

GOOD MORNING: 07/16/18 Farm Direction - Van Trump Report

2 messages

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Mon, Jul 16, 2018 at 6:41 AM



"A life spent making mistakes is not only more honorable, but more useful than a life spent being right doing nothing." — **George Bernard Shaw**

MONDAY, JULY 16, 2018
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks are unchanged over the weekend. Investors are now bracing for an extremely busy week of geopolitical events, economic data and the first major week of U.S. second quarter earnings. The first wave of headlines will be digested today surrounding the Summit in Helsinki between U.S. President Donald Trump and Russian President Vladimir Putin. Most political insiders doubt there will be any real fireworks or game-changing headlines from the event, but the market always becomes a bit more nervous when leaders such as this get together. Keep on mind, the meeting comes just a couple of days after a fairly contentious NATO meeting. The market is also extremely curious about the next potential steps in the ongoing U.S.-China trade conflict. Late last week, Washington threatened 10% tariffs on an additional \$200 billion worth of Chinese imports. China has since gone limp, electing to use the "no response" negotiating tactic, which tends to make things a bit uncertain and folks a little more nervous about the next move. Remember, stock market gains have been kept somewhat in check the past several weeks as uncertainty continues to brew between the world's two largest economies and how the fallout could eventually impact global economic growth. For those scoring at home, the S&P 500 and Dow Jones Industrial Average have actually gone up all but one day since the U.S. and China imposed tariffs on \$34 billion of each other's goods on July 6. The broad U.S. index is now up +4.8% for the year, while the Shanghai Composite has dropped -14%. The week ahead also marks the first big week of the second-quarter earnings season on Wall Street, with names like Netflix, Bank of America, GE, Goldman Sachs, Johnson & Johnson, Microsoft, JB Hunt, Capital One, Union Pacific, Dominoes, Honeywell, and Stanley Black & Decker all reporting. I should note, a report circulating from Goldman Sachs estimated exports to China make up just 1% of U.S. gross domestic product, something that the firm says makes it unlikely trade tariffs will have a material impact on multinationals' corporate earnings growth. Several important economic reports will also be released this week, with today's Retail Sales data topping the list. Also this week, we have China slated to release what will be closely watched second-quarter growth data. As for U.S. interest rates and growth expectations, traders will be listening closely to the semi-annual Humphrey-Hawkins testimony from Federal Reserve Chair Jerome Powell, who appears Tuesday and Wednesday before Congressional panels on the economy and monetary policy. Investors are eager to hear if the Fed has become a bit more dovish and perhaps considering a looser approach towards hiking interest rates. Personally I doubt it, and continue to look for two or perhaps three rate hikes in the next six to nine months. As you can see, lots on the radar this week...

Even The Smartest Can't Agree: Uncertainty around what will happen next in the U.S.-China trade war isn't just keeping the world guessing, but also economists. In a Bloomberg News survey of 31 economists and analysts, responses varied widely on how long the tariffs will last and how big they will get. Estimates of the trade war's duration were distributed fairly evenly in a range of three months to three years, with a median estimate of 12 months. For the maximum value of goods subject to U.S. tariffs through the end of 2019, analysts projected a median of \$200 billion, but responses were as small as the current \$34 billion, all the way up to the entire \$505 billion of annual imports from China. Read more [HERE](#).

Interesting Insight From "Jack Dorsey": 41 year old, St. Louis native, and founder of both Twitter and Square, Jack Dorsey, takes over an hour to get to work while only living 5 miles away. You may be thinking he's in some serious traffic, but he actually walks to work every morning. Dorsey gets up at 5 am every morning meditates for half an hour, does a seven-minute workout three times, and then walks to the office. Dorsey has been doing this for 2 years now and usually finishes his walk-in 1h15m. Dorsey believes walking to work is the most worthwhile investment he's ever made. The reason he thinks this is because he believes it's a very clearing time for himself. During this five-mile walk, Dorsey really unplugs from everything. He doesn't email or text. He uses this time to listen to music and audiobooks as well as relax.

Think Things Haven't Changed Much The Past Few Years? Notable investor and entrepreneur, Howard Lindzon, recently posted some interesting thoughts on his blog. I

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Special 2 Day Event
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A gathering for the
 sharpest minds in
 agricultural investing.

Hear firsthand
 about new
 innovations.

Innovations
 that will be
 changing & shifting
 the farm industry.

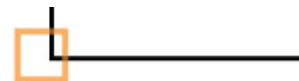
thought I would share...

Thought #1 - "Smart people just want to be bearish. I encounter very few smart people (that care about stocks) who are extremely bullish right now...at least publicly. That is a fuel the Nasdaq seems to be riding right now and will likely continue to help push it higher."

Thought #2 - I have been long Google forever it seems and it has been rather boring the last few years. I am excited to see it break to all-time highs. Quietly it is now just 20 percent from \$1 trillion and could conceivably beat Apple and Amazon in the race to the magic market capitalization. There has never been a public company with so many levers to pull come earnings time. I think the biggest fuel for Google is YouTube. I saw this baby (Ellen guessed 8 months old) at Chipotles last night surfing YouTube on an iPhone. It blew my mind. Talk about an amazing 8 to 80 brand and company... and by 8 in this case I mean 8 months old. WOW!



Faster Than A Phone And Warmer Than Texting, Voice Chat May Be The Future... and it's already on your phone. As we have shifted from calls to texts, we lost the warmth and humanity that made the phone work in the first place and now there are better ways to actually talk to people that already exist. A few companies are building tools that improve upon what didn't work about phone calls, making them less disruptive and more productive. At the same time, a new type of chat is sitting right under our noses. It's called voice messaging, and it deserves a place alongside text and video as core parts of how we chat in the digital age. Read more [HERE](#) about the possible future of communication.



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

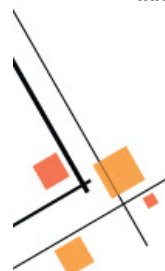
Leading Ag Retailers

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Venture Capitalist and Early Investors

Transportation and Logistics Executives

Innovative Start-ups



\$500

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For First 200 to Register :

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

- John Wooden



Co-hosted by:





Apple announced a new walkie-talkie feature for the Apple Watch—called Walkie Talkie—at its Worldwide Developers Conference in June. Jeff Williams, Apple chief operating officer, spoke at the conference. PHOTO: DAVID PAUL MORRIS/BLOOMBERG NEWS



Zello's app is as simple a communication tool as you'll find: Press the giant button, speak your message and your recipient hears it almost immediately. PHOTO: EMILY PRAPUOLENIS/THE WALL STREET JOURNAL



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:

