

GOOD MORNING: 07/23/18 Farm Direction - Van Trump Report

1 message

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Mon, Jul 23, 2018 at 6:19 AM



"The difference between ordinary and extraordinary is that little extra." ~Jimmy Johnson

MONDAY, JULY 23, 2018

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Morning Summary: Stocks are steady to start the morning following a week of heavy headlines but very little market movement. The two-day gathering of G-20 finance ministers and central bankers in Buenos Aires, Argentina has concluded with one official warning that trade differences remain and tensions could escalate further. A final communique from the meeting said that although the global economy remains strong, growth is becoming "less synchronized" and risks over the short and medium terms have increased. China remains muted in regard to a response following President Trump's latest tariff comments made during an interview with CNBC on Friday. During the interview, President Trump made it known that he was ready to take a more aggressive approach by imposing tariffs on \$500 billion worth of Chinese goods. Since the comments were made neither the Chinese commerce ministry nor the foreign ministry has issued any statements. Remember, China immediately responded after Washington announced it was going to impose tariffs on \$50 billion worth of Chinese products back on June 15. China also immediately responded following the announced U.S. tariffs on another \$200 billion worth of Chinese goods. This time however, no response. But let's keep in mind, it was not an official announcement from President Trump, rather perhaps just talk or a bit of gaming. The market is also very interested in trade relations between the U.S. and European Union. Meaning all eyes will be on Washington on Wednesday, focused on the scheduled White House meeting between President Trump and European Commission President Juncker. The big topics of debate will obviously be around foreign security policy, counterterrorism, energy security and of course economic growth and trade. President Trump has already imposed tariffs on EU steel and aluminum imports in the name of national security, and is threatening to do the same on EU auto and auto part imports. The market is extremely interested in seeing if the two parties can now navigate some type of trade pact or compromise. Economic data of interest this week will include today's latest U.S. housing numbers and Friday's advance estimate of second-quarter U.S. GDP. The consensus seems to be that real GDP increased +4.0% annualized in Q2, up from +2.0% in Q1. In other words, the U.S. economy continues to show signs of strengthening despite the current trade conflicts. Also of importance this week will be a wave of U.S. second quarter corporate earnings, kicking off today with Alphabet (Google). Other major companies reporting this week include: 3M, AT&T, Eli Lilly and Harley Davidson on Tuesday; Facebook, Boeing, Ford, GM, Coca-Cola, PayPal and Visa on Wednesday; Amazon, Bristol Meyer, Chipotle, Intel, McDonalds, Starbucks and Under Armour on Thursday; Exxon, Chevron, Merck and Twitter all report on Friday.

100 Year Old Makes 75th Consecutive Wheat Harvest: Perkins County, Nebraska farmer, Milford- Pete Nodlinski, is no stranger to life on the farm. He has recently completed his 75th consecutive wheat harvest. In this short video he provides some simple but important lessons about life. In fact, one of my favorite lessons, one I constantly preach to my own kids, "Git'r done right the first time..." Click [HERE](#) to see the video and read more. (Source: NBC Nebraska)

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 about new
 innovations.

Innovations
 that will be
 changing & shifting

the farm industry.



Will Prices At The Pump Be Coming Down? Crude Oil prices have been under pressure as of late, trading lower now for three consecutive weeks. In fact, oil prices are down over -8% during the month of July. Meaning prices at the pump are actually starting to pull back a bit. Talk of increasing global supply by Saudi Arabia and Russia is helping to keep a lid on prices. The world's top oil exporter and OPEC's biggest producer, Saudi Arabia, pledged recently it would raise output to make up for lost supplies out of Libya, Venezuela and Iran. Remember, Russia has also made similar comments, saying they would also be increasing production to help offset supply shortages. Here at home, U.S. oil production reached a whopping +11 million barrels per day for the first time last week. We've added essentially 1 million barrels per day in production since November, thanks to rapid increases in shale drilling. However, the U.S. rig count, an early indicator of future output, fell by -5 to 858 last week, according to oilfield services firm Baker Hughes. The rate of growth has slowed over the past few weeks with a decline in crude prices. Keep in mind, the rig count is still up +94 from a year ago, when there were just 764 rigs.

Is The Stock Market Ignoring News About Potential Trade Wars? A recent survey by Bank of America Merrill Lynch found that more than 80% of professional fund managers say that a trade war is their biggest concern, yet you wouldn't notice it by the performance of the U.S. equity markets. In fact, the S&P 500 has risen +3% over the past three weeks. The Nasdaq Composite and Russell 2000 recently set intraday records and have booked double-digit returns so far this year. Such optimism about technology and small-cap stocks is largely due to a perception that they are insulated from potential trade wars. Keep in mind, economic data has also been positive, showing healthy job gains and inflation rates in line with the Federal Reserve's desired target. You can read more [HERE](#).

The Birthday Paradox: Did you know if you put 23 people inside one room, there's a 50/50 chance two in the room will have the same birthday. If you put 70 people in a room there's a 99% chance two will have the same birthday. Personally, I find it to be a cool party bet, actually one I've never lost. If you have 70 or more at your event, it's a fairly safe bet. If you consider yourself a math wiz and don't believe me, give it a whirl. If you start to struggle you can double check your work on Wiki [HERE](#).

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

Livestock Executives

Venture Capitalist and Early Investors

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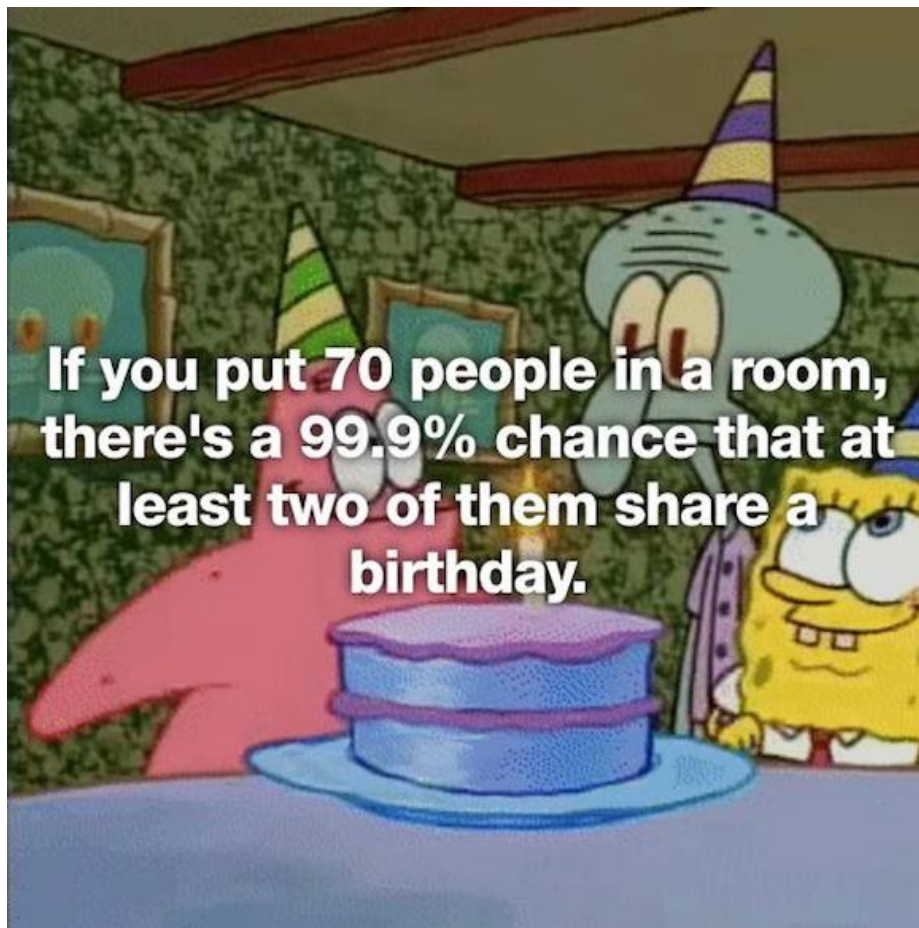


"When the opportunity comes,
it's too late to prepare."

