

## GOOD MORNING: 08/23/18 Farm Direction - Van Trump Report

2 messages

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Thu, Aug 23, 2018 at 6:22 AM



*"If you aren't going all the way, why go at all?" ~Joe Namath*

THURSDAY, AUGUST 23, 2018

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**Morning Summary:** Stock bulls have paused bit on the negative headlines surrounding Washington. Interestingly however, the market hasn't fallen under much pressure, just perhaps pausing to look around a moment. Traders say the market isn't all that concerned since President Trump has already gotten the tax reform bill passed and has put many pro-business acts in play. Meaning even if the investigation were to ripple closer towards the President, the market might not get all that concerned. In fact, some bulls believe the market could see this as somewhat supportive, thinking we might see softer dealings in regard to trade in order to create more bullish optimism and positive headlines about the U.S. economy. It's interesting to think about how the market is digesting these political headlines? The most recent Fed "minutes" revealed they are likely to raise interest rates at next months meeting. Keep in mind, the Fed has already raised rates twice this year and the market is positioned for two more rates hikes in 2018, then perhaps three more in 2019. The minutes also showed discussions in greater detail about concerns surrounding prolonged trade disputes and how it could ultimately disrupt economic growth. All officials at the meeting pointed to trade disputes as "an important source of uncertainty and risks." They also signaled that they were monitoring a few other items like fallout from emerging markets, a possible sharp rise in oil prices, and perhaps a slowing U.S. housing market. Oil prices have been up for five straight sessions and the most recent weekly U.S. data was fairly bullish after the energy department reported crude inventories down by -5.8 million barrels. The most recent Existing-Home Sales data showed a 2½-year low. This is the fourth consecutive month that sales of previously-owned homes have slid. July's selling pace was 1.5% lower than a year ago. Homes for sale were on the market for an average of 27 days in July, up a bit from 26 days in June. The median sales price in June was \$269,600, up +4.5% compared to July 2017. We will get a look and New Home Sales data later today. Most all eyes however will be focused on headline from the first day of the Jackson Hole Symposium. Tomorrow we will hear a highly anticipated speech from Fed Chair Jerome Powell. The market is also eager to see updated headlines regarding trade negotiations. Rumors are we will see some type of handshake agreement with Mexico before the week is over. Hopefully this will lead to improved talks and negotiations with Canada. Then perhaps we can get some improved movement with the European Union and China.

**Elon Musk Works 120 Hours Per Week:** Currently, Musk tells people he's working close to or more than 120 hours a week and hasn't taken a full week off since 2001 when he had malaria. Elon has told the press, "There were times when I didn't leave the factory for three or four days -- days when I didn't go outside." If you break his hours down in a week, then he's working close to 17 hours a day, which is more than 6,240 hours per year. If he keeps this pace up over the next 10 years, then he will have logged over 62,400 hours of work. So, if Musk's total 10-year payout is a theoretical \$55.8 billion, then every hour of his time is worth close to \$900,000 if he keeps the work schedule to meet Tesla's goal. Musk's payout is entirely performance-based though, so if he doesn't perform he could potentially earn a grand total of \$0. It will be interesting to see if Elon can keep up these 120 work weeks. I think it's awesome to see a guy who is worth billions and on top of the world continuing to keep such a mad pace. It reminds me of when Michael Jordan or Larry Bird where the tops in basketball yet they continued to be the first ones at the gym and the last to leave. Sounds like Michael Phelps, sounds like Tiger Woods, sounds like Steve jobs. I suspect it simply proves the best never settle, relax or coast... Good Stuff! (Source: CNBC)

**Ohio State Suspends Urban Meyer for Three Games:** The move comes after an investigation found Mr. Meyer failed to take sufficient action following domestic violence accusations against a former assistant coach. (Source: The Wall Street Journal)

**Big Payday For Tim Cook:** Barring a massive crash in the coming trading session, Apple CEO Tim Cook stands to earn a total of 560,000 shares on Friday as part of his annual compensation plan. That's about \$120 million worth of Apple stock, based on its current price. Half of those shares are tied to the company's performance compared with the rest of the S&P 500, a modification Cook requested a few years back. (Source: SeekingAlpha)

## THE 2018 VAN TRUMP CONFERENCE



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

A gathering for the  
sharpest minds in  
agricultural investing.