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FUND

FARM TANK



Today In History

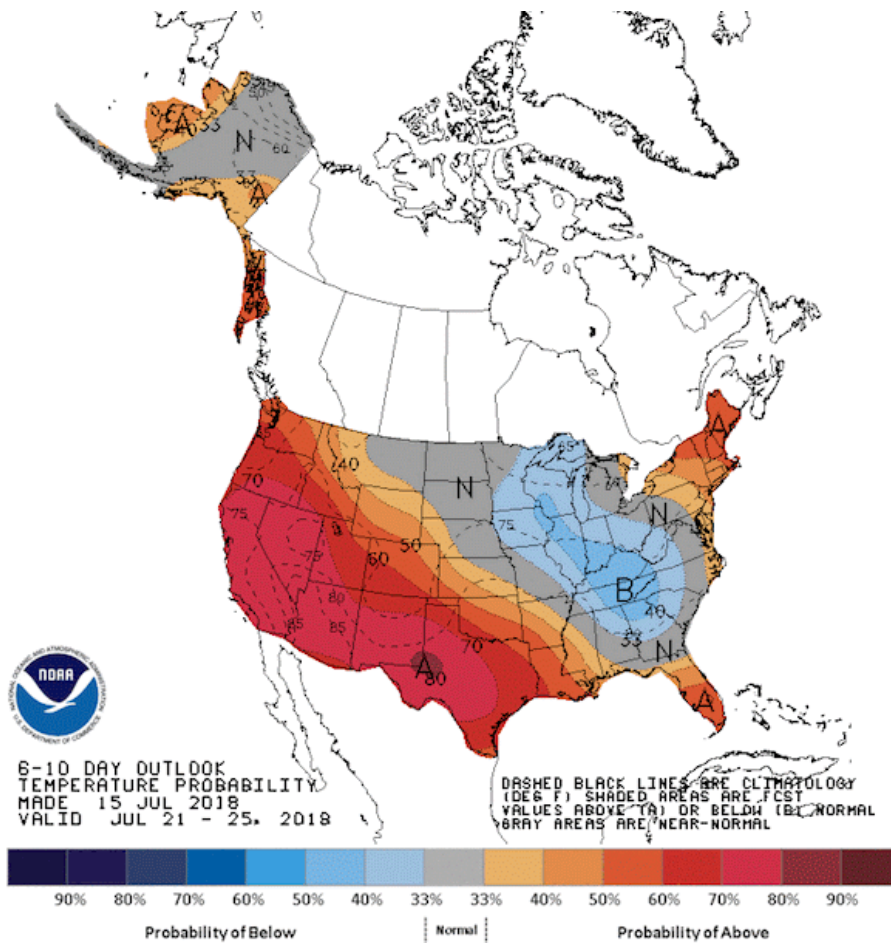


1808, Lewis and Clark -

Meriwether Lewis and William Clark, two of the few white men who had actually seen the mysterious territory of the Far West, help form a new company to exploit the region's abundant fur-bearing animals. In September 1806, William Clark and Meriwether Lewis completed their epic journey to the Pacific Ocean, arriving back in St. Louis after more than two years in the western wilderness. Except for when they crossed the Rocky Mountains, the entire trip was made via river. The duo were overwhelmed by the sheer numbers of fur-bearing animals, meaning the area was ripe for fur trading, which was reported to President Thomas Jefferson. Using their extensive knowledge about the opportunities in the fur trading industry, they helped organize the Missouri River Fur Company, along with experienced traders and businessmen Manuel Lisa, Pierre Chouteau and Auguste Chouteau. I'm told Lewis, whom Jefferson had already appointed to the governorship of Louisiana Territory, was presumably a silent partner, and for good reason. The new company planned to mix public and private interests in potentially unethical ways. During their earlier voyage west, Lewis and Clark had convinced an Upper-Missouri River Mandan Indian named Big White to go east and meet President Jefferson. Lewis had promised Big White that the American government would later return him to his people. Now the St. Louis Missouri River Fur Company proposed to use public money to mount a private expedition to take Big White home in the spring of 1809. Once Big White was home safely, however, the expedition would continue on to begin fur trading on the Yellowstone River, where it would enjoy a monopoly guaranteed by Governor Lewis. Whatever questions there might have been about Governor Lewis' conflicting interests in the company soon became moot: He either killed himself or was murdered on October 11, 1809, while traveling on the Natchez Trace in Tennessee. Clark continued to be involved with the company for several years, and no one ever raised questions about the ethics of his participation. Standards of behavior were often lax on the frontier, and it was not unusual for private and governmental interests to become confused. For all but the most critical observer, Clark's actions would have been acceptable. The St. Louis Missouri River

When liquid splashes me, none seeps through,
 When I'm moved a lot, liquid I spew,
 When I am hit, color I change,
 And colors I come in, quite a range,
 What I cover is quite complex,
 Yet I am very easy to flex.
 What am I?

Weather over the weekend saw a final surge to the recent heat wave and some much needed cooler air arrive across the northern Plains, which are forecast to expand to cover much of the eastern half of the U.S. by the middle of the week. Hot, dry weather has and will continue to persist across the West and will develop in the south-central U.S. Meanwhile, the interaction between the Southwestern monsoon circulation and several cold fronts has led to an arc across the Four Corners States, the central Plains, the middle Mississippi Valley and the Southeast, with 7-day rainfall totals reaching 1 to 3 inches in many locations, especially to the East. The 6 to 10 day is calling for near to below normal temperatures across the northern and central Plains and the Midwest, while hotter than normal weather will prevail in the West, Deep South and Atlantic Coast States. Meanwhile, near to above normal rainfall across much of the country should contrast with drier than normal conditions in parts of Texas and Northwestern parts of the country.

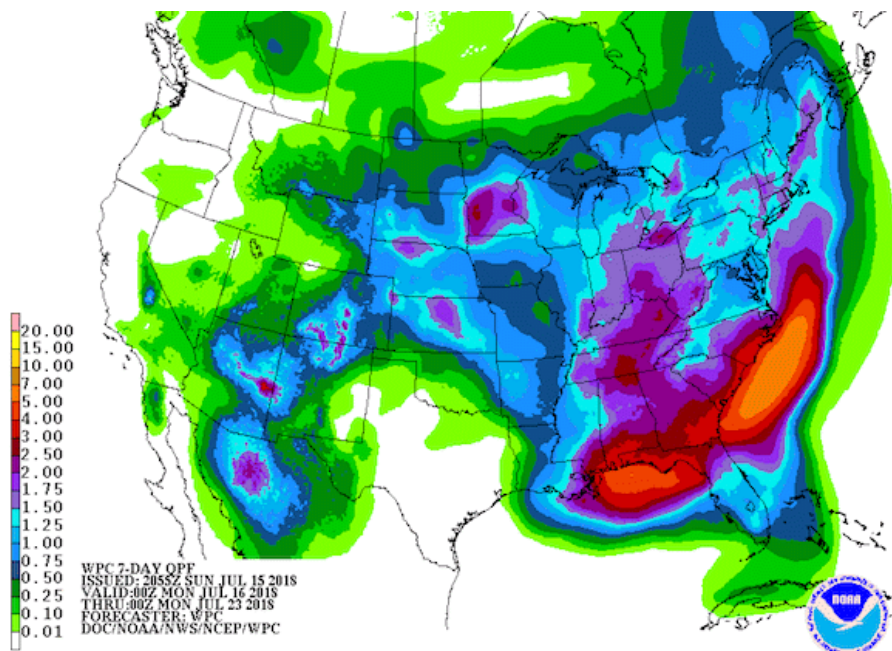


Fur Company the two men helped create endured until 1825 and was instrumental in furthering the exploration and settlement of the Far West.



