

## GOOD MORNING: 06/29/18 Farm Direction - Van Trump Report

2 messages

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

Fri, Jun 29, 2018 at 6:38 AM



"May we think of freedom not as the right to do as we please, but as the opportunity to do what is right." - **Peter Marshall**

### SPECIAL HOLIDAY SCHEDULE - NO REPORTS NEXT WEEK!

Please remember, I give myself and others in the office two weeks off per year to spend time with friends and family. One week is between Christmas and New Years, the other is the week of July 4th. With this in mind, there will be no Van Trump Reports released next week. If there is any major announcement from Washington regarding trade or a major move in the markets I will send paid subscribers a "Special Report" including my current thoughts. We will resume full-service on Monday July 9th. I'm hoping when we return, the markets will be in a much better mood. I wish you and your family a safe and happy Independence Day!

**FRIDAY, JUNE 29, 2018**  
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stock are slightly higher this morning as traders are trying to clean-up and better position themselves ahead of a thin week of holiday trading. Remember, U.S. markets close early next Tuesday and are completely closed on Wednesday in observance of the July 4th Independence Day holiday. There are also a lot traders who will be taking the remainder of next week off and not returning to the markets until Monday July 9th. The lack of trade participation could obviously make the markets a bit more thin and in turn perhaps more volatile. In other words, I would be cautious in changing any of your thoughts or convictions based on next weeks market movement. I expect it could get wild without any real significant reason needed. Even though we've seen the stock market backpedal a bit as of late, the Dow is still up +10% in the past 52-weeks, the S&P 500 is up over +12%, and the tech heavy Nasdaq is up over +24%. Bulls are hoping the historical tendency for early-July to be a positive period, will provide a "shot-in-the-arm" for this years market and bring a little bounce to the upside. The bears recognize that early-July is often a strong period for the stock market, but in years with a November mid-term election, the early-July rally doesn't seem to be such a hit. As for todays calendar, traders are digesting Eurozone CPI numbers, U.S. personal income and spending data, along with the latest Michigan consumer confidence numbers. Looking ahead, the next big scheduled ticket items are: Mexican elections on Monday July 1st; "minutes" from the last Fed meeting scheduled for release on Thursday July 5th; the highly anticipated U.S. monthly employment report on Friday, July 6th. Keep in mind, July 6th is also the deadline date for a wave of U.S. and Chinese tariffs to take effect. The following Friday, July 13th, U.S. banks will kick-off second quarter corporate earnings.

### Massively Important Question, Who Will Be Next Supreme Court Judge?

People close to the White House selection process anticipate that a nominee will be announced before President Trump departs for the coming NATO summit, which begins in Brussels on July 11, with Republicans hoping for confirmation hearings in mid-August and a full Senate vote ahead of the November midterm elections. Keep in mind, the Republicans currently control 51 of 100 Senate seats, one of which is held by Senator John McCain of Arizona, who is battling an aggressive form of brain cancer. With such a slim majority for the Republicans, there is talk the Democrats are going to try and drag their feet to delay the process until after the November mid-term elections in hopes of gaining a majority. Senate Democratic leader, Chuck Schumer of New York said, "This is the most important Supreme Court vacancy for this country in at least a generation." (Source: Wall Street Journal)



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**Q1 Growth Adjusted Down On Drop In Consumer Spending:** *The U.S. economy slowed more than previously estimated in the first quarter amid the weakest performance in consumer spending in nearly five years, but growth appears to have since regained momentum on the back of a robust labor market and tax cuts. Economic growth was reported at 2.0% annual rate in the January-March period, the Commerce Department said on Thursday in its third estimate of first-quarter GDP, instead of the 2.2% pace it reported last month. The economy grew at a 2.9% rate in the fourth quarter. The downgrade to first-quarter growth reflected weaker consumer spending and a smaller inventory accumulation than the government had estimated last month. I have been saying, "consumer spending" could soon come into question. Read more [HERE](#)*

**Amazon Wants To Give You The 'Last Mile' And Up To \$300K:** *If you have \$10,000 and want to be your own boss, Amazon has a deal for you. Starting today, you can apply to start your very own small business, delivering Amazon Prime packages in Amazon-branded vans and uniforms. The company wants to help launch small businesses in the United States dedicated to taking its packages on the last step of their journey: from local Amazon sorting centers to the customers who ordered them. From what I understand, delivery partners who are accepted into the program could earn about \$300,000 in annual profits operating a fleet of up to 40 delivery vehicles. Read more about the opportunity [HERE](#).*



## Kansas City, Mo

Over 700 In Attendance Last Year:

Many of the Largest Producers in our Country

CEO's, and Ag Executives

Traders and Hedge Fund Managers

Bank Presidents, FDIC members

Grain Merchandisers, Exporters, Analyst

Leading Ag Retailers

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

The  
**VAN TRUMP**  
Report

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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:

You use me from your head to your toes,

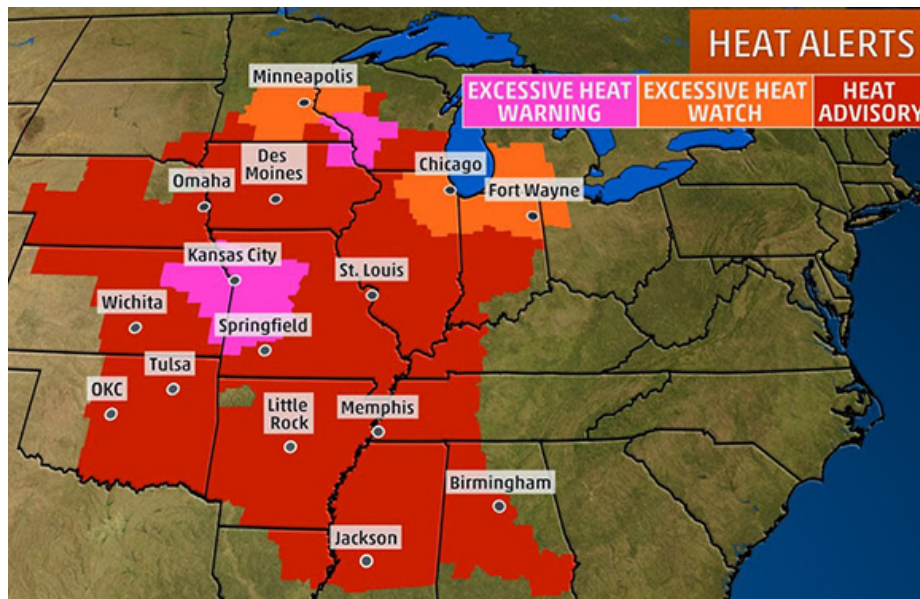
The more I work the thinner I grow. What am I?

**Weather** in the Corn Belt, outside of a few thunderstorm in western and southern portions of the region will remain mostly dry and warm. Prospects for corn and soybeans are currently favorable due to near to above normal rainfall over the past 60 days, though soil moisture remains limited in northern Missouri and environs. On the Plains, hot weather continues across central and southern portions of the region. Most locations have received significant rainfall in recent days, but excessive heat with



daytime highs approaching 100 degrees F is increasing evapotranspiration rates and crop water demands across the central and southern Plains. In the South, dry weather prevails in the western and central gulf Coast. A variety of growing conditions exist across the region, ranging from very dry in parts of the mid-South to excessively wet in portions of Texas and the southern Mid-Atlantic States. High pressure anchored over the eastern third of the nation will allow the heat currently over the central U.S. to shift into the Ohio Valley and Atlantic Coast States. Despite the presence of the high, a humid, unstable air mass will lead to showers over the Southeast. Meanwhile, a slow moving cold front will produce heavy showers and storms from the north central U.S. into central portions of the Plains and Mississippi Valley with pockets of excessive rain possible from the western Corn Belt into the Dakotas. The southern end of the cold front may trigger rain over the southern Plains, but dry weather is expected from central Oklahoma southward.

