

## GOOD MORNING: 07/19/18 Farm Direction - Van Trump Report

2 messages

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"Don't wait. The time will never be just right." ~Napoleon Hill

THURSDAY, JULY 19, 2018

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**Morning Summary:** Stocks are slightly lower this morning as the U.S. dollar pushes to fresh annual highs. Traders will be digesting more second-quarter U.S. corporate earnings and the continued uncertainty and negative headlines regarding trade negotiations. As I've insinuated the past several weeks, many inside the trade are thinking the Chinese are going to try and dig their boots in and play hardball into the U.S. November mid-term elections. The Chinese recognize they might be inflicting enough pain on President Trump's voter base in rural areas that it could swing a few votes in Washington. The question then becomes how will Washington respond as we get closer to the mid-terms and some of the red (Republican) states start to turn a bit purple? In other words, what happens if the polls start to show more Republicans who have been negatively impacted by trade conflicts, say they are going to abstain from the election or perhaps swing towards a Democratic vote? I've been listening and talking to a lot of people in the investment world, and we are all trying to put the pieces together to come up with the end-game. As of right now, there is no absolute or crystal clear answer. Many argue that we are at an inflection point with the Chinese, comparing it to some degree with the Russian situation back in the early-80's, not traditional military warfare, but more of an economic type of warfare. Several in Washington, believe we should have addressed the Chinese issues many years ago, and if we don't do it now, simply kicking the can further down the road, there will be much more significant and larger pain-points ahead. Many leaders on Wall Street seem to understand the necessity of the political move and really aren't placing time constraints or limits on Washington as of yet to get the mission accomplished. Insiders believe this is why the stock market hasn't really been flinching or reacting wildly to the negative trade headlines. Big players also know and point to the fact the global economy is generally around \$80 trillion, give or take a few. The tariffs between the #1 and #2 economies of the world only amount to about \$150 billion, perhaps escalating to \$500 billion, which is still only a very very small fraction of the global economy. Meaning big money investors still don't see it as a huge deal, especially for the U.S. market. Most see it as a much bigger concern for the Chinese, who may eventually be forced to come to the negotiating table. The problem is a full-blown resolution might take much longer than initially anticipated. Insiders are also saying negotiations with Mexico, in regards to NAFTA, are going well and we might soon have some type of deal in place. Some are saying if President Trump can get a win or deal done with NAFTA and the European Union in regard to autos, he will be able to turn all focus towards China and perhaps even turn up more heat. Even though a better NAFTA deal could be a big win for U.S. agriculture, I'm afraid the thought of pushing harder and or deepening the tensions with China, will continue to allow the bears to roam freely in the ag markets. Most everyone I talk with seems to believe the U.S. and other nations like Japan and Europe will come out much better if we can get the Chinese to cooperate and level the playing field. Suggesting the current trade conflict will ultimately lead to the re-organization of the entire global supply chain and help bring manufacturing jobs back to the U.S. and jobs to other nations around the world. My personal fear remains the same..."time", and how long the American farmers can hold out waiting for a resolution. And if in the end, when the smoke clears and dust settles, will the Chinese be as eager to buy U.S. agriculture? Bears in the stock market are starting to talk more about the extreme global currency volatility and the fact it might be indicating trouble ahead. The bears are also starting to talk more about global "cyber security" possibly spiking higher as tensions flare. All these are tough issues to consider and have many many moving parts. The good news is we might see a win with NAFTA and the European Union sooner

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rather than later. The bad news, tensions with China may continue to heat up and extend as their leaders feel they are being backed further into a corner.

**Black Gold, Texas Tea...** *Plunging drilling costs have sparked an explosion of production in Texas, and is making the state a global oil superpower. According to HSBC, The Permian Basin and Eagle Ford oilfields are expected to produce 5.6M barrels per day by 2019, topping the 4.8M bpd output of Iraq and 3M bpd of Iran. That would make Texas the world's No. 3 oil producer, behind only Russia and Saudi Arabia. (source: SeekingAlpha)*

**College Student Walks 20 Miles to Work** - *Walter Carr, from Homewood, AL, car broke down the night before he was supposed to start his new job. Carr didn't panic in this situation, though. Instead, Carr decided to walk 20 miles to Pelham to attend his new job with Bellhops moving company. Carr decided to start walking in the early hour of the morning on the first day of his job. Carr made it to Hoover, AL by 2 am and then to Pelham, AL at 4 am. Luke Marklin, the CEO of the company, was so impressed with Carr he drove all the way from Tennessee to meet him for coffee to personally thank him for what he did. In this meeting, Marklin ended up surprising Carr by giving him his own barely-driven 2014 Ford Escape. It's truly inspiring what some people go through to get to work while many others who are more fortunate simply struggle to get out of bed on time every morning.*

**Cowboys Are Again Most Valuable Sports Franchise:** *The Dallas Cowboys have been ranked the world's most valuable sports team for a third consecutive year in an annual list published by Forbes. In fact, despite last year "taking a knee" controversy, the National Football League still accounts for more than half of the top-50. The Cowboys were estimated to be valued at \$4.8 billion, a +14% jump compared to last year. I should note, everyone criticized Jerry Jones back in 1989 when he purchased the Dallas Cowboys for an estimated \$140 million. The sale marked the first time anybody had ever paid more than \$100 million for a sports team and it came just five years after the previous owner, H. R. (Bum) Bright, had purchased the Cowboys for \$60 million. Who's laughing now... See the entire list and read more [HERE](#)*



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

- John Wooden



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.

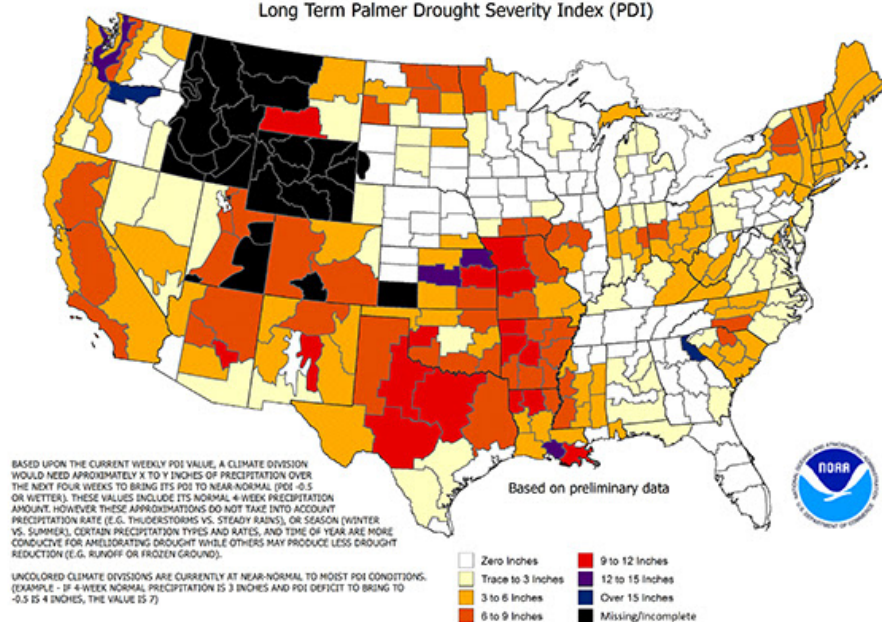
#### TODAY'S RIDDLE:

*You can swallow me, but I can swallow you. What am I?*

**Weather** on the Plains has seen scattered showers and thunderstorms extend as far south as Oklahoma. However hot, dry weather prevails in Texas, where topsoil moisture was rated 64% short to very short on July 15, and summer crops such as cotton and sorghum continue to experience drought stress. In the Corn Belt, cool, dry weather prevails, except for a few showers in Missouri. In general, growing conditions remain favorable for corn and soybeans, although crops and pastures are exhibiting various degree of drought stress in Missouri and Michigan, as well as parts of neighboring states. In the South, showery weather prevails from the Mississippi Delta to the southern Atlantic Coast. In addition, some beneficial showers are locally easing dry conditions across the mid-South. In contrast, hot, dry weather continues to increase crop and pasture stress in the western Gulf Coast region. Hot, dry weather will persist for the remainder of the week across much of the West as well as the south-central U.S. In contrast, periods of heavy rain across the Southeast will result in 5 day totals of at least 2 to 5 inches. Meanwhile, organized area of rain will spread eastward from the northern and central Plains, crossing the Midwest before reaching the Atlantic Coast by week's end. The 6 to 10 day outlook calls for below normal temperatures across the northern and central Plains, and the Midwest, while warmer than normal weather will cover the West, Northeast and Deep South. Meanwhile, below normal rainfall across much of the West, Midwest and lower Texas Plains should contrast with wetter than normal weather in the East, as well as central sections of the Rockies and High Plains.

**Interesting Map Showing Moisture Deficits:** *I was surprised when I came across the Palmer Drought Index map which shows the additional precipitation to bring soil moisture levels up to normal levels. As you can see, across much of Indiana, central Illinois all of Missouri and all of the southern Plains need anywhere from 3 to 12 inches of rain to catch up. This is not likely to happen. Below that is NASA's groundwater and soil moisture conditions based on GRAE satellite data integrated with other observations.*

Additional Precip. Needed (In.) to bring PDI to -0.5  
Weekly Value for Period Ending Jul 14, 2018  
Long Term Palmer Drought Severity Index (PDI)



Co-hosted by:



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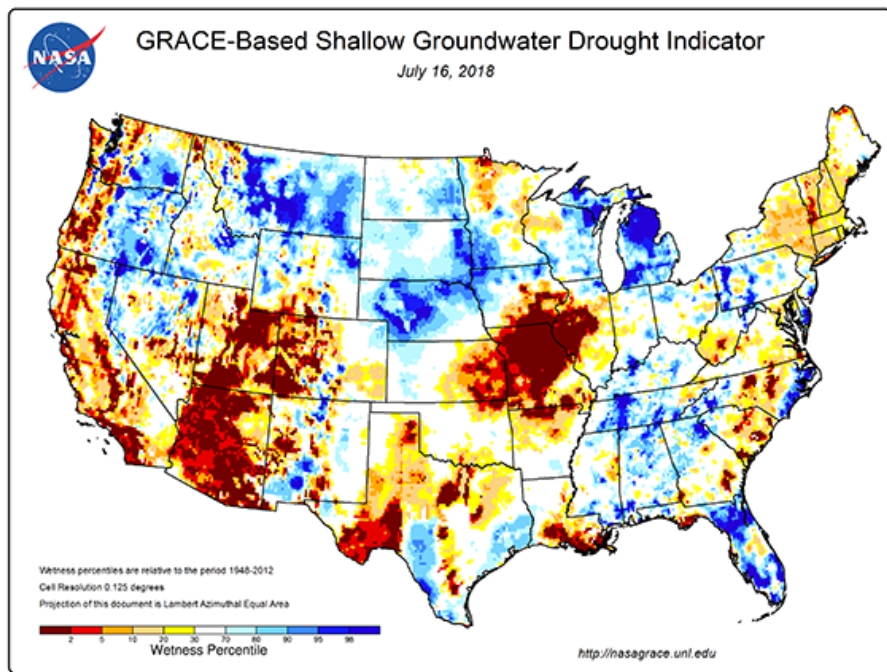


#### Today In History



#### 1879 , Doc Holliday -

American gambler, gunfighter, dentist, and a good friend of Wyatt Earp, Holliday is best known for his role as a temporary deputy marshal in the events leading up to and following the Gunfight at the O.K. Corral. On this day in 1879, Doc Holliday commits his first murder, killing a man for shooting up his New Mexico saloon. For many who only know Holliday by reputation, you might think he was a real gunslinging cowboy, but he literally only engaged in eight shootouts during his life, and it has only been verified that he killed two men. Still, the smartly dressed ex-dentist from Atlanta had a remarkably fearless attitude toward death and danger, perhaps because he was slowly dying from tuberculosis. In 1879, Holliday settled in Las Vegas, New Mexico, where he opened a saloon with a partner. Holliday spent his evenings gambling in the saloon and he seemed determined to stress his health condition by heavy drinking. A notorious cad, Holliday also enjoyed the company of the dance hall girls that the partners hired to entertain the customers—which sometimes sparked trouble. On this day in 1879, a former army scout named Mike Gordon tried to persuade one of Holliday's saloon girls to quit her job and run away with him. When she refused, Gordon became infuriated. He went out to the street and began to fire bullets randomly into the saloon. He didn't have a chance to do much damage—after the second shot, Holliday calmly stepped out of the saloon and dropped Gordon with a single bullet. Gordon died the next day. The following year, Holliday abandoned the saloon business and joined his old friend Wyatt Earp in Tombstone, Arizona. There he would kill his second victim, during the famous "Gunfight at the O.K. Corral" in October 1881. During the subsequent six years, Holliday assisted at several other killings and wounded a number of men in gun battles. His hard drinking and tuberculosis eventually caught up with him, and he retired to a Colorado health resort where he died in 1887. Struck by the irony of such a peaceful end to a



**Corn** bulls want to point towards drought complications in a few areas of the U.S., most of which are in the perimeter or second-tier producing states. There is starting to be some talk about pockets of problems in Iowa, Illinois, Minnesota and Nebraska, but the market tends to hear of these smaller isolated problem areas each and every year, so it's not giving the talk much credence or reason to add additional risk-premium, at least not at the moment. Movement in the market seems to be minimal, the daily ranges are narrowing as the trade seems to be consolidating. Rather than more talk of a +180 yield, there's more talk of a slightly sub-180 yield. Regardless most are still thinking the current USDA yield of 174 is too conservative. There's some early thought that USDA might elect to slow-walk the yield higher into year end, raising it slowly and gradually until they have more accurate on-hand data once the crop gets out of the field. The only problem I have with this approach is the fact it constantly keeps a cloud over the market and the bears with leverage to argue the USDA is still too low and will be raising their estimate higher. When the USDA gets overly optimistic and makes a large bump higher, it provides the bulls with some extended leverage and the ability to argue they are eventually going to cut. Despite the recent rally, I'm still not sold on the fact prices are moving back towards significantly higher ground. The overall global macro landscape appears to have shifted and the U.S. crop looks strong. Be careful getting bulled up in this environment. Think longer-term and keep all hedges place. Demand remains strong, but I just don't see it being a sexy enough story to lift us out of the current hole. I believe we are going to need much wider and deeper impacting headlines to get the bulls back up and running.

violent life, his last words reportedly were "This is funny."