1918, Romanov Family Executed

- Three hundred years of the Romanov Dynasty, who ruled Russia, came to an end on this day in 1918 as the family is executed by the Bolsheviks. Crowned in 1896, Nicholas was neither trained nor inclined to rule, which did not help the autocracy he sought to preserve among a people desperate for change. The disastrous outcome of the Russo-Japanese War led to the Russian Revolution of 1905, which ended only after Nicholas approved a representative assembly—the Duma—and promised constitutional reforms. The czar soon retracted these concessions and repeatedly dissolved the Duma when it opposed him, contributing to the growing public support for the Bolsheviks and other revolutionary groups. In 1914, Nicholas led his country into another costly war—World War I—that Russia was ill-prepared to win. Discontent grew as food became scarce, soldiers became war-weary and devastating defeats at the hands of Germany demonstrated the ineffectiveness of Russia under Nicholas. Not surprisingly, in March 1917 revolution broke out on the streets of what is now St. Petersburg and Nicholas was forced to abdicate his throne later that month. That November, the radical socialist Bolsheviks, led by Vladimir Lenin, seized power in Russia from the provisional government, sued for peace with the Central Powers and set about establishing the world's first communist state. Civil war broke out in Russia in June 1918, and in July the anti-Bolshevik "White" Russian forces advanced on Yekaterinburg, where Nicholas and his family were located, during a campaign against the Bolshevik forces. Local authorities were ordered to prevent a rescue of the Romanovs, and after a secret meeting of the Yekaterinburg Soviet, a death sentence was passed on the imperial family. Late on the night of July 16, Nicholas, Alexandra, their five children and four servants were ordered to dress quickly and go down to the cellar of the house in which they were being held. There, the family and servants were arranged in two rows for a photograph they were told was being taken to quell rumors that they had escaped. Suddenly, a dozen armed men burst into the room and gunned down the imperial family in a hail of gunfire. Those who were still breathing when the smoked cleared were stabbed to death. The remains of Nicholas, Alexandra and three of their children were excavated in a forest near Yekaterinburg in 1991 and positively identified two years later using DNA fingerprinting. The Crown Prince Alexei and one Romanov daughter were not accounted for, fueling the persistent legend that Anastasia, the youngest Romanov daughter, had survived the execution of her family. Of the several "Anastasias" that surfaced in Europe in the decade after the Russian Revolution, Anna Anderson, who died in the United



Corn prices are steady to slightly lower to start the new week, as bulls try and recover from the recent melt-down. Demand remains strong, as the USDA recently increased old-crop demand by +70 million bushels and increased new-crop demand by +140 million bushels. Keep in mind, this comes with a -50 million bushel reduction in old-crop Feed and Residual demand and a -50 million bushel reduction in new-crop ethanol demand, which I'm not so sure in the end won't need to be adjusted back higher for increased usage. Bears are obviously pointing to the fact U.S. weather has been mostly cooperative and talk of a new record setting average yield is becoming more and more realistic. Bears realize all it takes is for the current USDA yield estimate of 174.0 bushels per acre, which most believe is now too conservative, to be bumped higher to just 174.5, and it negate all of the recent bullishness in the new-crop balance sheet. In fact, most sources inside the trade seem to believe we are now looking at a U.S. yield somewhere between 176 and 180 bushels per acre. Bears are also pointing to the fact world new-crop corn production was recently raised from 356.63 MMTs to 361.46 MMTs. We also can't forget about the negativity surrounding political trade uncertainties. Not only do we have the Chinese trade conflict hanging overhead, but also the NAFTA negotiations. Bears believe if tensions escalate with either Mexico or Canada it will initially add additional downside pressure to corn market prices. Weather and Washington will continue to remain our two most heavily watched on the radar.

States in 1984, was the most convincing. In 1994, however, scientists used DNA to prove that Anna Anderson was not the czar's daughter but a Polish woman named Franziska Schanzkowska.



1935, First Parking Meter -

Park-O-Meter No.1 is installed on the southeast corner of what was then First Street and Robinson Avenue in Oklahoma City, Oklahoma on this day in 1935, making it the first one in the world. Parking meters were the Brainchild of a man named Carl C. Magee, who moved to Oklahoma City from New Mexico in 1927, and Magee had a colorful past. Including a stint as a reporter for an Albuquerque newspaper, where he had played a pivotal role in uncovering the so-called Teapot Dome Scandal (named for the Teapot Dome oil field in Wyoming), in which Albert B. Fall, then-secretary of the interior, was convicted of renting government lands to oil companies in return for personal loans and gifts. He also wrote a series of articles exposing corruption in the New Mexico court system and was tried and acquitted of manslaughter after he shot at one of the judges targeted in the series during an altercation at a Las Vegas hotel. Eventually, Magee made it to Oklahoma City where he would start a newspaper, the Oklahoma News, but he found his new hometown shared a common problem with many of America's urban areas—a lack of sufficient parking space for the rapidly increasing number of automobiles crowding into the downtown business district each day. Asked to find a solution to the problem, Magee came up with the Park-o-Meter. The first working model went on public display in early May 1935, inspiring immediate debate over the pros and cons of coin-regulated parking. Indignant opponents of the meters considered paying for parking un-American, as it forced drivers to pay what amounted to a tax on their cars, depriving them of their money without due process of law. Despite such opposition, the first meters were installed by the Dual Parking Meter Company beginning in July 1935; they cost a nickel an hour, and were placed at 20-foot intervals along the curb that corresponded to spaces painted on the pavement. Magee's invention caught on quickly: Retailers loved the meters, as they encouraged a quick turnover of cars—and potential customers—and drivers were forced to accept them as a practical necessity for regulating parking. By the early 1940s, there were more than 140,000 parking meters operating in the United States. Today, Park-O-Meter No. 1 is on display in the Statehood Gallery of the Oklahoma Historical Society.

