

GOOD MORNING: 08/21/18 Farm Direction - Van Trump Report

2 messages

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Tue, Aug 21, 2018 at 6:43 AM



"Leadership isn't knowing the direction — it's about being able to make a decision when the direction is uncertain." - **Christi Shaw**

TUESDAY, AUGUST 21, 2018
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Morning Summary: Stocks are steady to slightly higher, but seem to be at an inflection point. Bulls continue to talk about a strong U.S. economy and an S&P 500 that might push to 3,000 by year end. Bears are talking about heightened geopolitical concerns and more dire emerging market risk on the horizon. All parties are closely watching the U.S. dollar, the Chinese economy, ongoing trade talks, and the latest developments in the European Union. Remember, the huge debt pile in Greece and an even bigger one in Italy will remain a lurking financial threat to the Europe Union for several more years. We should learn a little bit more this week about the U.K.'s negotiations to exit from the European Union with Brexit minister Dominic Raab due in Brussels for talks with the EU's chief negotiator Michel Barnier. As for NAFTA, it sounds like the U.S. is one step closer and on the verge of a trade deal with Mexico. We are hoping after U.S. officials clear the hurdles with Mexico, they will be able to make substantial progress with Canada and the European Union. It feels like China is still away off, but perhaps taking steps in the right direction. From what I can gather, most sources in Washington are not expecting a ton of progress from the Chinese meetings this week, but at least see it as some type of progress. President Trump still says he has no timeframe for ending the trade dispute with China and is willing to do what it takes to get the deal right. Keep in mind, talks this week come as new U.S. tariffs on \$16 billion of Chinese goods are scheduled to take effect, along with retaliatory tariffs from China on an equal amount of U.S. goods. At the same time, U.S. Trade Representative's Office is holding hearings this week on proposals for tariffs on a further \$200 billion of Chinese goods. Keep in mind, it's estimate that about 38% of all revenues for S&P 500 companies come from international sources. It's estimated that over +55% of all U.S. technology revenue comes from outside our borders. That's why the trade continues to keep a close eye on shifts in global trade-winds. With the U.S. dollar up +4% year-to-date and tariffs in play, there's certainly some questions in the air. There's really not a lot on the economic calendar for today. Tomorrow will be much busier with U.S. existing home sales, minutes from the most recent Fed meeting, and headlines from U.S. and Chinese trade negotiations. Thursday we have the highly anticipated Jackson Hole meeting kicking off.

Oldest Bull On the Block: *The S&P 500 will tie the record for the longest U.S. bull market in history today at nearly 3,500 days, rising more than +320% since March 9, 2009. It's a record few would have predicted when stocks struggled to find their footing after a -50% plunge during the financial crisis. The exact length of the "bull market" remains debatable, with many sources saying an actual bull market didn't start until 2012 or 2013, the March 2009 number simply signals the bottom of the market, not a bull trend. (Source: SeekingAlpha)*

Amazon Pushing Further Into Health Care: *Amazon has hired well-known cardiologist Maulik Majmudar for a new role, as it looks to move into the \$3 trillion health care sector. Majmudar did not disclose the team he would be joining at Amazon, but did say he's taking on an "exciting and challenging role. Amazon currently has a number of different teams working on health care and has been on a health-care hiring spree, bringing on experts including primary care expert Martin Levine and Taha Kass-Hout, former FDA chief health information officer. Don't forget, in June, the company acquired online pharmacy PillPack. Amazon is far from alone in hiring cardiologists, which are a hot commodity for technology companies. We see the health care space changing dramatically in the coming months. (Source: CNBC)*

Positive Trade Developments Could Send Markets Much Higher: *According to analysts at Merrill Lynch, an end to the US/China trade fight could potentially send stocks up over +7%. However, with the biggest economic overhang removed, there's reason to believe that the current bull market which is set to*

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become the longest in history on Wednesday, August 22nd, could see even stronger days ahead. That's because Q4 of a midterm election year, and the year that follows, tends to be a great time for the stock market. For example, since 1871 87% of periods Q4 to Q1 of the following year has seen positive market returns, with an average rally of +14%. The effects tend to be strongest when a Republican like Trump is in office. Read more [HERE](#).

Walton Family Just Got +\$11.6 Billion Richer: Walmart Inc. reported its strongest sales in more than a decade last week, sending the retailer's shares soaring as much 11 percent and boosting the fortunes of Walton family members Alice, Jim, Rob, Lukas and Christy. Their collective net worth surged to \$163.2 billion, according to the Bloomberg Billionaires Index, a ranking of the world's 500 richest people. Fortunately for them, the gain erased their year to date losses.

The Eagles Top Michael Jackson for Best-Selling Album in History: The Eagles "Their Greatest Hits 1971-1975" just took over Michael Jackson's "Thriller" as the best-selling album of all time. Songs featured in this album include "Take It to the Limit," "Peaceful Easy Feeling," "Take It Easy," and "Best of My Love". Their Greatest Hits 1971-1975" is now certified 38x platinum, which means the sales and streams of this album have reached 38 million copies. In today's world, 1,500 streams of an album are equivalent to an album sale or 10 song downloads equal 1 album sale. This album now pushes Jackson's "Thriller" to second place at 33x platinum. Sitting at third on the list is another Eagles' album, 1977's Hotel California, which has reached 26x platinum. The Eagles formed in the early 70's and eventually broke up in 1980. They came back together 14 years later with Henley and Glenn Frey being the only remaining original members. Frey died in 2016, but the Grammy-winning band remains on tour. The band was inducted into the Rock & Roll Hall of Fame in 1998 and received the Kennedy Center Honor in 2016. Click [HERE](#) to watch one of my favorite Eagles songs of all time "Hotel California"



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neuro mining



As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

TODAY'S RIDDLE:

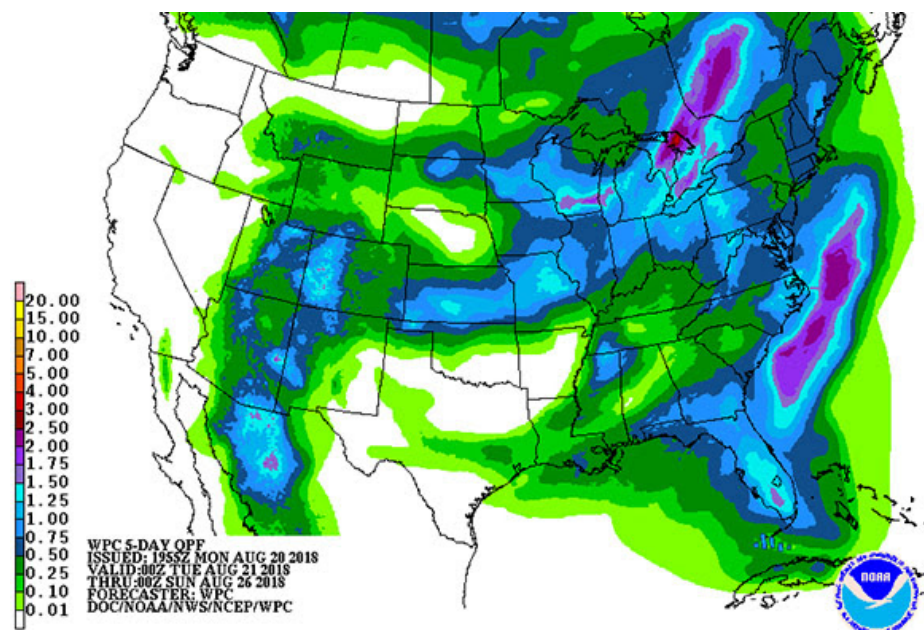
"When the opportunity comes,
it's too late to prepare."

- John Wooden

The **VAN TRUMP**
Report

*The floor's on top, the roof's beneath, and from this place I rarely leave.
Yet with the passing of each day. A new horizon greets my gaze.*

Weather in the Corn Belt has seen locally heavy showers and thunderstorms arrive across southwestern corn and soybean production areas. Although the rain is largely too late to aid drought-affected corn in Missouri and portions of neighboring states, pastures and later-developing summer crops such as soybeans are benefiting. On the Plains, unusually cool weather prevails. Rain, which fell heavily across portions of the nation's mid-section in recent days, has shifted eastward but lingers across the east-central Plains. On the southern Plains, rain has revived rangeland and pastures, and has helped to stabilize the condition of immature summer crops. In the South, warm, humid weather accompanies widely scattered showers. Portions of the Atlantic Coast state remain unfavorably wet, but previously dry areas from the Mississippi Delta westward have generally experienced an increase in topsoil moisture in recent weeks. A low-pressure system crossing the nation's mid-section will drift northeastward this week. Locally heavy rain, totaling 1 to 2 inches or more, will spread from the western Corn Belt into the Great Lakes region. Showers and thunderstorms associated with the storm system's trailing the cold front will affect the southern and eastern U.S. Meanwhile, hot weather will persist through week's end in much of the West, with record-breaking heat expected in the Pacific Northwest. As the week progresses, monsoon-related showers will return to the Southwest and eventually spread across portions of the Plains and upper Midwest. In contrast, mostly dry weather will continue in the Great Basin and the Pacific Coast States. Below is the 5-day rainfall outlook for this week.