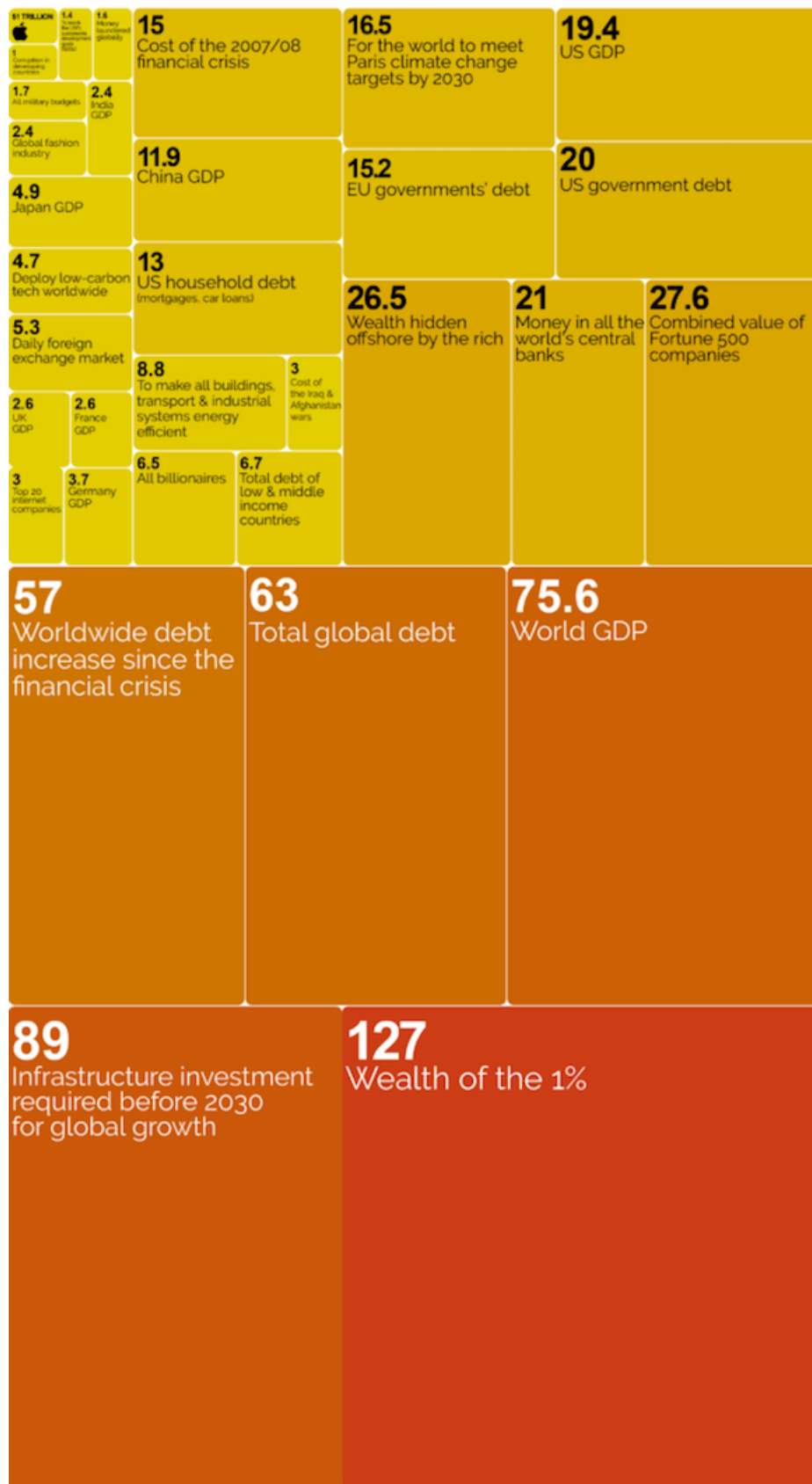
Hear firsthand  
about new  
innovations.

Innovations  
that will be  
changing & shifting

What's A Trillion Dollars? This was circulating inside the trade the past couple of days. It looks like it came from David McCandless "Information is Beautiful". It's certainly interesting to think about the comparisons.

the farm industry.

## \$Trillions



David McCandless  
Information is Beautiful

sources Bloomberg, NYTimes, The Guardian, CNN, Washington Post, World Bank

data bit.ly/IB-TRILLIONS

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

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\$500

Early Bird Special

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

- John Wooden



# neuro mining



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

## TODAY'S RIDDLE:

*I twist and turn and leave a loop. What am I?*

**Weather** across the Corn Belt is featuring cooler, dry weather following a widespread rain event over the past few days. Nationally, less than one-eighth of the corn (12%) and soybeans (11%) were rated in poor to very poor conditions on August 19, but those numbers stood at 37 and 44% respectively in Missouri. Still recent soil moisture improvements in the southwestern Corn Belt have benefited later-developing summer crops and have begun to revive pastures. On the Plains, rangeland, pastures and immature summer crops are generally benefiting from recent soil moisture improvements. Yesterday saw showers occur across the central High Plains. Dry weather prevails in other areas, including the northern Plains, where small grain harvesting continues at a rapid pace. In the South, lingering showers are confined to the Atlantic Seaboard. Elsewhere, mostly dry weather favors summer crop maturation and harvesting. Category 4 hurricane Lane continues to drift closer to Hawaii and is threatening to strike several islands today and tomorrow. This will potentially bring high winds, flash flooding and damaging surf. Back on the U.S. mainland, cooler weather will replace initially hot conditions in the Pacific Northwest, while a late summer heat wave will develop across the High Plains. By week's end, hot weather will expand to encompass the Plains and Midwest. The 6 to 10 for August 28 - Sep.1 depicts near to below normal precipitation across the southern two-thirds of the country, with the highest likelihood of dryness over the southern Plains and the mid-Atlantic Region. Wetter than normal conditions are expected across the nation's northern tier. Near to above normal temperatures are expected from the Great Plains eastward, with cooler conditions in the West.