Upcoming Events

Mon. 7/16 - Crop Progress, NOPA Crush

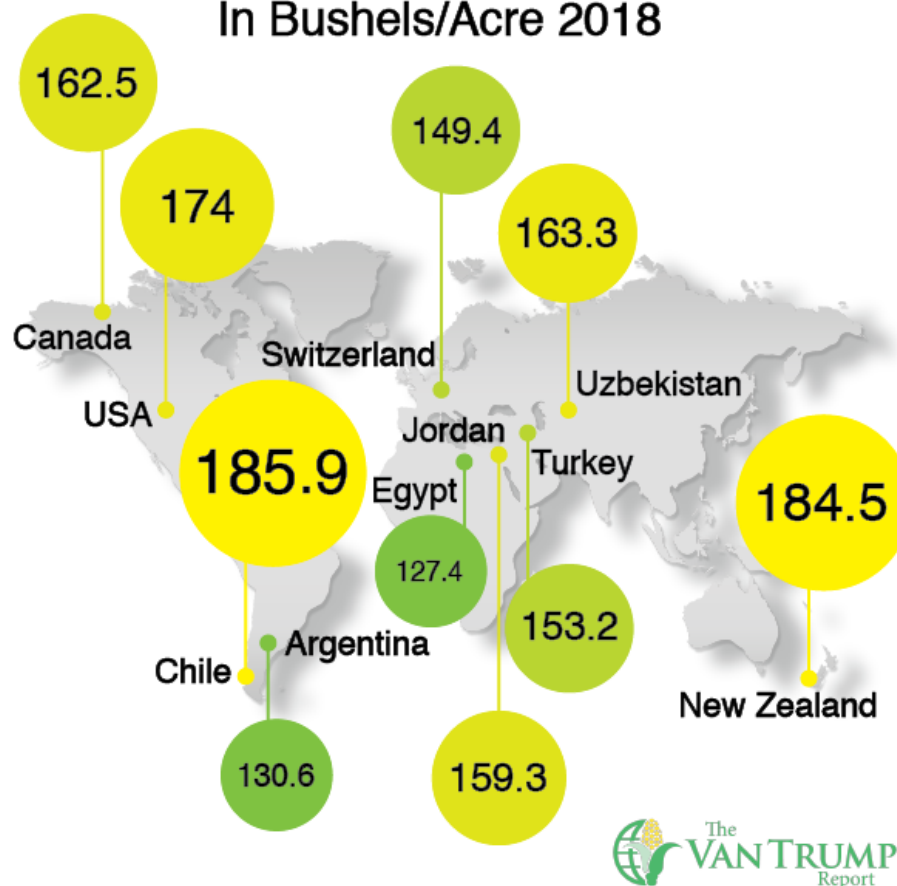
Fri. 7/20 - Cattle on Feed

Mon. 7/23 - Cold Storage, Crop Progress

Mon. 7/30 - Crop Progress

Top Corn Yielding Countries

In Bushels/Acre 2018



Soybean prices are starting where we left off last week, with prices again in negative territory, steady to down -5 cents in the overnight. Bulls and bottom-pickers will be trying to recover after last weeks additional -60 cent free-fall. The soybean market is now down -\$2.25 cents from the highs posted back at the end of May. The funds have gone from being aggressively long, to now short between 50,000 and 60,000 contracts, pushing prices to their lowest level in the past decade. Brazil recently harvested another record setting crop, much higher than most would have ever guessed at the start of the season. The weather here in the U.S. has arguably been much better than most would have expected, meaning we will also probably produce a record setting crop. Even though these are bearish headwinds, the real 800-pound gorilla in the room is the ongoing Chinese trade tensions. Talk of increased U.S. tariffs and escalating uncertainty has allowed the bears to swing freely and for the fences. The bulls have simply been beaten up too badly to step in and present any type of real fight. Perhaps this will change if rumors circulating that U.S. and Chinese officials might soon get together again to discuss a resolution prove to be real. I would love for that to happen, but I'm personally not holding my breath. I think it's going to take more time and there's probably a bit more downside risk. I still think China is going to try and play hardball into the November 6th U.S. mid-term elections. The question is can the Chinese economy and market hold out that long or will they have to come to the negotiating table sooner rather than later. More concerning for all of us here at home is how long can we as producers in the ag space hold on... There are some real heated debates brewing right now between "patriotism and the financial pain" being felt by those in rural America.

Tues.- Wed. 7/31-8/1 - FOMC Meeting

Mon. 8/6 - Crop Progress

Fri. 8/10 - USDA Supply and Demand

Mon. 8/13 - Crop Progress

Wed. 8/15 - NOPA Crush

Mon. 8/20 - Crop Progress

Wed. 8/22 - Cold Storage

Fri. 8/24 - Cattle on Feed

Fri. 8/24 - Last Trading Day for September Grain Options

Mon. 8/27 - Crop Progress

Fri. 8/31 - First Notice Day for September Grains

Mon. 9/3 - Labor Day (Markets Closed)

Tues. 9/4 - Crop Progress

Mon. 9/10 - Crop Progress

Tues. 9/11 - 17 Year Anniversary of 9/11

Thur. 9/12 - USDA Supply and Demand

Thur. 9/12 - Last Trading Day for September Grain Futures

Mon. 9/17 - NOPA Crush, Crop Progress

Fri. 9/21 - Cattle on Feed

Sat. 9/22 - Autumn Begins

Mon. 9/24 - Cold Storage, Crop Progress

Tues.-Wed. 9/25-9/26 - FOMC Meeting

Fri. 9/27 - Quarterly Hogs and Pigs

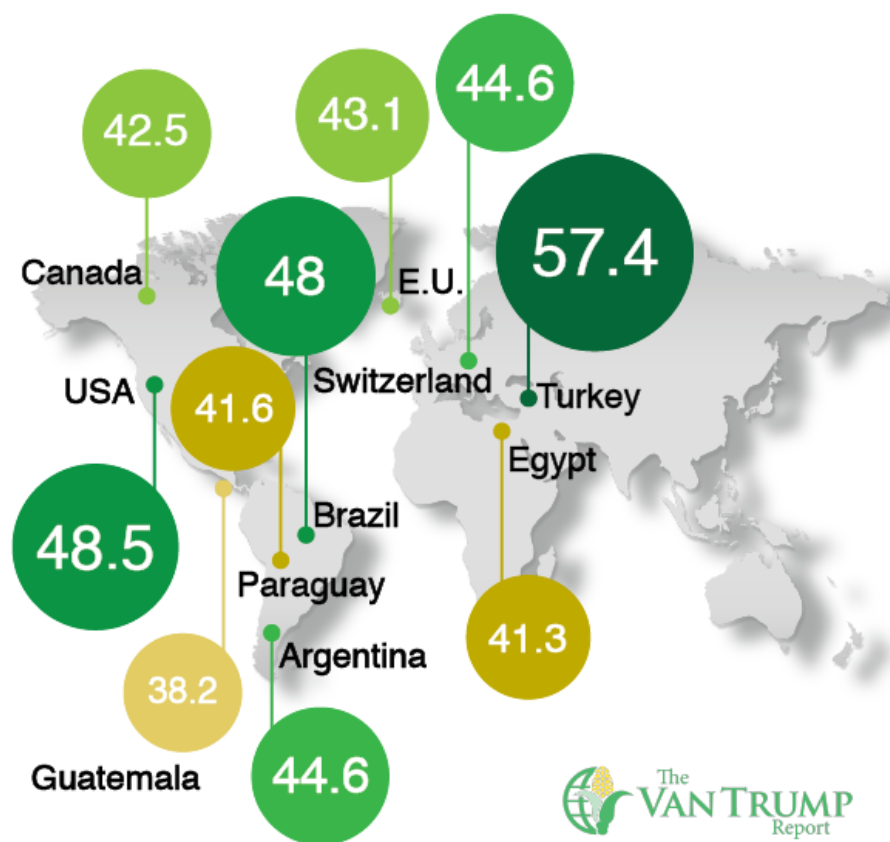
Fri. 9/28 - Quarterly Stocks and Acreage