**Dangerous Heat Sets-Up for This Holiday:** *This weekend will see a heat wave spread into the Midwest and Northeast threatening daily record highs from Colorado to Maine as July arrives. A strong upper-level ridge of high pressure, or northward bulge in the jet stream, over the Southwest right now will expand into much of the central and eastern U.S. by this weekend. Daytime temperatures will feel like they exceed 105 degrees and overnight lows may not dip below 75 degrees, which will lead to heat stress and illness. Again, low temperatures will be 5 to 20 degrees warmer than average across the nation.*



**Just Saying...**



## Today In History



### 1858, George W. Goethals -

Best known for his administration and supervision of the construction and the opening of the Panama Canal, was born this day in 1858. Goethals was born to Flemish immigrants from Stekene, Belgium, Johannes Baptista Goethals, a carpenter, and wife Marie Le Barron. At the age of 14, he entered the College of the City of New York and April 1876, after three years of college, he won an appointment to the United States Military Academy at West Point. He went on to graduate second in his class in 1880 and was commissioned as second lieutenant in the Army Corps of Engineers. His first field assignment came in 1882 with his appointment as engineer officer of the Department of Columbia in Vancouver, Washington and be responsible for reconnaissance, surveys, and astronomical work, while his most consequential project was the replacement of a 120-foot bridge across the Spokane River. From 1885 to 1889, he taught civil and military engineering at West Point but would return to the field in 1889 to assist Colonel John W. Barlow with navigational improvements on the Cumberland River and Tennessee River. Goethals would receive his first independent command in 1891, when after being promoted to captain, he was placed in charge of the Muscle Shoals Canal along the Tennessee River near Florence, Alabama. He would gain notoriety for his recommendation of a single lock system with a never before used lift of twenty-six feet. After opposition was overcome on the design, the lock would become a world record for height and be integrated into the future locks at Panama. Whether contract employees or government workers would build the canal was controversial for some time. Bids for the canal's construction were opened in January 1907, and Knoxville, Tennessee-based contractor William J. Oliver was the low bidder. Although Roosevelt initially favored the use of a contractor, he eventually decided that army engineers should carry out the work. In February 1907 US President Theodore Roosevelt appointed Colonel

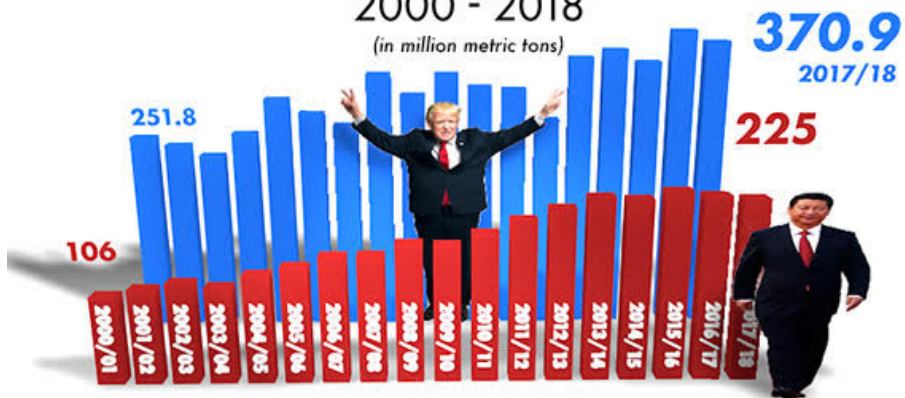


## CORN PRODUCTION

U.S. vs China

2000 - 2018

(in million metric tons)



Corn prices are slightly higher this morning on a wide spread heatwave across the U.S. and talk that Agroconsult has lowered their Brazilian corn crop production estimate to 82 MMTs, which is down -17% from the 99 MMTs produced last year. For what it's worth, in their most recent June report, the USDA reduced their Brazilian corn crop estimate from 87 down to 85 MMTs. So I suspect the USDA may still have another cut coming. Unfortunately, the corn market isn't paying all that much attention, deeming these was frilly well advertised. Keep in mind, the DEC18 contract posted another fresh new contract low close yesterday down at  $\$3.65^4$ . Just like I've been saying the past couple of weeks, be careful thinking the low is in place, that seemed like the obvious and way too easy of a response. Once the market has fully absorbed the first major wave of speculative "bottom pickers", you always have to ask where the next round of "buy-paper" will come from? We still have the trade concerns and negative headlines hanging overhead, as well as a very cooperative U.S. weather pattern. In other words, the bigger ticket items the bears have been betting on are still in play. Demand remains strong, but neither the bears or the bulls have been disputing that fact. The debate is the negative lean from the macro players who are cross-hedging against a possible full blown trade-war, a stronger U.S. dollar, and all bets on U.S. weather to this point going to the bears. The U.S. crop has clearly reduced a large majority of its risk. The debate is no longer about if the U.S. producer will grow much of a crop in 2108, a debate we could have proposed a few months back, the debate now is if the U.S. crop will generate another record yield? Most of my friends inside the trade have gone from debating a plethora of "what ifs", to now debating a crop yield of between 172 and 180 bushels per acre. Keep in mind, that's a much different debate and argument than was being proposed just a few weeks back. Be careful not to let the human psychology of the "recency effect" broadly impact your thoughts. In other words, don't get tripped up in the natural tendency to recall and focus on where prices WERE, rather than recognizing and adjusting to the new imminent threats that may exist. In all markets, I constantly ask myself what has happened during the past few weeks, which is now in my rearview mirror, and how is that affecting my current judgment while looking out the front windshield. I promise, it certainly colors how we view the markets moving forward. I continue to look for any change in weather and Washington... Technically,

George Washington Goethals chief engineer of the Panama Canal. The building of the Canal was completed in 1914, two years ahead of the target date of June 10, 1916. Interestingly, in November 1906 Roosevelt visited Panama to inspect the canal's progress, the first trip outside the United States by a sitting president. Since most of us may not of heard of Colonel Goethals, I wanted to add a few more facts: He is the great-great-grandfather of actress Angela Goethals. In World War II, the United States liberty ship, USNS George W. Goethals, was named in his honor. The United States Army Corps of Engineers dredge Goethals, which operated 1937-1982, was named in his honor. The Goethals Medal was named after him, awarded by the Society of American Military Engineers for eminent contributions to engineering and related fields. The Goethals Bridge between Staten Island, New York City and Elizabeth, New Jersey also bears his name. He has streets named for him in Richland, Washington, in Queens, New York City at St. John's University, and in Fort Leonard Wood. His image is depicted on several US and Panama Canal Zone stamps and finally, the Goethals Monument was built in Panama City in 1954. Pretty impressive!