**1942, G. W. Carver** - Agricultural chemist, George Washington Carver, head of Alabama's famed Tuskegee Institute, arrives in Dearborn,

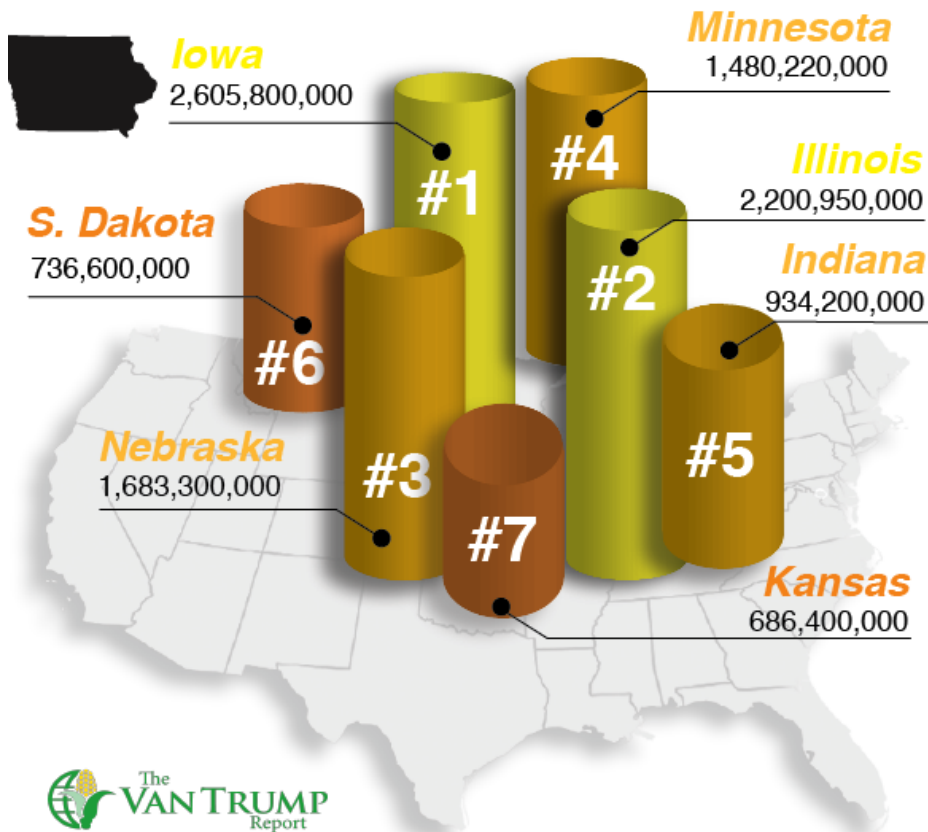
Michigan at the invitation of Henry Ford, founder of Ford Motor Company. Like Carver, Ford was deeply interested in the regenerative properties of soil and the potential of alternative crops such as peanuts and soybeans to produce plastics, paint, fuel and other products. Ford had long believed that the world would eventually need a substitute for gasoline, and supported the production of ethanol (or grain alcohol) as an alternative fuel. Born to slave parents in Missouri during the Civil War, Carver managed to get a high school education while working as a farmhand in Kansas in his late 20s. Kansas University would turn Carver away due to his color, but he did become the first black student at Iowa State Agricultural College in Ames, where he obtained his bachelor's and master's degrees. In 1896, Carver left Iowa to head the department of agriculture at the Tuskegee Normal and Industrial Institute, a school founded by the leading black educator Booker T. Washington. By convincing farmers in the South to plant peanuts as an alternative to cotton, Carver helped resuscitate the region's agriculture; in the process, he became one of the most respected and influential scientists in the country. Working with Ford, in 1942, he would showcase a car with a lightweight plastic body made from soybeans. Incredible how we were using soybeans even back then. Ford and Carver began corresponding via letter in 1934, and their mutual admiration deepened after Carver made a visit to Michigan in 1937. As Douglas Brinkley writes in "Wheels for the World," his history of Ford, the automaker donated generously to the Tuskegee Institute, helping finance Carver's experiments, and Carver, in turn, spent a period of time helping to oversee crops at the Ford Plantation in Ways, Georgia. By the time World War II began, Ford had made repeated journeys to Tuskegee to convince Carver to come to Dearborn and help him develop a synthetic rubber to help compensate for wartime rubber shortages. Carver arrived on July 19, 1942, and set up a laboratory in an old waterworks building in Dearborn. He and Ford experimented with different crops, including sweet potatoes and dandelions, eventually devising a way to make the rubber substitute from goldenrod, a plant weed. Carver died in January 1943, Ford in April 1947, but the relationship between their two institutions continued to flourish: As recently as the late 1990s, Ford awarded grants of \$4 million over two years to the George Washington Carver School at Tuskegee. Great story of friendship and innovation!

**1992, Nick Faldo** - 35-year-old British golfer Nick Faldo wins the British Open by

# Top U.S. Corn Producers

## Measured in Bushels

### 2017



**Soybean** bulls are pointing towards dry-conditions in some areas to the South and North as a possible complication and drag on the overall U.S. yield. Bulls are also pointing towards strong global demand even without the buying of the Chinese in the market. Bears continue to point towards the recent massively burdensome USDA ending stock number at 580 million bushels. Bears are also thinking the current USDA yield estimate could be too conservative at 48.5 bushels per acre. Ultimately meaning the U.S. crop could still get larger. With the lack of Chinese buying U.S. soybeans, we continue to see record setting exports out of Brazil. I should note, there's now some talk that the Chinese trade conflict might be extending, as both, just this week, filed cases and claims with the WTO. The Chinese, a WTO challenge to the recent tariffs from the U.S. The U.S. followed suit by filing separate claims against the Chinese arguing unfair trade practices. The kicker is, many WTO cases take a long time to resolve and play out. Lets hope nobody is actually waiting around for a response. As many fundamental bulls point out, soybean prices are clearly undervalued, but as I argue, the market doesn't have to care or acknowledge that fact nearby. The market needs bulls who are willing to put their money where they mouth is and buy in big quantities. I just don't see that being in the cards at the moment. I just don't see big bulls wanting to jump back in with both feet as continued trade uncertainty looms with the worlds largest buyer of soybeans. I'm still in no hurry to be a buyer of any size. I suspect today's weekly export sales will be large and may provide a nearby lift, but it will be interesting to see if the market can hold it's gains and find new bullish interest.



two shots over American John Cook at Muirfield for his third British Open title and fifth major championship overall. Faldo began his golf career in 1972 after watching Jack Nicklaus win the Masters on television. He proved to be a natural: After becoming the youngest golfer ever to win a British amateur title, he turned professional just four years later at the age of 19. In 1977, at age 21, he became the youngest man ever to make a Ryder Cup team. Faldo had success on the European tour in the early 1980s, but his failure to win a major championship frustrated him, and in 1983, he hired instructor David Leadbetter to help him redesign his swing. It paid off, as Faldo won the British Open for the first time in 1987 at Muirfield by one stroke over Paul Azinger and Rodger Davis. In 1989 and 1990 he won back-to-back Masters, both in sudden-death playoffs. He followed his second Masters victory by trouncing the field to win his second British Open, this time by five strokes at the venerable St. Andrews course. By this time, Faldo was at the top of his game and was the highest ranked golfer in the world. At the 1992 British Open, Faldo began the last day with a four-shot lead over Cook and Corey Pate, stretching the lead to five shots on the first nine holes. On the back nine, though, it looked like Faldo might live up to the old nickname given to him by British tabloids in the early 1980s—"Nick Foldo." While Faldo faltered with bogeys on the 11th, 13th and 14th holes, Cook, playing ahead of Faldo, birdied the 14th, 15th and 16th holes and took the lead. After Faldo managed to birdie 15, Cook's drive on 17 left him with a 30-foot putt for eagle and a four-stroke lead. He missed by centimeters, skimming the lip of the cup, which left him with an easy two-footer for birdie. Unbelievably, he missed again, leaving the door open for Faldo. Faldo saved a par on 16, birdied 17 and hit a drive on 18 to put himself within 20 feet of the hole. The steely-nerved Faldo hit a soft putt to within a foot of the hole, and then putted in for a two-stroke win and the championship. Faldo would also add a Masters victory to his resume after coming from behind to beat Greg Norman by five strokes to win his third Masters and sixth major overall in 1996.

