

GOOD MORNING: 07/24/18 Farm Direction - Van Trump Report

2 messages

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

Tue, Jul 24, 2018 at 6:18 AM



"Tough times never last, but tough people do." ~Dr. Robert Schuller

TUESDAY, JULY 24, 2018
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks are higher this morning as Wall Street continues to debate "tariff talks vs. corporate earnings". Several smart money investors are arguing it's becoming more of a "currency war" than a traditional "trade war", which could ultimately shift larger asset allocations, and change the dynamics of how the funds view oil and some of the other commodities. This is something I will be monitoring and keeping a close eye on as we move forward. Here at home, the trade is digesting the biggest week of quarterly corporate earnings. An estimated 35% of all S&P 500 companies are scheduled to report this week. Google reported earnings after the close yesterday and blew away most all analyst estimates, reporting revenue in excess of +\$32.5 billion. Big names releasing earnings today include 3M, AT&T, Eli Lilly and Harley Davidson. Tomorrow the market will be digesting earnings from Facebook, Boeing, Ford, GM, Coca-Cola, PayPal and Visa. Thursday we hear from Amazon, Bristol Meyer, Chipotle, Intel, McDonalds, Starbucks and Under Armour. And Exxon, Chevron, Merck and Twitter all report on Friday. It's a fairly light day for traditional economic data with updated Redbook Chain Store Sales, Richmond Fed Manufacturing numbers and another round of housing numbers. Yesterday's housing data showed U.S. existing home sales unexpectedly fell in June. Reuters reports that existing home sales, make up about 90% of U.S. home sales, and dropped -2.2% from a year ago in June. They have declined on a year-over-year basis for four consecutive months. Most insiders are saying it's because of the persistent shortage of homes available on the market. The data also showed U.S. housing prices pushing to a fresh new all-time record high. The median house price increased 5.2 percent from a year ago to an all-time high of \$276,900 in June. That was the 76th consecutive month of year-on-year price gains. WOW! There's some who argue rising prices and increasing mortgage rates could be a double-edge sword that slows overall demand. We will continue to monitor. There's not a lot happening in Washington today. President Trump is actually scheduled to be in Kansas City, returning to the White House for highly anticipated meeting tomorrow with European Commission President Juncker.

Pinterest Starting Bank Big Profits: After hitting \$500 million in sales in 2017, Pinterest is on pace to double that this year, pushing to \$1 billion in revenue. Pinterest is having particular success with mobile ads, as the site becomes a more popular place for big fashion and beauty brands to get in front of the company's 200 million monthly active users. The company is aiming to go public by mid-2019, and has a current valuation of \$13 billion to \$15 billion. Also keep in mind that Airbnb CEO Brian Chesky said at the Code Conference in May that his hospitality company will also be ready to IPO in 2019. (Source: CNBC)

Time To Get A Ticket... Mega-Millions To Hit \$500 Million: After nobody won the jackpot in Friday night's drawing of the Mega Millions lottery, the prize has shot up to nearly \$500 million. According to ABC, this is the fifth-largest drawing in Mega Millions history. The cash payout for a single winner of tonight's Mega Millions drawing will be about \$300 million. Tickets are sold at lottery retailers in 44-states, and if you're a resident of Georgia, Illinois, Kentucky, Michigan, North Carolina or North Dakota, you can purchase tickets online. It cost \$2 for each play. The winning numbers will be drawn tonight at around 10 PM CST.

Collector Richard Kraft To Sell 750 Piece Disneyland History: I don't know where else a true fan of Walt Disney could find this level of collection. Kraft, a Hollywood agent, began his collection 25 years ago, spurred by nostalgia for his

THE 2018 VAN TRUMP CONFERENCE



November 28-29
Special 2 Day Event
Kansas City, Mo

A gathering for the
 sharpest minds in
 agricultural investing.

Hear firsthand
 about new
 innovations.

Innovations
 that will be
 changing & shifting

visits with his late brother to Disneyland in southern California. Artifacts include Dumbo the Flying Elephant, expected to sell between \$100,000 - \$150,000 and Peter Pan's pirate ship which should fetch \$75,000-\$100,000. Along with the two iconic items, the sale will include a Disneyland ticket booth, an animatronic singing bird from the Enchanted Tiki Room, as well as original drawings, concept sketches and posters from the 63-year-old theme park. I'm told Kraft intends to donate a portion of the proceeds to two organizations benefiting children who, like his four-year old daughter Daisy, suffer from the rare genetic disorder Coffin-Siris Syndrome, and other special needs. If you are a Disney fan, check out the short video [HERE](#) to see the artifacts.



the farm industry.

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
Transportation and Logistics Executives
Innovative Start-ups



**Click Here To
Learn More**



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

- John Wooden



neuro mining



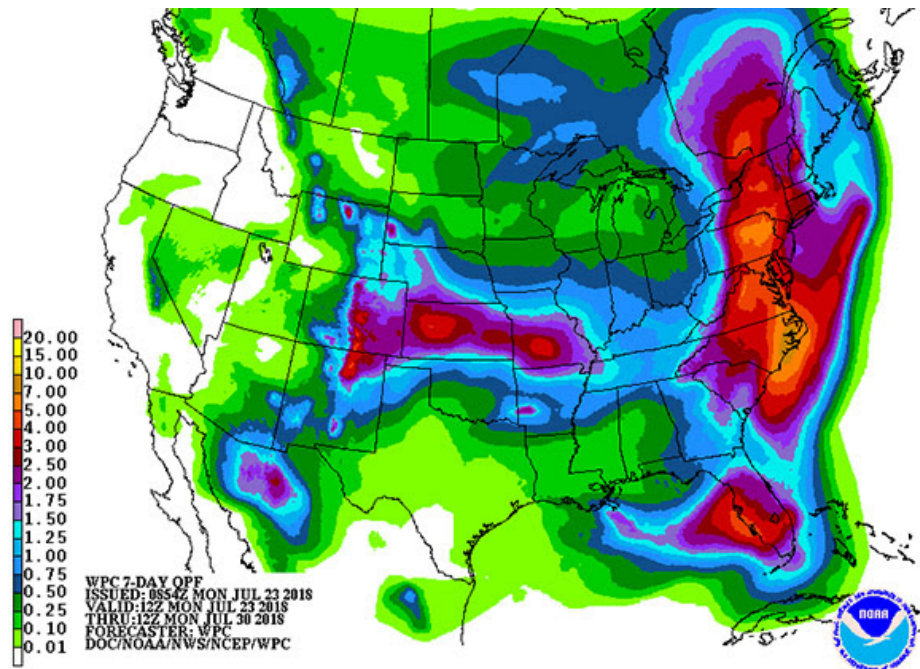
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

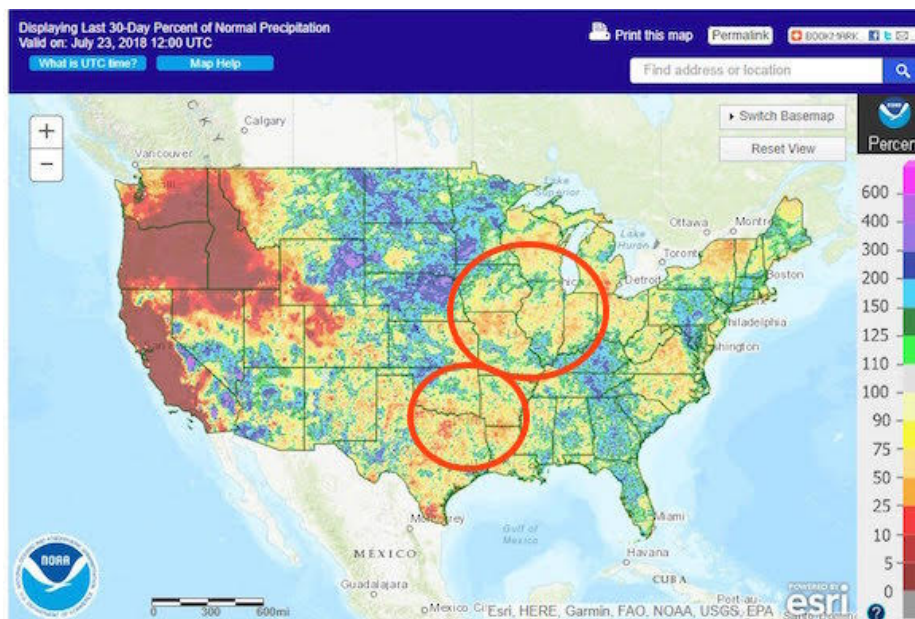
How do you make the number one disappear by adding to it?