Corn bulls are happy to see the USDA lower crop-conditions down from 70% to 68% rated "Good-to-Excellent". The biggest deterioration came in North Dakota which was down -9%, from 79% to 70% rated GD/EX on continued dry conditions. Colorado was reported down -6% from 63% to 57%; South Dakota down -4% from 69% to 65%; Minnesota down from 77% to 74% and Wisconsin down 78% to 75%; Iowa down -2% from 75% to 73%; Kansas down -1% from 47% to 46%. States that showed some improvement were: Kentucky +4%; Michigan +3%; Missouri and Pennsylvania +2%; Nebraska and Ohio +1%. Illinois, Indiana, North Carolina and Texas were left "unchanged". The USDA is showing corn in the "dough" stage at 85%, which is well ahead of the 5-year average of 72%. Corn in the "dented" stage is reported at 44% vs. the 5-year average of 26%. The Pro Farmer Crop Tour kicked off yesterday and estimates were released last night for both Ohio and South Dakota. Ohio is forecast at a yield of 179.57 bushels per acre up +9% from last year's 164.62 tour yield estimate. The 3-year tour average for Ohio is 153.98 bushels per acre. South Dakota is forecast at a yield of 178.01 bushels per acre up about +20% from last years 147.97 tour forecast. The 3-year yield average for South Dakota is 154.56 bushels per acre. The eastern leg of tour now moves on to Indiana, while the western leg of the tour will be in Nebraska. From a technical perspective, heavy resistance is still seen in the \$3.90 to \$4.10 range. On the downside, \$3.50 still appears to be longer-term support.

Co-hosted by:



FARM TANK



Today In History



1897, Oldsmobile Founded -

Ransom Eli Olds of Lansing, Michigan, founds Olds Motors Works—which will later become Oldsmobile—on August 21, 1897. Born in Geneva, Ohio, in 1864, Olds went to work for his family's machine-repair and engine-building business in 1883. In 1896, Olds completed his first gasoline-powered vehicle, and the following year he founded Olds Motor Works with financial backing from Samuel L. Smith, who had made his fortune in lumber. By 1901 Olds had built 11 prototype vehicles, including at least one of each power mode: steam, electricity and gasoline. He was the only American automotive pioneer to produce and sell at least one of each model of automobile. But a factory fire would destroy all but one, a small, one-cylinder curved-dash model. Light, reliable and relatively powerful, the curved-dash Oldsmobile (as Olds had renamed his company) became a commercial sensation after appearing at the New York Auto Show in 1901. Olds returned to Lansing in 1902 and began large-scale production of the car. The curved-dash Oldsmobile was the first American car to be produced using the progressive assembly-line system, and the first to become a commercial success. Olds soon split with Smith and his board of directors over the future direction of the company, however: Olds wanted to continue the focus on smaller cars, while the others favored the production of larger, more expensive automobiles. In 1904, Olds left to found the Reo Motor Car Company (for his initials, R.E.O.). After his departure, Oldsmobile struggled, and in 1908 it was swallowed up by the new General Motors (GM) conglomerate. By the 1920s, Oldsmobile's six- and eight-cylinder models sat solidly in the middle of GM's lineup—less expensive than Buick or Cadillac, but still comfortably ahead of Chevrolet. Oldsmobile survived the Great Depression years and earned a reputation as GM's "experimental" division, introducing the so-called "safety automatic transmission" in 1938, a precursor to 1940's "Hydra-Matic," which was the first successful fully automatic

**Corn
Crop**

**2018 U.S. Corn
Condition Ratings**

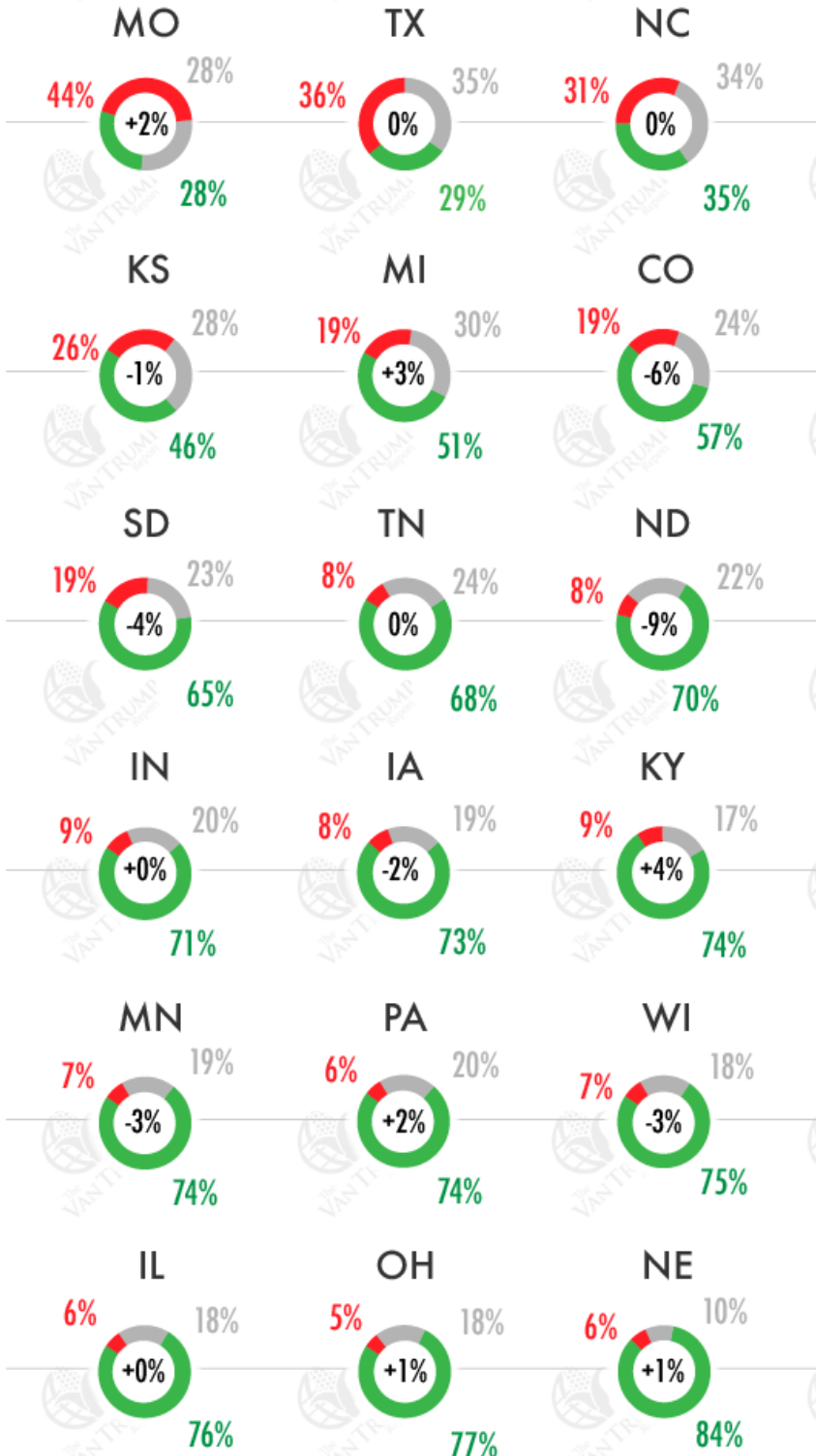
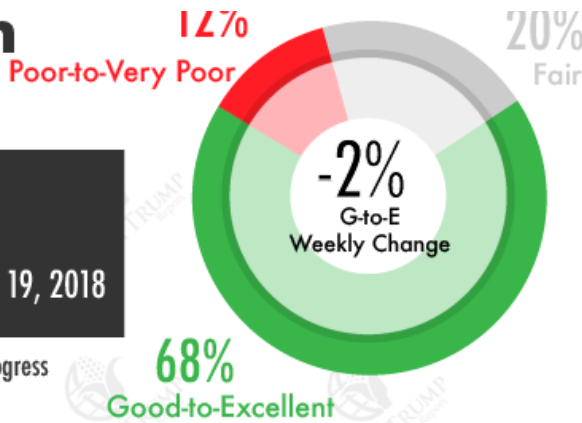
100/