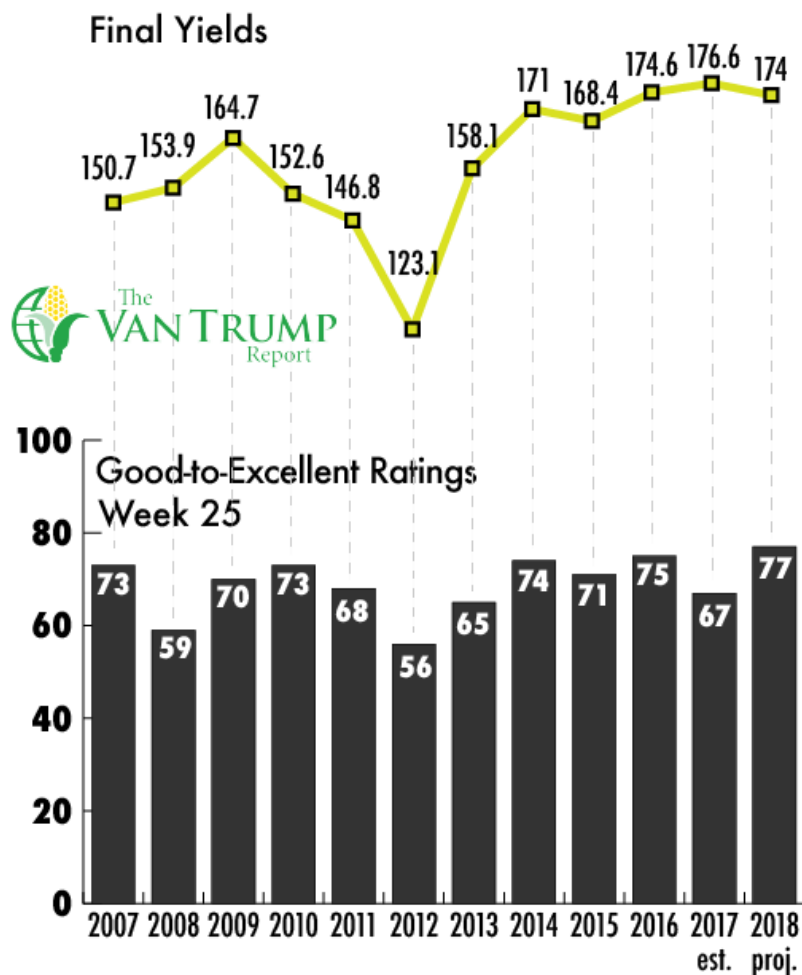
### 1972, Furman v. Georgia -

U.S. Supreme Court rules that capital punishment, as it is currently employed on the state and federal level, is unconstitutional. The majority held that in violation of the Eighth Amendment to the Constitution, the death penalty qualified as "cruel and unusual punishment," primarily because states employed execution in "arbitrary and capricious ways," especially in regard to race. It was the first time that the nation's highest court had ruled against capital punishment. However, because the Supreme Court suggested new legislation that could make death sentences constitutional again, such as the development of standardized guidelines for juries that decide sentences, it was not an outright victory for opponents of the death penalty. In a 5-4 decision, the Court's one-paragraph per curiam opinion held that the imposition of the death penalty in these cases constituted cruel and unusual punishment and violated the Constitution. However, the majority could not agree as to a rationale. There was no opinion of the court or plurality as none of the five justices constituting the majority joined in the opinion of any other. Justices Potter Stewart, Byron White and William O. Douglas expressed similar concerns about the apparent arbitrariness with which death sentences were imposed under the existing laws, often indicating a racial bias against black defendants. Because these opinions were the narrowest, finding only that the death penalty as currently applied was cruel and unusual, they are often considered the controlling majority opinions. Stewart wrote: These death sentences are cruel



I'm hoping the DEC17 contract can hold support down in the \$3.50 to \$3.60 range. Upside resistance still remains in the \$3.80 to \$3.90 range. Don't lose sight of the fact the debates in the market have changed, and clearly the bulls have lost leverage as the weather has mostly cooperated and no resolution to trade has come about.

## U.S. Corn Conditions VS. Final Yields



**Soybean** traders are eager to see what the USDA has to say today about U.S. acreage. Most are thinking we will see an uptick in planted acres, perhaps pushing to a new record near 90 million. Last year in June the USDA estimated a record high 89.5 million acres were planted to soybeans, that was +7% higher than the number of acres planted in 2016. Keep in mind, in both 2014 and 2015 we planted just 82 to 83 million soybean acres, with 47 to 48 bushel average yields. Go back a bit further, say from 2004 to 2013, we were generally planting between 75 and 77 million soybean acres, with the yield averaging between 42 and 44 bushels per acre. As we sit here today, some in the trade are now talking about not only a record number of acres in the U.S., but perhaps another record yield averaging +50 bushels per acre. Personally, I still think it's way too early to be talking final soybean yields, but the trade is clearly making some adjustments and removing risk-premium based on early record setting crop-conditions. Some producers are arguing it's a bit too dry and other saying it's too wet, but overall the crop appears to be in good condition. We've walked conditions back slightly in each of the past four weeks, which I suspect could continue to be the theme, but we will still be looking at a strong crop and big production numbers with this many acres in play. Let's also keep in mind, the USDA is probably going to show June 1 quarterly stocks at their highest level ever at around 1.25 billion bushels. I hate to beat a dead horse, but weather and Washington remain the wild-cards. Technically, the bulls are hoping the NOV18 contract can find longer-term support between \$8.50 and \$8.75 per bushel. To the upside, I continue to see the \$9.20 to \$9.25 area as technical resistance.

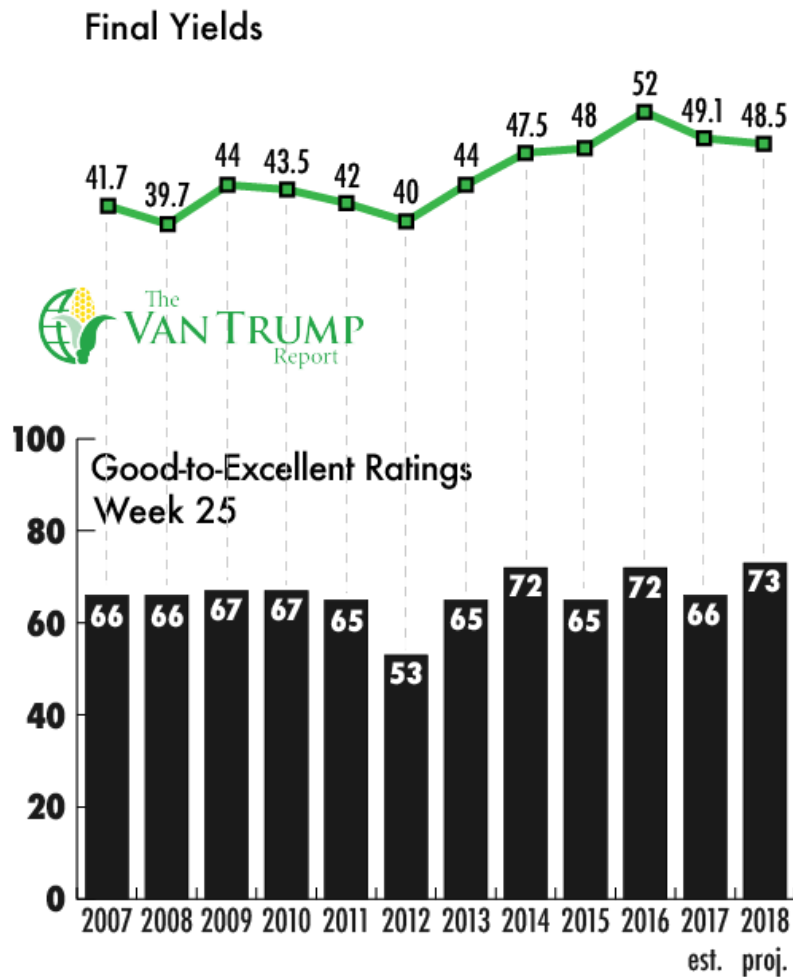
and unusual in the same way that being struck by lightning is cruel and unusual. For, of all the people convicted of rapes and murders in 1967 and 1968, many just as reprehensible as these, the petitioners are among a capriciously selected random handful upon whom the sentence of death has in fact been imposed. In 1976, with 66 percent of Americans still supporting capital punishment, the Supreme Court acknowledged the progress made in jury guidelines and reinstated the death penalty under a "model of guided discretion." In 1977, Gary Gilmore, a career criminal who had murdered an elderly couple because they would not lend him their car, was the first person to be executed since the end of the ban. Defiantly facing a firing squad in Utah, Gilmore's last words to his executioners before they shot him through the heart were, "Let's do it".