Weather on the Corn Belt continues to be mostly dry with near to below normal temperatures. In the last several weeks, spotty dryness has adversely affected some summer crops in primarily the northeastern and southwestern Corn Belt (Missouri and Michigan) while abundant rainfall has occurred across the upper Midwest. On the Plains, lingering heat across central and southern Texas is maintaining stress on crops and livestock. In contrast, below normal temperatures cover the northern and central Plains. Scattered showers are primarily confined to the central Plains. In the South, heavy showers continue to spark local flooding in portions of the middle and southern Atlantic States. Showers also extend westward along the Gulf Coast into Louisiana, but hot, dry weather persists in the western Gulf Coast region. As the week progresses, cool conditions will become more deeply entrenched across the central and eastern U.S. but hot, humid weather will linger across the deep South. However, very hot weather will persist in much of the Far West. Meanwhile, heavy showers in the eastern U.S. could result in additional rainfall totals of 2 to 6 inches or more, especially from Florida into the Northeast. In contrast, little or no rain will fall during the next 5 days from central

and eastern Texas into the lower Ohio Valley. Late in the week, showers will become more numerous across the Rockies and central Plains, but mostly dry weather will continue in the Far West. The 6 to 10 day outlook for July 28 - August 1 calls for the likelihood of cooler than normal conditions across much of the central and eastern U.S., while hotter than normal weather will be confined to New England, the Deep South, and the Far West. Meanwhile above normal rainfall from the central and southern Plains to the Atlantic Seaboard should contrast with drier than normal conditions across sections of the Rockies and Plains. Below is the 7 day rainfall forecast through Monday July 30.



Previous 30-Day Precipitation % of Normal - Thought this would help provide a better understanding of the areas that have been most dry the past 30-day. Interestingly, as you can see above, some of those areas are scheduled to get some bigger rains in the days ahead.



Corn prices are backpedaling a bit this morning as traders debate the USDA's "unchanged" weekly crop-conditions. The bulls were obviously looking for the weekly condition estimates to deteriorate a bit from the previous week. Bears are pointing to the fact even though the crop conditions were left "unchanged" at 72% rated "Good-to-Excellent", the USDA actually took 1% away from the "Good" category and switched it to the "Excellent" category. There were also net overall improvements in some of the big production states like Iowa, Illinois, Nebraska, Minnesota, the Dakotas, Kansas and Missouri. Despite the slightly improved conditions, Bulls continue to argue that the crop has advanced too quickly. Bears on the other hand, see that as being a good thing and

Co-hosted by:



FARM TANK



Today In History



1832, First Wagon Train Through South Pass -

Benjamin Bonneville, an inept fur trader who some speculate may have actually been a spy, leads the first wagon train to cross the Rocky Mountains at Wyoming's South Pass. Bonneville, a native of France, came to the United States in 1803 at the age of seven. He graduated from West Point before serving at frontier posts in Arkansas, Texas, and Indian Territory. According to one view, Bonneville simply observed the rapid growth of the western fur trade at these posts and conceived a bold plan to mount his own fur trading expedition. However, others suggest Bonneville's true goal for the expedition may have been to serve as a Far Western spy for the U.S. government. What's odd is according to all accounts, Bonneville had no experience as a mountain man, but that made no difference to a group of Manhattan businessmen who funded the idea. But what really lead to ideas he was a spy was the fact he received a two-year leave of absence from his military duties, which happened unusually quick. Bonneville began his expedition in May 1832, and that summer he and his men built an imposing trading post along Wyoming's Green River. Bonneville proved to be an incompetent fur trader, yet he seemed unconcerned about making a profit. By contrast, he seemed very interested in exploring the vast territory. Shortly after arriving in Wyoming, he mounted an expedition to the Columbia River country of Oregon, although he was well aware that the powerful British-owned Hudson's Bay Company dominated the region. On this day in 1832, Bonneville led 110 men and 20 wagons across South Pass, the first-ever wagon crossing of that critical route connecting the existing United States to the northwest region of the continent. During the next two decades, thousands of American settlers would take their wagons across South Pass as they followed the Oregon Trail. Returning to Washington in 1835, Bonneville was reinstated a captain by President Andrew Jackson. Was Bonneville a spy for the government, eager to collect information

reason to argue less acres will be negatively impacted by frost or early winter conditions. There is some positive news circulating in regards to perhaps improved trade relations with Mexico and their newly elected President. From what I understand, Andrés Manuel López Obrador, Mexico's newly elected President, sent a conciliatory letter to President Trump, saying, he is ready to start a new stage in U.S.-Mexico relations. This has to be considered good news, even though the trade is much more eager to hear an updated response from the Chinese. Strong demand for U.S. corn continues to remain the driving factor to the upside. I just worry that eventually "demand" alone will not be enough to carry the market. As a producer, I remain patient, but still would like to get another 10% to 20% of our estimated new-crop price risk reduced between now and late-October. Another +10 to +20 cents higher and I will become a lot more serious about considering my next new-crop sale. My previous new-crop sales target was up near \$4.40 vs. the DEC18 contract, based on the current trade uncertainties, I'm probably going to be taking a very hard look if the market can push back to between \$3.80 and \$3.90 per bushel. I hate to take a -50 to -60 cent hit in comparison to my previous sales target, but the landscape of the market has certainly changed during the past couple of months and I can't allow myself to get stubborn and or stuck using my previous thoughts in the new market. With what looks like it could be another new record yield here in the U.S. and deeper global trade uncertainties, I don't really feel comfortable taking longer-term risk on much more than 40% of my estimated new-crop production. I've already reduced the price risk on 50% of my production at fairly good levels, hence the reason I can afford to feather in a few smaller and weaker sale in the \$3.80 to \$3.90 range. I just feel like during the next few months the corn market could trade anywhere between \$3.20 and \$4.00 per bushel, based primarily on political headlines that I have no ability to forecast and or control. I just don't want my hand forced to price bushels at the lower end of the range should a negative trade headline appear as my "time" or marketing window starts to expire.

States Showing Weekly Improvement

North Dakota and Pennsylvania +3%; Illinois, Kansas, Missouri, and South Dakota +2%; Iowa, Minnesota, Nebraska, Tennessee and Wisconsin +1%.

States Showing Weekly Deterioration

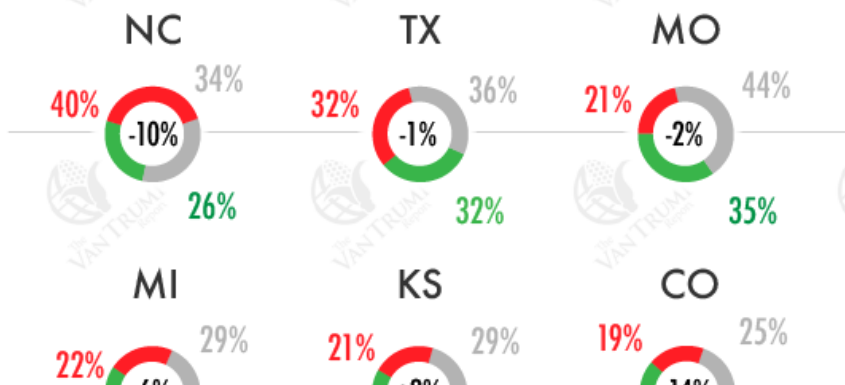
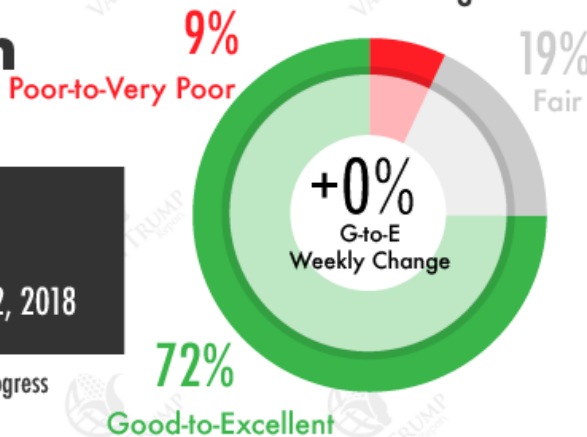
Colorado -14%; North Carolina -10%; Ohio -9%; Michigan -6%; Kentucky and Texas -1%.