Condition Ratings

Week 33

week ending August 19, 2018

Source: USDA, NASS Crop Progress



transmission. The 135-horsepower "Rocket" engine, introduced in the new 88 model in 1949, made Oldsmobile one of the world's top-performing cars. In 1961, with the release of the upscale compact F-85 (powered by a V-8 engine), Oldsmobile launched its Cutlass, which would become one of the industry's longest-running and most successful names. The Cutlass Supreme would reign as the best-selling American car for much of the 1970s and early 1980s. In the 1980s, however, Oldsmobile sales declined, and in 1992 a story in The Washington Post—denied by both Oldsmobile and GM—claimed that GM had seriously considered killing the brand. In August 1997, Oldsmobile celebrated the 100th anniversary of its founding. Despite efforts to compete with foreign imports with smaller, more fuel-efficient models like the Aurora, Intrigue, Alero and Bravada, Oldsmobile continued to struggle, and in 2004 GM finally discontinued the brand. At the time of its demise, Oldsmobile was America's oldest continuously operating automaker.



1935, Benny Goodman - The sound of swing, would utterly dominate the American popular-music scene in the late 1930s and early 1940s. While

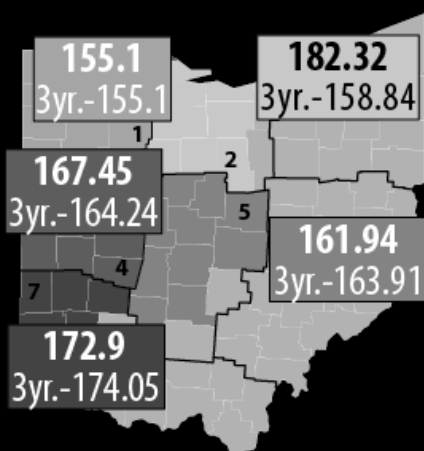
the roots of swing music clearly lie in earlier forms of jazz—and particularly in African-American jazz performance styles—swing as we know it may just have been born at a specific time and in a specific place, with an electric performance by one particular Big Band for one particularly enthusiastic audience. The time and place was August 21, 1935, at the Palomar Ballroom in Los Angeles, California, where Benny Goodman and his band emphatically opened the Swing Era with an exuberant performance witnessed by thousands of young fans in the live audience and millions more tuning in to a live radio broadcast. Benny Goodman had been a successful featured soloist in various prominent bands and the leader of his own trio and big band for several years before making his breakthrough at Palomar. The ninth of 12 children in a large Jewish family in Chicago, Goodman had been sent by his father at the age of 10 in 1919 to the local synagogue for clarinet lessons in the hopes that a music career might provide him a way out of poverty. By his early teens, Goodman had proven his father correct by becoming a working professional. When Goodman was 16, he joined one of Chicago's top bands, the Ben Pollack Orchestra, with which he made his first recordings in 1926, and by 24, he was successful enough to land his band a regular gig on a weekly radio program broadcast out of New York City called Let's Dance. It was there that Goodman began performing "hot" arrangements by African-American bandleader Fletcher Henderson—arrangements that departed from the more romantic style of the day by employing loose, upbeat, syncopated rhythms that had been common in African-American jazz ensembles for

FARM JOURNAL CROP TOUR RESULTS

OHIO

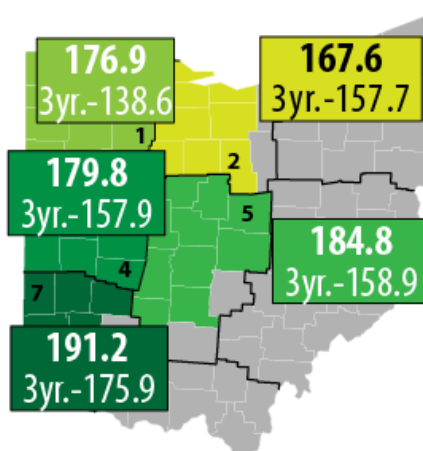


2017 Corn Yields 164 bpa



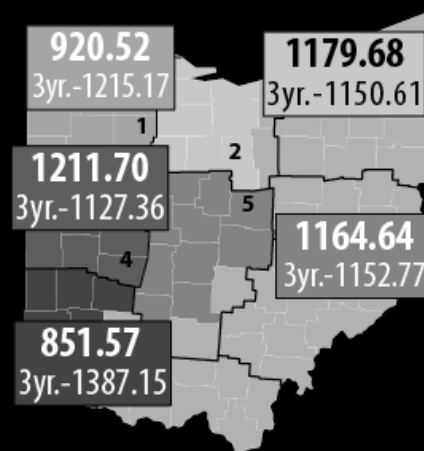
Yields per bushel

2018 Corn Yields 179.5 bpa



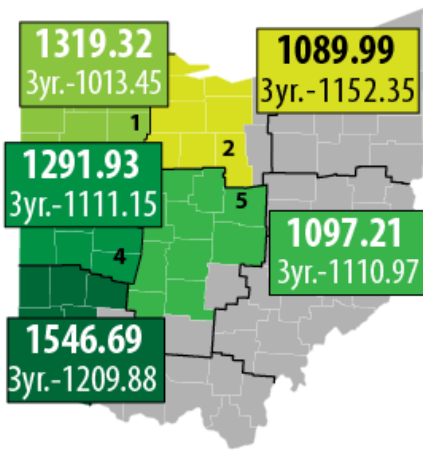
Yields per bushel

2017 Soybean 1107.01 Pod Counts



Pod Count in 3 x 3 Square

2018 Soybean 1248.2 Pod Counts



Pod Count in 3 x 3 Square

years. Goodman's band would often appear well past midnight, New York time, on Let's Dance. And while this limited their exposure on the East Coast, Goodman would soon discover a huge new fan base when he took his group west to California. Already familiar with Benny Goodman's exciting new style from his Friday night radio appearances, a huge crowd of young people turned out for his Palomar Ballroom debut on this day in 1935. It was a promising start to an engagement Goodman hoped would salvage a summer tour otherwise judged a failure. But Goodman stuck to relatively staid, stock arrangements during the first part of that night's show, and he began to lose the young crowd. Before their return from the first intermission, the band's drummer, Gene Krupa, is said to have urged Goodman, "If we're gonna die, Benny, let's die playing our own thing." It was at that point that Benny Goodman famously pulled out Henderson's arrangements along with all the stops on his talented orchestra, to the crowd's immense delight.



2004, Michael Phelps - American swimmer Michael Phelps wins his eighth medal of the 2004 Athens Olympics in spite of sitting out his eighth

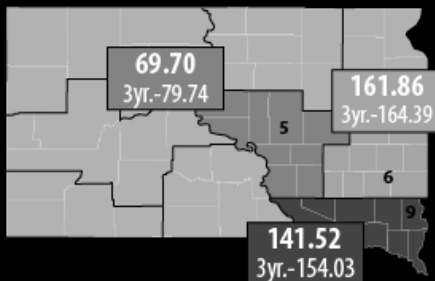
scheduled event, the final of the 4 x 100-meter medley relay. Phelps began swimming at the age of seven, partly because of the influence of his sisters and partly to provide him with an outlet for his energy. After retirement in 2016, he stated "The only reason I ever got in the water was my mom wanted me to just learn how to swim. My sisters and I fell in love with the sport, and we decided to swim." When Phelps was in the sixth grade, he was diagnosed with attention deficit hyperactivity disorder (ADHD). By the age of 10, he held a national record for his age group (in the 100-meter butterfly) and began to train at the North Baltimore Aquatic Club under coach Bob Bowman. Phelps would set and break many records as he moved up the ranks leading up to the Olympics, many of them his own. Impressively, Phelps would leave Athens with six gold and two bronze medals. His eight total medals tied him with Soviet gymnast Aleksandr Dityatin for the most medals ever won by a competitor at a single Olympic Games. Michael Phelps entered the 2004 Olympics intent on breaking American swimming phenomenon Mark Spitz's record of seven gold medals in one Olympics. He got off to a fast start, setting a world record in his first race, the 400-meter individual medley, and Olympic records with victories in the 100-meter butterfly, 200-meter butterfly and 400-meter individual medley. Phelps then settled for third place in the 200-meter freestyle and the 4 x 100-meter freestyle medley and entered the final day of the swimming competition with five gold and two bronze medals. Though this put him short of Spitz's record seven golds, he had already tied Spitz's record of four individual golds in one Olympics. Phelps sat out the finals of