#### Upcoming Events

**Fri. 7/20** - Cattle on Feed

**Mon. 7/23** - Cold Storage, Crop Progress

**Mon. 7/30** - Crop Progress

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

**Mon. 8/6** - Crop Progress

**Fri. 8/10** - USDA Supply and Demand

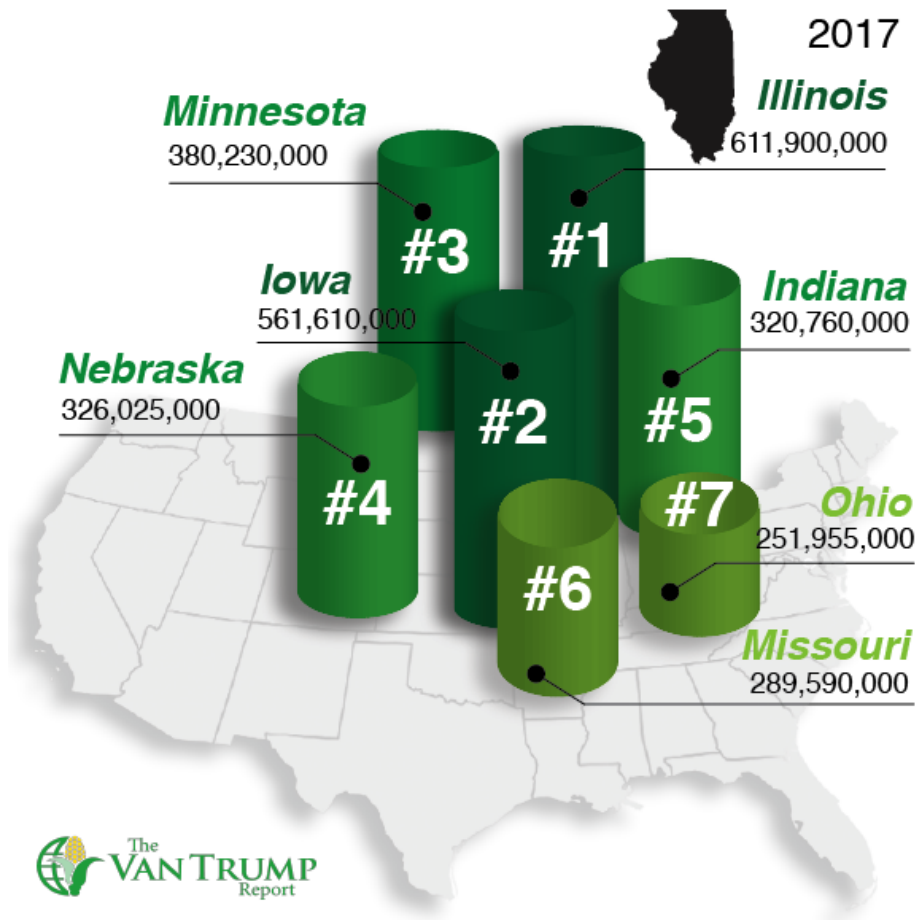
**Mon. 8/13** - Crop Progress



# Top U.S. Soybean Producers

Measured in Bushels

2017



**Wheat** remains a market with no real direction or story of major interest. The bears believe the market will continued to be weighed down by the negative trade headlines, while the bulls are hoping to see production problems in low-cost providing nations spark a little rally. The U.S. crop is better than most expected a few months back, but production in parts of Russia, Ukraine, Europe, Australia and China are a bit weaker than expected. Net-net, it's just not enough to move the trade in any one direction. We continue to see the market trading sideways to lower nearby. The U.S. dollar remains strong and as of yet we just aren't seeing a significant uptick in U.S. exports. We also have fewer funds interested in a global growth story. Meaning, very similar to corn and soybeans, we can argue the fundamentals of a shrinking global balance sheet until we are blue in the face, but if the bulls aren't willing to step in and put real money at risk, it's all just talk and theory. The current geopolitical uncertainties surrounding trade and ability to make easier money in other areas keeps me thinking the bulls are in no hurry to place their bets. I personally remain a conservative longer-term bull, but I suspect I will soon have a better opportunity to add to my current position. Staying extremely patient and long-term oriented. Extremely happy to have sold-out of this years crop early and able to have gotten 30% of our estimated 2019 production priced north of \$6.00 per bushel. Clearly buys me a lot more time on the clock...

**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

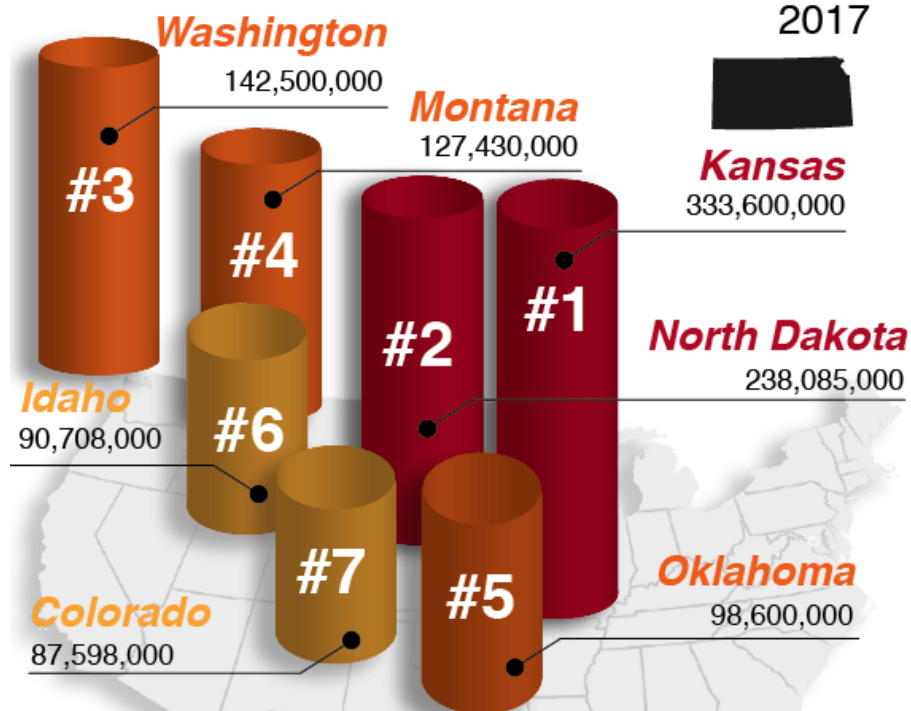


## Kevin's Song of the Week

# Top U.S. Wheat Producers

Measured in Bushels

2017



## Connecting the Dots

## 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

> **Egypt, Pakistan and Mexico Take Advantage Of Cheap U.S. Prices:** Egypt, Pakistan and Mexico are buying up U.S. soybeans as prices have collapsed recently. Crushers are taking advantage of our current price levels and filling their bins according to USDA data. I'm told Egypt has contracted and imported 2.1 million mt of soybeans for delivery this marketing year compared to just 783,000 mt last year. The USDA added that Pakistan has contracted and imported 1.4 million mt versus just 655,000 mt at this point last year. Meanwhile for next marketing year, Mexico, despite the threat of a soybean tax as fallout from Nafta negotiations with the US, has contracted a huge 1 million mt so far, versus 357,000 mt at this point last year.