Corn Crop Condition Ratings

Week 29
week ending July 22, 2018

Source: USDA, NASS Crop Progress

2018 U.S. Corn Condition Ratings

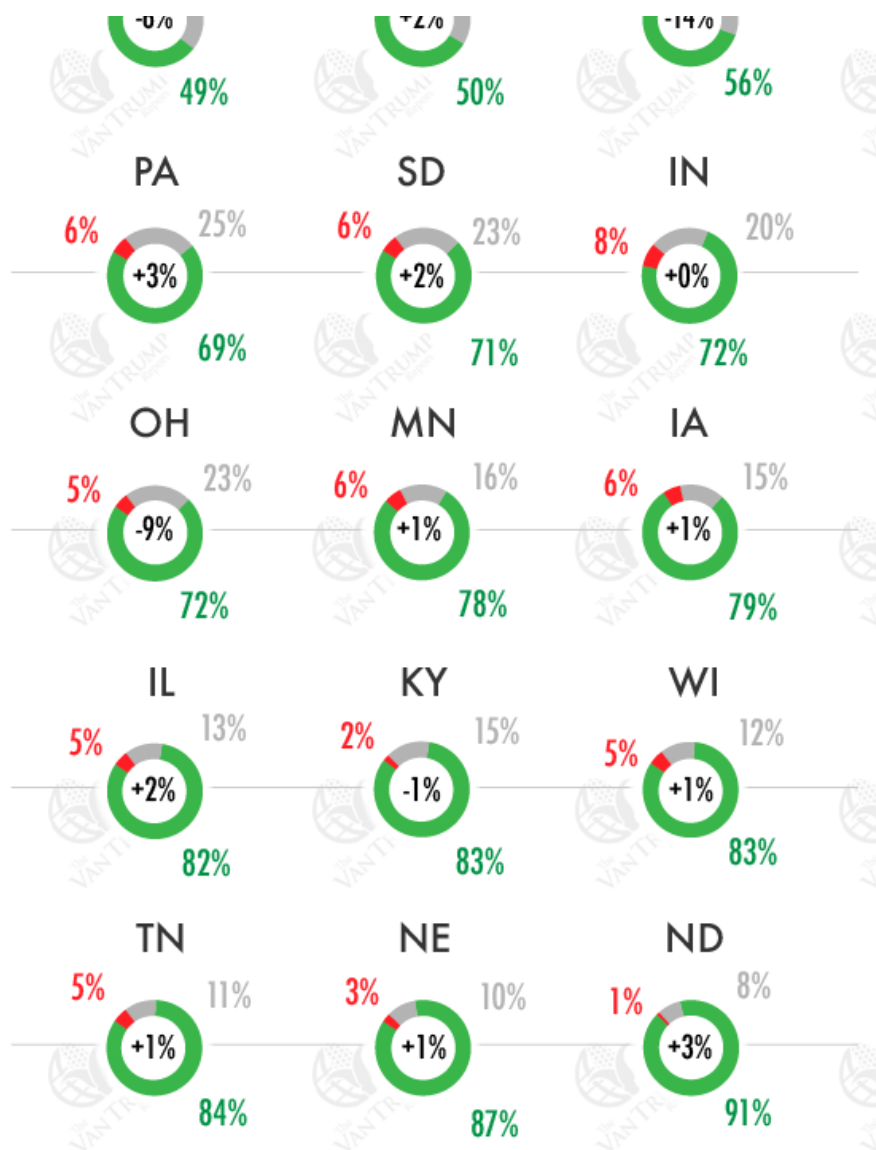


on British strength in the Northwest or simply an inept businessman...?



1847, Mormons Arrive - Declaring, "This is the place," Brigham Young arrives in Utah's Valley of the Great Salt Lake, with 148 of his Mormon followers.

Remember, the Mormons seeking religious and political freedom, began planning their great migration from the east after the murder of Joseph Smith, the Christian sect's founder and first leader. Joseph Smith was born in Sharon, Vermont, in 1805. In 1827, he declared that he had been visited by a Christian angel named Moroni, who showed him an ancient Hebrew text that had been lost for 1,500 years. The holy text, supposedly engraved on gold plates by a Native American prophet named Mormon in the fifth century A.D., told the story of Israelite peoples who had lived in America in ancient times. During the next few years, Smith dictated an English translation of this text to his wife and other scribes, and in 1830 The Book of Mormon was published. In the same year, Smith founded the Church of Christ—later known as the Church of Jesus Christ of Latter-day Saints—in Fayette, New York. As the sect gained converts, Smith began setting up communities in Ohio, Illinois and Missouri. From the outset, the sect would be criticized for some of its unorthodox practices, with polygamy heading the list. In 1844, the threat of mob violence prompted Smith to call out a militia in the Mormon town of Nauvoo, Illinois. He was charged with treason by Illinois authorities and imprisoned with his brother Hyrum in the Carthage city jail. On June 27, 1844, an anti-Mormon mob with blackened faces stormed in and murdered the brothers. Two years later, Smith's successor, Brigham Young, led an exodus of persecuted Mormons from Nauvoo along the western wagon trails in search of a sanctuary in "a place on this earth that nobody else wants." The expedition, more than 10,000 pioneers strong, set up camp in present-day western Iowa while Young led a vanguard company across the Rocky Mountains to investigate Utah's Great Salt Lake Valley, an arid and isolated spot devoid of human presence. On July 22, 1847, most of the party reached the Great Salt Lake, but Young, delayed by illness, did not arrive until July 24. Upon viewing the land, he immediately confirmed the valley to be the new homeland of the Latter-day Saints. Within days, Young and his companions began building the future Salt Lake City at the foot of the Wasatch Mountains. By 1852, 16,000 Mormons had come to the valley, some in wagons and some dragging handcarts. In 1850, President Millard Fillmore named Brigham Young the first governor of the U.S. territory of Utah, and the territory enjoyed relative autonomy for several years. Relations became strained, however, when reports reached Washington that Mormon leaders were disregarding federal law and had publicly sanctioned the practice of polygamy. In



Soybean prices are slightly lower this morning as bears point to more talk of Chinese cancellations, slightly improved U.S. crop-conditions and what appears to be some upcoming beneficial rains and cooler temps in the U.S. forecast. The latest improvements in U.S conditions is helping to confirm thoughts that the current USDA yield estimate is a bit too conservative at 48.5 bushels per acre and is at risk of being pushed higher to perhaps 49.5 or 50 bushels per acre. With a massive 88.9 million acres forecast to be harvested in 2018, an additional +1 to +2 bushels can make a sizable difference to the balance sheet. Many bears are arguing this is probably the fifth best looking crop we've seen in the past 30 years, the only years being arguably better at this juncture where perhaps 2014, 1994, 1992 and 1987. The kicker is, the four better crop years mentioned above, all produced yields that were well above trend. If you figure "trend" is somewhere between 47 and 48 bushels per acre, depending on the data you use and how you want to do your math, the bears can easily argue the potential for a +50 bushel yield. I also argue that the recent jumps in technology are significant and should skew or weight the nearby yields more heavily when computing trend-line averages. It just doesn't make sense to me when people equally weight a yield from 1947 with a yield from 2017 and then report an average. Clearly the game has changed. And I argue, we are changing and advancing so fast, yields three years ago might actually be outdated, obviously assuming the "weather variable" is the same. In other words, if you were magically able to go back in time and recreate the exact same weather five years ago, ten years ago or twenty years ago, what would your yield difference be? How much is the advancement in "technology" really worth each year when talking yield? If you could have the same weather as this year back in 1998, what would your harvested yield have been? Meaning the only thing you take back to 1997 is this year's weather. You have to leave all the new equipment, GPS data, agronomy tips you've learned and everything else here in present day. I'm just curious what we add each year to the yield variable via "new technology" and new knowledge? In any regard, back to the current crop-condition report. The USDA showed 78 % of the U.S.

1857, President James Buchanan removed Young, who had 20 wives, from his position as governor and sent U.S. Army troops to Utah to establish federal authority. Young died in Salt Lake City in 1877 and was succeeded by John Taylor as president of the church. Tensions between the territory of Utah and the federal government continued until Wilford Woodruff, the new president of the Mormon church, issued his Manifesto in 1890, renouncing the traditional practice of polygamy and reducing the domination of the church over Utah communities. Six years later, the territory of Utah entered the Union as the 45th state.



