one of the largest gray seal colonies in the world.



Keeping It All In Perspective

I was on the phone with ADM yesterday and talking with a friend of mine Erik Stollard. Yes, we were talking about the markets and the crazy tumble that has taken place recently. But more importantly, we ended the conversation talking about the kids. He's got some younger ones that play sports and

show livestock. Since our kids are all grown up, my wife and I love to hear the stories about the weekend ball games and the livestock shows. After our conversation Erik sent me a quick pic and a little note. I thought it was of great significance and wanted to share. I hope it helps everyone keep things in perspective during this period of frustration with the markets. Again, my wife and I are forever blessed by all of the wonderful people we have meet through the years and grateful for those who also share their awesome stories!

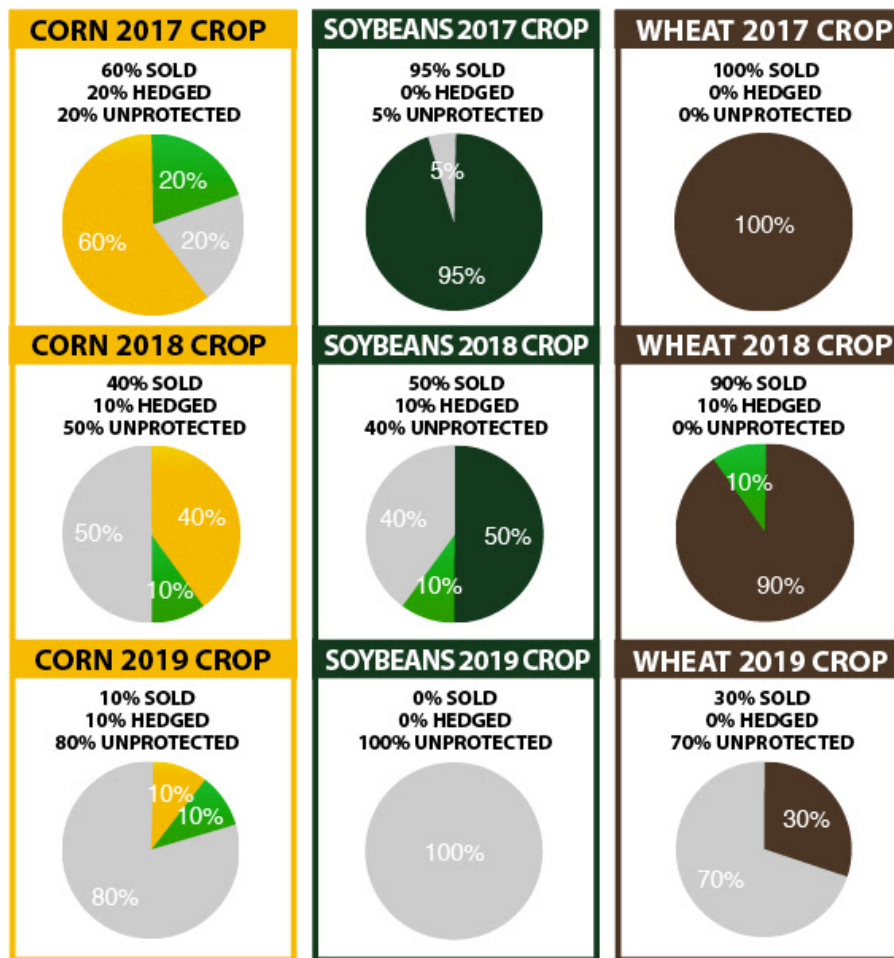
Kevin,

Here is one of my favorite pics from the weekend of my oldest. The calm demeanor of this 11 year old with a 1400 pound heifer in her hands is amazing. But as a parent, the most amazing thing is that her favorite part about raising livestock isn't the purple banners and blue ribbons. It isn't the premium check she receives. It isn't even all of the new friends she gets to make and see. It's the fact that it is her time to be with me. It's our "thing" to hang out in the barn together doing chores after softball games. It's our "thing" to load up the trailer and go to a show. It's our "thing" to secretly fist bump and whisper the name of our theme song as she is walking her heifer in the show ring. I suspect all parents have moments like those at some point. That's what keeps us going after all. Even when we are so busy with life we forget to eat supper occasionally!



ANSWER to riddle: Darkness.

CASH SALES & HEDGING TOTALS



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