FARM JOURNAL CROP TOUR RESULTS

SOUTH DAKOTA

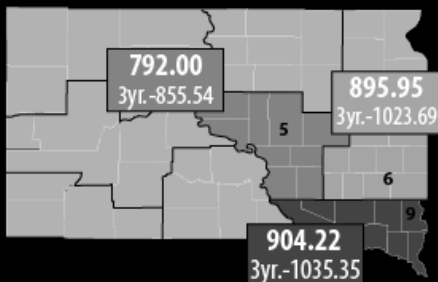


2017 Corn Yields 147.97 bpa



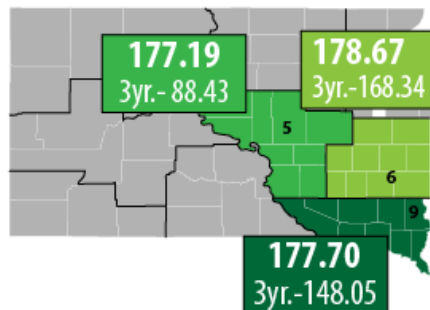
Yields per bushel

2017 Soybean 899.56 Pod Counts



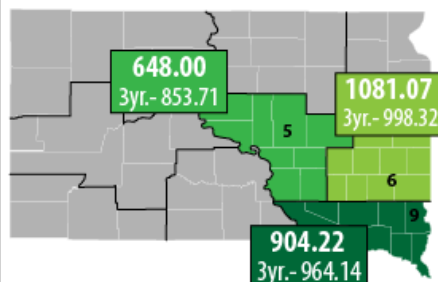
Pod Count in 3 x 3 Square

2018 Corn Yields 178.01 bpa



Yields per bushel

2018 Soybean 1024.72 Pod Counts



Pod Count in 3 x 3 Square

Soybean bulls are hoping to hear some positive headlines from upcoming Chinese trade negotiations. Bears are doubting we will see much if any positive movement in Chinese trade talks nearby, eyeing mid to late-October as the more probable time frame for a deal. As for the U.S. crop, the USDA lowered their crop-condition estimate from 66% down to 65% rated "Good-to-Excellent". States showing deterioration were: North Dakota down -8%; Minnesota and South Dakota -6%; Louisiana -5%; Iowa -2%; Wisconsin -1%. States showing improvements were: Michigan +10%; Kentucky +7%; Arkansas +5%; Indiana, Kansas and Missouri +2%; Nebraska, Mississippi, Ohio, and North Carolina +1%. Illinois and Tennessee were left "unchanged". The USDA shows soybeans "setting pods" at 91% vs. the 5-year average of 83%. The Pro Farmer Crop Tour kicked off yesterday and estimates were released last night for both Ohio and South Dakota. Ohio is forecast at 1248.20 pods per 3x3 area, which is up +13% from

the 4 x 100-meter medley so that his teammate Ian Crocker could leave Athens with a gold medal. The veteran U.S. swimmer Crocker had failed to qualify in the 100-meter freestyle and had swum poorly in the 4 x 100-meter freestyle final in which the U.S. won the bronze. Crocker then lost the 100-meter butterfly by .04 seconds to Phelps, who qualified for the 4 x 100 medley team with his win. Phelps swam the butterfly leg of the race in the preliminaries but then ceded his spot in the final to Crocker. Aaron Piersol, the first of the U.S. relay team into the water, swam an impressive 53.45-second backstroke leg. Next up was Brendan Hansen in the breaststroke, and then Crocker, who rewarded Phelps' faith in him by swimming the second-fastest butterfly leg in relay history. A strong finish in the freestyle leg by Jason Lezak gave the U.S. the gold and a world record time of 3:30.68, which knocked a full three seconds off the former mark. Since then, Phelps has become the most decorated athlete in Olympic history. In Beijing in 2008, he broke Spitz's record by winning eight gold medals. After his performance in London in 2012, he now has 22 medals, including 18 gold medals.

Upcoming Events

- 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

last year's 1,107.01 pod count. South Dakota was forecast at 1024.72 pods per 3x3 area, which is up about +14% from last year's 899.56 pod count. The eastern leg of tour now moves on to Indiana, while the western leg of the tour will be in Nebraska. From a technical perspective, it feels like nearby resistance is up between \$9.10 and \$9.20 per bushel in the NOV18 contract. Support seems to be in the \$8.50 to \$8.60 area.

Soybean Crop Condition Ratings

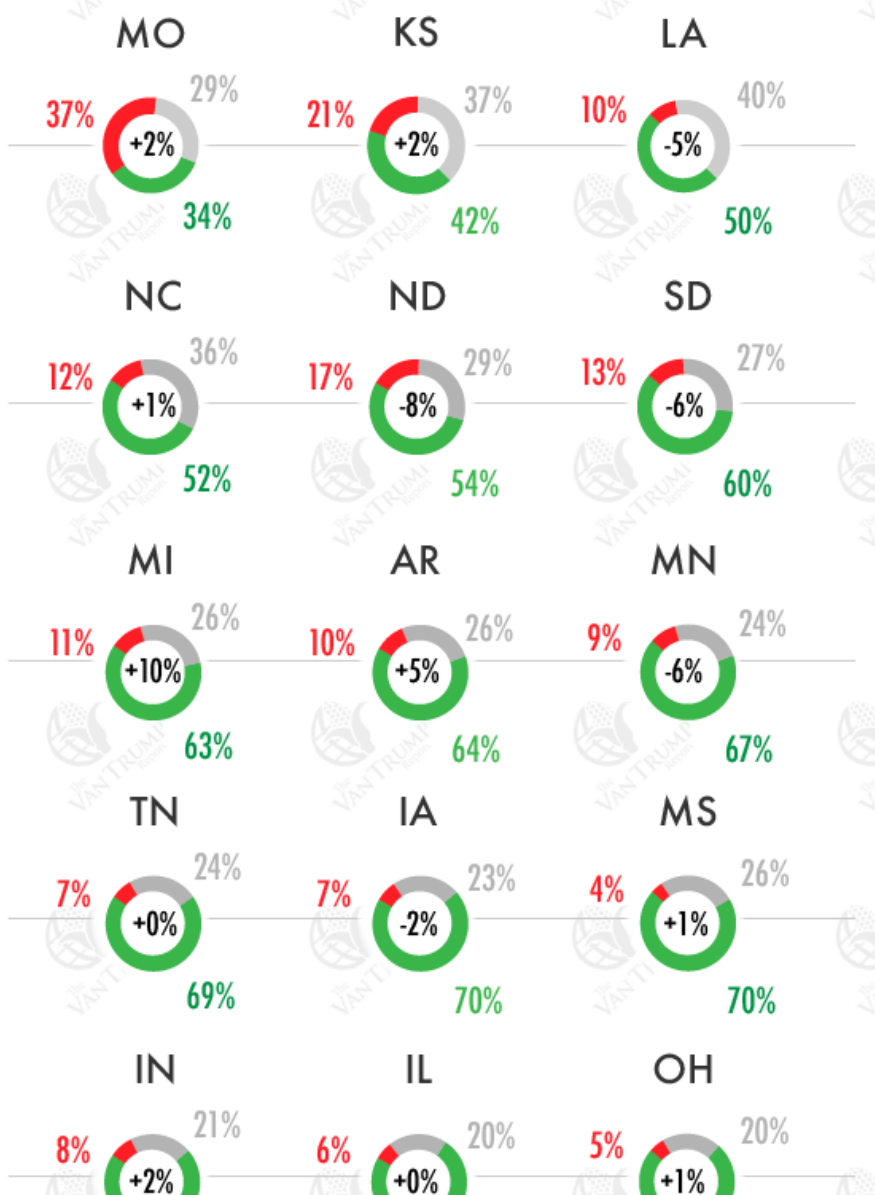
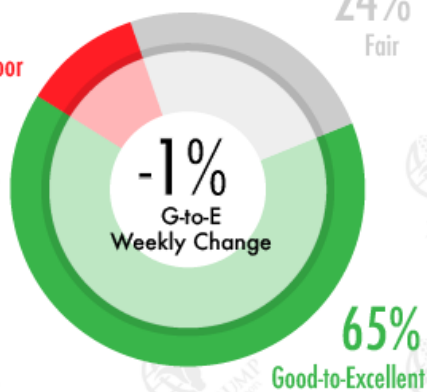
Week 33
week ending August 19, 2018

Source: USDA, NASS Crop Progress

2018 U.S. Soybean Condition Ratings

11%
Poor-to-Very Poor

24%
Fair



WHAT I'M LISTENING TO: ▶



▶ **Scotty McCreery** "This is it"

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.