1959, "Kitchen Debate" -

Vice President Richard Nixon and Soviet leader Nikita Khrushchev engage in a heated debate about capitalism and communism in the middle of a model kitchen during the grand opening ceremony of the American National Exhibition in Moscow. The so-called "kitchen debate" became one of the most famous episodes of the Cold War. In late 1958, the Soviet Union and the United States agreed to set up national exhibitions in each other's nation as part of their new emphasis on cultural exchanges. The Soviet exhibition opened in New York City in June 1959; the U.S. exhibition opened in Sokolniki Park in Moscow in July. On July 24, before the Moscow exhibition was officially opened to the public, Vice President Nixon served as a host for a visit by Soviet leader Khrushchev. As Nixon led Khrushchev through the American exhibition, the Soviet leader's famous temper began to flare. When Nixon demonstrated some new American color television sets, Khrushchev launched into an attack on the so-called "Captive Nations Resolution" passed by the U.S. Congress just days before. The resolution condemned the Soviet control of the "captive" peoples of Eastern Europe and asked all Americans to pray for their deliverance. After denouncing the resolution, Khrushchev then sneered at the U.S. technology on display, proclaiming that the Soviet Union would have the same sort of gadgets and appliances within a few years. Nixon, never one to shy away from a debate, goaded Khrushchev by stating that the Russian leader should "not be afraid of ideas. After all, you don't know everything." The Soviet leader snapped at Nixon, "You don't know anything about communism—except fear of it." Tracking the whole debate, a small army of reporters and photographers followed the two statesmen around the exhibit. The two leaders bickered back and forth as the episode would become an iconic moment in the history of the cold war. Nixon suggested that Khrushchev's constant threats of using nuclear missiles could lead to war, and he chided the Soviet for constantly interrupting him while he was speaking. Taking these words as a threat, Khrushchev warned of "very bad consequences." Perhaps feeling

crop is "blooming" vs. 67% last year vs. the 5-year average of 63%. The USDA showed 44% of U.S. soybean crop is "setting pods" vs. just 26% last year vs. the 5-year average of just 23%. In fact, every single state is running ahead of schedule.

States Showing Weekly Improvement

Missouri +8%; Arkansas, Illinois, and Louisiana +5%; Nebraska, North Dakota, South Dakota, and Tennessee +2%; Iowa, Kansas, Kentucky, and Minnesota +1%

States Showing Weekly Deterioration

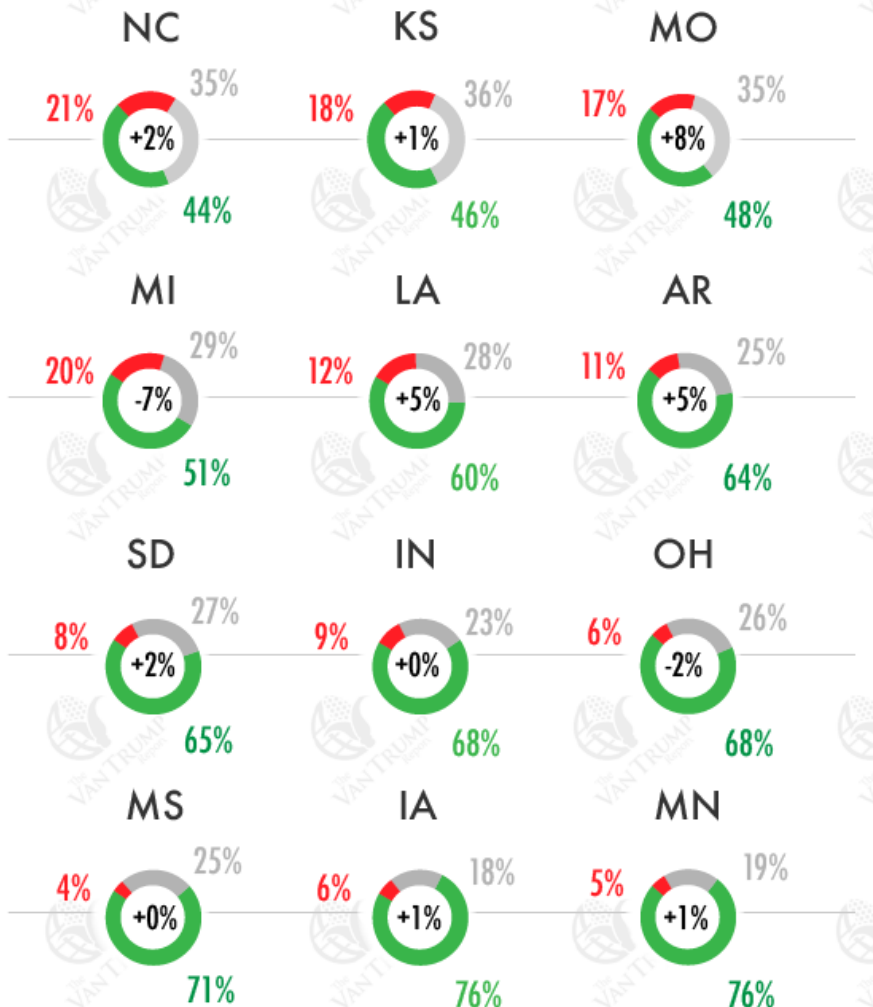
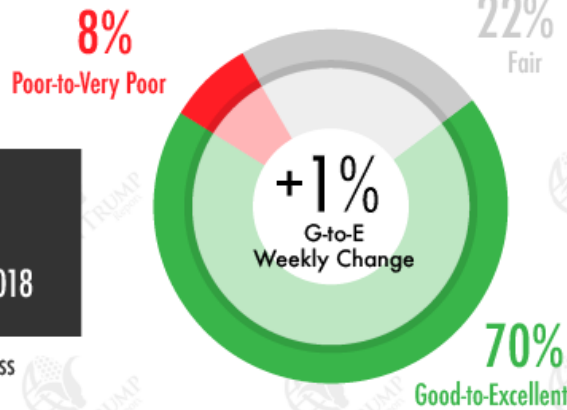
Michigan -7%; Ohio -2%

Soybean Crop Condition Ratings

Week 29
week ending July 22, 2018

Source: USDA, NASS Crop Progress

2018 U.S. Soybean Condition Ratings

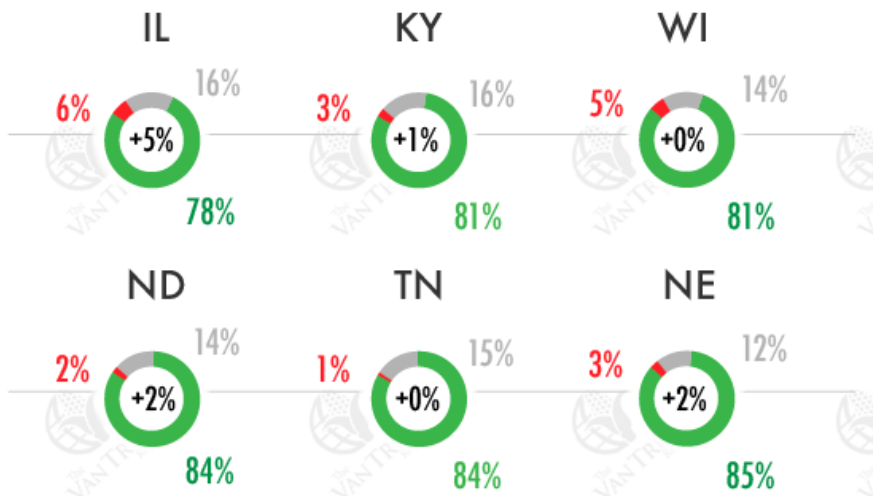


that the exchange had gone too far, the Soviet leader then noted that he simply wanted "peace with all other nations, especially America." Nixon rather sheepishly stated that he had not "been a very good host." As with so many Cold War battles, however, there was no clear winner—except perhaps for the U.S. media, which had a field day with the dramatic encounter.

Upcoming Events

- 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

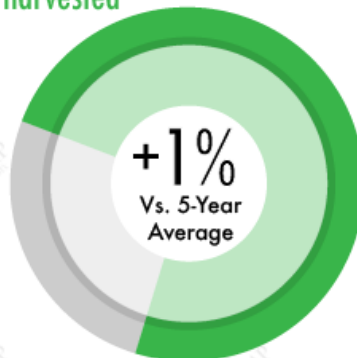


Wheat bulls would love to see the market hold their recent gains. Many didn't like yesterday's close and we are lower again this morning. The bulls have been happy to see reports of further deterioration in the European crop. Weather uncertainties in France, Germany and other areas inside the European Union, continue to prompt analyst to reduce their current forecast. In fact, many now argue that the USDA will again need to make another sizable reduction to their EU production estimate. Here at home, the USDA showed several of the largest winter wheat production states are now fully harvested... Kansas, Oklahoma, Texas, Illinois, Arkansas, Missouri and North Carolina are all said to be fully-harvested. There's only a handful of states running just a bit behind: Montana -9%; Washington -7%; California and Oregon -1%. Overall, the U.S. winter wheat harvest is reported at 80% complete vs. the 5-year average of 79%. Spring wheat conditions remain strong at 79% reported "Good-to-Excellent" and well above last year's 33% reported "Good-to-Excellent". North Dakota was reported at 88% GD/EX; Minnesota reported at 85% GD/EX; Washington was reported at 79% GD/EX; Idaho reported at 78% GD/EX; Montana reported at 65% GD/EX; South Dakota 49%. I still believe we are somewhat rangebound nearby and may struggle to add to our recent momentum. Longer-term, I still see more upside potential...