- John Wooden



The
VAN TRUMP
Report



Co-nhosted by:



FARM TANK



Today In History



1793, Roger Sherman - Connecticut Patriot and member of the Committee of Five selected to draft the Declaration of Independence,

Roger Sherman dies of typhoid in New Haven, Connecticut, at age 72. Interestingly, he is the only person to have signed all four great state papers of the United States: the Continental Association, the Declaration of Independence, the Articles of Confederation, and the Constitution. Sherman was a self-educated man whom Thomas Jefferson would credit as never having said a foolish thing in his life, an impressive endorsement to be sure. Raised on the western frontier of Massachusetts, he would eventually distinguish himself as a surveyor and astronomer; join the Bar of Litchfield, Connecticut; and serve as both a professor of religion and treasurer of Yale College in New Haven, Connecticut. We don't know much about Sherman, even though he was one of the most influential members of the Constitutional Convention. He is not well known for his actions at the Convention because he was a "terse, ineloquent speaker" who never kept a personal record of his experience, unlike other prominent figures at the convention such as James Madison, and at 66 years of age, Sherman was the second eldest member at the convention following Benjamin Franklin (who was 81 years old at the time). Yet as one of the most active members of the Convention, Sherman made motions or seconds in reference to the Virginia Plan 160 times. His opponent Madison made motions or seconds 177 times. During the Constitutional Convention of 1787, summoned into existence to amend the Articles of Confederation, Sherman and Oliver Ellsworth offered what came to be called the Great Compromise or Connecticut Compromise. In this plan, designed to be acceptable to both large and small states, the people would be represented proportionally in one branch of the legislature, called the House of Representatives (the lower legislative house). The states would be represented in another house called the Senate (the



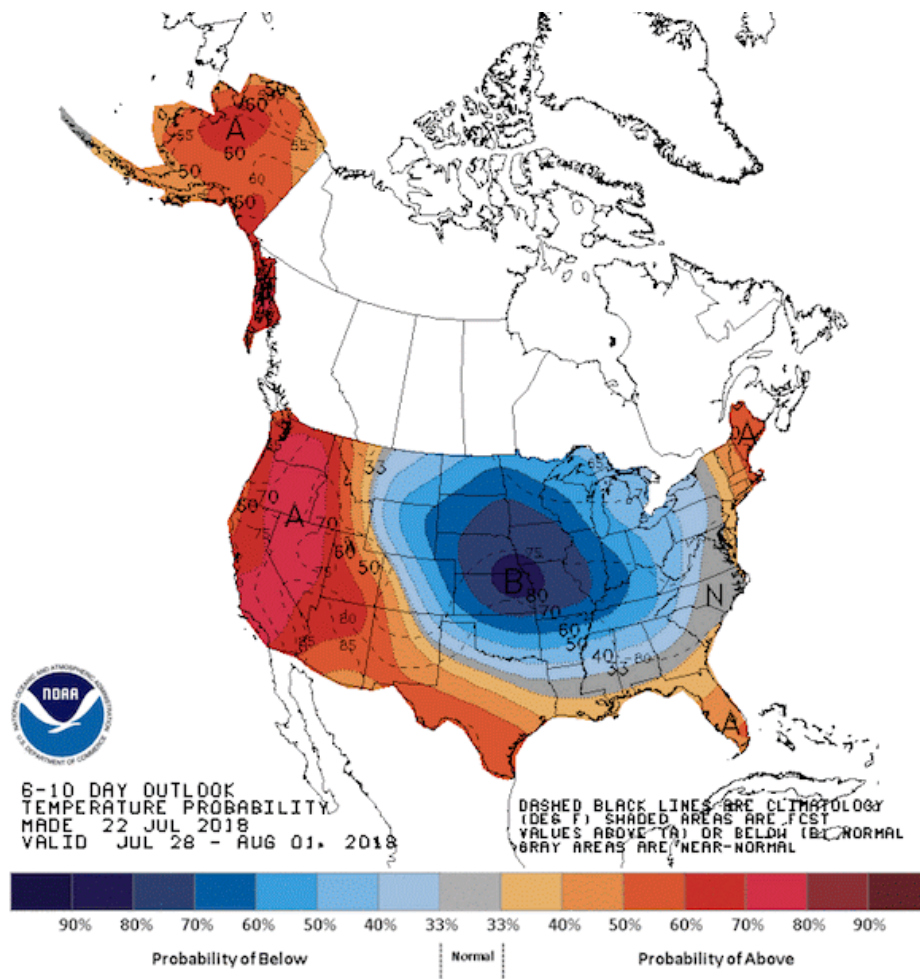
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we 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:

*We are many and one,
We wave and we drum,
We will cover a stare,
With you everywhere.
What are we?*

Weather this week will see cooler temps in the Plains and most of the cornbelt, while it remains warm in the south, southwest, west and extreme northeast portions of the country. Rain will be back in the forecast as five-day rainfall totals could reach 2 to 6 inches or more in the middle and southern Atlantic States, while 1 to 3-inch totals can be expected from the eastern Corn Belt into the Northeast. Conversely, dry weather will

prevail during the next 5 days in the western Gulf Coast region and from the southern Plains into the southwestern Corn Belt. Dry weather will also cover the Northwest, while scattered showers will stretch from the Southwest to the northern Plains.