> **Ethanol Continues To Show Strong Demand:** Data recently released showed production still remains over 1.0 million barrels per day, and our four-week average is still up over +4%. Ethanol stockpiles were reported at 22.4 million barrels, which is actually down over -1% from last year. Gasoline demand is also fairly strong at 9.708 million barrels per day, unfortunately the four-week average is down slightly compared to last year.

> **China Grain Production Reduced:** China's summer grain output hit 138.72 million tonnes in 2018, a decrease of 2.2% compared to the previous year, Reuters reported, citing the National Bureau of Statistics of China. China's grain acreage for summer 2018 was down 0.6% to 267.03 million hectares. "China's wheat output could drop as much as 20% this crop year after bad weather hit fields in major growing areas, likely boosting imports by the world's top producer and consumer of the grain, traders and an analyst had estimated," Reuters said.(Source: WorldGrain)

> **U.S. May Hammer Out A Trade Deal With Mexico:** President Trump said they are looking to make a deal with Mexico, and then do a separate one with Canada later, sowing fresh doubts about the future of the North American Free Trade Agreement (NAFTA). Looks like Trump is hoping the

newly elected Mexican President Andres Manuel Lopez Obrador will bring about a more U.S.-friendly deal than the two countries could previously come to agree on. (Source: Bloomberg)

> Cargill Aqua Nutrition Foot Print Growing: Sustainability manager Dave Robb says his company can be a big contributor to the growing demand in aquaculture production. Its latest sustainability report shows a production of nearly 1.5 million mt of aquaculture feed in 2017, giving the company a 3.5% share of the global market. The company's feed range encompasses 30 different warm- and cold-water species, but the majority was produced for salmonids – 985,000 MT – and around one-third for shrimp and tilapia - 506,000 MT. (Source: FeedandGrain)

> Japan, EU Sign Huge Trade Pact: Japan and the EU have signed an ambitious trade pact, which creates the world's largest open economic area. The deal removes EU tariffs of 10% on Japanese cars and 3% on most car parts. It also scraps Japanese duties of some 30% or more on EU cheese and 15% on wines. The two countries account for about a third of global GDP and their trade relationship has room to grow. This deal is expected to boost the EU economy by 0.8% and Japan's by 0.3% over the long term. (Source: Reuters)

> Insight Into The Failing Cellulosic Ethanol Program: I came across an interesting article that sheds light on the recent findings that EPA quietly delivered to Congress earlier this month amid the turmoil of former Administrator Scott Pruitt's departure. The story shows how cellulosic ethanol's problems started way back during two previous administrations as companies grappled with the scientific challenges and changing economics that made either field too expensive to produce in volume. Read more about it [HERE](#) and see where the program and the cellulose industry currently sits and whether or not it can move forward. (Source: Scientific American)

> Scientist Find Bread Believed To Be 14,000 Years Old: Archaeologists have discovered a food item in Africa they believe predates agricultural production. The researchers found burnt remains of flatbreads baked about 14,400 years ago, about 4,000 years before any evidence of agriculture. They found the remnants of 24 bread items in Jordan's Black Desert between 2012 and 2015. Tech breads contained wheat, barley, oats and tubers. Prior to this discovery, scientists traced the earliest bread discovery back 9,000 years in Turkey. This discovery is opening up new discussions about historic agricultural practices and shedding new light on if and when bread influenced domestic plant farming. You can read more about this [HERE](#) at the Proceedings of the National Academy of Sciences. (Source: Gizmodo)

> Americans Paid Over \$100 Billion In Credit Card Interest In 2017: That's right. Americans paid banks some \$104 billion in credit card interest and fees in the last year, up 11% on the year and 35% over the last five years. And they'll pay even more this year according to the personal finance website MagnifyMoney which analyzed data from the Federal Deposit Insurance Corporation through March 2018. Once the Fed raises rates, which they are forecasting four interest rate hikes in 2018, banks will pass those higher rates to customers. So if you have credit card debt, it will automatically cost you more to borrow. (Source: MarketWatch)

> Beige Book Continues To Show U.S. Economic Growth: The central bank's periodic review of the economy known as the Beige Book was notably more optimistic than it was just a few months ago. The Fed found that 11 of 12 regions of the country were growing at a "modest" pace or even faster. Only the states around St. Louis reported "slight" growth. "Economic activity continued to expand across the United States," the Fed said. The resurgent economy is not all cream and sugar, though. Many companies can't find enough skilled workers and in some cases they are turning aside new business. Others say they have to pay more for critical raw materials such as steel and lumber, a problem exacerbated by recent tariffs. Read more [HERE](#).

> Google Map Adds Cool New Feature- Google Maps recently added a new feature to their web version which can now notify you when it's time to leave, in order to make sure you arrive at your destination on time, based on current traffic, construction and delays. All you have to do is make sure you activate this feature by going to the notifications toggles inside the side menu and turning on the "Time to Leave" tab. I suspect this will be a huge hit once they convert it to phone applications.

> New Weed Stock Hits The Nasdaq: While it's not the first marijuana company to list on Wall Street, Tilray will become the first cannabis cultivator to raise capital via a Nasdaq listing. Shares priced at \$17 late Wednesday, above an indicated range of \$14 to \$16, raising \$153M and giving the company a market value of \$1.56B. The stock will begin trading this morning under the ticker symbol "TLRY." (WallStreet Journal)

> State Temperature Rankings Through June: With the release of the monthly global temperature analysis from NOAA, it is a good time to look at temperatures so far this year compared to historical levels. Despite a cold April, 2018 was the 14th warmest year on record so far in the U.S. Halfway through the year, Arizona and New Mexico are record hot, and the remaining southwestern states are each having one of their 10 hottest years. In fact, the four hottest years in the have all come in the decade of the 2010s. (Source: Climate Central)