Winter Wheat Harvested

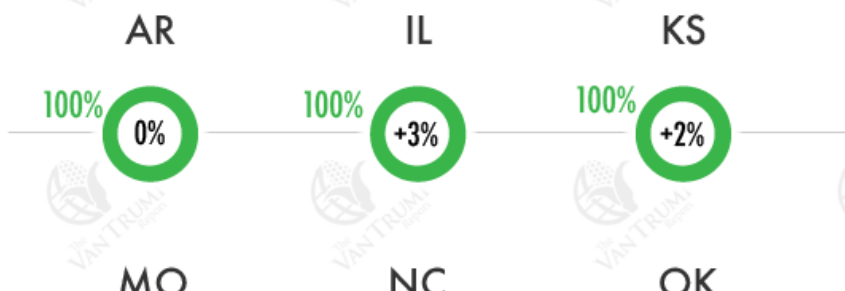
2018 U.S. Winter Wheat Harvested Percentage

80% harvested



Week 29
week ending July 22, 2018

Source: USDA, NASS Crop Progress



WHAT I'M LISTENING TO:



Whiskey Myers "Stone" Acoustic

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.

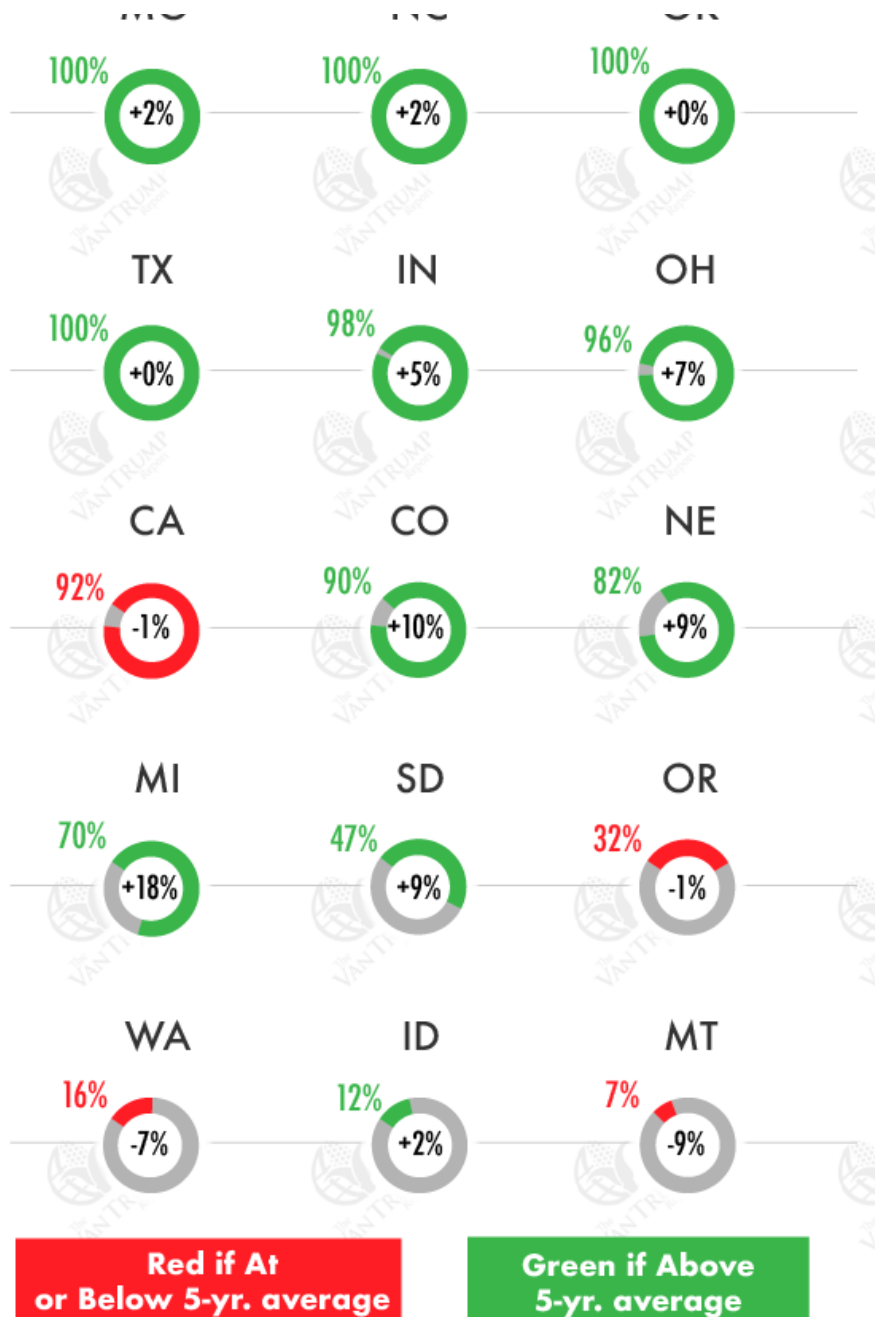
What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific 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



> **China's Sorghum Imports Increase Once Beijing Dropped Probe:** China's sorghum imports in June surged 38.1% on year, boosted by a temporary easing of Sino-U.S. trade tensions, while corn imports for the month rose to one of highest levels in the past decade, customs data showed on Monday. Reuters reports China brought in 450,000 tonnes of sorghum in June, up from last year's 324,301 tonnes. Volumes were still down slightly from 470,000 tonnes in May, data from the General Administration of Customs showed. (Source: FeedandGrain)

> **Near Future Good For U.S. Corn Exports:** The US is facing a clear corn export field – at least in the short term – as domestic problems tie up Brazilian, Argentine and Ukrainian supply, market sources have told Agricensus Monday. However, the longer-term picture may see the bonanza turn to a flood as market sources fear a planting backlash as US farmers switch from soy to corn in the 2019/20 harvest. (Source: Agricensus)

> **Money Spent On USDA's Food Assistance Programs Declined in 2017:** USDA administers 15 domestic food and nutrition assistance programs that together form a nutritional safety net for

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.

millions of children and low-income adults. Federal spending on these programs totaled \$98.6 billion in fiscal 2017, 4% less than the previous fiscal year and almost 10% less than the historical high of \$109.2 billion set in fiscal 2013. Fiscal 2017's decline was likely largely due to continued growth in the U.S. economy. (Source: USDA, ERS)

> **Soybean Aphids Spreading In Central Minnesota:** Reports out of central Minnesota tell of soybean aphids spreading, putting farmers in a jam because one of the pesticides used to kill the bugs is not working and the other is harmful to the environment. Some soybeans are immune to pyrethroids and the other pesticide — chlorpyrifos — has been designated by the Minnesota Department of Ag as a chemical that raises concern over groundwater contamination. (Source: StarTribune)

> **Cracker Recalls:** Pepperidge Farm has issued a voluntary recall of 3.3 million packages of Goldfish crackers over fears they may be tainted by salmonella bacteria. The Campbell Soup business said it was notified by an ingredient supplier that the whey powder used in seasoning four varieties of the crackers could contain salmonella, although the company said no illnesses have been reported so far. Ritz Cracker recalled similar products yesterday due to similar concerns about whey powder potentially tainted with salmonella. (Source: SeekingAlpha)

> **EPA Wants to Block Increase in Fuel Efficiency Standards:** President Trump says the EPA will cancel plans to raise tailpipe emissions regulations, known as CAFE standards, to about 50 miles per gallon by 2025. They are expected to leave the average fuel efficiency requirement at 35 mpg for the fleet of cars and trucks manufactured by automakers. They are also talking about moving to strip California of the authority to set tougher standards. That would also undercut California's plans to require carmakers to sell a higher number of electric vehicles. (Source: CNBC)

> **Sonos Speaker Maker Going Public:** High-end speaker company Sonos has laid out the terms for its initial public offering in a regulatory filing Monday, expecting its shares to price between \$17 to \$19 each. Shares are expected to begin trading later this month or in early August, the Journal reported, citing people familiar with the process. The company will trade on the Nasdaq exchange under the ticker SONO. (Source: The Wall Street Journal)

> **71% Believe "Roe V. Wade" Should Stand:** Support for Roe v. Wade, the 1973 landmark Supreme Court ruling that legalized abortion in the United States, has hit a record high in a new NBC News-Wall Street Journal poll ahead of the battle over Brett Kavanaugh's nomination to the high court. The survey shows that 71 percent of Americans believe that Roe should not be overturned, while only 23 percent want the ruling reversed. Supporters of the ruling include 88 percent of Democrats, 76 percent of independents and 52 percent of Republicans. This is the highest level of support for the ruling, and the lowest level of voters who want Roe overturned, in the NBC-WSJ poll's history dating back to 2005. For historical perspective, a Gallup poll in 1989 showed that 58 percent of voters supported the ruling, while 31 percent wanted it overturned. Read more [HERE](#).