Kevin's Song of the Week



Kevin's Song of the Week

Top Soybean Yielding Countries In Bushels/Acre 2018



Wheat prices remain under a bit of pressure this morning, after most wheat varieties lost another -20 to -30 cents last week. Meaning they are now down -60 to -80 cents since the end of May. This comes despite the USDA most recently confirming production problems amongst several global low-cost providers. Keep in mind, the USDA late last week, once again lowered their Russian wheat crop estimate from 68.5 MMTs down to 67.0 MMTs, which is well below last years production of 85.0 MMTs. There's been more talk circulating the past few days that the Russian crop might still need to be trimmed even further, perhaps another -3 MMTs to -5 MMTs. Ukraine, Europe, Australia and China's wheat production was also lowered in the most recent report, meaning global production is pulling back amongst some of the worlds most competitive exporters. This could ultimately open the door for U.S. exporters and help create more of a strong "demand" story, because right now we simply don't have one. Bears continue to say despite the recent -5.3 MMT reduction in world ending stocks we still have ample supply. Bears also keep pointing to the fact U.S. old-crop ending stocks remain above 1 billion bushels and we are seeing improved production totals from here in the U.S., primarily on improved Spring wheat estimates. As both a spec and producer, I continue to believe better days are ahead. I remain conservatively long and looking to add on another leg lower. I see no compelling reason to get in a hurry with this market. I still believe it could grind sideways to lower nearby.

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

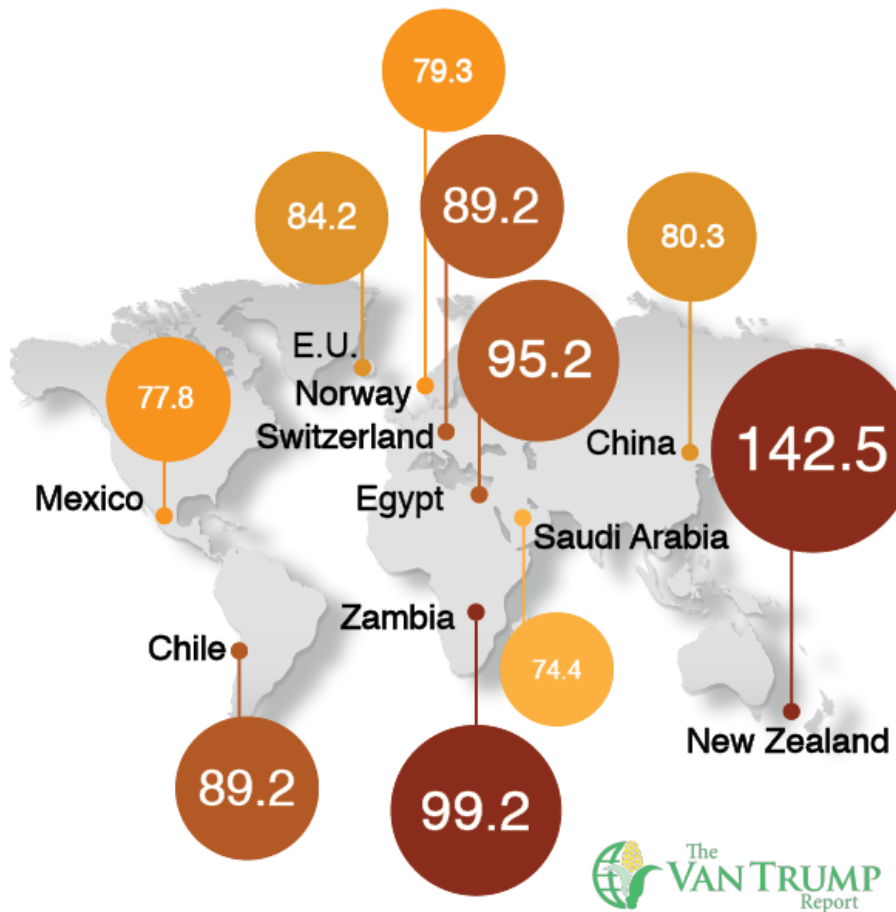
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis 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 happening in today's world. Not only here in the United States, but across the globe

Top Wheat Yielding Countries

In Bushels/Acre 2018



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.



> Looking Back At Previous Corn & Soybean Highs: December Corn Futures had a High in 2014 at 5.17 on 4/09/14. In 2015 the High was at 4.54² on 7/14/15. In 2016 the High was 4.49 on 6/17/16. In 2017, the High was 4.17² on 7/11/17. The High so far in 2018 has been 4.29⁴ on 5/24/18. November Soybean Futures had a High in 2014 at 12.79. on 5/22/14. In 2015 the High was at 10.56⁶ on 11/12/14. In 2016 the High was 11.86² on 6/13/16. In 2017, the High was 10.47 on 7/11/17. So far in 2018, the High has been 10.60⁴ on 5/29/18. (Source: C&S Grain Marketing; Bill Fordham)

> Precision Ag Bill Advances: The House Energy and Commerce Committee signed off Thursday on H.R. 4881, which would direct the FCC to create a task force focused on precision agriculture's connectivity and tech needs. The panel also approved H.R. 3994, a measure to establish an Office of Internet Connectivity and Growth within the Commerce Department that would work with localities to encourage broadband expansion and adoption. The bills, cleared by voice vote, now head to the full House. (Source: Politico)

> Argentine Corn Crop Expected to Slide: Argentina's corn crop estimate of 32 MMT for 2017 looks to fall short of that number as sporadic yields from late planted corn look to affect total production. From what I'm hearing, the chief economist for the Argentine Rural Society believes early corn is ok but late planted areas have yield losses that will most likely take production below the 32 MMT.

> **High Gasoline Prices Raise Concerns For U.S. Economy:** Gasoline demand has flattened out, and some economists are watching energy prices and wondering about the health of the U.S. economy. "People are on the lookout for a downturn," Joseph LaVorgna, chief economist for the Americas at Natixis, told the WSJ. "Tight monetary policy combined with rising energy costs is typically not a good development for U.S. households." Airlines are hiking fares, higher energy costs could push up inflation, and consumers could curtail retail spending if expensive gasoline cuts into discretionary spending. (Source: oilprice.com)

> **Hedge Fund Billionaire Is Investing in Crypto:** Billionaire investor Steven Cohen, once dubbed the "Hedge Fund King" has reportedly entered the crypto space. Cohen has invested in cryptocurrency-focused hedge fund Autonomous Partners through his VC firm Cohen Private Ventures. The hedge fund was founded by a venture capitalist last year. The investment size was not revealed but it looks like the hedge fund is focused on investments in block chain technology. According to data from Autonomous Next, of an estimated 251 crypto hedge funds with \$3.5 - 5 billion in assets under management, 175 of them were established as recently as 2017. Wow! (Source: CoinDesk)

> **Moving Closer To A Cashless World:** Mobile payments in China continue to soar and the latest data shows they have reached over \$12.8 trillion in a few short months. Payments via mobile-phone apps such as WeChat Pay and Alipay accounted for more than 80 per cent of the country's mobile payment segment. China is often seen being the first nation that will move towards a completely cashless society. (Source: South China Morning Post)