*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..."*

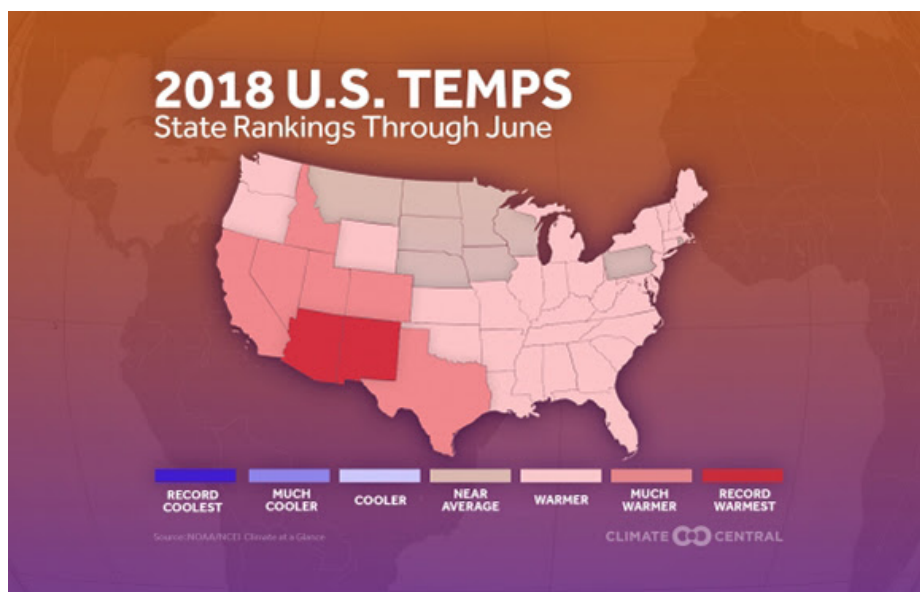
*"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."*

*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.*





**Northwest Tennessee** - Our first field of corn was planted on May 8th, it was roughly 60-70 acres. It looked good all the way through the growing season. We just went through pollination and I'm less than impressed. The temperatures were in the upper 90's, occasionally 100's, nights were between 75 to 80 degrees. I would say that the night time temperature were higher than what we would consider normal but the daytime temperatures were close to normal. I was looking at my corn from the road and it looked good. I had heard from another guy to venture out into the field and check the corn to see how the pollination looked the further you get into the field. He was definitely right, the further you go into the field the worst the pollination looks. Some of the corn didn't even pollinate. I would say this field doesn't make over 100 bushels but I can be a little pessimistic at times.

**Southwest Wisconsin** - I have been at ranching for about forty-two years and this may be the worst spring we have ever experienced. We had heavy snowfalls into April and the frustration continued with consistent rainfall into June that forced us to plant extremely late. The combination of the clay soil and late planting will make for a very unprofitable hay crop, so we will really be relying on our Seed stock business. We currently have five hundred beef cattle with a mix of bulls and cows, as well as the breeding of prize bulls. Luckily the one bright spot in the agricultural sector that's still okay is the beef market, so hopefully we can make up our loss in the field with beef. Our neighbors to the northeast are putting in a solar and wind field that will be ready to go come this spring. There's another farmer to my east that is causing some controversy because he wants to put up a fairly large solar field on a fertile piece of land. Everyone in the area is against this due to the fact there is not a lot of great soil in the area, so its hard for a lot of us to wrap our minds around why someone would want to do this but to each his own.

**West Central Illinois** - The population stand counts look as good as they ever have, the talk around this area is that this could be the fastest corn crop from planting to pollinating that we have ever seen, most believe this is due to the hottest May and June on record. The corn was planted at a great time with nice dry soil that made the corn explode and has steadily grown since then. Minus a natural disaster, the only concern we have with the corn crop is disease. Due to the weather conditions, there is more fungicide being used much more broadly this year, most in the area have already started spraying to help prevent any issues. The beans haven't had as much luck due to non-ideal weather conditions early on that has caused sporadic emergence. I am starting to get concerned for our low lying beans as I am starting to see signs of Red Root spreading.

# CROSSING WIRES

A place to share intelligent thoughts...

**Astronomers Just Found 12 New Moons:** In a curveball of cosmic proportions, astronomers went looking for a hypothetical planet on the far fringes of our solar system, and instead found 12 new moons dancing around Jupiter. The team found the new moons almost by accident, thanks to a serendipitous alignment of Jupiter with their initial research project and some recently installed telescope technology. Read More [HERE](#)

**FDA Will Address Milk "Standards Of Identity":** Almonds don't lactate. Neither do soybeans or coconuts for that matter. And that fact has some in the food industry foaming at the mouth and pushing the Food and Drug Administration to enforce "standards of identity" for such products and regulate the ability for non-dairy beverages to call themselves "milk." From what I understand, the current standards of identity reference milk to a lactating animal but I'm told the standards are not being enforced. Read more on the FDA's process of labeling milk [HERE](#).

**New Feature On Google Assistant Answers Questions Before You Ask:** Google is rolling out a new visual overlay for Assistant that provides a snapshot of your day. It'll proactively feed you information relevant to your schedule, location, habits, and more. It's like a personal search engine that answers questions before you ask them. Remember that back in May, at its I/O conference, Google previewed a number of upcoming features for its AI-powered personal assistant. You may not have heard about the visual overlay update, as it kind of got lost in the wake of the announcement John Legend was lending his voice to Assistant and the jaw-dropping Duplex demo. But, despite the sexy nature of the two big announcements, you should check out how the new visual overlay can really help you through the day [HERE](#).

**Quantum Computing Will Be Game-Changer For Space Warfare:** Quantum computing is one area where the Pentagon worries that it is playing catchup while China continues to leap ahead. The technology is being developed for many civilian applications, and the military sees it as potentially game-changing for information and space warfare. The U.S. Air Force particularly is focused on what is known as quantum information science. "We see this as a very disruptive technology," said Michael Hayduk, chief of the computing and communications division at the Air Force Research Laboratory. Artificial-intelligence algorithms, highly secure encryption for communications satellites and accurate navigation that does not require GPS signals are some of the most coveted capabilities that would be aided by quantum computing. Read more [HERE](#).

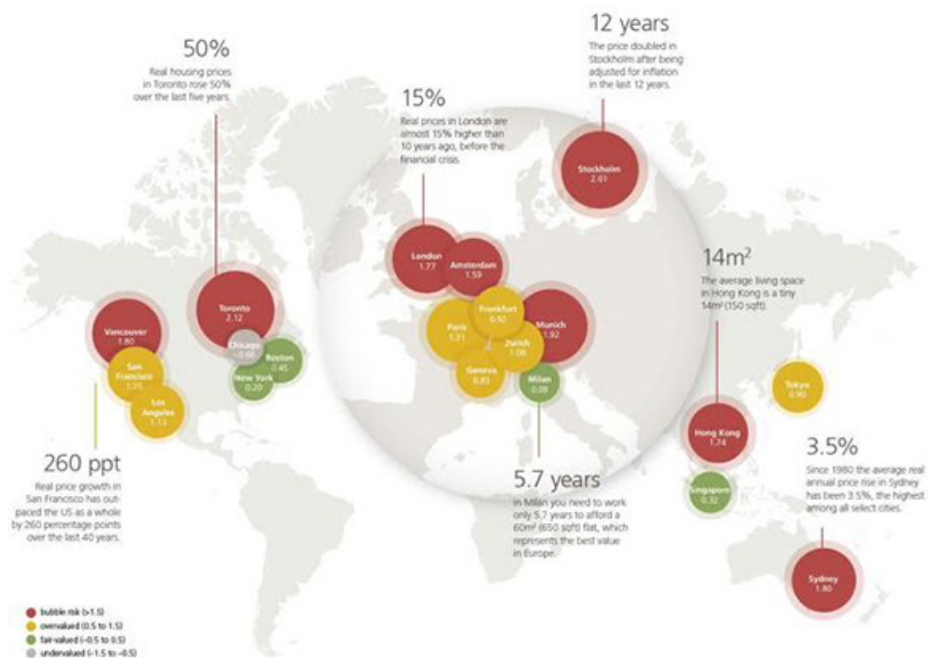
**Longest Solar Eclipse In A Century Is Coming:** Huge swaths of Earth are in for a special astronomical treat in late July: the longest total lunar eclipse in roughly 100 years. During the evening of July 27 and into the early morning of July 28, Earth will pass between the sun and the moon to cast a shadow on the moon. Earth's shadow isn't a dull gray, though. It ranges from orange to an eerie blood-red hue if you're right in the middle, which is precisely where the moon will be this time around. Unfortunately, due to the moon being below the horizon, but you can watch it online [HERE](#). Learn more about the rare event and some cool facts [HERE](#).