### 1995, Space Shuttle -

American space shuttle Atlantis docks with the Russian space station Mir on this day in 1995. The combination would form the largest man-made satellite ever to orbit the Earth. Interestingly, the historic moment would occur as the American space program was celebrating its 100th human space mission. At the time there was still a buzz about our journeys to space with millions of viewers watching on television as Atlantis launched from Kennedy Space Center. It was just after 6 a.m. on June 29 when Atlantis and its seven crew members approached Mir as both crafts orbited the Earth some 245 miles above Central Asia, near the Russian-Mongolian border. I'm told when they spotted the shuttle, the three cosmonauts on Mir broadcast Russian folk songs to Atlantis to welcome them. Over the next two hours, the shuttle's commander, Robert "Hoot" Gibson expertly maneuvered his craft towards the space station. To make the docking, Gibson had to steer the 100-ton shuttle to within three inches of Mir at a closing rate of no more than one foot every 10 seconds. Impressively, the crew docked Atlantis two seconds off the targeted arrival time, while using 200 pounds less fuel. Combined, Atlantis and the 123-ton Mir formed the largest spacecraft ever in orbit. It was only the second time ships from two countries had linked up in space; the first was in June 1975, when an American Apollo capsule and a Soviet Soyuz spacecraft briefly joined in orbit. Atlantis remained docked with Mir for five days before returning to Earth, leaving two fresh Russian cosmonauts on the space station. The three veteran Mir crew members returned with the shuttle, including two Russians and Norman Thagard, a U.S. astronaut who rode a Russian rocket to the space station in mid-March 1995 and spent over 100 days in space, a U.S. endurance record. NASA's Shuttle-Mir program continued for 11 missions and was a crucial step towards the construction of the International Space Station now in orbit.

# U.S. Soybean Conditions VS. Final Yields



## Upcoming Events

**Thurs. 6/28** - Quarterly Hogs and Pigs

**Fri. 6/29** - Quarterly Stocks and Acreage

## Kevin's Song of the Week

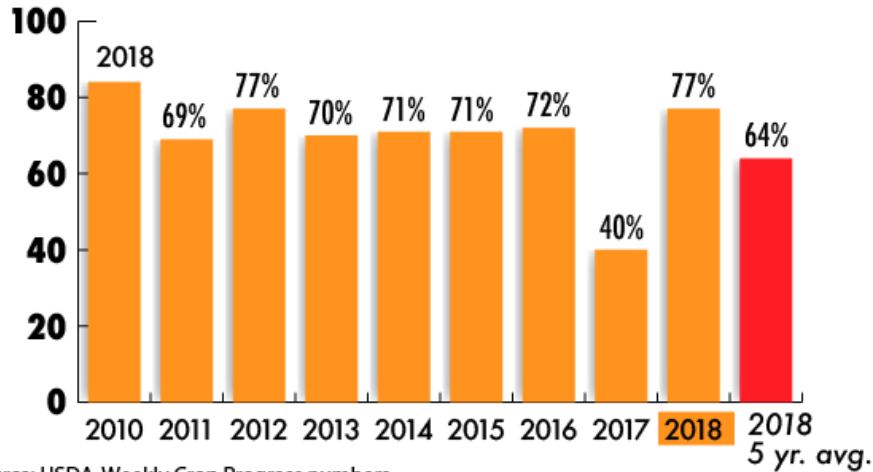


## Kevin's Song of the Week

**Wheat** continues to fight the headwinds impacting most in the ag space, ongoing trade tensions, and a strengthening U.S. dollar. I could also argue that global weather conditions for wheat have slightly improved in the past 30-days. For what it's worth, SRW wheat prices have fallen by about -13% in the past month, HRW is down about -18% in the past month, and Spring wheat is down about -15% in the past month. Unfortunately, overall U.S. export demand is also down and remains less than impressive. As for today, the trade is eager to see if U.S. wheat acres will be reduced like many are expecting, perhaps -250,000. Traders are also interested in seeing the most updated Canadian wheat numbers, where most are expecting their acreage will be trimmed by about -500,000 acres. But still perhaps +2.0 to +2.5 million acres more than last year up in Canada. The trade is also arguably facing pressure from an advancing U.S. harvest, now moving beyond 50% complete, as well as the start of the Russian harvest. As a spec, I've started building a longer-term conservative bullish position, taking very small bites on any bigger breaks that might be our future. I just feel like the risk-to-reward is starting to get skewed to the buy side. I'm certainly not trying to pick a bottom or saying the market is going to immediately turn around to the upside, because I doubt it will. I'm just wanting to work myself into a longer-term position on the downstroke. Staying extremely patient with a longer-term bullish tilt...

## U.S. Spring Wheat Conditions (% Good-to-Excellent)

Week #25 - June 24, 2018



Source: USDA, Weekly Crop Progress numbers

### June 1 Quarterly Stocks Estimate

	June #	Avg. Trade Est.	Trade Range	March USDA
Corn	???	5.268	5.004 - 5.500	8.888
Soybeans	???	1.225	1.115 - 1.305	2.107
Wheat	???	1.091	1.042 - 1.190	1.494

### June 1 Planted Acreage

	June #	Avg. Trade Est.	Trade Range	March USDA
Corn	???	88.562	87.600 - 90.463	88.026
Soybeans	???	89.691	89.100 - 90.700	88.982
All Wheat	???	47.102	46.575 - 47.700	47.339
Winter Wheat	???	32.633	31.469 - 33.100	32.708
Spring Wheat	???	12.431	12.000 - 13.000	12.627
Durum Wheat	???	2.030	1.996 - 2.119	2.004
Cotton	???	13.781	13.450 - 14.137	13.469
Sorghum	???	5.909	5.700 - 6.200	5.932

## 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



**> Biggest U.S. Hog Herd Ever:** The USDA's latest Hogs and Pigs Report showed a slightly larger expansion than expected. In fact, the USDA data confirmed the largest ever June hog herd since the data began being reported back in 1965. The report showed total hog herd and hogs kept for marketing both rose +3.4% to new records. It feels like the market was looking for a number closer to 3%, so I don't see it as much of game-changer, perhaps just a bit more in our face.