Co-hosted by:



## Today In History



### 1877, John Wesley Hardin -

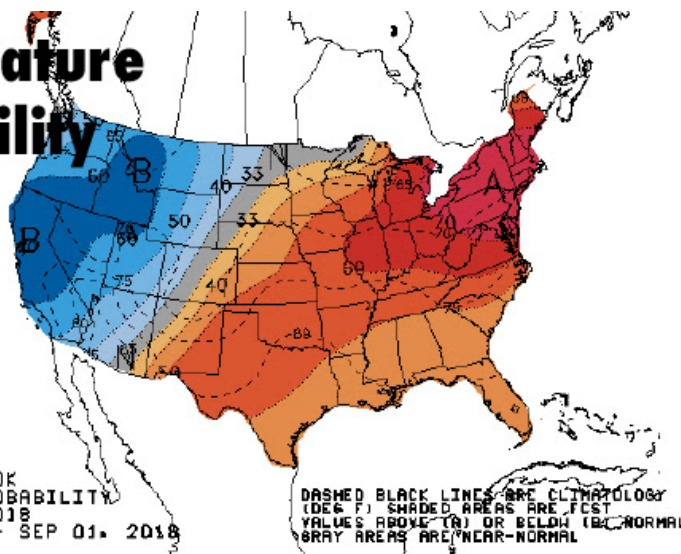
Texas Ranger John Armstrong arrests famous outlaw John Wesley Hardin in a Florida rail car, returning the outlaw to Texas to stand trial for murder. Hardin was born in 1853 near Bonham, Texas, to a Methodist preacher and circuit rider, James "Gip" Hardin, and Mary Elizabeth Dixon. He was named after John Wesley, the founder of the Methodist denomination of the Christian church. In his autobiography, Hardin described his mother as "blond, highly cultured... [while] charity predominated in her disposition." Hardin's father traveled over much of central Texas on his preaching circuit until he and his family settled in Sumpter in Trinity County, Texas in 1859. There, Joseph Hardin established and taught at the school that John Hardin and his siblings attended. Hardin was the second surviving son of ten children. While in prison later in life, Hardin wrote his autobiography, the source for many stories about him. However, he was well known for wildly exaggerating or completely making up stories about his life. In several of his stories, he claimed to have been involved in events which cannot be confirmed. For example, Hardin wrote that he was first exposed to violence in 1861 when he saw a man named Turner Evans stabbed by John Ruff. Evans died of his injuries and Ruff was jailed. Hardin wrote, "...Readers you see what drink and passion will do. If you wish to be successful in life, be temperate and control your passions; if you don't, ruin and death is the result." On this day in 1877, Armstrong, acting on a tip, spotted Hardin in the smoking car of a train stopped at the Pensacola station. Armstrong stationed local deputies at both ends of the car, and the men burst in with guns drawn. Caught by surprise, Hardin nonetheless reacted quickly and reached for the gun holstered under his jacket. The pistol caught in Hardin's fancy suspenders, giving the lawmen the crucial few seconds they needed and probably saving Hardin's life—instead of shooting him, Armstrong clubbed Hardin with his long-barreled .45 pistol. Technically, the Texas Rangers had no authority in



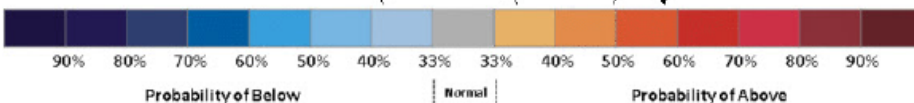
# Temperature Probability



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 22 AUG 2018  
VALID AUG 28 - SEP 01, 2018



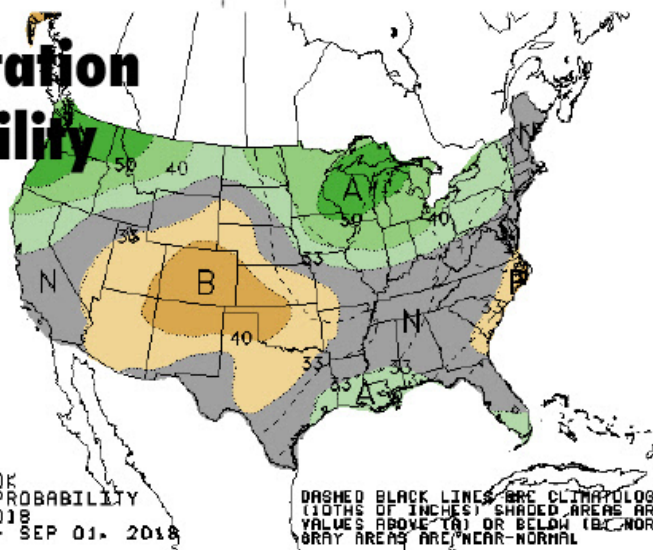
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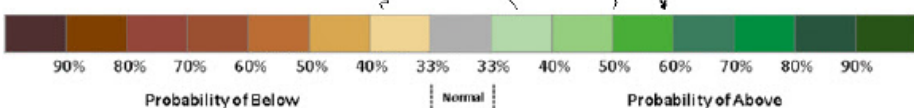
# Precipitation Probability



6-10 DAY OUTLOOK  
PRECIPITATION PROBABILITY  
MADE 22 AUG 2018  
VALID AUG 28 - SEP 01, 2018



DASHED BLACK LINES ARE CLIMATOLOGY (10THS OF INCHES) SHADED AREAS ARE FCS VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL



**Corn** bears continue to point towards a record U.S. yield as private crop tours across the country are confirming large USDA estimates. I've personally heard from producers down south in the Delta area that the yields are big but "test weights" are a bit of a disappointment because the crop matured too fast. From a traditional balance sheet perspective, bears want to argue that a yield north of 180 bushels per acre will start to bring back debates about a +2.0 billion bushel carry. Bears are also talking about more corn acres in Argentina being planted and perhaps a substantial jump in U.S. corn acres for 2019. I've heard some early talk of more than 95 million corn acres being planted in the U.S. next season. I'm not so sure I'm on board with that argument this early, especially as I wonder if the banks will be willing to loan on that many corn acres. I've heard some fairly large farm lending groups are starting to become harder to work with and are reducing and cutting lines of credit. Let's also keep in mind, that 28 and 32% N for 2019 is about +20% to +25% higher for the 2019 growing season in many locations. I've heard from numerous producers across the country who are seeing steep increases and becoming a bit more worried that prices might not come down much. Keep in mind, spot prices across most parts of the U.S. remains strong and global demand is certainly robust. Meaning the price of poker in the corn field next season looks as if it will be raised. Bulls in the market are talking about perhaps a handshake deal with Mexico being announced today or tomorrow, which will open up the door to overcome some of the hurdles with Canada. I'm still not hearing much new in regard to trade negotiations with China and or Europe. From a technical perspective, I still feel like we are range-bound for a while somewhere between \$3.40 and \$4.10 per bushel. The Pro Farmer Crop Tour finished their third leg last night and released estimates for Illinois and western Iowa. The results for Illinois show an average yield of 192.63

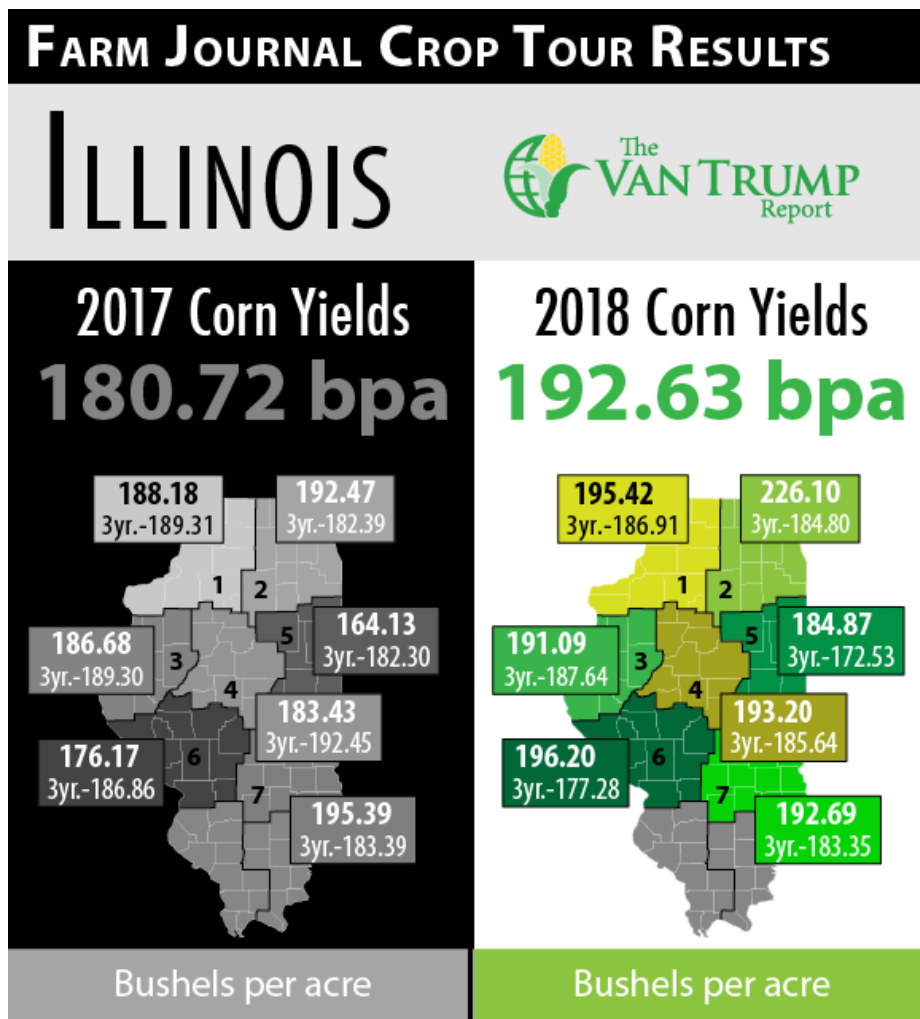
Florida, so they spirited Hardin back to Texas on the next train. Tried in Austin, a jury found Hardin guilty of killing Sheriff Webb and sentenced him to life in the Texas state prison at Huntsville. He served 15 years before the governor pardoned him. Released in 1894, an El Paso policeman killed him the following year.