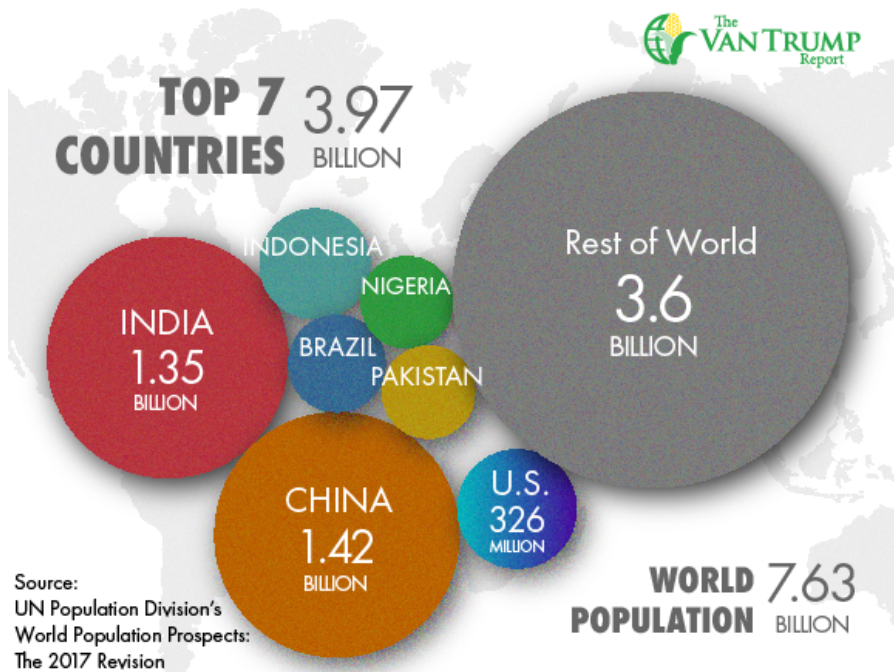
> **Amazon Doing Huge Business:** Amazon is set to clear \$258.22 billion in US retail sales in 2018, according to eMarketer's figures, which will work out to 49.1 percent of all online retail spend in the country, and basically 5 percent of all retail sales. Amazon is now fast approaching a tipping point where more people will be spending money online with Amazon, than with all other retailers — combined. Amazon's next-closest competitor, eBay, a very, very distant second at 6.6 percent, and Apple in third at 3.9 percent. Walmart, the world's biggest retailer when counting physical stores, has yet to really hit the right note in e-commerce and comes in behind Apple with 3.7 percent of online sales in the US. (Source: TechCrunch)

> **Nike vs. Adidas:** France clinched its second World Cup title last night with a 4-2 win over Croatia, but investors appear to be more focused on the final game statistics of Nike vs. Adidas. Of the total 169 goals scored leading up to the finals, Nike cleats were worn for over 100 of them. Nike also sponsored both teams in the final and shelled out about \$56 million on the French national team. (Source: SeekingAlpha)

> **7 Countries Hold Half the World's Population:** According to the latest data from the United Nations, the world's population is now at 7.63 billion as of July 1. Interesting, more than half of all people around the globe (3.97 billion) live in just seven countries. China has the world's largest population (1.42 billion), followed by India (1.35 billion). The next five most populous nations — the United States, Indonesia, Brazil, Pakistan and Nigeria — together have fewer people than India. What is most interesting is the way the world is aging. Population growth in future decades is projected to be significantly slower and is expected to tilt strongly to the oldest age groups, both globally and in the U.S. During this century, the UN projects that the number of people living to at least age 100 will increase 140-fold, from 150,000 in the year 2000 to over 21 million in the year 2100. (Source: Pew Research)



HALF THE WORLD'S POPULATION LIVES IN SEVEN COUNTRIES



FROM THE FIELD

Central South Dakota - Before we planted corn we had about three weeks of ninety-degrees plus weather, which was a great start for our corn as the ground was nice and warm forcing it to really take off. Around the fourth of July we typically see our corn about knee high but this year the crop is at shoulder height and looking great. If the weather holds, we can expect a great yield for corn, unfortunately, I cannot say the same for our beans. The beans have suffered from the three weeks of ninety-degree heat we had earlier in the season and this caused a vast majority of our beans to struggle. As for our wheat, well that looks to be shaping up to be another tough year for us. Each of the last three years we have begun to reduce our wheat production, from last year to this year we have cut our wheat production from twenty-five percent to just under five percent. Mostly we are doing this because of the price of wheat but also because we have been having consistently low yields. In Potter County this year, the wheat goes from good to bad as you move from west to east, the farms that are seeing the best yields are on the west side closest to the Missouri River. Although the western part of the county is seeing better-looking wheat, both winter wheat and spring wheat will both have down years for yields this year, which makes me believe we will see an even bigger reduction in wheat production in our area come this time next year.

Western Iowa - We are just south of highway 20 in western Iowa and man have we had some great luck with the weather this year. Fortunately, we have been placed in a great weather pocket where we are getting the perfect amount of rain and sun. If you go north just a little ways you'll start to find that it just gets wetter and wetter as you go and the same story holds true for east of us as well. Due to the great weather, our beans are looking excellent and we are seeing no signs of this changing any time soon. The corn couldn't look much better this far along in the season, we have a few spots of concern with some Northern leaf blight, which can be identified but the streaks that it will leave on the leaves causes the corn to stop the process of photosynthesis at whatever part of the growth process it is in, basically stunting the plants growth. We are also having a small amount of insect damage, so to combat the insects and the Northern leaf blight we are using a chopper to spray insecticide on the fields this week. Our area is pretty generic when it comes to diversifying the farm, mostly we just see the occasional wind farms. Something new is happening to the east of us, we are starting to see a market for organic row crops but that trend has yet to really make its way into our area.

South Central Iowa - Crops are looking good but need some moisture to see them through to finish. We plan to put a third spraying of fungicide on some of the beans in a couple more weeks. There hasn't been any mold issues but want to make sure. The fields look nice and clean as there isn't any weed pressure to speak of. The corn has tasseled and is now silking nicely. In my opinion, we are at +200bpa corn now if we get to the finish with some moisture. Even though that number will be well above our averages and we are going to need every one of them to help us break even. We

are fortunate to be able to fix our own equipment and avoid having to have all newer equipment. Along with that, we have other businesses that are keeping us in the game until things turn.



Kimbal Musk's Square Roots Heads For Chicago: Kimbal Musk, younger brother of Tesla founder Elon Musk, is planning on bringing his Brooklyn, N.Y.-based Square Roots urban farm to the Chicago area as city planners welcome Elon's brother in order to provide opportunities and fresh greens to Englewood residents, while also attracting people from other parts of the city. From what I understand, Englewood administrators believe the company will not only provide food but act as a tourist attraction, adding to the momentum the city has established in phase one of their redevelopment, which included Whole Foods Market, Starbucks and Chipotle, and opened to much fanfare in 2016. I definitely see a lot more of this type of opportunity and private/public relationship happening in the future, especially as municipalities are offering nice tax incentives for businesses. Read more [HERE](#).