**> Surge in Barge Shipments of Grain:** Grain barge tonnages on the Mississippi, Ohio and Arkansas rivers were 1.1 million metric tons last week, continuing a three week trend of tonnages exceeding 1 million metric tons per week. The recent surge has occurred as operating conditions have improved on most segments of the system, along with an increased demand for export corn. However, high water conditions are occurring on some parts of the upper Mississippi and Illinois river, which might disrupt grain shipments. (Source: USDA, Grains Transportation Report)

**> Brazil Increases GM Crop Acres:** Brazil has expanded the area cultivated with genetically modified crops by 2.7 million acres as farmers seek to boost output and yields in one of the world's largest producers of foodstuffs like soy and corn. ISAAA, a not-for-profit group that promotes the use of biotech crops internationally, released a study on Tuesday showing Brazil's area planted with GM crops totaled 124 million acres in 2017, a 2 percent rise from the previous year. (Source: Reuters)

**> China Soybean Stocks Build Again:** Trying to stay ahead of a potential trade war, China's soybean stocks set a record for the fourth consecutive week as buyers continued to stockpile the oilseed over fears a trade war with the US might make a third of their supply too costly. Soybean stocks once again reached a new high at 8.78 million mt last week, up from 8.63 million mt the week before, 7.89 million mt last month and 6.92 million mt last year, data from the China National Grain and Oil Information Centre showed Thursday. (Source: Agricensus)

**> Farm Bill Contains Provision For Flood Insurance:** A six-month extension of the National Flood Insurance Programs has been included in the latest iteration of the Senate farm bill. Senator Kennedy who made this proposal said the farm bill could bring a six month extension of the federal program. This couldn't be a worse time for the program to expire with hurricane season on our doorstep. When the program lapsed four times in 2010 for 53 days, thousands of home sales were delayed because buyers count get insurance for properties in flood-prone areas. The delays affected local economies and the mortgage industry.

**> Glyphosate Gets Another Ban:** Denmark is the latest EU country to ban the use of the world's most commonly used herbicides, glyphosate. The country has banned the use of glyphosate on crop once they have begun to germinate according to reports. The whole of the EU doesn't currently have a formal ban on glyphosate. However, public opinion in the EU seems to lean in favor of a ban and both France and Italy have committed to banning glyphosate by 2020 and Germany recently announced they will also issue a ban at some point... (Source: Reuters)

**> CDC Retracts Study On Rate of Farmer Suicide:** The CDC announced their widely cited 2016 study showing farmers with the nation's highest suicide rate was wrong. If you remember, the data showed that people working "in farming, fishing and forestry" had suicide rates of 84.5 per 100,000 people, four times the national average. The agency said they incorrectly included farmers and ranchers with agricultural workers in the farming, fishing and forestry (also known as Triple-F) category. Farmers and ranchers should instead have been classified as managers. Triple-F workers now have the third highest suicide rate. Still not good... (Source: Politico)

**> Jobless Claims Increase:** The number of Americans filing for unemployment benefits increased more than expected last week. The trend in claims remained consistent with a tightening labor market, however. Initial claims for state unemployment benefits rose 9,000 to a seasonally adjusted 227,000 for the week ended June 23, the Labor Department said.

**> Jack Daniel's Is Raising Prices In The EU Because Of Tariffs:** The maker of Jack Daniel's, Brown-Forman, will have to raise prices for American whiskey sold in the EU following the implementation of a 25% tariff. Tennessee is expected to be hardest-hit by the whiskey price increases. This would add about 10% of the cost of Lynchburg-distilled Jack Daniel's in Europe countries. That's about 7% a bottle (Source: Tennessean.com)

*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.*



> **Amazon's Move Into Pharmacy:** Shares of drugstore companies tumbled Thursday after Amazon announced it signed an agreement to acquire online pharmacy PillPack. Rite Aid plunged 11.1 percent, Walgreens Boots Alliance sank 9.9 percent and CVS Health fell 6.1 percent, respectively. The three companies collectively lost approximately \$11 billion in market value on Thursday alone. Conversely, Amazon shares rose nearly 2.5 percent, adding more than \$19.8 billion in market value. PillPack is an online pharmacy that packages, organizes and delivers presorted doses of medications. Its website says it is licensed to ship prescriptions in 49 states. In November, its CEO said it was on track to post more than \$100 million in revenue for 2017.

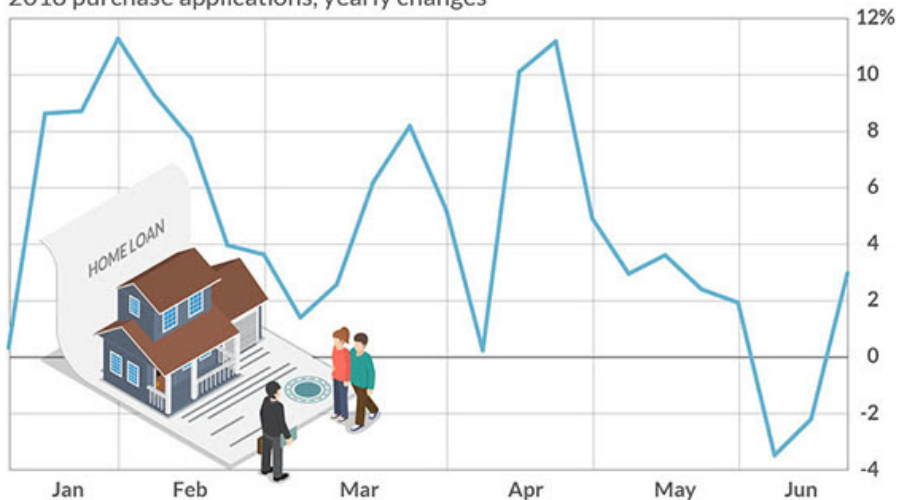
Read more [HERE](#).

> **Ray Dalio Begins Transition At Bridgewater:** Bridgewater Associates, the world's largest hedge fund, has long been tightly controlled by its founder, Ray Dalio, and his top two lieutenants. That is about to change. In the coming months, the firm will reshape itself, becoming a partnership that will give its top executives significantly more say in how the \$150 billion fund is run. The new partnership model, which was announced to employees and clients on Thursday, is the latest step in a plan for Mr. Dalio, 68, to play less of a day-to-day role managing the company over the next decade. The restructuring will put Mr. Dalio's management philosophy to the test: He created a unique and often controversial culture at Bridgewater by establishing what he calls an idea meritocracy based on "radical transparency," in which employees are encouraged to challenge one another openly. It will definitely be interesting to watch how investors of the fund react to "The Man" stepping aside. Read more [HERE](#).

> **Mortgage Demand Steady As 30-Year Remains Above +4.5%:** The 30-year fixed-rate mortgage averaged 4.55% during the week of June 28, down slightly from the 4.57% average the previous week, mortgage provider Freddie Mac said Thursday. The 15-year fixed-rate mortgage averaged 4.04%, unchanged during the week. The 5-year Treasury-indexed hybrid adjustable-rate mortgage averaged 3.87%, up from 3.83%. (Source: Marketwatch)

## Mortgage demand is holding tough... for now

2018 purchase applications, yearly changes



Source: Mortgage Bankers Association



Central Iowa - We are in the heart of bean and corn country, and both are looking the best I have ever seen. We have been extremely lucky to land in one of the great spots for weather so far this year. The corn is looking extremely healthy and tall, we are actually about a week to ten days ahead of schedule. Some people around us are starting to worry about the corn maturing too fast and the wind being an issue but from what I have seen our tap roots went deep very early on and I just don't see this being an issue for us. The beans went in while the ground was moist, then we got some dry weather for two weeks or so, but about three weeks ago we got a good six inches of rain and since then they have shot up and look great. The only diversification that I can tell of around our area is more and more guys using cover crops, like rye grass in the spring to help improve the health of the



soil. This is something I have been doing for years, although it does burn some extra resources to manage it is far worth it on the back end in the fall harvest.