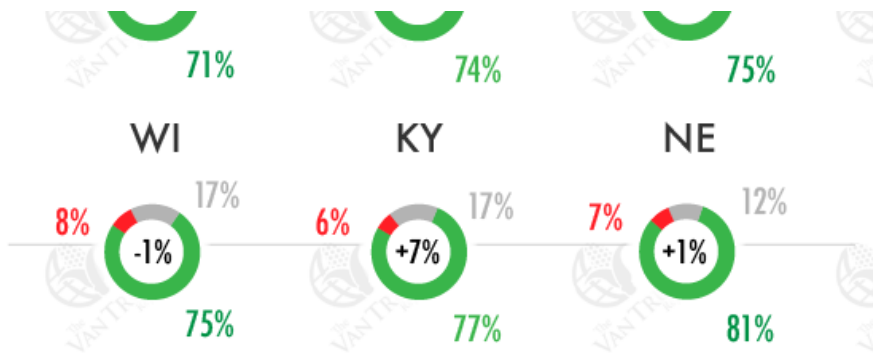
What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific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



Wheat prices pulled back a bit on rumors and talk that Russian exporters might push more aggressively nearby as they try to avoid increasing government hurdles later in the year. There's been some talk that the Russian government might eventually look to curb some of their exports in the coming months, which might be making exporters more aggressive nearby. Keep in mind, with over 50 MMTs of wheat already harvested, most inside sources are thinking the Russian crop will be down -16% to -20% compared to last year. Here at home, the USDA reports the winter wheat harvest at 97% complete which is very close to the 5-year average of 98% by this date. The USDA also showed 60% of the spring wheat crop is harvested which is up dramatically from the previous weeks estimate of just 35% complete and is also well ahead of the 5-year average of 44% harvested by this date. Spring wheat conditions were reported at 74% "Good-to-Excellent", which is down just -1% from last week, but still well ahead of last year 34% rated "Good-to-Excellent" at this stage of the game. Longer-term, I still see tightening global supplies and ongoing weather worries as reasons to remain bullish.

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

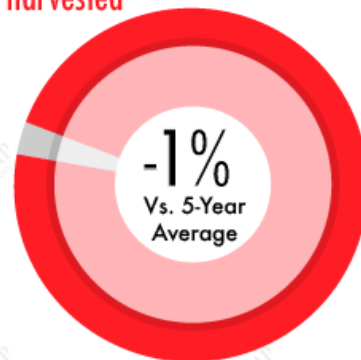
"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found 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

Winter Wheat Harvested

2018 U.S. Winter Wheat Harvested Percentage

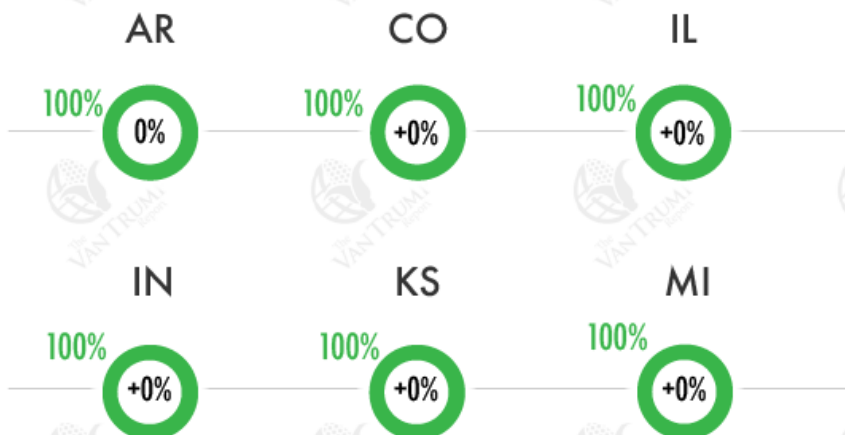
97% harvested



Week 32

week ending August 13, 2018

Source: USDA, NASS Crop Progress



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..."

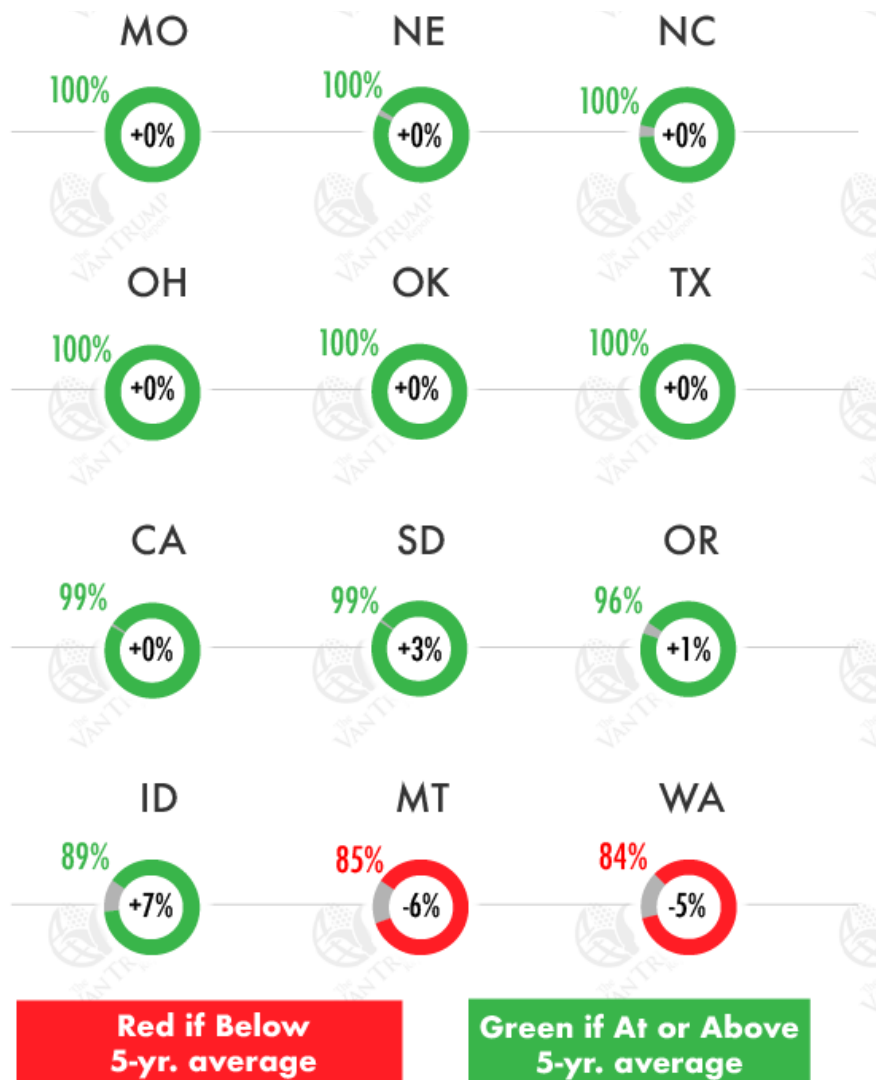
"Bulls make money, Bears make money, but pigs get slaughtered..."

"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.