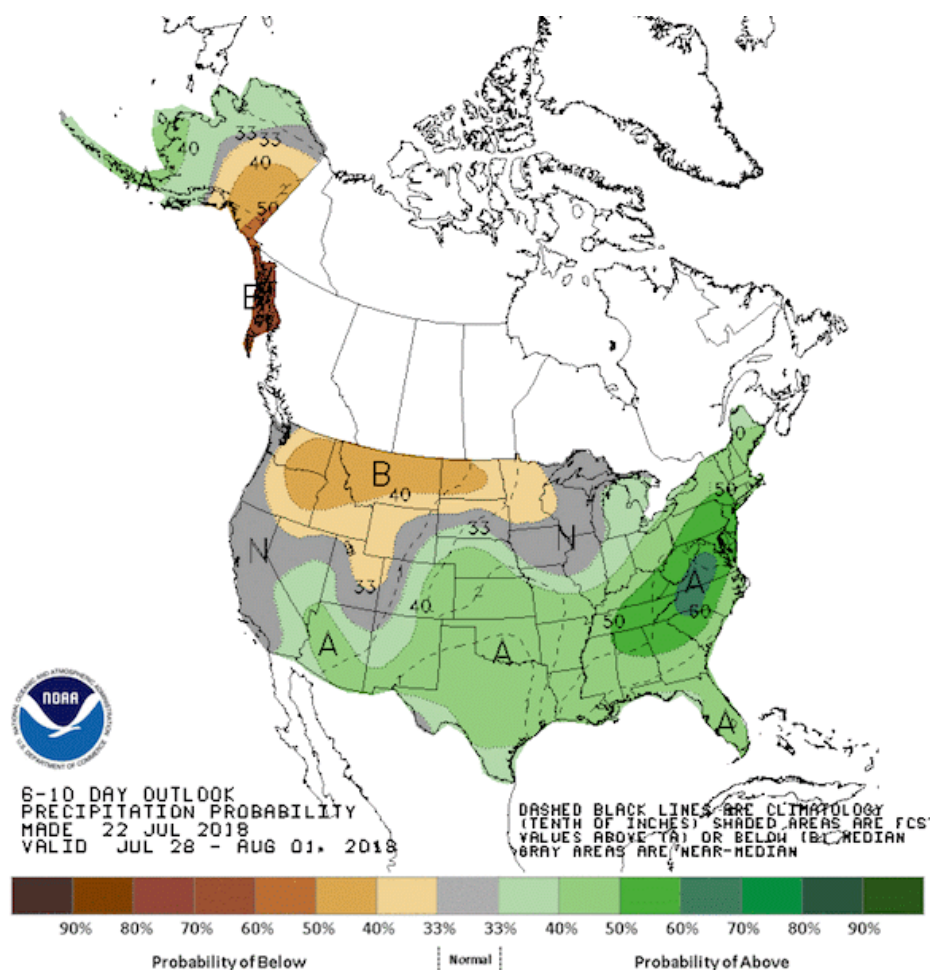


upper house). In the lower house, each state had a representative for every one delegate. In the upper house, each state was guaranteed two senators, regardless of its size. Sherman is also memorable for his stance against paper money with his authoring of Article I, Section 10 of the United States Constitution and his later opposition to James Madison over the "Bill of Rights" amendments to the U.S. Constitution in his belief that these amendments would diminish the role and power of the states over the people. Sherman was as prolific in his personal life as he was in his political career. He had seven children with his first wife, Elizabeth Hartwell, and eight more with his second wife, Rebecca Minot Prescott. Sherman was buried near the Yale campus. He is remembered with a statue at the National Constitution Center in Philadelphia and a street named in his honor in Madison, Wisconsin.



1984, Vanessa Williams -

After Penthouse magazine announces plans to publish nude photos of the beauty queen in its September issue, 21-year-old Vanessa Williams gives up her Miss America title, making her the first pageant winner to do so. Williams originally made history on September 17, 1983, when she became the first black woman to win the Miss America crown. Following the resignation, Miss New Jersey, Suzette Charles, the first runner-up and also an African American, assumed Williams' tiara for the two months that remained of her reign. Born March 18, 1963, in Millwood, New York, to music teacher parents, Williams attended Syracuse University and studied musical theater. In 1982, while working a summer job as a receptionist at a modeling agency in Mt. Kisco, New York, photographer Thomas Chiapel took the nude pictures of Williams, telling her they'd be shot in silhouette and that she wouldn't be recognizable. After Williams became Miss America, the photographer sold the pictures to Penthouse without her knowledge and Williams would later drop lawsuits against the magazine and photographer after it was learned that she had signed a model release form at the time the photos were taken. The Miss America pageant, began in 1921 in Atlantic City, New Jersey, as a stunt developed by local businessmen to extend the summer tourist season. In 1945, the Miss America Organization handed out its first scholarship. Today, it provides over \$45 million each year in cash and tuition assistance to contestants on the national, state and local levels. In 1954, the competition was broadcast live for the first time. Beginning in the 1980s, contestants were required to have a social platform, such as drunk-driving prevention or AIDS awareness, and Miss America winners now travel an estimated 20,000 miles a month for speaking engagements and public appearances. In 2006, following a decline in TV ratings, the pageant moved from Atlantic City for the first time in its history and took place



in Las Vegas, where a new Miss America was crowned in January instead of September. Williams rebounded nicely from the scandal and went on to a successful entertainment career as an actress and recording artist, performing on Broadway as well as in movies and television and releasing a number of popular albums.



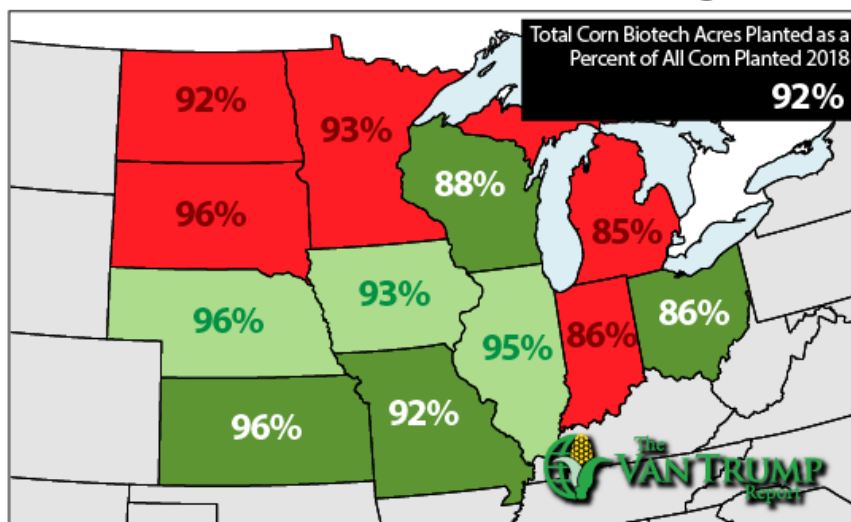
1996, Olympics - At the Summer Olympics in Atlanta, Georgia, the U.S. women's gymnastics team wins its first-ever team gold. Thanks to their impressive talent, the group of teenage girls: Amanda Borden, Amy Chow, Dominique Dawes, Shannon Miller, Dominique Moceanu, Jaycie Phelps and Kerri Strug would gain the nickname the "Mag 7". The team entered the Summer Olympics with the expectations of an entire country heaped on their young shoulders. They were considered America's best shot ever at an Olympic team gold, something no American women's gymnastics team had ever won. The American women's best finish to that point had been a silver at the 1984 Los Angeles Olympics, which were boycotted by the favored Soviet Union, winner of eight consecutive team golds between 1952 and 1980. The competition was stiff as perennial contenders Russia and Romania, were two-time defending world champions. Many in the U.S. were confident in our chances as our talent pool ran deep, with each member of the team capable of winning their events. When the team competition began, veteran U.S. star Shannon Miller did not disappoint, delivering an impressive performance to place second overall to the Romanian world champion Lilia Podkopyayeva. Meanwhile, returning Olympians Dawes and Strug placed sixth and seventh, respectively, while Moceanu came in 11th. The final event of the team competition for the U.S. was the vault. Fourteen-year-old Dominique Moceanu, the first American to compete, had a chance to clinch the gold for her team with a solid performance but was unable to stick the landing on her first attempt. As the pro-American crowd gathered in Atlanta held their breath, Moceanu took off for her second vault, and, again, slipped and fell on the landing. As the drama built, the title hopes were left up to Strug, America's second and final vaulter, to seal the win. On her first attempt, Strug also fell on the landing and heard an alarming pop in her ankle. The team and coach Bela Karolyi were unaware that the team had won whether Strug vaulted again or not, so Strug bravely readied herself to vault on her badly sprained ankle. After executing a perfect one-and-a-half twisting Yurchenko, Strug landed solidly on two feet. She then spun and hopped on one foot towards the judges' table before collapsing in pain. When her 9.712 was announced, she celebrated in the arms of her coach, who would later have to carry the 4-foot-9-inch "Spark Plug" Strug to the medal stand.