## 1970, Velvet Underground -

Arguably the most influential American band of the late 1960s and early 1970s, the Velvet Underground had an impact on modern rock and roll that was well out of proportion to the popularity they achieved in their short-lived heyday. That heyday, which included four studio albums still cited as major influences by bands whose members were not even alive at the time of their release, came to an end on this day in 1970, when lead singer and primary songwriter Lou Reed played his last gig with the Velvet Underground at the famous Manhattan rock club Max's Kansas City. At the heart of the Velvet Underground's classic lineup were Long Island native Reed and the Welsh-born John Cale, who met and began collaborating in New York City in 1964. Cale's droning instrumentals and Lou Reed's half-sung, half-spoken vocals on subject matter such as drug use and prostitution were, it is safe to say, well outside of the mainstream of mid-1960s commercial rock. When they were adopted as a pet project by pop artist Andy Warhol, however, the Velvets found themselves and their unorthodox sound being embraced by New York's avant-garde—an association that persisted even after Warhol and his enigmatic muse Nico, whom he installed as Reed's co-vocalist for their debut album, *The Velvet Underground & Nico* (1967) exited the group's professional lives. It was that first album that yielded more of the Velvets' biggest songs than any other, including "Heroin," "All Tomorrow's Parties" and "Venus in Furs." The late 1960s saw numerous lineup changes in the band, including the departure of founding member Cale in 1968. It also saw the Velvet Underground release three more studio albums, each one of them a significant musical departure from the last. The final album featuring Lou Reed as leader was *Live at Max's Kansas City*, which was released in 1972 but recorded on this day in 1970 immediately prior to Reed's departure for a storied solo career of his own. Though the band's integration of rock and the avant-garde achieved little commercial success during their existence, they are now recognized as one of the most influential bands in rock, underground, experimental, and alternative music. The provocative subject matter, musical experimentation, and often nihilistic attitudes explored in the band's work would prove influential in the development of punk rock and new wave music. In 2004, Rolling Stone ranked the band No. 19 on its list of the "100 Greatest Artists of All Time". In 2017, a study of AllMusic's catalog indicated the

bushels per acre, up substantially from last years 180.72 estimate. The USDA is currently forecasting the Illinois crop at 207 bushels per acre vs. 201 average yield harvested last year. Western Iowa showed some big numbers to the West and Northwest, both regions up over +4% from last year. On the flip side, the Southwest region of the state showed yields down over -3% compared to last year. The rest of the state will be reported tonight.



Velvet Underground as the 5th most frequently cited artist influence in its database. The band was inducted into the Rock and Roll Hall of Fame in 1996 by Patti Smith.



**1989, Pete Rose** - Cincinnati Reds manager Pete Rose accepts a settlement that includes a lifetime ban from the game. A heated debate

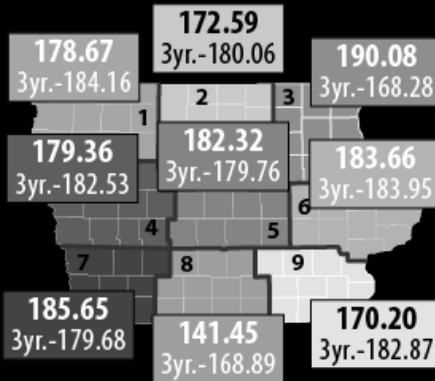
continues to rage as to whether Rose, a former player who remains the game's all-time hits leader, should be given a second chance. Interestingly, although gambling on a sport you play or coach is now considered unacceptable in nearly all levels of sport, it was relatively common among those connected with baseball in the early 20th century. Some of baseball's most talented and well-known players, such as "Turkey" Mike Donlin and Hal Chase, as well as manager John McGraw, who publicly won \$400 dollars when his New York Giants won the World Series in 1905, were often suspected of gambling on their own games. Chase was considered a dangerous man to have on a team because of his willingness to make extra money by dropping fly balls or misplaying first base. This all changed, however, after the White Sox purposefully lost the World Series in 1919 for a payoff from gambler Arnold Rothstein. Outraged, a group of baseball's faithful—including American League Commissioner Ban Johnson, former player and manager Christy Matthewson and White Sox owner Charles Comiskey, among others—made it a priority to clean up the game and repair its reputation. Kenesaw Mountain Landis, a former federal judge, was hired as Major League Baseball's first commissioner to crack down on corruption. As for Rose, most around baseball circles since the 1970s knew that Pete Rose had a gambling problem. Although at first, he bet only on horse races and football games, allegations surfaced in early 1989 that Rose was not only betting on baseball but on his own team. Major League Baseball Commissioner A. Bartlett Giamatti began an inquiry and hired Washington lawyer John Dowd to head the investigation. Dowd compiled hundreds of hours of testimony from numerous sources that detailed Rose's history of gambling on baseball while serving as the manager of the Cincinnati Reds, including betting on his own team. Although Rose continued to proclaim his innocence, he was eventually persuaded to accept a settlement that included a lifetime ban from the game. At a subsequent press conference, Giamatti characterized Rose's acceptance of the ban as a no-contest plea to the charges against him. In 2004, after years of repeated denials, Rose published *My Prison Without Bars*, in which he finally confessed to gambling on the Reds, though he added that had always bet on the Reds to win. Because of the lifetime ban, Rose cannot work in Major League Baseball and, despite his stellar playing career, he is not eligible for the Hall of Fame.