Northeast Colorado - Sunday we received another three inches and so far this year we have already received thirteen and a half inches of rainfall since January. The hits kept coming this Sunday afternoon as we had a storm system move over northern Colorado that dumped large amounts of rain and hail in our area. The hail was about the size of a baseball and we lost one hundred percent of multiple circles and pivots of our corn. The remainder of the corn is looking strong and healthy along with the majority of our Red winter wheat that was for the most part unaffected by the storm. We are ten days away from harvesting our wheat and I am very pleased with the potential yield, but with all the rain we have had, unfortunately the protein levels in the wheat are lower than I would like. All in all I am pleased with the way things are going considering the weather this spring has been brutal.

Westcentral Illinois - We are a sweet spot of sorts as the rains have been perfect on our farms. We've had 3 - 4" of rain over the last few days which is welcomed as we head into tasseling. There was a bit of wind to deal with in the last storm but fortunately no damage. Our neighbor's corn has begun to tassel but we are a few days away. We are hoping the heat will settle down before our corn pollinates. Things have emerged beautifully and we have finished all our fertilizing and spraying. It's nice that we finished three weeks earlier than last season. Right now we are hauling grain and cutting hay. We don't do much but it offers a bit extra income. Wish I could say we had all our old crop gone but we are sitting a little of each.



**Influential Groups Seek Change To Rules For 'Product of USA' Meat Labels:** Country of origin labeling for meat once involved lofty policy debates in Congress and international bodies like the World Trade Organization. Now two influential groups have decided it would help domestic producers and consumers alike if USDA's Food Safety and Inspection Service (FSIS) would change its policies. The Lincoln, NE-based Organization for Competitive Markets and the Denver-based American Grass-fed Association (AGA) have petitioned FSIS for the policy amendment. Currently, FSIS policy permits labeling meat as a "Product of the USA" if it meets either one of two criteria. The first is if the country to which the product is exported requires the labeling and the product is processed in the U.S. The second is if the product is processed in the U.S. Read more [HERE](#).

**3 Million EV Batteries Will Soon Be Retiring:** The first batches of batteries from electric and hybrid vehicles are hitting retirement age, yet they aren't bound for landfills. Instead, they'll spend their golden years chilling beer at 7-Elevens in Japan, powering car-charging stations in California and storing energy for homes and grids in Europe. Lithium-ion car and bus batteries can collect and discharge electricity for another seven to 10 years after being taken off the roads and stripped from chassis—a shelf life with significant ramifications for global carmakers, electricity providers and raw-materials suppliers. Personally, I wasn't aware this was the cycle, but it does pose interesting pros and concerns. Read more [HERE](#).

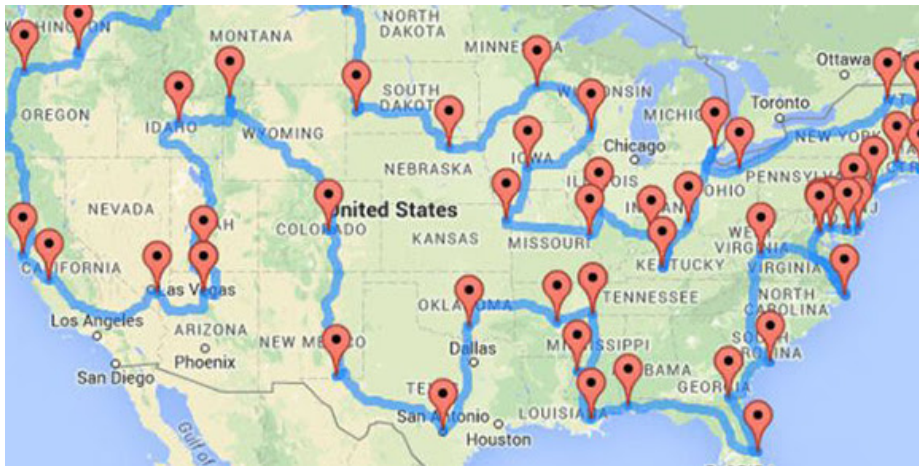
**Can We Just Give Kids An 'Old Fashioned Childhood'?** Growing up I left the house in the morning and came home for dinner, much like the rest of you, but that wasn't the case for an entire generation of kids as over-protective parenting became the norm following publicized abductions of children in the 80's. But now, many have said enough to Helicopter parenting and have begun a "free-range parenting" movement. So the question becomes, how much risk is good for kids to deal with as they develop and is overprotective parenting doing more harm than the desired good? Read about what the free-rangers are thinking [HERE](#).

**Will Your Next Doctor Be An AI?** U.K.-based startup Babylon Health announced today that its artificial intelligence has shown an ability to diagnose health issues as well as a human doctor, and can occasionally surpass mere mortals in its skills. To make this \*ahem\* diagnosis, Babylon had the AI take the final exam that all trainee General Practitioners in the U.K. have to take, as designed by the Royal College of General Practitioners. After taking the test, Babylon says its AI scored 75%, which was 5% higher than the average marks for human doctors over the last five years 70%. Find out how AI could not only fill the current doctor shortage the world is experiencing but do so better [HERE](#).

**NASA's Eight Hidden Spy Hubs:** *The Secrets are hidden behind fortified walls in cities across the United States, inside towering, windowless skyscrapers and fortress-like concrete structures that were built to withstand earthquakes and even nuclear attack. Thousands of people pass by the buildings each day and rarely give them a second glance, because their function is not publicly known. They are an integral part of one of the world's largest telecommunications networks – and they are also linked to a controversial National Security Agency surveillance program. Read more [HERE](#).*

**See All 47 National Parks Along This Insane Road Trip:** We already know the most efficient and sight-packed route to drive to see all the continental states, but what if you only wanted to focus on seeing the most beautiful nature in America? A map for that exists now too. Randy Olson, senior data scientist at the University of Pennsylvania, who previously figured out the best road-trip route in America, has now determined the best path to see all 47 national parks in the continental U.S.,

according to Inverse. Making your way from coast to coast to see everything from the stunning Olympic National Park mountains in Washington to the wildlife-packed Everglades in Florida has never been more simple. Check out the cool interactive map [HERE](#).



### **Crop One To Create World's Largest Vertical Farm**

Fresh Box Farm's holding company, "Crop One" has signed a multi-million dollar joint venture agreement with Emirates Flight Catering to build the world's largest vertical farm. Fresh Box is a leader in the hydroponic space where each unit operates on its own as a fully sustainable farm. They have developed systems whereby all environments are carefully managed through mechanical and digital controls allowing year-round food production without the logistics issues. From what I understand, this is precisely what attracted Emirates Flight Catering to partner with their holding company Crop One. Typically, Crop One builds small 320 square foot vertical farms in shipping containers, but will now begin the process of erecting a 130,000 square foot facility in Dubai, United Arab Emirates. I'm told the farm will supply all customers of the catering company as well as the other 100 plus airlines and lounges at the international airport. This latest venture continues to establish the desire of large food providers to control their supply chains as well as to ensure the high quality of their locally sourced vegetables. On top of that, they can claim a reduced environmental footprint that is now more a requirement than a good idea as companies seek to grow market share. When completed, the facility will push out over three tons of herbicide and pesticide-free leafy greens and use 99% less water in the process. Overall, Fresh Box will produce a daily total of over five tons a day by this fall, which will include three new U.S. farms Crop One is launching by year's end, making them the world's largest vertical farmer. It's worth noting that Fresh Box's success could be attributed to its business model which differentiates itself by being "equipment agnostic" as they have integrated with third-party technologies. Interestingly, this puts them well ahead of many well-funded vertical farms which are stuck in a technology experimentation phase. As a result, Fresh Box has a proven model at scale with a capital efficiency that is second to none. I suspect this positions them to quickly step into locations where cities and economies are looking for innovative and large-scale vertical farms. (Source: Agfunder, FreshBoxFarms.com)



# Skyscraper farming

A futuristic concept converts skyscrapers into crop farms that could help reduce global warming, improve the urban environment, and help feed the world's growing population. How it would work:

## SOLAR PANEL

Energy is supplied by a rotating solar panel that follows the sun; drives interior cooling/heating system.