Corn bulls are hoping to build on last week's +15 cent rally. The market has now bounced +20 cents from the near \$3.50 low set back on July 12th in the DEC18 contract. Bulls are looking for another slight deterioration in the USDA's weekly crop-condition report scheduled for release this afternoon. This past week the USDA showed the crop at 72% "Good-to-Excellent", which was down from 75% the previous week. Bears point to the fact last year's crop was only rated 64% "Good-to-Excellent" at this juncture and still produced a record yielding crop. A lot of traders are pointing specifically to the "Excellent" category. Each and every year we have the pockets of concern and troubled areas, but this year there's several large producing states that are seeing "extremely" strong conditions. In fact, 21% of the U.S. crop is actually reported in "Excellent" condition vs. just 13% last year at this juncture. What makes this number worth considering are the reports coming from our nations top-6 corn producing states... Iowa is currently reporting 24% of their crop in "Excellent" condition vs. just 13% last year; Illinois is currently reporting 29% of their crop in "Excellent" condition vs. just 15% last year; Nebraska is currently reporting 25% of their crop in "Excellent" condition vs. just 13% last year; Minnesota is currently reporting 25% of their crop in "Excellent" condition vs. 16% this year; South Dakota is currently reporting 17% in "Excellent" condition vs. just 1% last year; Indiana is currently reporting 20% of their crop in "Excellent" condition vs. just 8% last year. Bottom-line, until the "Excellent" conditions in these top-producing states start to pull back the trade will continue to talk about the potential for another record setting yield. Demand remains strong and has clearly helped to keep prices supported. The U.S. remains the world's low cost export provider, ethanol demand remains strong and the livestock numbers are record large. In other words, it seems like demand is going to remain strong. My concern is the fact it won't be enough to exclusively rally the market out of this hole. Perhaps the market can add another +10 to +15 cents, but much beyond that I believe the market will need some additional help from the headlines. Either talk of a resolution of some sort in trade or a more widespread U.S. weather story. I don't see anything significant changing with China nearby, but perhaps there could be some positive news regarding NAFTA? U.S. weather feels neutral to me at best. In other words, I'm just having a tough time coming up with the headlines that will push us thru the much more stiff resistance up between \$3.80 and \$3.90 per bushel. As a producer, I'm thinking those that need to price new-crop bushels early might want to take advantage of the rebound, especially if we can get into the \$3.80's. Those who have more time and can store their new-crop bushels may see better opportunities post-harvest and closer to yearend. I'm hearing early talk that South America will plant much fewer new-crop corn acres. Make certain you are paying extremely close attention to your operations "game-clock", as I suspect it will have huge implications on your final marketing results during the next 12-

months. With everybody having to price their bushels at different times based on various cash flow needs, contract specifications and available storage, the "time" variable is going to be huge while trying to navigate thru the current geopolitical minefield.

Corn Biotech Acres as a Percent of Planted, 2018

■ Above 2017 ■ Below 2017 ■ Unchanged



Source: USDA, NASS - June 2018 Acreage report

Soybean prices rallied +30 cents last week, but the trade still remains deeply concerned about the Chinese trade headwinds. Bulls argue that current prices are still extremely undervalued as demand remains strong. Bulls are also thinking the USDA will show another slight deterioration in their weekly crop-condition report due out this afternoon. Last week, conditions fell from 71% rated "Good-to-Excellent" down to 69%, but is still well above last years rating of 61% at this juncture. Personally, I fell like it's extremely hard to get any type of accurate yield estimates on U.S. soybeans in July, so much can change in the final innings. From my perspective, the USDA's current estimate of 48.5 bushels per acre could be argued plus or minus 2 either direction. Unfortunately, I don't feel like the trade is heavily debating U.S. production. The bigger debate continues to circulate around U.S. and Chinese trade relations. We continue to hear talk from fund managers that the Chinese might be digging in their heels. Thoughts are they are staying silent and not wanting to respond or evoke President Trump, but perhaps wanting to drag things out to influence the upcoming U.S. November mid-term elections. I've seen all kinds of political propaganda floating around as of late, but it all seems to boil down to the swing-states in the heart of America. The theory is if enough voters in the rural areas get frustrated with the trade conflict perhaps they will abstain from the election or vote differently. There was a graphic floating around inside the trade this weekend that was being ran on Chinese state ran new sites. It seems to insinuate that the targeted tariffs on U.S. soybeans could help shift or change U.S. leadership. Obviously, even if it's just talk of the Chinese wanting to play their hand in this manner, it might be tough to attract large bullish interest in the soybean market. From a technical perspective, psychological resistance at \$9.00 still seems to be the next major hurdle. Perhaps if the market can claw itself back and close above this level it will start to attract more longer-term bullish interest. I'm just still not 100% sold that the low is in place. I think we could see another leg lower, especially if President Trump decides to turn up the heat one more time. As I mentioned with corn, I think "timing" is going to be the biggest and most difficult obstacle for producers to navigate in the coming weeks and months. As U.S. leaders try to negotiate better trade deals the waters could continue to get extremely rough at times. Make certain you are paying close attention and keeping your pricing window in clear perspective. I've always felt like the clock start to tick a lot faster once we move beyond July...

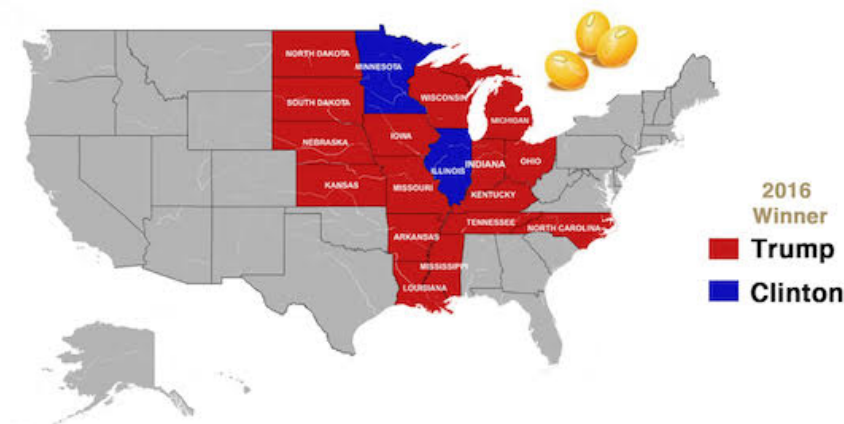
A Headline I Read Floating Around This Morning: This was posted in article reeled this morning by, Jeffrey Sparshott at realtimeeconomics@wsj.com... *"Treasury Secretary Steven Mnuchin this weekend said "it's definitely a realistic possibility" that the U.S. will impose tariffs on all \$500 billion worth of goods that the U.S. imports from China. Mr. Mnuchin was speaking ahead of a meeting among G-20 finance ministers and central bankers in Buenos Aires."* The gathering ended with little progress on resolving global trade tensions. Also below I included that political soybean graphic that was circulating the past few days, along with a link to some Chinese/American news site that is circulating a video about the soybean tariffs. Click [HERE](#).