# FARM JOURNAL CROP TOUR RESULTS

Western  
IOWA

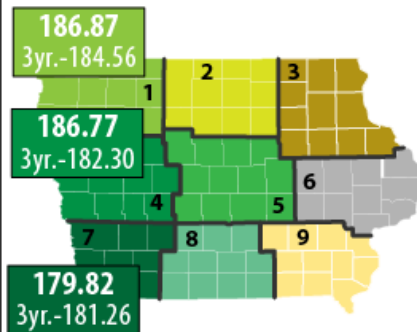


2017 Corn Yields  
**183 bpa**



Bushels per acre

2018 Corn Yields  
**final data coming soon**



Bushels per acre

## Upcoming Events

**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

WHAT I'M LISTENING TO:



**Scotty McCreery** "This is it"

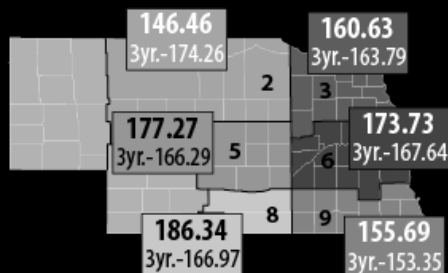
Kevin's Song of the Week

# FARM JOURNAL CROP TOUR RESULTS

## NEBRASKA

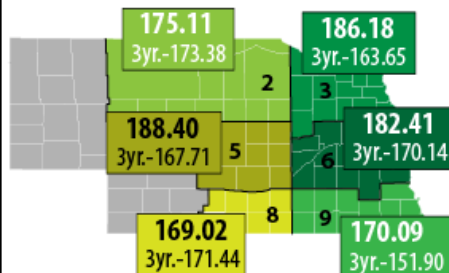


2017 Corn Yields  
**165.42 bpa**



Yields per bushel

2018 Corn Yields  
**179.17 bpa**



Yields per bushel

## NEXT level THINKING



My goal at "The Van Trump Report" is to help readers better identify the moving parts and dynamics associated with the financial markets, geopolitical events, economics, media and culture that is currently influencing and shaping the direction of the agricultural markets. I like to believe I "Challenge the Traditional" and encourage our readers to think outside the box.

I use story telling techniques that are written in an easy to read format to help convey my current thoughts about business, markets, technology, weather, sports and life. I also like to include links, filter the noise, and pass along in-depth research and information that I believe could challenge your current thought process and help you make more informed decisions. In addition I include valuable lessons I have learned from other traders, executives and investors, along with an occasional inspirational piece about life, family and faith.

What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific individual needs. For specific investment or hedging advice please seek the help of a licensed representative that can better understand your particular situation, individual needs and overall risk tolerance. This information should ONLY be used for educational and entertainment purposes.

My family and I would like to thank you again for your support!

*Kevin Van Trump*

### What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

**A.M., FDIC**

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

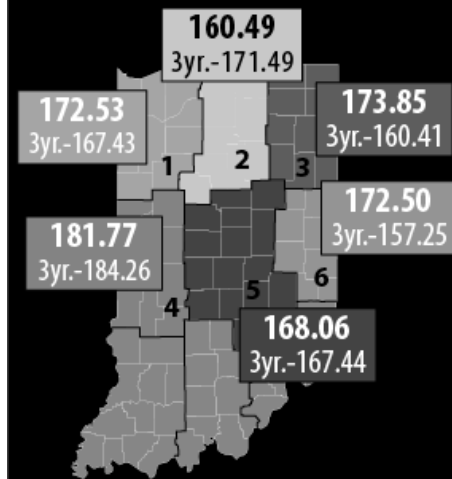


# FARM JOURNAL CROP TOUR RESULTS

## INDIANA

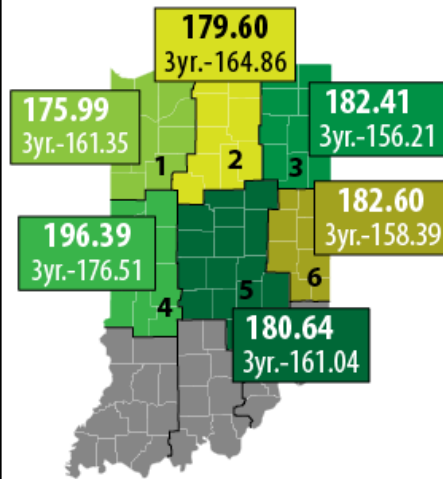


2017 Corn Yields  
**171.2 bpa**



Yields per bushel

2018 Corn Yields  
**182.3 bpa**



Yields per bushel

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.

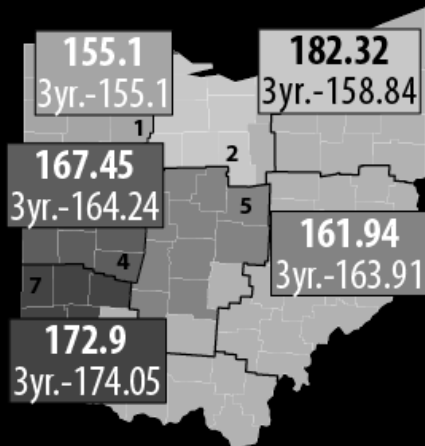


## FARM JOURNAL CROP TOUR RESULTS

# OHIO

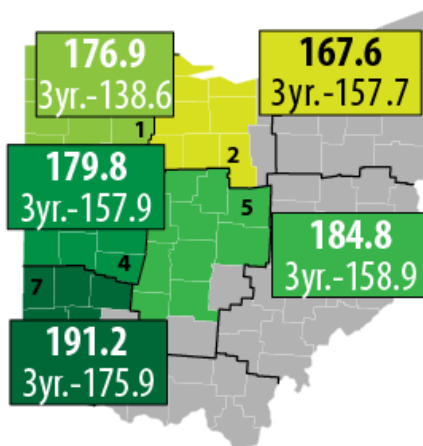


2017 Corn Yields  
**164 bpa**



Yields per bushel

2018 Corn Yields  
**179.5 bpa**



Yields per bushel

Farm Direction  
RECIPES

★ **FAMILY FAVORITES** ★  
-SENT IN BY OUR READERS-



Summer Italian  
Spaghetti Salad  
Recipe

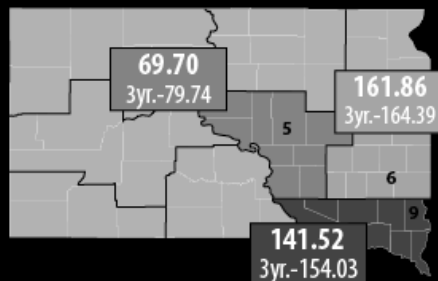
[CLICK TO SEE RECIPE](#)