## GLASS PANELS

Clear coating of titanium oxide collects pollutants and makes rain slide down the glass where it is collected and used for watering.

## ARCHITECTURE

Circular design allows maximum light into center.

## ECONOMY

The plan combines farming with office and residential stories.

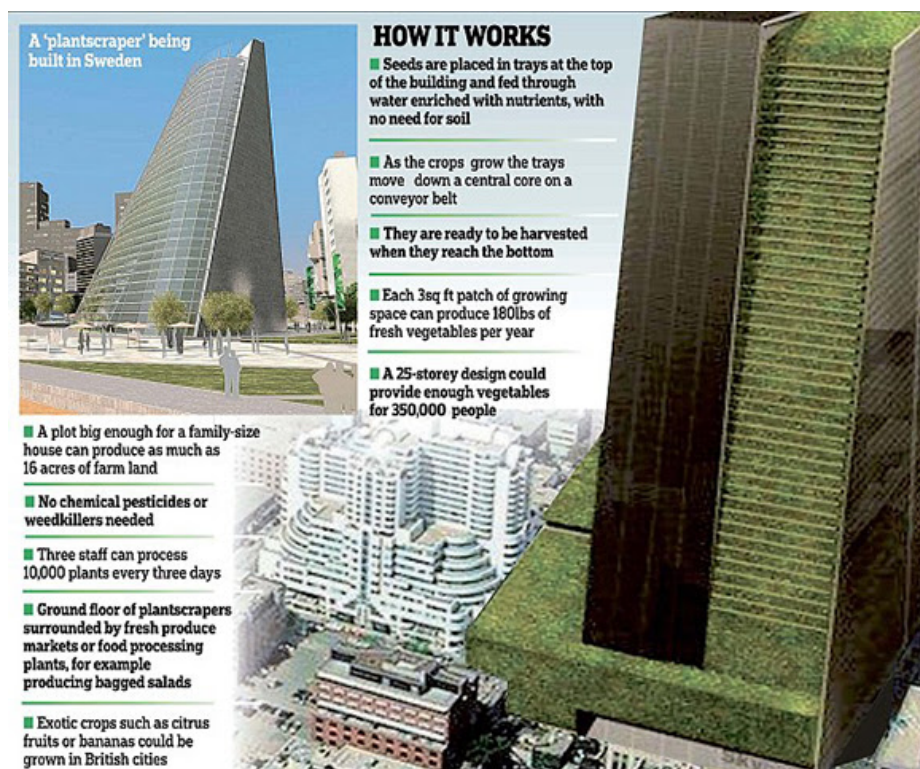
## IRRIGATION

Filtered, sterilized wastewater from sewage system can be used for irrigation.

© 2008 MCT

SOURCE: Vertical Farm Project





## Wimbledon Story 2018

When it comes to tennis Wimbledon is the most prestigious event of the year. Wimbledon is also the oldest tennis tournament in the world, dating back to 1877, and is the only major still played on grass. The draw for the tournament will be held today for both the men and women. The draw at Wimbledon is the seeding announcement of the players in the tournament, which is determined by the individual player's grass court achievement over the previous 12 months. In the men's tournament, Federer and Halep are guaranteed top seedings. Defending champions Roger Federer looks to defend the men's singles championship and Garbiñe Muguruza looks to defend the women's singles. The tournament itself will be held July 2nd to July 15th. The women's singles final will take place on Saturday, July 14, followed by the men's singles final on Sunday, July 15th. Federer is the favorite of the men's tournament. Petra Kvitová is the women's favorite. You can find most games on Fox Sports and BBC. You can also stream matches on WatchESPN, Hulu Live, SlingTV, and DirecTV Now. Below are a few additional facts about Wimbledon that I thought were interesting.

**How Much Will They Win:** *The All England Club announced that they award a total of almost \$40 million in prize money. The Gentlemen's and Ladies' Singles Champions will each receive just over \$2.6 million. The runner-up receives just over \$1.3 million. First-round losers even do fairly well, earning just over \$45,000 for playing in the event.*

**We Are the Champions:** *The record for the most Wimbledon titles in Ladies' Singles belongs to Martina Navratilova with nine victories. Martina Navratilova was also the oldest ever winner after winning the mixed doubles match in 2003 at 46 years, 261 days old. In Men's Singles, the record for most titles is owned by Roger Federer with eight victories.*

**Tradition of White:** *Wimbledon rules state that all players must be dressed almost entirely in white. Umpires can ask a player to change if they don't meet the dress code. For instance, in 2013, Wimbledon champ Roger Federer was told to switch his shoes for his next match because they had orange soles.*

**Lots of Balls:** *During the tournament, an average of 54,250 tennis balls are used. The balls are replaced after every seven to nine games to make sure they're in perfect shape throughout the match. Those not in use are even stored in a refrigerated container to keep them in tip-top condition. Interestingly, Wimbledon once used white tennis balls. But they were replaced with yellow balls in 1986 to make them more visible to TV cameras.*

**The Grass:** *The grass is highly manicured and cut daily each morning of the event to exactly 8mm. For those here at home that is just slightly over 0.3 inches. By the way, center court is only used for the Wimbledon Championships.*



**The Longest Match:** *The longest match ever played at Wimbledon took place at the 2010 tournament. John Isner of the United States defeated French player Nicolas Mahut in a match that lasted 11 hours and five minutes.*

**The Fastest Serve:** *The record for fastest men's serve at Wimbledon belongs to US player Taylor Dent, whose ball clocked in at 147 mph. And American Venus Williams holds the record for the fastest women's serve after smashing a tennis ball about 127 mph.*

**Big First Round Matchup:** *Andy Murray could face Roger Federer in first-round.*

*I couldn't help myself, I had to run a picture of the big Wimbledon finals matchup in 1980 which was "John McEnroe vs. Bjorn Borg". I was never any good at tennis, but when I was kid and someone would ask me to go play, I always wanted to be John McEnroe.*



#### **July 4th... America's 243rd Birthday!**

Since our office will be closed next week and I will be spending time with my family, I wanted to take a quick moment and wish you a safe and happy "Independence Day." What an amazing and important day of recognition for our great nation! This day commemorates the adoption of the Declaration of Independence. The Continental Congress declared that the thirteen American colonies regarded themselves as a new nation, called the United States of America, and were no longer part of the British Empire. Below are some cool facts and stories that I hope you find interesting:

**Many Of Our Founding Fathers Predicted It Would Be Forever Remembered:** *In fact, John Adams wrote a letter to his wife Abigail Adams on July 3rd, 1776, stating, "This day of July, 1776, will be the most memorable epoch in the history of America. I am apt to believe that it will be celebrated by succeeding generations as the great anniversary festival. It ought to be commemorated as the day of deliverance, by solemn acts of devotion to God Almighty. It ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires, and illuminations, from one end of this continent to the other, from this time forward forever more." Though, Adams wishes didn't come true till 1783 when Boston made "Independence Day" an official holiday. This has been a tradition throughout the US ever since.*



**We Could Be Celebrating On July 2nd, But...** *The Continental Congress voted for America's independence on July 2, 1776. If John Adams were still alive today he would tell everyone to celebrate our independence on the 2nd. John Adams himself even thought July 2 should be marked as a national holiday for generations to come. We don't shoot fireworks off this day because Congress didn't approve the Declaration of Independence till two days later on July 4th. Imagine that...a delay in Congress:)*

**Coincidence or Crazy?** *Believe it or not, both John Adams and Thomas Jefferson, the only signers of the Declaration of Independence later to serve as Presidents of the United States, died on the same day: July 4, 1826, which was the 50th anniversary of the Declaration.*

**What are the Dunlap Broadside?** *Declaration of Independence first published copies were called the Dunlap Broadside. Many people may recognize this document as the one John Hancock's name was printed largely on the bottom of. These copies were published on the night of July 4th, 1776 and originally printed in an estimated run of around 200 copies. These documents were called the Dunlap Broadside because they were printed by John Dunlap from Philadelphia. The main purpose of the broadside was to distribute them throughout the thirteen states to let everyone know the news. The broadside part of the name comes from what they called back in 1776 a large printed piece of paper. Out of the 200 copies originally published only 26 remain in existence today. The most recent Dunlap Broadside discovered was on July 2, 2009, in The National Archives in Kew, England.*

**How Much Do We spend On Fireworks?** *In 2017, an estimated value of over \$825 million was spent on fireworks on July 4th alone. Keep in mind, Massachusetts still don't even let consumers buy fireworks. This is also does not take into account all of the money spent the days leading up to the holiday. It's hard to believe, but only 44% of America's firework displays are held on the 4th of July.*

**Pounds Of Fireworks Per Person Rapidly Rising:** *Americans shoot off almost 1 pound of fireworks each year for every adult. And this figure has grown rapidly in recent years, from half a pound per adult in 2000. In 1976, the United States' bicentennial, the figure was just one-sixth of a pound annually.*

**Fewer Pros More Rookies:** *Back in 2000, roughly one-third of all fireworks were set off during professional displays, the kind that light the skies of cities around the world on holidays like New Year's Eve and national celebrations. By 2017, professional displays comprised less than 10 percent.*

**Injuries From Fireworks:** *Sadly, an average of 7 people die each year due to firework injuries. Interestingly, the number of injuries has dramatically come down over the years. I remember back when I was kid, everybody and their brother would be getting hurt on July 4th. In fact, back in 1986, fireworks injured about 6.6 out of every 100,000 people. Since 1986, injuries have steadily fallen and were most recently reported at just 2.3 injuries per 100,000 people. The past couple of years, an average of only 760 people visited the hospital with injuries related to fireworks on July 4th. Men suffer about 70% of fireworks injuries.*

**Celebrating With Alcohol:** *July 4th is actually America's top beer drinking holiday each year. An estimated amount of over \$1 billion was spent on beer the last 4th of July. What many people don't know is the Revolutionary War fighters celebrated with rum. George Washington ordered a double ration of rum for American soldiers to celebrate on Independence Day in 1778.*

**Increased Travel and Road Deaths:** *A record high of almost 47 million Americans will travel +50 miles away to celebrate the 4th this year. 44 million people traveled in 2017 and 43 million traveled in 2016. 3.8 million will travel by plane and 85% of these people will drive to their destinations. A sad and sobering fact is an average of 466 people die in auto accidents on the 4th of July each year. If you're on the roads be safe and buckle up!*

**Keeping The Grills Going:** *According to the Hearth, Patio & Barbecue Association, the Fourth of July is the most popular day for barbecuing on a grill. In 2017, the National Retail Foundation estimated Americans spent \$7.1 billion on total food to celebrate the 4th of July. Over +\$800 million will be spent on beef; +\$370 million on chicken; +\$215 million on pork; +150 million on hotdogs; +\$135 million on bacon; +\$125 million on sausages; +\$85 million on shrimp; +\$50 million on turkey; +\$48 million on*

salmon; +\$43 million on BBQ sauce. There's also many millions spent on Berries, Cherries and Tomatoes.

**Quick 1 minute speech from Ronald Reagan, July 4th, 1986...** Click [HERE](#)

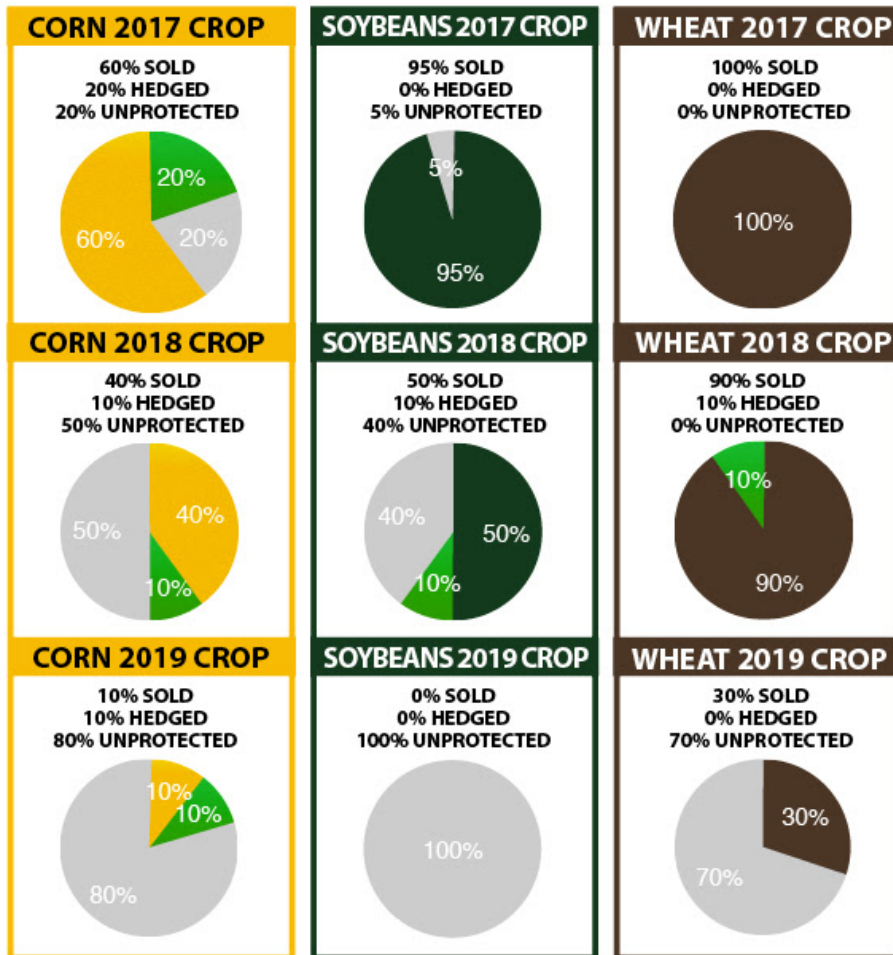




**ANSWER to riddle:** A bar of soap.

**CASH SALES & HEDGING TOTALS**





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

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