> **China Markets May Provide U.S. Beef And Pork Opportunity:** The U.S. pork and beef markets sense some opportunity in China as that country deals with a widespread outbreak of African Swine Fever (ASF) that could impact domestic demand. Pork futures, for example, have gained more than 600 points (nearly 12 percent) since the second ASF case was reported last Thursday at a slaughterhouse in Zhengzhou, Henan province. Reports that U.S. and Chinese officials are working on trade issues ahead of their meeting in November also lent to the bullishness. (Source: Meatingplace)

> **U.S. To Sell 11 Million Barrels From Oil Reserves:** The Department of Energy has reported that the U.S. will sell 11 million barrels of sour crude from the Strategic Petroleum Reserve for loading between October 1 and November 30. The crude will be sold from three caverns: Bryan Mound and Big Hill in Texas, and West Hackberry in Louisiana. US sanctions will come back into force November 5 on Iran's oil sector, central bank, shipbuilders, and ports. Forecasts vary widely on how much oil will leave the market. Congress has passed laws requiring DOE to sell 290 million barrels of crude from the SPR through fiscal 2027. The 11-million-barrel sale is part of two requirements: to draw down 25 million barrels over three consecutive fiscal years starting in 2017 and to sell 58 million barrels over eight consecutive fiscal years starting in 2018. The SPR currently holds 405.4 million barrels of sour crude and 254.6 million barrels of sweet crude. (Source: Meghan Gordon, S&P Global, Platts)

> **NCGA Seeks Formal Input For Retraactive RFS waivers:** The National Corn Growers Association asked the EPA to take into account the retroactive exemptions granted to refineries as it develops a proposed rule for the 2019 volume standards under the Renewable Fuel Standard program. At issue is the 2.25 billion ethanol-equivalent gallons in retroactive exemptions, or for future exemptions that are currently not accounted for.

> **Farm Bureau To Appeal WOTUS Ruling:** A coalition of businesses led by the American Farm Bureau Federation plans to challenge a federal court's decision that put the Obama administration's Waters of the U.S. rule into effect in 26 states. The group also used the ruling to put pressure on the U.S. District Court for the Southern District of Texas to quickly rule on its request for a nationwide injunction on WOTUS. (Source: Politico)

> **Existing Home Sales Expected To Break Recent Trend:** Existing home sales have been stagnant over the past year and a half. Since April, sales have posted a string of small monthly declines, but researchers from Zillow expect that streak to end with the July numbers coming out tomorrow, but only ever-so-slightly. Their July forecast suggests that existing home sales rose 0.5 percent in July from June to 5.41 million units at a seasonally adjusted annual rate – unchanged when the number is rounded and down 0.2 percent from July 2017.

> **Pepsi Buys Soda Stream For \$3.2 Billion:** PepsiCo Inc. has agreed to buy one of its fiercest critics, seltzer-machine maker SodaStream International Ltd., for \$3.2 billion, the latest move by the beverage-and-food giant to broaden its offerings beyond sugary sodas and salty snacks and move into healthier lines. Israel-based SodaStream makes countertop machines that allow consumers to carbonate tap water and other beverages at home by filling a reusable bottle and flavoring it with syrups. (Source: WSJ)

> **Nvidia Says Crypto-Mining Boom Is Over:** Nvidia's Chief Financial Officer surprised investors who had already been anticipating lackluster crypto sales who had already been anticipating lackluster crypto sales with an even more downbeat forecast for crypto-mining sales Thursday. Nvidia released second-quarter earnings and noted a shortfall in crypto sales and said they expected no meaningful contributions going forward. Crypto-mining was a small part of Nvidia's overall revenue which grew 40% in the second quarter to \$3.1 billion, led by its gaming business. (Source: MarketWatch)

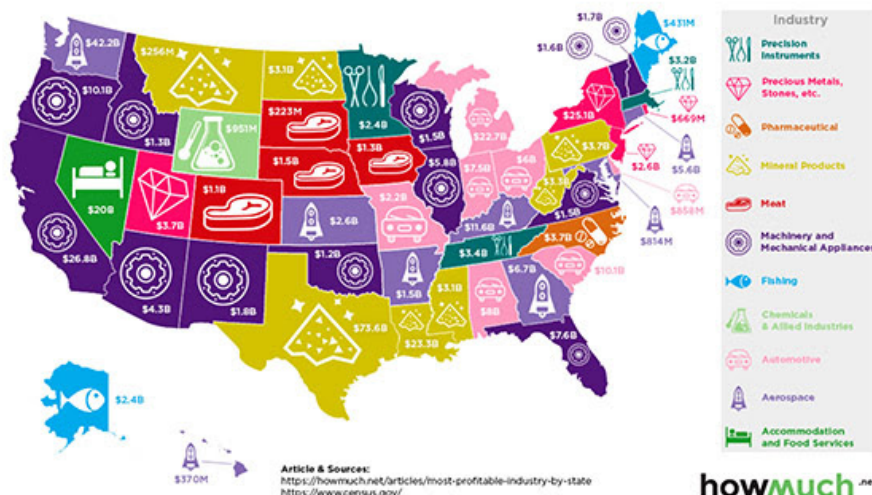
> **Google Finalizing Permanent Retail Location:** Google is reportedly close to finalizing a lease on a 14,000-square-foot property in Chicago, reports AdAge. The store will be located in Chicago's Fulton Market district and will be a permanent venue. Google has previously opened pop-up stores in other cities, but those have all been temporary. Opening a store now makes much more sense, as Google has a host of hardware offerings, including devices such as Chromebooks, Pixel smartphones, Google Home speakers, Nest home devices, and Daydream VR headsets.

> **ESport Tournament Hosts World Record Payout of \$25 Million:** Dota 2's The International, the biggest eSports tournament on planet Earth, is taking place this week in Vancouver where players will compete for the biggest prize pool in the history of competitive gaming. According to CNBC, Dota 2's competitive tournaments paid out \$38 million across all of its events last year, which included \$20.7 million from The International 2017. That figure is set to be smashed by Epic, which is paying out \$100 million for all of the Fortnite competitive gaming tournaments in the 2018-2019 season, including the \$25 million purse for the International. I think you can see now why parents are going crazy and hiring coaches for their future video champs...

> **Which Industry Dominates Your State?** These numbers are taken from analysis of 2017 U.S. Census Bureau data in order to determine the value of each industry's products. There are a few surprising results. I can understand that the most profitable industry in Kansas would be aerospace (\$2.6B), but I didn't think Arkansas, Georgia and Kentucky would be. And take a look at all the states colored purple, where machinery and mechanical appliances predominate — who knew that Florida, Idaho and Illinois have so much in common? It's also interesting to see that 27 out of 50 U.S. states are led by only three industries (machinery, aerospace and mineral products) accounting for just under \$1.7 trillion in value. (Source: HowMuch) Click image below for larger view.

The Most Profitable Industry In All 50 U.S. States

Value of the industry's top-selling products (\$ billion)





FROM THE FIELD

Central Arkansas - *The crops have had timely rains and look good. They don't look great like everyone at the USDA thinks. We have put a lot of water down this year and we have had few timely rains so that has kept this crop going. Like I said, it's not going to be exceptional but the test weight might be a bit better than what guys are expecting. The reason I think that is because we are about 3 weeks behind right now. Usually we are harvesting corn by the first week of August and I would bet there's not more than 1-2 guys harvesting in total. I think the soybeans might be as good as what we've seen but they are so hard to judge that not many people can tell what they will make until the combine is actually harvesting.*

Northcentral Kansas - *We have CRP ground that is coming off this year and it's not eligible to be put back into CRP so we are going to attempt to farm the ground. We are not sure what will work because we haven't had anything like this in years. It's very hilly ground that has large amounts of tree scrubs and biomass. The ground is rough as it gets when you drive across it so it's going to take a ton of work to get her back to farming conditions. It's really a shame that we have to put it back into farm ground because it honestly made nice hunting ground. We are thinking that corn is about all we can get out of the ground but it's going to take lots and lots of nitrogen to even raise a crop not to mention all the brush that needs cleared and the ground smoothed.*

Central Illinois - *I have been seeing all the pictures and stories about all the great corn in Illinois but I guess I have the backyard syndrome because this is the driest summer we have had in Peoria County since the early 2000's and the that includes the 100 year drought of 2012. I would say the corn is 100% done at this point but the beans could still have a little life breathed into them if we started getting rain yesterday. We have not had enough rain to empty the rain gauge since late June when we got about 3 inches. At that point I was thinking this might be one of our better year but that thought process has long since gone and we are just hoping to salvage the soybeans. The bad part about this insurance is the county might just make enough over all that we don't make a crop and we don't get any help from insurance so it's a double whammy. Tough year in this area and this area of Illinois alone.*



CROSSING WIRES

A place to share intelligent thoughts...

K-State Researchers Crack Wheat Genome Sequence: Kansas State University scientists, in collaboration with the International Wheat Genome Sequencing Consortium, published today in the international journal *Science* a detailed description of the complete genome of bread wheat, the world's most widely-cultivated crop. Meaning, future wheat varieties will be better suited to adapt to climate changes. Higher yields and enhanced nutritional quality along with improved sustainability can be expected. The research article -- authored by more than 200 scientists from 73 research institutions in 20 countries -- presents the reference genome of the bread wheat variety Chinese Spring. Read more [HERE](#) on the future of Wheat.