You Will Be Able To Give MLB The Finger In 2019: Clear, the company that lets people skip the TSA pre-check lines at airports, has announced it is teaming up with Major League Baseball and Tickets.com to introduce biometric ticketing at participating ballparks in 2019. A pilot program will arrive at select venues later this season. This will allow Clear members to link their profiles with their MLB.com accounts and now enter Comerica Park or Yankee Stadium or AT&T Park with just the tap of a finger—or maybe even facial recognition technology in the near future. Amazing how everyday activities are rapidly changing. Read more [HERE](#).

Blockbuster Is Now Down To One: The last two remaining Blockbuster stores in Alaska are slated to close this week, leaving just one location of the once-iconic video rental store left in the U.S. The stores, in College and Debarr, Alaska, will officially close on Monday, July 16, Blockbuster Alaska said on its Facebook page last Thursday. They will reopen the next day, July 17, for inventory sales that will run through July and August. Personally, I didn't realize there were any stores still around but the remote locations of the stores makes sense, making Bend, Oregon the final location for the once powerful company. The family took many trips to our locations in the day and I can't help but point out the incredible lesson now available for all businesses...things change so you better plan ahead! Read more [HERE](#).

Another Reason To Drink Chocolate Milk: Athletes who drink chocolate milk during exercise or after a hard workout may recover just as quickly as they would with sports drinks, a research review suggests. Keep in mind, Previous research has found that what you eat and drink during intense exercise and afterward can impact how well your muscles recover and how rapidly your body replaces fluids and electrolytes lost during the workout. Overall, the study found that chocolate milk lengthened time to exhaustion, and improved perceived exertion, heart rate or levels of lactic acid in the blood at least as much other beverages. Read more [HERE](#).

Coollest Bike I've Seen In A While: Former F1 racer and designer Taso Marques has created the TMC Dumont, an incredibly sleek, low-to-the-ground motorcycle that sports an airplane engine and giant silver wheels without hubs, looking very much like something out of a science fiction film. The bike made its debut at Daytona Bike Week in March 2018 and won all sorts of admiration and accolades for its design. Read more and check out some cool videos on the ride [HERE](#).





How About Adding "Indoor Farming" To Our Traditional Farm Operation?

We've talked about indoor farming on numerous occasions, and they appear to be gaining more and more traction in urban areas. Farming innovators like Plenty, AeroFarms and Freight Farms all starting to supply more and more human food needs to urban consumers, while at the same time reducing water, energy, and chemical use. Interestingly, there's a new startup called [Bowery Farms](#) that is looking to be the most technologically advanced indoor farm in the U.S. From what I understand, their new operation is in New Jersey and is growing 30 times more produce than its other indoor farm that is located nearby in New York City. They are already supplying 100 types of leafy greens and herbs for customers like Whole Foods, Foragers and others in their area. Bowery claims they creating a decided edge by applying the latest in robotics, machine learning and predictive analytics to their agriculture space. They have developed what they say is a proprietary software system, complete with a robust network of sensors that takes in data in real time to determine outcomes like the quality, texture, color, and yield of its plants. The system can make micro adjustments to water flow, light intensity, temperature, humidity in response to data inputs. Bowery says they are more than 100 times more efficient, on a per square foot basis, than traditional farmland, in large part because they grow 365 days a year, work in a controlled environment and are completely immune to the extreme variable of weather. Obviously "scale" is somewhat of an issue and I don't see the indoor farms ever competing with the large commercialized farm for market share of #2 corn. But I do see these indoor models gaining more traction in supplying consumer demand for locally grown food. In fact, their New Jersey location is starting to see demand come in from further and further destinations. The company is now starting to ship produce to extended zip-codes. Once again an example of technology cutting out the middle men and allowing a grower to go direct to a consumer. The company grows and sells its own brand of baby kale, butterhead lettuce, arugula, mixed kales and basil. The startup has raised several million in venture funding to start building more indoor farms across the U.S. I know most of us don't give the indoor farming much thought, but their model of using high-tech, a high level of control and being locally grown certainly seems like a winning combination. If they can ever figure out "scale" we might be singing a different tune. I actually like the thought of somehow bringing the indoor farming to our traditional farm. For those of us who are fairly close to metro areas, why wouldn't we want to have an indoor farming operation built and running all year round on our current farms? I believe it fits nicely in our core competency and has potential to add a valuable revenue stream! (Source: CNBC, Fortune)



Decervo Is Hoping To Improve Athletic Performance Through Neuro Analytics

I enjoy staying up to date on the science behind the brain's role in athletic performance and one company, [Decervo](#) is making inroads in assessing how the brain drives the bodies performance. In my opinion, skills, or the science of mechanics can only take an athlete so far. How athletes use those skills in varying conditions is what sets the good apart from the great. There is a lot of wearable tech that offer insights into the bodies performance but not so much for the mind. So can we get actionable data from the mind for enhancing athletic performance or at least benchmarking how the best mentally perform? Starting with Major League Baseball, Decervo intended to help professional teams scout and improve hitting. From what I understand, founders Jason Sherwin and Jordan Muraskin have been gathering data with EEG caps since 2014 and claim to be the first company to utilize a piece of neuroscience equipment in a sports setting. Considered a radar gun for the brain, they claim the EEG can inform a team exactly how fast a player decides to swing (or not swing) at a given pitch, down to the millisecond. It can also inform a player if he is not deciding fast enough on certain pitches, giving them a clue as to why particular struggles (like hitting a curveball) might be hampering their batting average. Think about the potential use if these type of

wearables can create cognitive markers that distinguish players from one another. This "neural analytic" could inform fans about Mike Trout's decision making stats much like it shows his batting average. Pretty cool potential, but there is one point to consider as we head down this road of data collection and analytics... once again, who owns it? I'm told there have already been lawsuits between players and teams who requested blood samples before signing them. In our world of data collection and deciding who owns it, this new frontier should pose lots of interesting debates moving forward. I could definitely see players expecting compensation for the use of their neural analytics if we get that far. Interestingly, major league baseball added to the most recent MLB collective bargaining agreement that information gathered from wearable technology can remain confidential to the team and available to the player upon request. Interesting...(Source: NYTimes, Fastcompany)