> **How The World's Most Elite Investors Pick Stocks:** Came across a nice graphic highlighting an aspect of the financial world that I am regularly talking about: the psychology of investing. You are not only up against the world's best investors, but you are also up against yourself. As an investor, it's easy to get caught making irrational decisions based on your own personal blindspots. For this reason, the most successful investors often have a rational and proven system in place. Below is a graphic that details the basics around the discipline of growth investing, including the differences the school has with value investing. Click [HERE](#) to view the full infographic and read the entire article.



WHEN IT COMES TO INVESTING,
THERE ARE TWO MAJOR SCHOOLS
OF THOUGHT THAT EXIST...



[BARGAIN HUNTING]

Buying stocks that are undervalued
by the marketplace.

KEY PEOPLE:



BENJAMIN
GRAHAM



DAVID
DODD



WARREN
BUFFETT



[FINDING THE NEXT
BIG THING]

Buying stocks of companies that are growing
fast and will appreciate in price over time.

KEY PEOPLE:



PHIL
FISHER

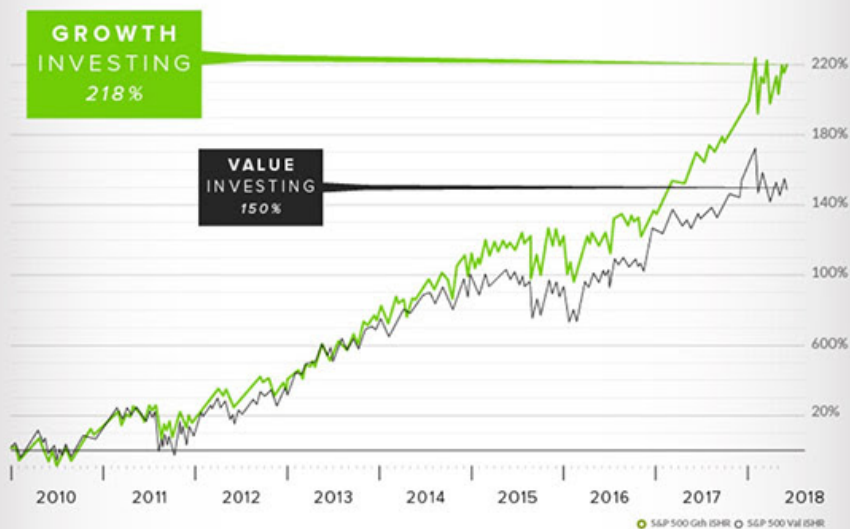


THOMAS
ROWE PRICE JR.



WILLIAM
O'NEIL

While both approaches have shown to be successful
over time, growth investing has held the edge since the
beginning of the most recent bull market:



FROM THE FIELD

Westcentral Iowa – We've had green snap in our corn three times in ninety years, the reason I know this is because I have a neighbor that has been farming that long. This year the green snap covered a large area and it seems to be hybrid related. I personally think this corn grows so fast that its more susceptible to wind damage then in previous years. The corn snapped off in some fields above the ear and others below the ear. The corn that snapped off below the ear is done. The corn that snapped off above the ear still has a chance. The problem is the top leaves are what helps fill the corn and make the bushels, test weight etc. I think it very unlikely that guys will see yields like last year especially after the wind. Last year we had one field that was over 100 acres that averaged just under 295 bushels per acre. The soybeans average 70 bushels across entire farms. One thing that this area has is a lot of volunteer corn because there was one common variety that dropped a lot of ears. Some fields saw 10-15 bushels off the top end just because of ear dropping.

Northcentral Ohio - Crops look good around our farms. Both corn and beans have had a perfect season from the get-go. Our corn is as even a crop as I have had. A few of the neighbors fields are a bit uneven and I suppose it reflects the difference of fertilizer application. We put on dry and crops only have a short way to go to get their food. I added some potash and phosphorus through planter in the fall which has always worked for us. I'm planning on spraying the beans for the third time in a couple of weeks to ensure a clean field for harvest. When I heard that more bean acres were most likely going in, I sold a majority of our beans but not the corn. I can store all of our crops, but I am hoping the trade war gets fixed soon regardless. For now we are baling hay for some horse operations and are on the third cut.

North Central Idaho - So far our wheat crops are looking great. We got lucky this spring and did not have any late snowfall but we did have a wet spring due to rain early on. Again, we got extremely lucky with weather and it has continued to dry out and rain when we have needed it to. Our wheat crop is ahead of where we were this time last year and as of now we are expecting to beat our bushels last year by as little as ten and as much as fifteen bushels. In the last few years I have seen many people in our area making the switch to grow Kentucky blue grass, a couple years ago I went ahead and made that move as well. The decision has been great, Kentucky blue is in high demand and it has a low overhead compared to some of the other crops. An amazing benefit to Kentucky blue is the fact that you do not have to purchase seeds year after year. On average the seeds last anywhere from ten to sixteen years before you will need to re-seed the field. We do have a benefit to growing in this area, since we are located on Native American land we have many less restrictions to follow when we burn the fields and prepare them again for the next season.



California Harvesters Approaches Farm Labor Issue From New Angle: California Harvesters has taken off so quickly that it has practically shot right past the trial stage. Launched in April, it already has recruited some 450 workers—and more are signing up by the week. Eager for a steady stream of labor, major growers are coming on as customers. “This has grown at an incredible pace,” says Carmen Rojas, the CEO of The Workers Lab, an organization that funds innovations and experiments that build power for low-wage workers. Rojas, who is an adviser to California Harvesters and helped to capitalize the project, is mulling how the model can be applied to other sectors. Find out what the startup is doing for their workers [HERE](#).

How Society Kills Creativity: As a child, were you told to sit still, while inside you the dancer was fighting to get out. Or maybe you were the one who spent hours drawing and painting but was told not to take art at school because you can't make a living with art. Or maybe the math was just so difficult it usurped all your energy and left nothing for creativity. So you listened to the wisdom of the day and chose sensible subjects and forgot about creating something new. Society functions on the daily grind of millions of unmarked individuals marking time on a mind-numbing treadmill of rise, commute, work, commute, eat, sleep, repeat. How did so many of us land there? Watch a great short Pixar-like video we've shown before but bears repeating [HERE](#), and don't get stuck in the grind.

BMW's Experiment To Determine Commuter Trends: Call it BMW's “throw everything at the wall and observe the sticky things” strategy. Or a groundbreaking, iterative approach to mobility. Or a market research gambit. Starting today, the automaker's ReachNow arm, which offers a car-sharing service in a handful of cities across the US, also has a ride-hailing service. BMW executives believe that this experiment will provide valuable insight into when people want to rent cars and when they want to rent drivers. As Urban areas grow in population, determining how commuters want to get around town will be mission-critical for companies in the space. Read more [HERE](#).

Shark Week Is Longest Running Cable Programming In History: This week marks the 30th year of an annual television phenomenon that has Americans bonding over sharks. Remarkably, The Discovery Channels “Shark Week” is the longest-running cable TV programming event in history. Personally, I don't watch the program, but they've certainly done something correctly. I'm told this year, producers of Shark Week expect merchandise related sales to exceed \$18 million dollars. The week-long program began Sunday night and runs through July 29th. All episodes and more interesting information can be found on Discovery's website [HERE](#). Tonight's episode begins at 7 PM CST.