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
- 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

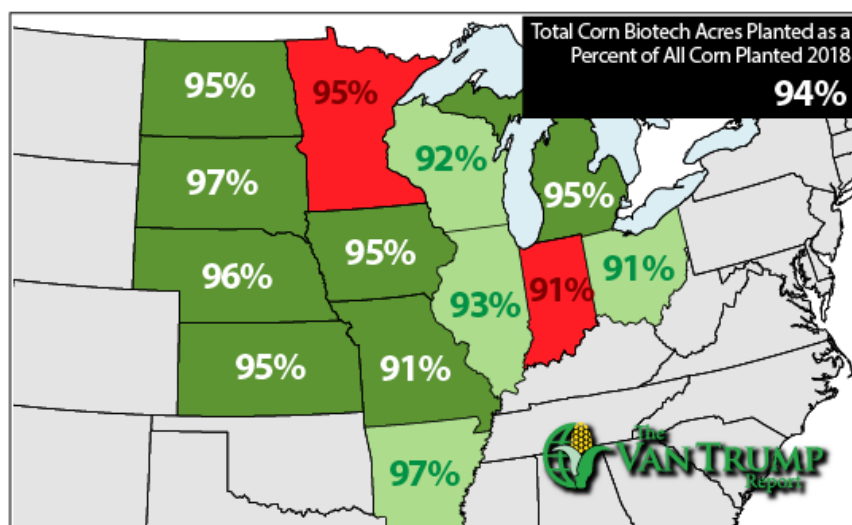
Kevin's Song of the Week

18 states grow about 96% of US soybeans



Soybean Biotech Acres as a Percent of Planted, 2018

■ Above 2017 ■ Below 2017 ■ Unchanged



Source: USDA, NASS - June 2018 Acreage report

Wheat prices are going to try and build on last weeks gains. The market was able to rally +20 cents last week on continued talk of production hiccups in countries that have been providing the world with cheap wheat. Bears argue that a strengthening U.S. dollar and more uncertainty about global growth should keep a lid on most nearby rallies. Global trade uncertainties and more extreme volatility in the currency space has macro commodity bulls on the sideline. If this underlying landscape were to change or shift to become more optimistic, then I could see wheat having a much greater chance to build upside momentum. Since that doesn't seem to be the case, I continue to believe the market will remain somewhat rangebound. Rallying on global weather uncertainties and backpedaling on fears surrounding global growth and uncertainty surrounding trade. As both a producer and a spec, I remain a conservative longer-term bull. As a producer, I am sold out of old-crop and have great new-crop sales already in place, so I'm wanting to remain extremely patient, believing better pricing opportunities are ahead. As a spec, I'm currently long this market and would like to add on another leg lower.

Cattle-on-Feed report showed inventory at 11.3 million head as of July 1, 2018, which is +4% above last year and the highest July 1 inventory since the data began being released in 1996. The inventory included 7.13 million steers and steer calves, up +2% from the previous year. This group accounted for 63% of the total inventory. Heifers and heifer calves accounted for 4.15 million head, up +8% from 2017. Placements in feedlots during June totaled 1.79 million head, +1% above last year. Marketings of fed cattle during June totaled 2.01 million head, +1% above last year. I should also note, the 2018 calf crop in the United States is expected to be 36.5 million head, up +2% from last year.

WHAT I'M LISTENING TO: ▶



Kevin's Song of the Week

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!

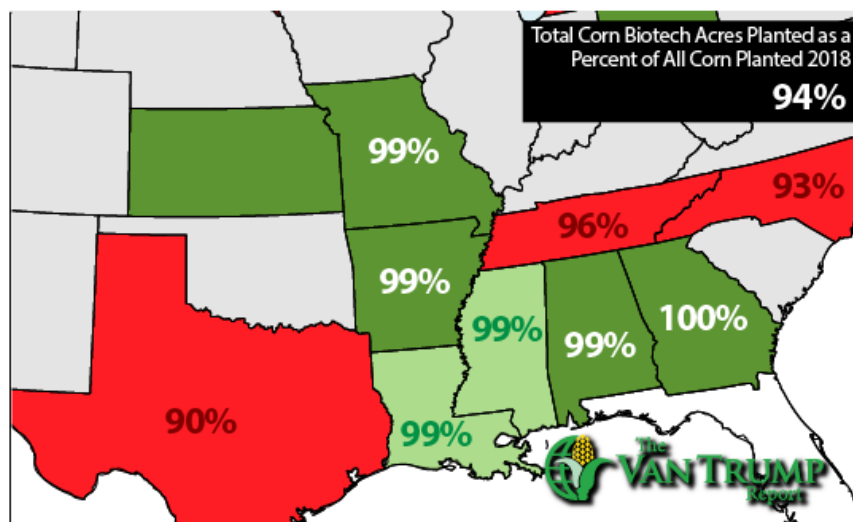
Kevin Van Trump

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

Cotton Biotech Acres as a Percent of Planted, 2018

■ Above 2017 ■ Below 2017 ■ Unchanged



Source: USDA, NASS - June 2018 Acreage report



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 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.

> Argentina Needs a Bumper Wheat Harvest: Farmers are rushing to plant wheat in the moist conditions left by rainstorms that helped destroy Argentina's recently harvested soybean crops. Months of drought gave way in April to three weeks of storms that helped cut the crop to about 35 million metric tons from original estimates of 55 million metric tons. The deluge sealed the fate of the 2017/18 soybean season but the humidity left behind set the stage for an increase in 2018/19 wheat planting. The Rosario Grains Exchange forecasts a record 20 million metric ton harvest topping the current record 18.2 million metric tons collected in 2016/17. This record wheat harvest could arrive just in time to jumpstart the ailing Argentina economy. (Source: Reuters)

> European Futures Rise From Further French Wheat Forecast Cuts: Euronext milling wheat futures have surged after an analytical agency slashed its forecasts for the coming French wheat crop to the third-lowest level in a decade. French soft wheat production is to come in at 34.2 million mt, down 6.6% from last year's figure, Agritel said Friday. It is the latest agency to downgrade its estimate for the coming crop in the EU's biggest wheat producer and exporter, with some of the hottest and driest weather on record in France paring back yields. Heavy storms during late stage development then caused further damage. (Source: agribusiness)

> Argentina Drops Corn Crop Estimate Lower: Argentina's corn crop was lowered 1 MMT to 31 MMT by the Buenos Aires Grains Exchange on Friday. The decrease stems from lower than expected yields in Cordoba after the four-month drought. Argentine soybean estimates remained the same at 36 MMT.