How The Best Minds Deal With Uncertainties: Our brains give us fits when facing uncertainty because they're wired to react to it with fear. In a recent study, a Caltech neuroeconomist imaged subjects' brains as they were forced to make increasingly uncertain bets — the same kind of bets we're forced to make on a regular basis in business. As we face uncertainty, our brains push us to overreact. The less information the subjects had to go on, the more irrational and erratic their decisions became. You might think the opposite would be true — the less information we have, the more careful and rational we are in evaluating the validity of that information. Not so. As the uncertainty of the scenarios increased, the subjects' brains shifted control over to the limbic system, the place where emotions, such as anxiety and fear, are generated. Read how successful people override this mechanism [HERE](#).

Millennial's Password Sharing Is Costing Companies Millions: As streaming services such as Netflix, Hulu and Amazon are fighting for eyes — they are also looking to get paid for their services. Especially from their youngest viewers. From what I understand, streaming subscribers are sharing passwords and skirting systems in increasing numbers, creating a growing and expensive problem for streaming services. As companies seek to get their content in front of potential customers, younger customers are increasingly used to accessing the services for free. It appears the time has come for companies to consider when and where to draw the line on password sharing. See what companies plan to do [HERE](#).

Super-Sized Stratolaunch Ready For Flight: On December 13, 2011, Paul Allen, the reclusive billionaire and co-founder of Microsoft, stood in front of a group of reporters in Seattle and told them about his wild new plan... The Stratolaunch. I'm told it would be the largest airplane, by wingspan, ever created. The twin-fuselage, catamaran-style aircraft would be a flying launchpad, its purpose to heave a half-million-pound rocket ship to cruising altitude and then drop it, whereupon the rocket would ignite its engines for a fiery ascent into space. Everything about Stratolaunch is supersized. It has six screaming Pratt & Whitney turbofan jet engines, salvaged from three 747s. Its maximum takeoff weight is 1.3 million pounds. It's got more than 80 miles of wiring. Most astounding is its 385-foot wingspan, the spec that puts Stratolaunch in the history books. Great story [HERE](#).

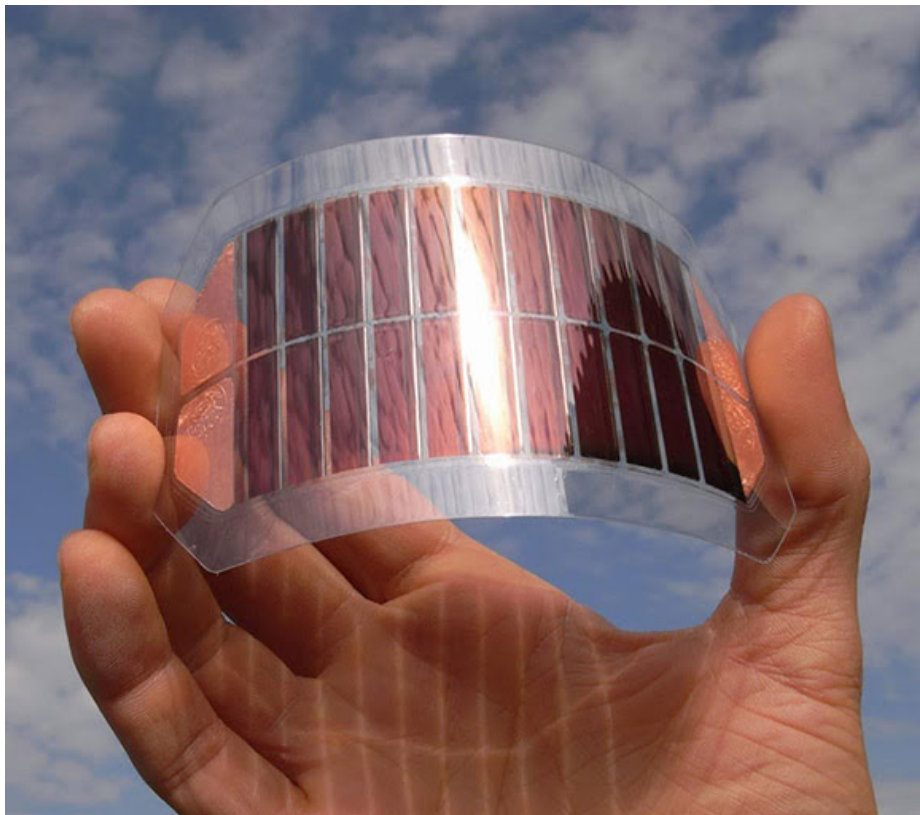
Slash Back With Guns N' Roses: One of the greatest guitarists of our generation gives his first extensive interview on reuniting with GNR. After two decades of separation, Slash shares how the reunion transpired over time. Slash has also been busy as a single artist, with a new album to be released in September. In his own words... "From '86 to '94, there was definitely not a day or a show that I was sober. I was a very functional alcoholic. I mean, when I was on tour, it's always alcohol. I'm happy to say I've been sober every day since 2006." Read more [HERE](#).

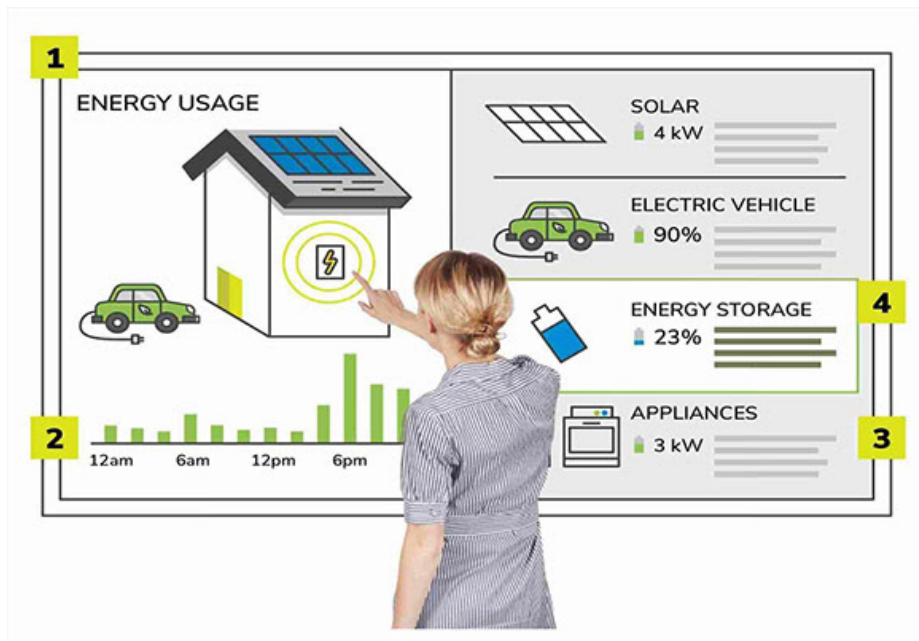




Researchers Take Major Step Towards New Generation Of Solar Cells

Commercial solar photovoltaics are currently produced from silicon due to their efficiency at converting sunlight into electricity. But recent breakthroughs with organic photovoltaics (OPV) made of carbon finally look to provide a cheaper solution. At current levels of production, commercial solar cells generally convert 15%-22% of sunlight, although a world record of 27.3% was reached in the UK this summer. From what I understand, up until the recent breakthroughs, OPV's have only generated about half that amount of electricity. But in April, researchers were able to reach 15% and now I'm told the new study has pushed that beyond 17% with the real possibility that 25% being reached. Keep in mind, with a 15% efficiency and a 20 year lifetime, organic solar cells could produce electricity at a cost of less than 7 cents per kilowatt-hour, which is 3.5 cents less than the average cost of 10.5 cents in 2017. It's worth noting that the previous inefficiencies in OPV's stemmed from the loosely bound molecules found in organic materials, which trap electrons and slow down the generation of electricity. Researchers have overcome that obstacle by putting different layers of material together in a what's termed a tandem cell approach. I'm told that the two layers of active materials now can absorb different wavelengths of light meaning you can capture sunlight in the wider wavelengths that previously went unused. Though it still may be five years before commercial applications are viable, implementation of the cells will certainly be a game changer. For instance, since the cells can be made semi-transparent, they will most likely be incorporated into windows. Not to mention due to their lightweight, they will be able to be placed on many buildings that are not suited to the heavier silicon. I imagine they will end up being used on the roofs of cars, in our clothes and one day will be used in our glasses to charge our phones while we are out and about. The only thing holding them back for now is the expense to produce at a larger scale and the fact researchers say they are not stable enough yet. The recent tests did see the cells maintain their performance for 165 days, but it is agreed that stability is a hurdle. I suspect that future technology will uncover the solution and create the next disruption in clean energy. (Source: cen.acs.org, bbc.com)