## FARM JOURNAL CROP TOUR RESULTS

# SOUTH DAKOTA

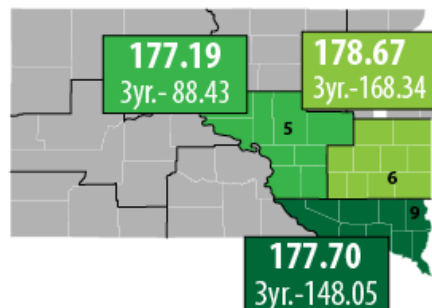


2017 Corn Yields  
**147.97 bpa**



Yields per bushel

2018 Corn Yields  
**178.01 bpa**



Yields per bushel

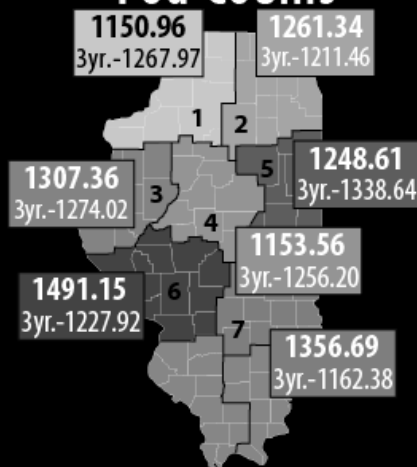
**Soybean** bears continue to talk about cooperative weather across most of the U.S., basis bids weakening and drying up across the country, and longer-term fears and uncertainty surrounding Chinese demand. Not only is there fear surrounding trade negotiations, but I'm also hearing more nearby fear surrounding weakening hog prices both here at home and in China. The fear in China is that a spreading African Swine Fever disease has already prompted over 20,000 pigs to be culled and is promoting many smaller producers to flood the slaughter market with supply in fear the government might find similar problems or contagion in their stock. If this attitude or disease continues to spread it could obviously impact nearby Chinese meal demand. This is something we will continue to monitor. Bears are also talking about producers in Brazil looking for ways to aggressively increase their upcoming soybean acres, which will soon start being planted. Bulls are hoping the U.S. crop is being over-estimated and that Chinese and U.S. officials can come to some type of agreement sooner rather than later. From a technical perspective, bulls now have their eye on the \$8.50 to \$8.60 area in hopes that it will hold as nearby support. The worry is if it doesn't hold the market will look to test the lows set back in mid-July at \$8.26<sup>2</sup>, then preps the \$7.77 level. I personally don't think we will see anything sub-\$8.00 unless the market becomes more certain or convinced of an average U.S. yield north of 52 bushels per acre or a complete breakdown in Chinese trade talks. The Pro Farmer Crop Tour posted results for the third leg of their tour: Illinois's average soybean pod estimate for a 3x3' area was forecast at 1328.91, up +6.6% from last year's 1230.77 average pod count. The USDA is currently forecasting the Illinois average soybean yield at 64 bushels per acre vs. 58.0 last year. The Western Iowa numbers were released, with the tour forecasting the 3x3' average pod count higher in all three regions. In fact, up +27% from last year in the Southwestern portions of the state. The Western and Northwestern portions of the state seem to be up +10% compared to last year. We will get the rest of the Iowa numbers tonight.