MLB All-Star Game and Home Run Derby

MLB season is halfway through, meaning it's time for the Home Run Derby and All-Star game. The all-star events this year will be held at Nationals Park in Washington D.C., which will be the first time since 1969. The participants in the Home Run Derby may seem a bit weird since the rules have changed a bit lately. The players on the left side of the bracket are 1. Jesus Aguilar of the Brewers vs. 8. Rhys Hoskins of the Phillies and 4. Alex Bregman of Astros vs. 5. Kyle Schwarber of Cubs. The players on the right side of the bracket are 2. Bryce Harper of the Nationals vs. 7. Freddie Freeman of the Braves and 3. Max Muncy of the Dodgers vs. 6. Javier Baez of the Cubs. The players are usually split between the American and National League, but not this year. Every player in the Derby this year is from the National League except Alex Bregman. Also, with the exception of Harper, who participated in the 2013 Derby at Citi Field, all of the above are first-time participants in the Derby. Something else different at this year is Schwarber, Hoskins, and Muncy are competing despite not being selected to the National League All-Star roster. Jesus Aguilar looks to be the favorite this year leading the players participating with 23 home runs. Interestingly, five players in the American League, who aren't in this year's Derby, have more home runs. The Derby will take place tonight at 7 p.m. CT on ESPN. Following the Derby tomorrow, the 89th MLB All-Star game will take place. I remember a few years ago the Royals had 7 all-stars on the roster. This year the Royals are down to the league minimum of one, which will be catcher Salvador Perez making the reserves roster. Wow how quickly things have changed in my home town! This year Freddie Freeman led all votes on the NL team and Jose Altuve led all votes on the AL team, which both held the biggest margin of victory at a single position. The closest race this year in votes was AL shortstop, Manny Machado finishing just 56,629 ahead of Carlos Correa. First time MLB All-Stars this year include Nick Markakis, the Cubs duo of Baez and Contreras, along with Jose Abreu, J.D. Martinez, Wilson Ramos, and Brandon Crawford. In other words, lots of unfamiliar young faces. Four players lead the way this year with the most All-Star selections including Mike Trout, Craig Kimbrel, Chris Sale, and Justin Verlander. The top factors in the game this year is the hot bats from the Atlanta Braves and the pitching from the American League. Below features both leagues full line-up and the game itself will begin at 7:30 pm CT on Fox.

American League Roster:

Starters

C: Wilson Ramos, Rays
1B: Jose Abreu, White Sox
2B: Jose Altuve, Astros
3B: Jose Ramirez, Indians
SS: Manny Machado, Orioles
OF: Mookie Betts, Red Sox
OF: Mike Trout, Angels
OF: Aaron Judge, Yankees
DH: J.D. Martinez, Red Sox

Reserves

C: Salvador Perez, Royals
1B: Mitch Moreland, Red Sox
2B: Gleyber Torres, Yankees; Jed Lowrie, Athletics***
3B: Alex Bregman, Astros
SS: Francisco Lindor, Indians; Jean Segura, Mariners (fan vote)
OF: Michael Brantley, Indians; Shin-Soo Choo, Rangers; Mitch Haniger, Mariners; George Springer, Astros; Nelson Cruz, Mariners

Starting pitchers

RH Trevor Bauer, Indians***; RH Jose Berrios, Twins; RH Gerrit Cole, Astros; LH J.A. Happ, Blue Jays; RH Corey Kluber, Indians; LH Chris Sale, Red Sox; RH Luis Severino, Yankees; RH Justin Verlander, Astros (inactive)

Relief pitchers

LH Aroldis Chapman, Yankees; RH Edwin Diaz, Mariners; RH Joe Jimenez, Tigers; RH Craig Kimbrel, Red Sox; RH Blake Treinen, Athletics

National League Roster:**Starters**

C: Willson Contreras, Cubs
 1B: Freddie Freeman, Braves
 2B: Javier Baez, Cubs
 3B: Nolan Arenado, Rockies
 SS: Brandon Crawford, Giants
 OF: Nick Markakis, Braves
 OF: Matt Kemp, Dodgers
 OF: Bryce Harper, Nationals

Reserves

C: Yadier Molina, Cardinals**; Buster Posey, Giants*; C: J.T. Realmuto, Marlins
 1B: Paul Goldschmidt, Diamondbacks; Joey Votto, Reds; Jesus Aguilar, Brewers (fan vote)
 2B: Ozzie Albies, Braves; Scooter Gennett, Reds
 3B: Eugenio Suarez, Reds
 SS: Trevor Story, Rockies
 OF: Charlie Blackmon, Rockies; Lorenzo Cain, Brewers; Christian Yelich, Brewers

Starting pitchers

LH Patrick Corbin, Diamondbacks; RH Jacob deGrom, Mets; RH Mike Foltynewicz, Braves; RH Zack Greinke, Diamondbacks***; LH Jon Lester (inactive), Cubs; RH Miles Mikolas, Cardinals (inactive); RH Aaron Nola, Phillies; RH Max Scherzer, Nationals; RH Ross Stripling, Dodgers***

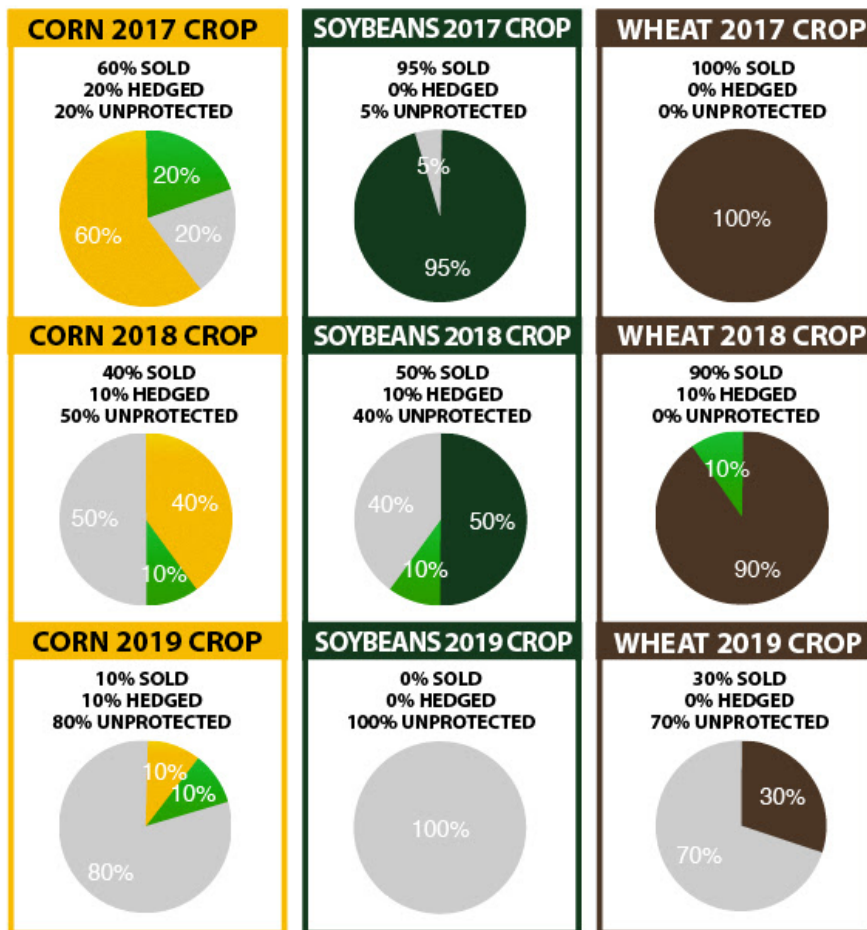
Relief pitchers

LH Sean Doolittle, Nationals; LH Josh Hader, Brewers; LH Brad Hand, Padres; RH Kenley Jansen, Dodgers; LH Felipe Vazquez, Pirates



ANSWER to riddle: Skin.

CASH SALES & HEDGING TOTALS



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