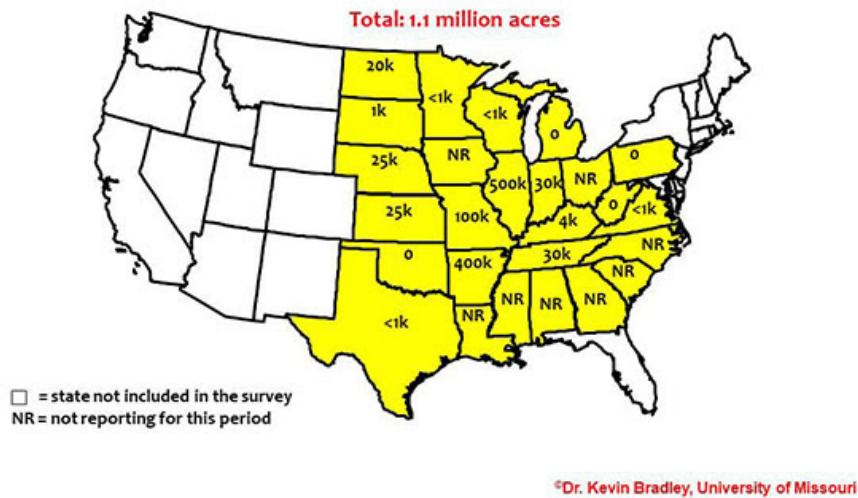
How the Ultimate Shark Photo Went Viral: Sticking with the "shark" theme, I recently read an interesting story about one of the most viral pics in the past 15 years. National Geographic photographer Thomas Peschak, photographed this once in a lifetime shot 15 years ago following scientist Trey Snow in a bright yellow kayak off South Africa. Ever since then, people have been photoshopping the shark into their pictures to fake scary scenes. Read how this one photo launched his career—and then takes on a life of its own. Click [HERE](#)



Is Dicamba Still Creating Problems?

It is a different year, but it sounds like some of the same problems are existing. Dr. Kevin Bradley at the University of Missouri has released an update as to the extent of Dicamba-related crop injury throughout the U.S., either in the form of official Dicamba-related cases that are currently under investigation by the state Departments of Agriculture, or as estimates of Dicamba-injured soybean acreage from University weed scientists. From a very vague and general perspective, it seems like there are fewer than half as many cases this year compared to last, which is a very good thing. It will be nice when we have zero problems, but we are not yet there. It's important to note where these maps get their data. As for the estimates map, the data comes from University weed scientists as to what they are seeing or hearing reported in their respective states. It is their own estimate from their own sources. The premise is that much more happens than what actually gets turned in or reported to the state Departments of Agriculture; that is the reason it's called the map of estimates. The second map contains the official number of actual dicamba-related injury investigations that are being conducted by the various state Departments of Ag. Of course, these investigations are ongoing and are not final. Understand, last season they published U.S.-wide information on July 25th. At that time, there were 1,411 dicamba-related injury investigations being conducted by the various state Departments of Ag while University weed scientists estimated approximately 2.5 million acres of soybean had been injured with dicamba. To date, at about the same time in 2018, there is around 600 cases being investigated by the state departments of Ag and approximately 1.1 million acres of soybean estimated with Dicamba injury by University weed scientists. In concluding his update, Dr. Bradley calls back to his initial update on dicamba injury from last season where in he asks an important question: Can you look at the scale and the magnitude of the problem on these maps and really believe that all of this can explained by some combination of physical drift, sprayer error, failure to follow guidelines, temperature inversions, generic dicamba usage, contaminated herbicides, and improper sprayer clean out, but that volatility is not also a factor? It's a great question that needs honest and unbiased answers for an issue that has quickly become a major problem for U.S. agriculture. (Source: University of Missouri IPM)

Estimates of Dicamba-injured Soybean Acreage in the U.S. as Reported by University Weed Scientists (as of July 15, 2018)



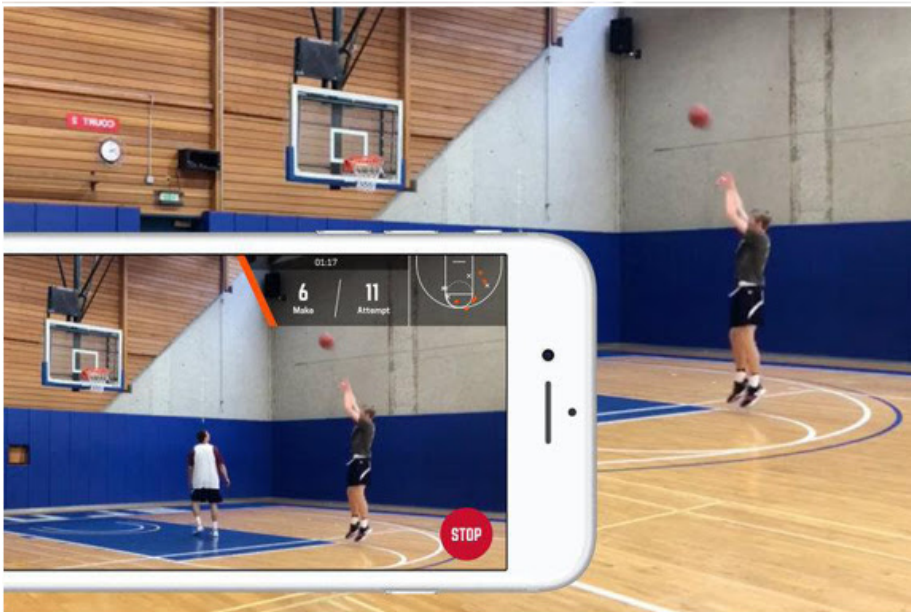
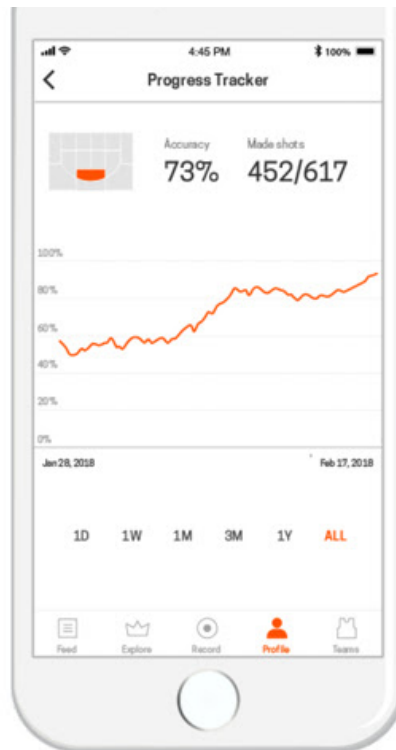
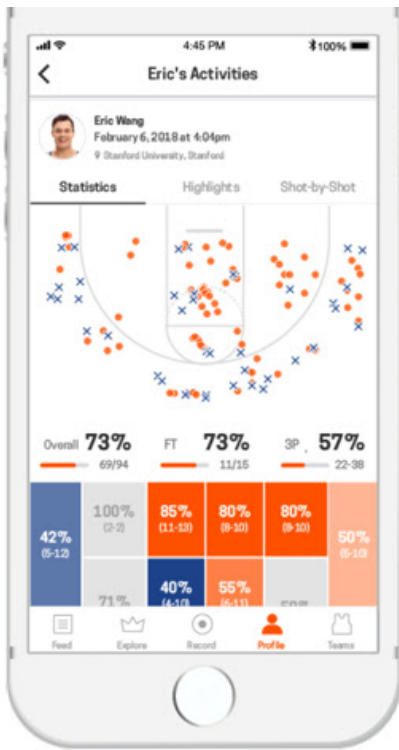
Official Dicamba-related Injury Investigations as Reported by State Departments of Agriculture (as of July 15, 2018)



One iPhone App is Making Smarter Basketball Players through Artificial Intelligence

HomeCourt is a new iPhone app that is spreading through the sport of basketball and catching the attention of many of the sports brightest minds. It was invented earlier this year by a startup, NEX Team Inc., with alumni from Apple, Google, and Facebook. When many of the NBA stars are asked how many shots did it take you to get to where you are today. Many or all of the players respond with I don't know, a lot. The HomeCourt app can tell basketball players how many shots they made and the exact location of where each shot was shot from. The best thing about this app is it only requires a phone and a basketball hoop. Say you take around a 100 shots in one shooting session. HomeCourt will tell you that you made 64 out of the 100 shots. It will also break down where you most commonly missed and where you shoot the best from. The app will also let users watch replays of any of their shots in real time or slow motion to better improve the way they shoot the basketball. The app is already making serious headway due to teams like the Celtics, 76ers, Duke, Florida, and Stanford that are already using the product. HomeCourt is also getting backed by big NBA names like Jeremy Lin, Steve Nash, and Mark Cuban. The app has a free version that lets users record up to 300 shots per month. If you would like to shoot as many as you would like, then it will cost the user a small price of \$7.99 per month. HomeCourt says it isn't really targeting the NBA, but it's targeting youth basketball. Now when players win the finals they might be able to tell you the exact amount of shots they took in their lifetime to accomplish that goal.







Spanx Success Story... And A Couple Of Great Life Lessons!