**Is U.S. Housing Market Starting To Turn?** John Rubino over at DollarCollapse.com just released an analysis titled [US Housing Bubble Enters Stage Two: Suddenly Motivated Sellers](#). He reminds us that housing bubbles follow a predictable progression:

**Stage One: Mania** - Prices rise at an accelerating rate as factors like excess central bank liquidity/loose credit/hot foreign money drive a virtuous bidding cycle well above sustainably affordable levels.

**Stage Two: Peak** - Increasingly jittery owners attempt to sell out before the party ends. Supply jumps as prices stagnate.

**Stage Three: Bust** - As inventory builds, sellers start having to lower prices. This begins a vicious cycle: buyers go on strike not wanting to catch a falling knife, causing sellers to drop prices further. Read more analysis [HERE](#).



### Another Large Indoor Vertical Farm Launched a Few Miles East of Las Vegas Strip

I hate to keep talking about the Indoor Vertical Farms, but I continue to hear more and more buzz from Wall Street and the Pension Fund managers. It seems that everybody in the investment world wants to throw money at the concept, which makes me believe eventually enough money can start make a significant dent. I know a lot of our large traditional farmers laughed a few years back, but I'm telling you now, this is going to happen in the urban areas! One of the country's largest indoor vertical farms, backed by a Chinese firm called Oasis Biotech, was built about six miles east of the Las Vegas Strip. The Chinese company spent about \$30 million getting this operation up and running. From what I understand, the building is 215,000 square feet and used to be the site of a former mail-order prescription drug facility. The first phase of the indoor farm consists of about 60,000 square feet of production, which they say can produce about the equivalent of a 344-acre farm, at full-tilt it probably produce the same as a 1,000 acres of traditional ground. The second phase is planned for early next year, which is expected to add 50% more space. This building will initially focus on growing baby greens, micro greens, and specialty herbs. They also plan to eventually expand into baby carrots as well as soft fruits, which include strawberries. They claim this indoor vertical farm will use 90% less water than conventional growers and will be able to supply nearly 9,500 servings of leafy green salads per day to casinos and local restaurant chains. The reason why this firm decided to put up shop in Vegas is because Las Vegas has the most high-end restaurants who can afford these specialty products. They also believe they are going to be able to get their product from harvest to the customer in less than 24 hours. They are planned to make their first Vegas delivery July 24th and believe they will be profitable by some point in 2019, with is an extremely quick turn... Again, this indoor farming thing is going to happen at large scale! If your in the space that is growing for the individual consumer make certain you are paying close attention.





### Is The End Near For Victoria's Secret?

We've all seen the sexy models and flashy catalogues, but sales at the lingerie giant and cultural icon have been falling aggressively. Some analyst say, "It's game over", pointing to declines in traffic, pricing power, and market share. For a long time, Victoria's Secret teen collection, Pink, was a bright spot. But Konik believes that Pink has now been eclipsed by other teen brands that are reaching customers more efficiently. There's a lot of talk that the "over-sexualized" marketing simply isn't resonating with women in the post-#MeToo movement. Other analyst say that has nothing to do with it and that Victoria's Secret has been losing market share for an extended period as consumers complain that the brand's quality has dropped tremendously over the last few years. Many former customers complain that the garments fall apart too quickly, despite the fact that the brand still charges a premium price. There's also a lot of start-ups in the space that have been working extremely hard the past few years to steal marketshare. Victoria's Secret was founded in 1977 as a response to packaged underwear, which the company's founder considered to be "ugly, floral-print nylon nightgowns". It was started in San Francisco by Roy Raymond, and his wife Gaye Raymond. in the late 1960s, Raymond was embarrassed when purchasing lingerie for his wife at a department store. Newsweek reported him looking back on the incident from the vantage of 1981: "When I tried to buy lingerie for my wife," he recalls, "I was faced with racks of terry-cloth robes and ugly floral-print nylon nightgowns, and I always had the feeling the department store saleswomen thought I was an unwelcome intruder." At the time when Raymond founded Victoria's Secret, most women in America purchased "dowdy", "pragmatic", "foundation garments" by Fruit of the Loom, Hanes, and Jockey in packs of three from department stores and saved "fancier items" for "special occasions" like honeymoons. In 1977, Raymond borrowed \$40,000 from his parents and \$40,000 from a bank to establish Victoria's Secret: a store in which men could feel comfortable buying lingerie. Victoria's Secret grossed \$500,000 in its first year of business, enough to finance the expansion from a headquarters and warehouse to four new store locations and a mail-order operation. In 1982, Victoria's Secret had grown to five stores, a 40-page catalog, and was grossing \$6 million annually. Raymond sold Victoria's Secret Inc. to Leslie Wexner, creator of Limited Stores Inc of Columbus, Ohio, for \$1 million. By 2006, Victoria's Secret's had amassed over 1,000 stores across the United States and accounted for one third of all purchases in the intimate apparel industry. It will be interesting to see if this company can pop out on the other side of the tech revolution and pass the baton to the Millennials.



### What You Need To Know About The 2018 British Open

One of my favorite events and golf's third major of the year, the 2018 British Open, tees off today at Carnoustie Championship Course in Scotland, where defending champion Jordan Spieth will seek his fourth major championship and second British Open. For me, I love watching the American boys change their games for "links" style golf. It's the eighth time the British Open has been played at

Carnoustie and the first since 2007 when Padraig Harrington defeated Sergio Garcia in a dramatic playoff. Carnoustie is considered by many to be the most challenging of all Open venues due in most part to the fact the relatively flat layout is exposed to the elements. Many golf fans will remember Carnoustie as the scene of Jean Van de Velde's dramatic loss in the 1999 British Open, where he scored an eight on his last hole, forcing a playoff with Paul Lawrie, who eventually won. I've shared some thoughts below about the oldest Major in golf and those who will be competing in this year's event. Interestingly, of the seven winners of the Open at Carnoustie, five are in the World Golf Hall of Fame. Meaning a victory here tends to confirm a magical career. (Source: Bleacherreport, USA Today)

**How To Watch** - Coverage is available Thursday and Friday on the Golf Channel from 1:30 AM - 4 PM. On the weekend you can watch from 4:30-7 a.m. on the Golf Channel, then NBC will take over until completion of play. A number of streaming options will also be available, including featured pairings, featured holes, and a "Spotlight" stream that will include highlights and expert commentary. That tournament coverage will also be available via Golf Channel Digital and the Golf Channel app.