> The State Food and Grain Corporation of Ukraine (SFGCU): said it shipped more than 1 million tonnes of grains to China National Complete Engineering Corp. (CCEC) in 2017-18, more than double the amount exported during the 2016-17 marketing year. The SFGCU said corn accounts for about 90% of the grains shipped to CCEC. In total, the SFGCU said it shipped more than 2.2 million tonnes of grains during the 2017-18 marketing year. Corn accounted for 40% of exports, followed by wheat, at 37%, and barley at 18%. (Source: WorldGrain)

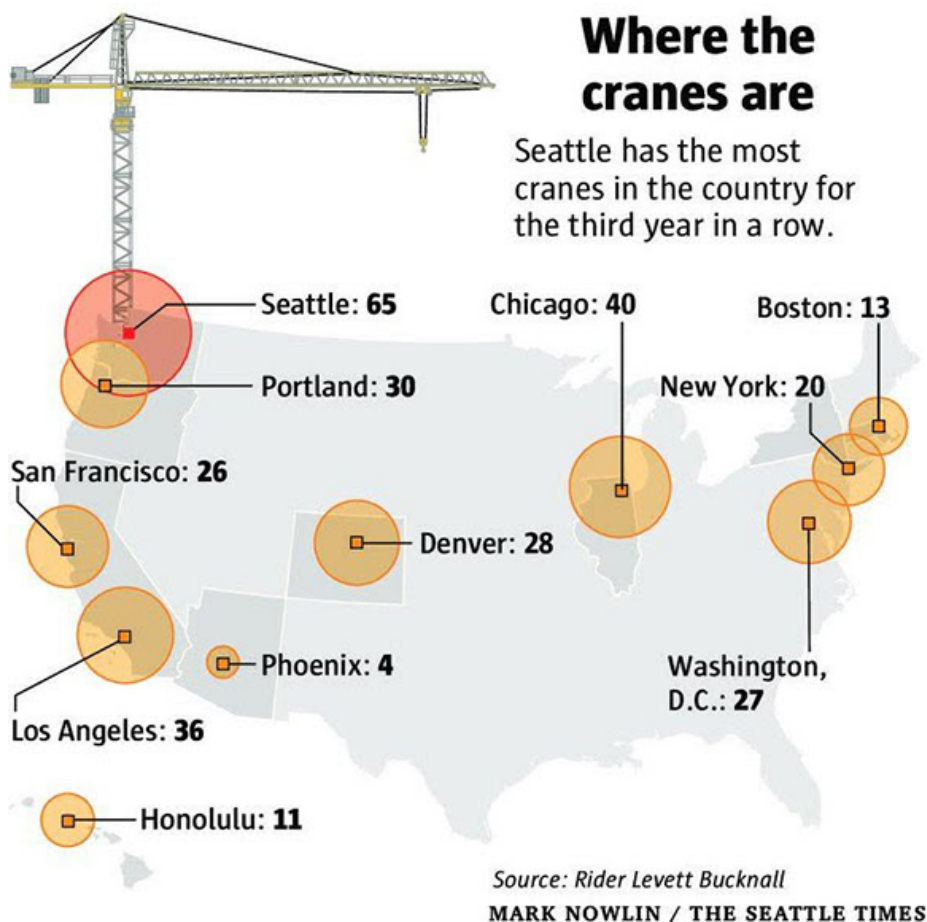
> Amazon Prime Day Had A Major Glitch You Likely Haven't Heard About: Amazon engineers scrambled to fix a glitch that disrupted the e-commerce behemoth's biggest sale day of the year. The company failed to secure enough servers to handle the traffic surge on Prime Day, causing a cascading series of failures during the first 15 minutes of the global shopping holiday. Amazon immediately launched a scaled-down "fallback" front page to reduce workload and temporarily killed all international traffic

too. Amazon said it was still the "biggest shopping event" in history, selling more than 100 million products to Prime members during the 36 hour event. (Source: CNBC)

> CDC Is Officially Investigating Salmonella Outbreak: The Center For Disease Control said Thursday that 90 people in 26 states have been infected with Salmonella after consuming turkey in an outbreak that may be widespread. 40 people have been hospitalized and no deaths have been reported. In interviews, ill people report eating different types and brands of turkey products purchased from many different locations. The first case was identified in November and the most recent one was identified on June 29 of this year. The way the strain is present in live turkeys and in many types of raw turkey products, makes officials think it might be widespread in the turkey industry. (Source: CDC)

> U.S. Hotel Occupancy Rates Strong, But Are We Peaking? U.S. hotels have now posted 100 consecutive months of year-over-year RevPAR growth. Additionally, each of the key performance metrics are at record highs on a 12-month moving average. The industry's 117 million room nights sold were the most ever recorded for a June. Even this far into the expansion cycle, brands and hoteliers were able to attract +4.2 million more guests than last June. Some are wondering if we are starting to peak? The most recent weekly report showed what some are calling mixed year-over-year results as occupancy on the week has started to tick back a bit. (Source: [U.S. Hotel News](#))

> Want To Know If The Economy Is Good? Just look at the skyline. Seattle is the crane capital of America for the third year in a row, as construction across the city has rebounded strongly from a relative lull in early 2018. Seattle has 65 of the towering construction cranes reshaping its skyline, 25 more than the next U.S. city. The cranes, which reportedly cost \$50,000 a month and need to be reserved about six months in advance, are primarily being used to build apartments in an effort to ease the tight rental market. Seattle may lead the rest of the country in cranes, but its barely a blip not the global stage where Dubai has 1,182 cranes and Sydney has 346. (Source: MarketWatch)



Farm Direction
RECIPES
★ **FAMILY FAVORITES** ★
-SENT IN BY OUR READERS-

BBQ Chicken Dip

CLICK TO SEE RECIPE



Southern Indiana - We planted in wet conditions this year so I was a little worried but immediately after we got everything in the ground it became warm and dry, which made the corn really explode out of the ground and we really have not looked back since. I am still concerned that since we did plant in wet conditions, that it would cause a loss of nitrogen, but only time will tell. All in all the corn crop is looking good, but with the weather being hot and humid we are seeing some disease's like grey leaf and blight. The beans are also looking good but they are experiencing insect pressure from Japanese beetles. It is so severe that it looks like a bunch of guys with shotguns went through the bean field and shot everything to hell. On top of our insect problem the soybeans are also getting a terrible case of frogeye. I started spraying three weeks ago to try and contain the outbreak but so far it only seems to have slowed them down. There are not many updates besides the moral is getting low around here and in surrounding communities, word is a lot of guys are seriously considering that this could be their last year in the fields if things don't change.

Northwest North Dakota - We are experiencing great weather and crops this year. Like most up this way we farm wheat, canola, durham, sunflowers, mustard and field peas along with a few others. The mustard is contracted to distributors as well as the most of the peas. We haven't made any major changes to our operations beyond normal cost savings measures during these lean years. Fortunately, we own a decent amount of our farm land which insulates us a little from struggle that some guys are experiencing who are a bit over their skis. Land is selling for around \$2,200 an acre and rents for \$60-\$70 per acre. We have some sales made but are hoping trade tensions subside before we get to harvest.

Central Minnesota - We were having lodging problems in soybeans nearly every year, so I dropped the soybean population in the better ground. I was planting 140,000 seeds across everything. At that rate they would grow chest high, look great and then lean over and not fill the pods. The good ground was producing less than the "average" ground. The yield monitors really opened my eyes. Dropping between 90-100k yields MORE than they did before. The better ground with lighter population produce massive stems but they have no problems making full yield now and don't fall over. We bump the population up in the lighter ground and they seem to do a little better too. So, a little better all around, all we needed was a little more precision when it came to planting. You know what they say, less is more!