Many of you might not know the name Sara Blakely, but you've probably heard your wife or daughter talk about "Spanx", a compression undergarment that many women now wear to help smooth and better shape their figure. Sara's success story is one of the best I've ever heard and I just wanted to make certain all of our readers know it and pass it along to their children and grandchildren. Sara, who is now 47 years-old started the small company called Spanx in February of 2000 with her life savings of just \$5,000 with no experience and no training. In fact, she has since told reporters that she was down to no money and had to use her credit card to purchase the "Spanx" trademark for \$150. Many professionals now value her company at over +\$1.2 billion. The best part is Sara still owns 100% of this privately held monster. From what I have heard, while Sara was still working a sales job, she came up with the bright idea to create shaping and smoothing undergarments out of everyday pantyhose. It is rumored that she liked the way many body suits or tight-fitting hose helped give her a more shapely figure, but she hated the fact old-fashioned pantyhose revealed seams at the toes. The solution was simple for Sara, just cut the feet out. She did this for herself and was able to wear the undergarments with slacks, skirts etc., but she continued to have a problem with the pantyhose rolling up her leg. Thinking she had a good idea, but having never worked in fashion or retail, she took on the tough task of finding someone who could produce her desired design. After getting a few items made Sara started trying to sell her products part-time while she juggled her real job and a nighttime gig as a stand-up comedian. Sara obviously had no idea her simple creation would now make her the youngest woman to ever debut on the Forbes Magazine Billionaires List. After just a couple of years, Sara had gotten her Spanx undergarments in a few major department stores, but her real break came when she received a call that Oprah Winfrey had purchased a pair of her Spanx and absolutely loved them. Oprah then told Sara she was wanting to feature them on her annual "favorite things" show. You guessed it, Sara's business exploded and hasn't looked back since. It is estimated that Spanx now sells more than 200 products in over 11,500 department stores, boutiques and online shops in 40 countries. Sara and her husband were recently part of a small group that purchased the Atlanta Hawks for \$850 million. Sara is also a huge philanthropist, giving away millions each and every year. In fact, in 2013 Sara became the first female billionaire to join the "Giving Pledge" with Bill Gates and Warren Buffett, whereby the world's richest people donate at least half of their wealth to charity. What an incredible success story. I can't imagine any other country where a girl with no experience and just \$5,000 to her name can turn it into \$1 billion. It just shows some of the simplest ideas are often the best. I included below a couple of fantastic "Life Lessons" that Sara often shares and talks about as reasons for her tremendous success. Hope you enjoy and share with your family... (Source: Wiki, Inc, Angela Kambouris, Entrepreneur)

What did you fail at today? Sara said, as a child, her father would sit her down at the dining room table every night and ask her the same question: "What did you fail at today?" He didn't want to know how many As she'd gotten. He wasn't interested in how many girl scout cookies she'd sold, how many goals she'd scored on her soccer team, or whether she'd gotten a perfect score on her math test. No, he wanted to know what she had failed at. And when she told him, do you know what his reaction was? He high-fived her. Think about that for a minute: Every week growing up, her father made her reflect on something she'd failed at, then showed her that not only was she still loved after failing, but she was celebrated for it. In an interview for Fortune, Blakely said, "I didn't realize at the time how much this advice would define not only my future, but my definition of failure. I try tried to do the same with my children, making them constantly participate or work on things they were bad at. I feel this allowed them to learn how to handle and overcome failure at a very young age. Blakely herself failed the LSATs twice before founding Spanx. On that particular chapter of her life, she says, "It was one of many tests that showed me how some of the biggest failures in our lives just nudge us into another path." Or as Robert Kennedy once said, "Only those who dare to fail greatly can ever achieve greatly."

Stay Persistent - Sara Blakely built in excess of a billion-dollar business by using failure as a stepping stone, an undeniable commitment to her vision and persistence to find a solution when others believed there were none. Persistence is the key that opens doors and creates a springboard for success. I have read that money is like a mischievous cat. If you chase it around the neighborhood, it eludes you. If you ignore it and focus on what attracts the cat, it comes to you. Phenomenal success is created when you focus on solving people's problems. Chase the "needs", not the "money". Money reflects the value you give to others. The more you solve people's problems, the more likely you are to become wealthy. My grandparents use to always tell me I need to stay persistent with whatever I was trying to tackle or trying to accomplish. They referred to it as as trying to start a fire with a magnifying glass. If you remember back to when we were young, you had to keep the magnifying glass very steady, still, and in the exact same spot, perfectly aligned with the sun, if you wanted to get a fire started. If you moved the magnifying glass around even slightly, the fire would never get started. Same principal applies and another great life lesson.

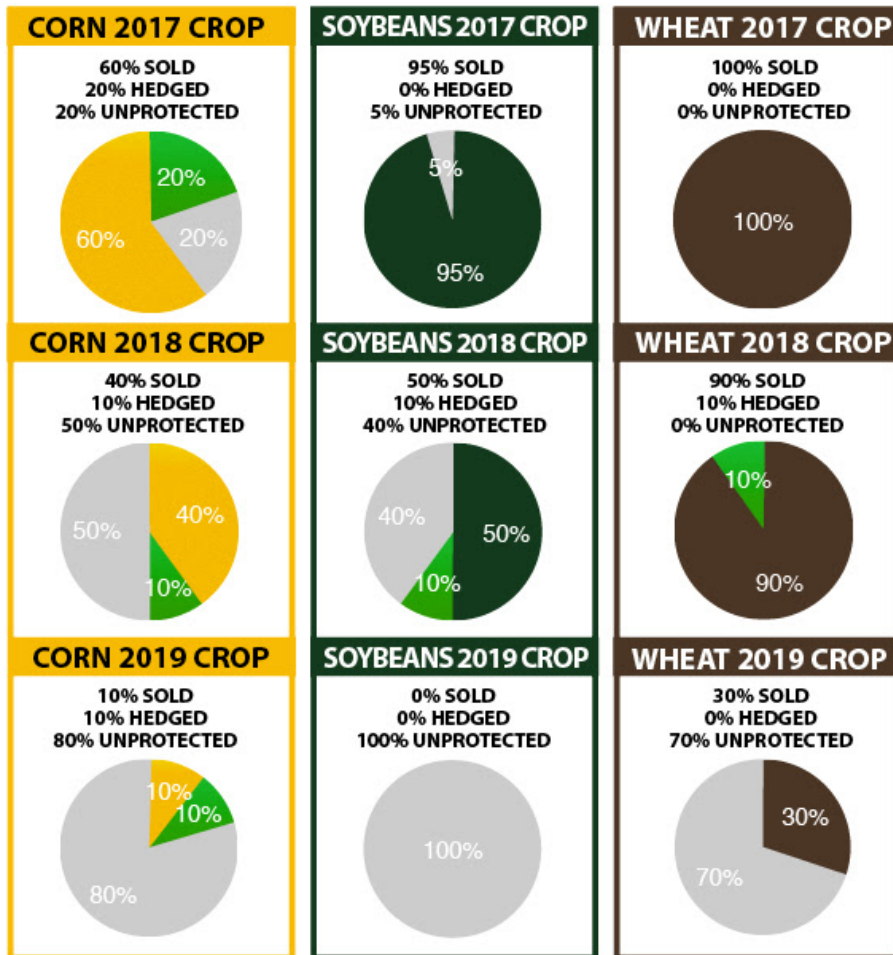


**“DON'T BE INTIMIDATED
BY WHAT YOU DON'T
KNOW. THAT CAN BE
YOUR GREATEST
STRENGTH AND
ENSURE THAT YOU
DO THINGS
DIFFERENTLY
FROM EVERYONE
ELSE.”**

Sara Blakely
SUCCEEDFEED.COM

ANSWER to riddle: Add the letter 'G' and it's 'Gone'.

CASH SALES & HEDGING TOTALS



PLEASE READ The Van Trump Report is a publication intended to give analytical research to the Agricultural community. The Van Trump Report is not rendering investment or hedging advice based on individual portfolios or individual business operations. Kevin Van Trump is NOT registered as a stock or commodity advisor in any jurisdiction. You need to consult with your own registered advisor for specific strategies and ideas that are appropriate to your specific portfolio or business entity. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete. This report is not intended, and shall not constitute, or be construed as an offer or recommendation to "buy", "sell" or "invest" in any securities or commodities referred to in this report. Rather, this research is intended to identify issues and macro situations that those invested in the agricultural industry should be aware of to help better assess and improve their own risk management skills. Please read the entire [DISCLAIMER PAGE](#) for full risk-disclosure and copyright laws.



© FARM DIRECTION 2011

[About Us](#) | [Testimonials](#) | [Subscribe](#) | [Contact Us](#) | [Disclaimer](#) | [Update Profile](#)

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

Tue, Jul 24, 2018 at 6:19 AM

[Quoted text hidden]