**Most Victories** - Harry Vardon, famously known as the inventor of the Vardon or overlapping grip -- the most commonly used in golf today -- holds the record for most British Open wins with six (1896, 1898, 1899, 1903, 1911, 1914). Vardon also won the 1900 U.S. Open.

**Oldest And Youngest Winners** - Incredibly, this award goes to a father-son duo in consecutive years. "Old" Tom Morris was 46 when he won in 1867 and remarkably his 17-year-old son, "Young" Tom Morris won the following year and is still the youngest winner to date. If we look at more modern day history, the British Open tends to favor the older players. In the last 24 majors, the five oldest winners—Stenson (40), Mickelson (43), Darren Clarke (43), Ernie Els (42) and Zach Johnson (39)—all were holding the "claret jug". Likewise, the Open Championship has been unreasonably harsh to those on the other end of the age spectrum: only three Open winners since 2007—Rory McIlroy, Louis Oosthuizen and Jordan Spieth — have been 32 or younger. It's worth remembering a 59-year-old Tom Watson came this close to immortality at Turnberry in 2009, bogeying the 72nd hole and losing a playoff to Stewart Cink. And then there was a 53-year-old Greg Norman, holding a two-stroke 54-hole lead the last time the Open came to Royal Birkdale in 2008 before a Sunday collapse.

**Will Tigers Drought End?** If older players have an edge, perhaps none have more experience and chance for victory than the 42 year old Tiger Woods. Keep in mind he already has three British Open wins 2000, 2005 and 2006. According to Tiger's former coach Hank Haney who says Woods has more experience winning in these conditions than any other player. "I think that's why he's gonna win the Open Championship. That's my early call on this one." While I don't believe Woods will win this week, I can't argue with his assessment, but a lot has transpired since he last won and it may be difficult to draw upon that experience.

**Maybe A Good Bet** - It's worth noting that each of the last three Open Championships held at Carnoustie were decided in a playoff, with nine total golfers within two shots of the lead across those three tournaments. Carnoustie has been home to some of the most competitive Open Championships in history the last three times it has hosted, and bettors who believe that trend will continue would be wise to consider the one-shot margin of victory at +250.

**Not Called "Car-Nasty" For Nothing** - This year's edition of the brutal Scottish course is shaping up to be a golfer's nightmare. A dry summer has left the fairways brown and barren – which means balls are going to roll and roll and roll some more. This makes driving accuracy even more critical to success, which makes Stenson, who leads the PGA Tour in accuracy at 77.99 percent, a very attractive option.

#### Top Picks

**Dustin Johnson:** Odds 12 - Dustin loves links golf, has a natural ability to learn a course pretty quickly and his enjoyment of creative shots is under-appreciated. Even with a rough third round at Shinnecock, the number one player in the world rallied to finish third at the difficult venue. The only thing I see standing in his way will be a putter that doesn't cooperate this week. Odds 12-1

**Justin Rose:** Odds 16-1 - Rose is one of the few to have played both recent Opens at Carnoustie. Rose's T-12 in 2007 bodes better than his 1999 missed cut the year after he burst on the scene to win low amateur. Strong in all categories, Rose generally gears his year around the majors and will find inspiration in his performance here 11 years ago. His approach hasn't been up to his caliber this season, but then again, this is the British Open and he will be ready.

**Rory McIlroy:** Odds 16-1 - McIlroy has fond memories here as he won the silver medal for low amateur at Carnoustie in his first Open in 2007. He has rebuilt his body and remains one of the best when he puts everything together. As he continues to be less mechanical on the greens, I believe he could be there on Sunday. Unfortunately, McIlroy has struggled on links courses and particularly in the wind, much like his opening round 80 at Shinnecock this year.

**Henrik Stenson:** Odds 25-1 - His ball striking has never been better, and Stenson is a far cry from last year where he struggled as the defending champion. Once again, Stenson is back to being brilliant off the tee and the best statistically approaching greens. If his putting is at least average, he should be a contender as I have to believe he will have many good looks at birdie.

**My Pick** - Tommy Fleetwood Odds 20-1 - Sometimes you just feel it someone's time to thrive and Fleetwood demonstrated his true grit last month at Shinnecock. Born in Southport down the

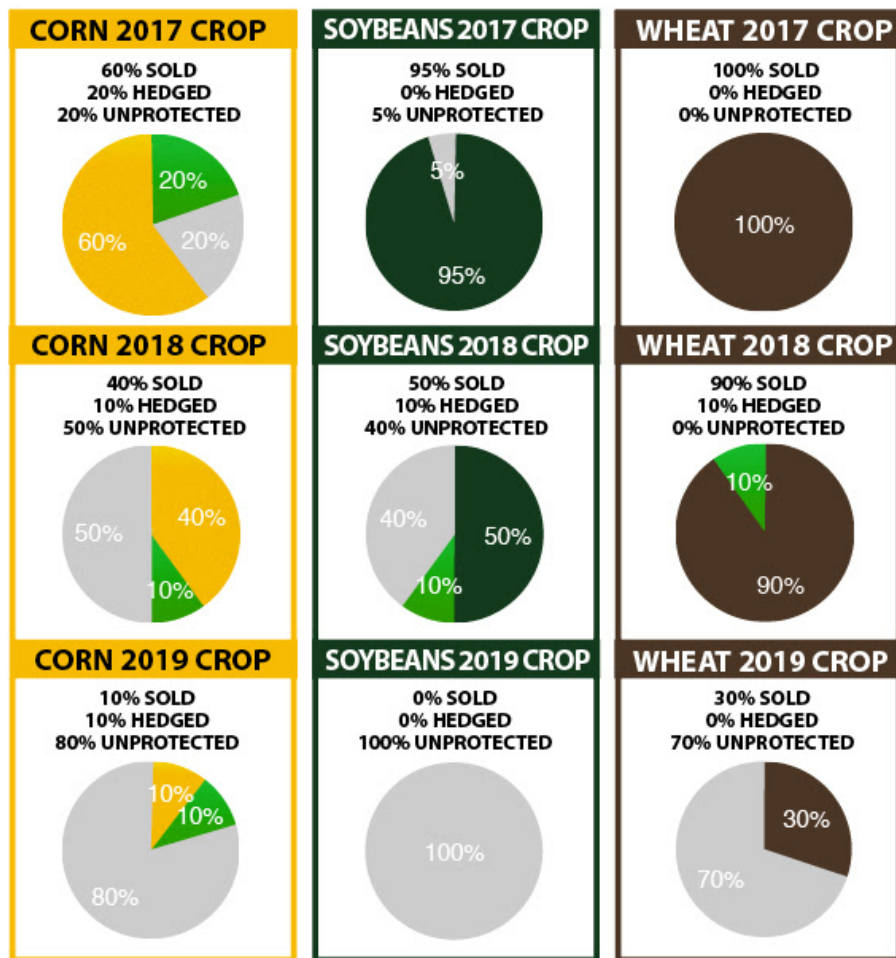
street from Royal Birkdale, the Englishman faced huge pressure last year but still recorded his best Open finish. Despite his Open record, the final round 63 at Shinnecock Hills will make him a pre-tournament favorite and he doesn't seem to mind added pressure. A great driver who doesn't mind windy conditions. I think it's his time!



**ANSWER to riddle:** Water.

**CASH SALES & HEDGING TOTALS**





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