Fire Up The Grill: Growing stockpiles may bring down prices for U.S. consumers, along with restaurants and retailers. But slowing overseas sales and rising domestic stockpiles threaten profit for meat processors and prices for livestock and poultry producers. Federal data, coming as early as Monday, are expected to show a record level of beef, pork, poultry and turkey being stockpiled in U.S. facilities, rising above 2.5 billion pounds, agricultural analysts said. U.S. consumers' appetite for meat is growing, but not fast enough to keep up with record production of hogs and chickens. That leaves the U.S. meat industry increasingly reliant on exports, but Mexico and China—among the largest foreign buyers of U.S. meat—have both set tariffs on U.S. pork products in response to U.S. tariffs on steel, aluminum and other goods. U.S. hams, chops and livers have become sharply more expensive in those markets, which is starting to slow sales, industry officials said. Read more by Jacob Bunge at [The Wall Street Journal](#)

Kroger Commits To Staying Ahead Of The Curve: Kroger, one of America's largest grocery chains, has decided to embrace technology to help it survive and thrive in the 4th industrial revolution. With 2,782 grocery stores under nearly two dozen names in 35 states, Kroger plans to leverage its data, shopper insights and scale to help it remain a leader in the marketplace of the future. According to a study by the Food Marketing Institute, online grocery is expected to account for 20% of all grocery retail by 2022 and reach \$100 billion in consumer sales, so Kroger and its competitors are smart to figure out ways to use technology to their advantage. Find out how Kroger plans to stay competitive [HERE](#).

50 Years Later - The Second Golden Globe Race Is On: The first Golden Globe Race, a solo, nonstop, around-the-world sailing event held in 1968, was a mixture of triumph, tragedy, and madness—all chronicled in a classic bestselling book and recent BBC movie. Fifty years later, 17 sailors are once again setting out for the most ambitious—and loneliest—regatta on the planet. On July 1, 17 skippers in 17 boats left the French port town of Les Sables d'Olonne and sailed west into the Bay of Biscay. Their destination? Les Sables d'Olonne, but from the other direction, a journey of about nine months and 30,000 miles. Great read on the little-known race [HERE](#).

Scientist Find Reversal For Wrinkles And Hair Loss: A new study found a way to undo wrinkles and hair loss from aging—at least in mice. At the University of Alabama at Birmingham, scientists researched a way to reverse the visible aging process. Published just a few days back in Cell Death & Disease, the team revealed its process to turn off the mutation that causes symptoms of aging in mice. Read more [HERE](#)

Put One Of These Trips On Your Bucket List: Explore the world the National Geographic way with a unique and personal travel experience that definitely qualifies as a once in a lifetime event. Whether you choose to seek out lemurs in Madagascar or mingle with nomads in Mongolia, you'll explore alongside private guides, stay in top accommodations—including National Geographic

Unique Lodges of the World—and enjoy the freedom to pick your travel dates and companions. I'm told they have over 35 options to personalize a lifetime memory with your family or friends. Click [HERE](#) for some more details as well as possible itineraries.



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

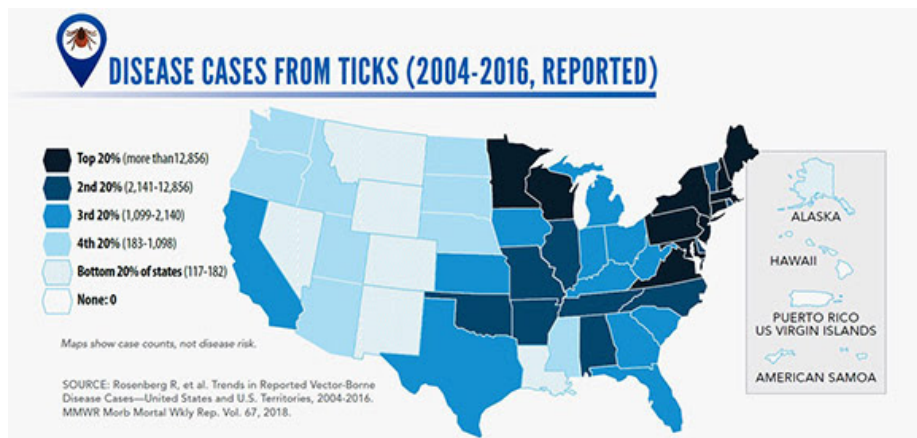
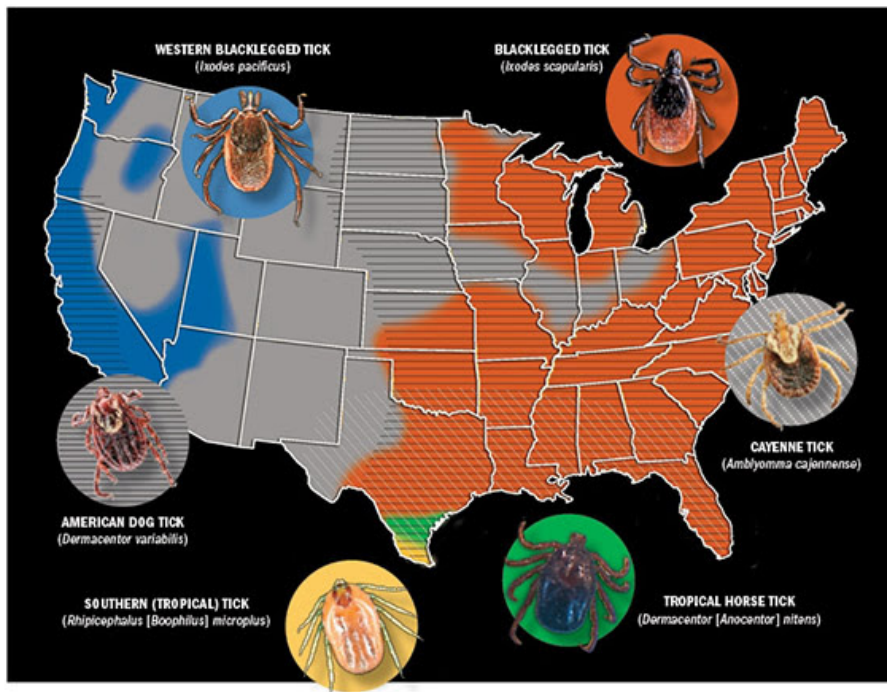
I hate to keep talking about the Indoor Vertical Farms, but I continue to hear more and more buzz from Wall Street and the Pension Fund managers. It seems that everybody in the investment world wants to throw money at the concept, which makes me believe eventually enough money can start to make a significant 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 recently 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.