Fantasy Football Talk

It's time for me to start thinking about my Fantasy Football picks. Can you believe Fantasy Football is expected to draw in over +75 million players this year, who will spend about \$5 billion in the process. Between league materials, league costs and single-player challenge games, the average player spends \$575 a year on fantasy sports, reports the Fantasy Sports Trade Association. [The Fantasy Football World Championships](#) offers a payout of \$150,000 for the grand prize winner, and \$10,000 goes to the winner of each league. The draft weekend live event takes place Sept. 5th to 9th at the Palms Hotel & Casino in Las Vegas. Those who can't make it to Vegas can draft online. There's another high stakes league called [The National Fantasy Football Championship](#) which hosts two draft events and also pays out \$150,000 to the winner. I heard there's a \$200,000 payout to the winner of [The Fantasy Championship](#), which is a money league created by RealTime Fantasy Sports and MyFantasyLeague.com. Another quarter-million dollar payout can be taken home by winning the [Fantasy Football Players Championship](#), which is billed at the largest season-long tournament in the world. The Footballguys Players Championship has a \$1.8 million prize pool with a \$250,000 grand prize. Drafting is online only. It costs \$350 to draft a team, with a discount of three teams for \$1,000. If you really want high-stakes fun, [The Fantasy Football Millionaire](#) — aka the Milly Maker — is an extremely unique tournament. It often has close to 200,000 entries, roughly 33 percent of the total prize pool goes to first place, and someone wins an absurd \$1 million on a \$20 buy-in. There's also a kind of cool long-shot Fantasy game offered by the NFL called [NFL Perfect Fantasy Challenge](#). The challenge is to draft the highest-performing player in all eight available positions in the same week. In past years, drafting just four of the top eight in the same week has proven to be nearly unattainable. That said, the challenge is free to join and free to play.

I personally don't know many secrets that others don't in regard to drafting the best Fantasy team, but one question many people always ask is, how many running backs should they take? In a league that starts two RBs without a flex, you can generally get by with five on your roster. Most leagues have a flex though, so shoot for 6 on your roster. Another piece of advice to win your fantasy league is to get one stud receiver like Antonio Brown, DeAndre Hopkins, Odell Beckham Jr. or Julio Jones and let the rest fill in as the draft goes. Also, don't be afraid to take a QB late in your draft, this years QB pool seems deeper than ever. And there are always a couple of QBs who significantly outproduce their draft positions like Carson Wentz and Alex Smith last year. The last piece of advice to help better your fantasy team is if you don't get Rob Gronkowski, Travis Kelce, or Zach Ertz at tight end then wait in your draft to try to pick up a sleeper. Below is a list we've compiled in the office that includes the top-five players at each position and who most services are defining as top "sleepers" for this fantasy season. I hope this helps gives you a rough idea about upcoming drafts.

Quarterbacks:

Top 5- Aaron, Rodgers, Tom Brady, Andrew Luck, Deshaun Watson, and Russell Wilson

Sleepers- Marcus Mariota, Phillip River, Dak Prescott, Derek Carr, Patrick Mahomes II

Running Backs:

Top 5- Todd Gurley, Ezekiel Elliott, Le'Veon Bell, Saquon Barkley, and Kareem Hunt

Sleepers- Lamar Miller, Rex Burkhead, Alex Collins, Royce Freeman, Tevin Coleman, and Nick Chubb

Wide Receivers:

Top 5- Antonio Brown, DeAndre Hopkins, Odell Beckham Jr, Keenan Allen, and Julio Jones

Sleepers- Michael Crabtree, Ryan Grant, Danny Amendola, Marquise Goodwin, Corey Davis, and Mike Williams

Tight Ends:

Top 5- Rob Gronkowski, Travis Kelce, Zach Ertz, Jimmy Graham, and Greg Olson

Sleepers- David Njoku, Jordan Reed, Eric Ebron, George Kittle, and Charles Clay

Defenses:

Top 5- Jaguars, Rams, Vikings, Eagles, and Chargers

Sleepers- Texans, Saints, Panthers, Titans, and Falcons



It's Always About Perspective

Below is a poem that was written by a high schooler in NY named Chanie Gorkin. She posted it at PoetryNation.com and somehow it found its way in to a bar in North London, where a man took a picture of it and posted it to Twitter. From there it went viral! It's certainly not what I had expected... Make sure after you read it the first time, top to bottom, you read again, but this time from bottom to top. Really cool to see how something so simple can so drastically change the angle of our perception. I was just telling the younger guys in the office, when they find themselves getting into a deep rut in life, they have to immediately recognize the fact, while at the same time commit to taking an alternative path and doing things differently. The key is doing things differently, don't start your day the same way, don't immediately look at your cell phone in the morning, eat something different for breakfast, don't drive the same way to work, park in a different spot, don't sit down at your desk and immediately start reading e-mails. Remember, for change to occur, you have to make change occur!

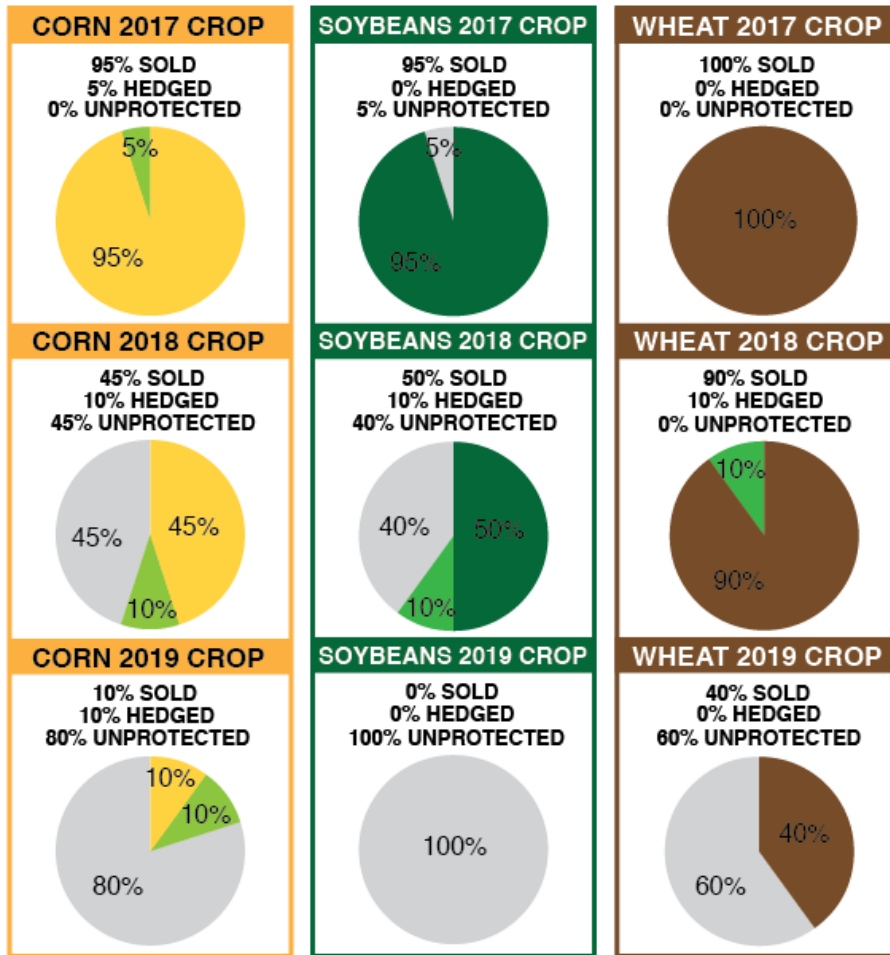
Today was the absolute worst day ever
And don't try to convince me that
There's something good in every day
Because, when you take a closer look,
This world is a pretty evil place.
Even if
Some goodness does shine through once in a while
Satisfaction and happiness don't last.
And it's not true that
It's all in the mind and heart
Because
True happiness can be obtained
Only if one's surroundings are good
It's not true that good exists
I'm sure you can agree that
The reality
Creates
My attitude
It's all beyond my control
And you'll never in a million years hear me say that
Today was a good day

Now read from bottom to top.

ANSWER to riddle: Sailor

CASH SALES & HEDGING TOTALS

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