Ticks More Dangerous Than Thought... Could Even Trigger Bell's Palsy

Around the world, diseases spread by ticks are on the rise. Reported cases of Lyme, the most common U.S. tick-borne illness, have quadrupled since the 1990s. In fact, in the United States, the Centers for Disease Control and Prevention estimates that +300,000 people get the disease

annually. Left untreated, Lyme disease can be debilitating, causing headaches, severe fatigue and serious, though not life-threatening, neurological or cardiac issues. A recent study at Halifax's IWK Health Centre recorded 17 cases of children reporting arthritis symptoms or inflamed joints – typically a swollen knee – who tested positive for Lyme disease; after a round of antibiotics, almost all of the patients recovered. But in some, the symptoms continue to linger. There's new evidence circulating that a single dose of antibiotics given within 72-hours of the tick's removal may prevent Lyme disease from developing. Also, it's not like chicken pox: You can get infected more than once. There's also a lot more evidence circulating that shows Lyme disease isn't the only thing you can get from a tick. Believe it or not, a simple tick bite can bring on Bell's palsy. From what I understand, Bell's palsy is one of the stages in Lyme disease. It occurs in the middle stage where the bacteria leaves the skin and affects the joints. The two most common ticks that carry Lyme disease are the Black-legged deer tick and the Western black-legged tick, which are most active between Spring and Fall. Ticks infected can range from less than 1 percent to more than 50 percent depending on the location. Other life-threatening infections like anaplasmosis, babesiosis, and Rocky Mountain spotted fever are increasing in incidence even more quickly than Lyme. Meat allergies caused by tick bites have skyrocketed from a few dozen a decade ago to more than 5,000 in the US alone, according to experts. And new tick-borne pathogens are emerging at a troubling clip; since 2004, seven new viruses and bugs transmitted through tick bite have shown up in humans in the US. Scientists don't know exactly which combination of factors—shifting climate patterns, human sprawl, deforestation—is leading to more ticks in more places. But there's no denying the recent population explosion, especially of the species that carries Lyme diseases. (Source: [Wired](#))



TEN THINGS GOD WON'T ASK ON THAT DAY

No need for any further explanation....

1. God won't ask what kind of car you drove. He'll ask how many people you drove who didn't have transportation.

2. God won't ask the square footage of your house, He'll ask how many people you welcomed into your home.

3. God won't ask about the clothes you had in your closet, He'll ask how many you helped to clothe.

4. God won't ask what your highest salary was. He'll ask if you compromised your character to obtain it.

5. God won't ask what your job title was. He'll ask if you performed your job to the best of your ability.

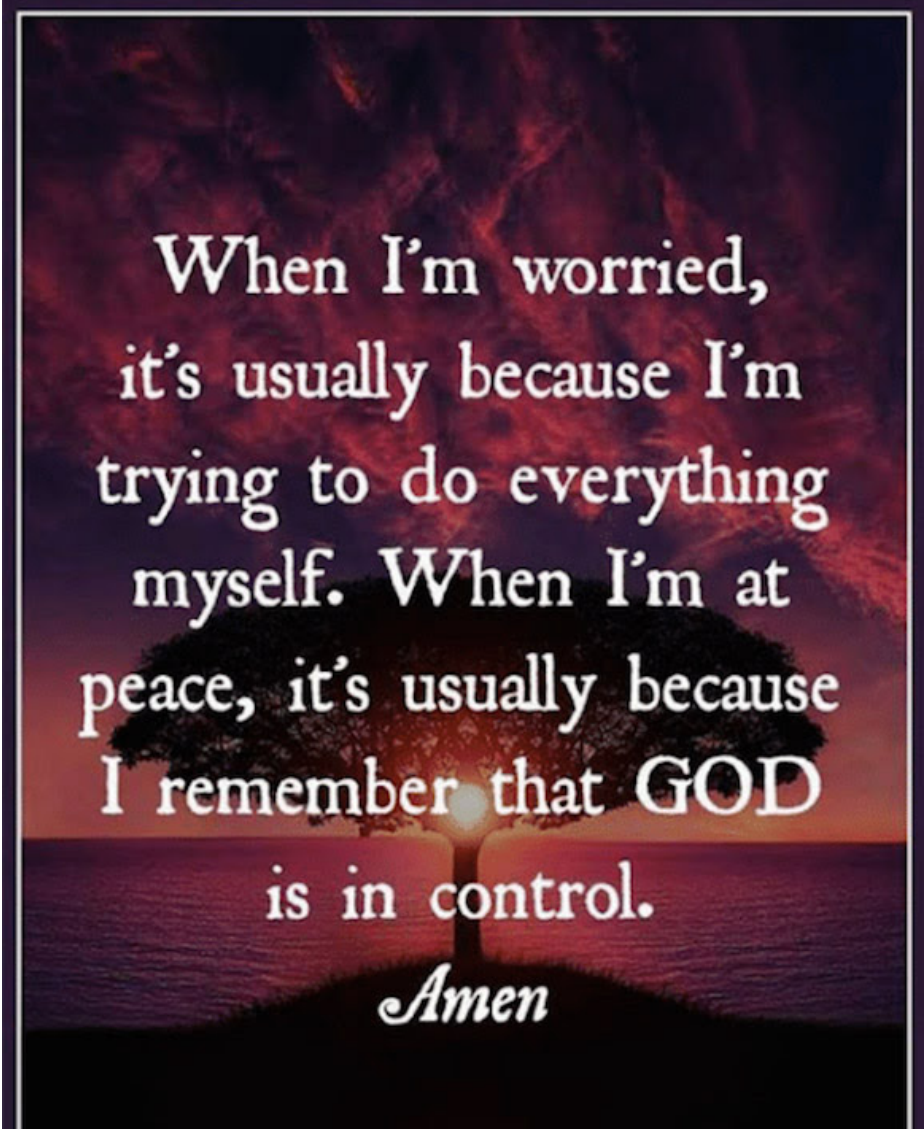
6. God won't ask how many friends you had. He'll ask how many people to whom you were a friend.

7. God won't ask in what neighborhood you lived, He'll ask how you treated your neighbors.

8. God won't ask about the color of your skin, He'll ask about the content of your character.

9. God won't ask why it took you so long to seek Salvation. He'll lovingly take you to your mansion in heaven, and not to the gates of Hell.

10. God won't have to ask how many people you forwarded this to, He already knows your decision... Forward it on and show your praise.



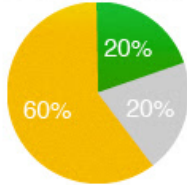
When I'm worried,
it's usually because I'm
trying to do everything
myself. When I'm at
peace, it's usually because
I remember that GOD
is in control.
Amen

ANSWER to riddle: Hands

CASH SALES & HEDGING TOTALS

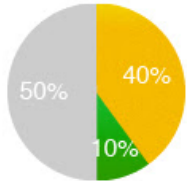
CORN 2017 CROP

60% SOLD
20% HEDGED
20% UNPROTECTED



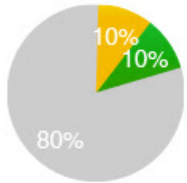
CORN 2018 CROP

40% SOLD
10% HEDGED
50% UNPROTECTED



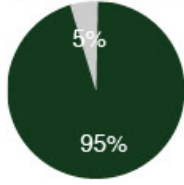
CORN 2019 CROP

10% SOLD
10% HEDGED
80% UNPROTECTED



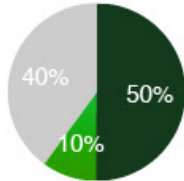
SOYBEANS 2017 CROP

95% SOLD
0% HEDGED
5% UNPROTECTED



SOYBEANS 2018 CROP

50% SOLD
10% HEDGED
40% UNPROTECTED



SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



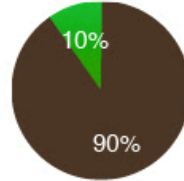
WHEAT 2017 CROP

100% SOLD
0% HEDGED
0% UNPROTECTED



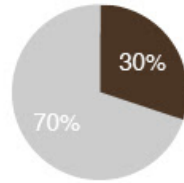
WHEAT 2018 CROP

90% SOLD
10% HEDGED
0% UNPROTECTED



WHEAT 2019 CROP

30% SOLD
0% HEDGED
70% UNPROTECTED



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