## FARM JOURNAL CROP TOUR RESULTS

# ILLINOIS

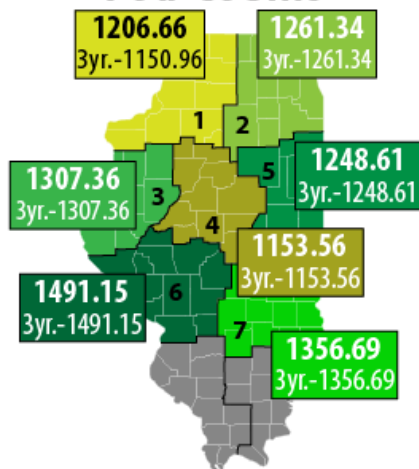


**2017 Soybean**  
**1230.77**  
**Pod Counts**



Pod Count in 3 x 3 Square

**2018 Soybean**  
**1328.91**  
**Pod Counts**



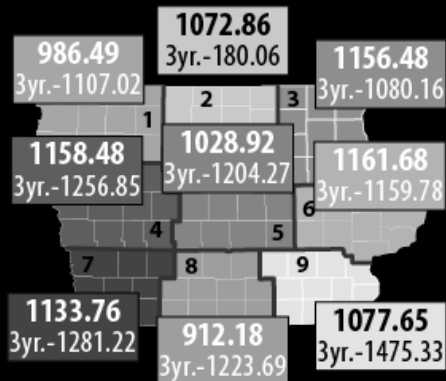
Pod Count in 3 x 3 Square

# FARM JOURNAL CROP TOUR RESULTS

Western  
**IOWA**

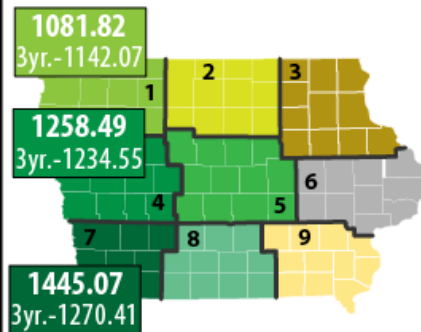


## 2017 Soybean **1092.92** Pod Counts



Pod Count in 3 x 3 Square

## 2018 Soybean final data coming soon Pod Counts



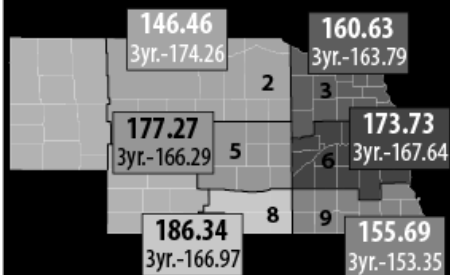
Pod Count in 3 x 3 Square

# FARM JOURNAL CROP TOUR RESULTS

## NEBRASKA

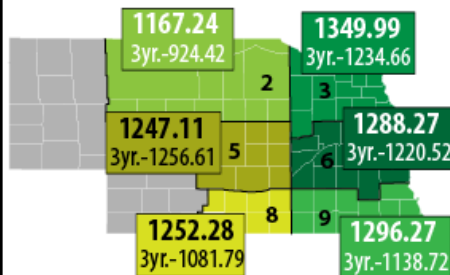


2017 Soybean  
**1131.02**  
Pod Counts



Pod Count in 3 x 3 Square

2018 Soybean  
**1299.08**  
Pod Counts



Pod Count in 3 x 3 Square



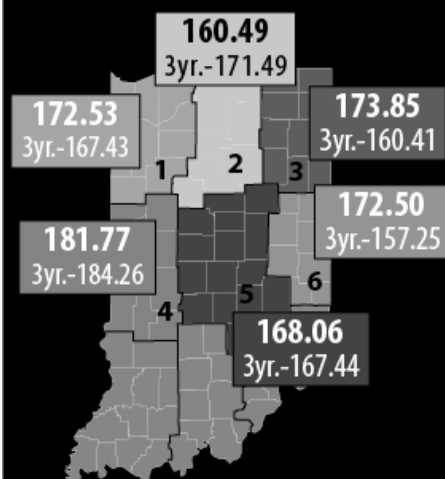
# FARM JOURNAL CROP TOUR RESULTS

## INDIANA



### 2017 Soybean Pod Counts

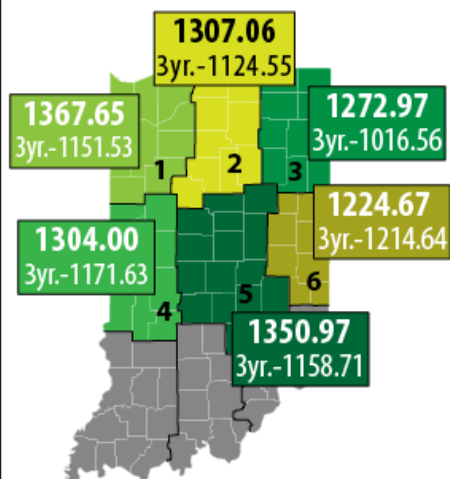
**1168.78**



Pod Count in 3 x 3 Square

### 2018 Soybean Pod Counts

**1311.87**



Pod Count in 3 x 3 Square

# FARM JOURNAL CROP TOUR RESULTS

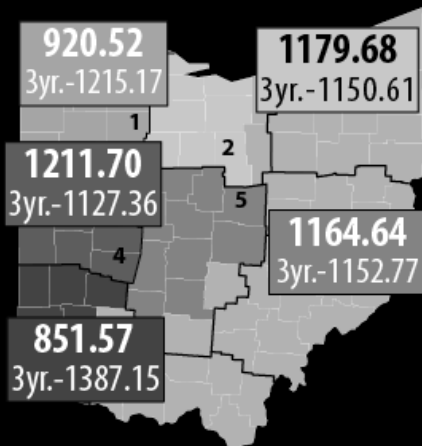
## OHIO



### 2017 Soybean

#### 1107.01

#### Pod Counts

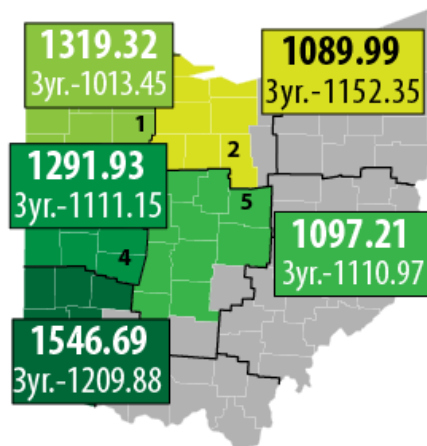


Pod Count in 3 x 3 Square

### 2018 Soybean

#### 1248.2

#### Pod Counts



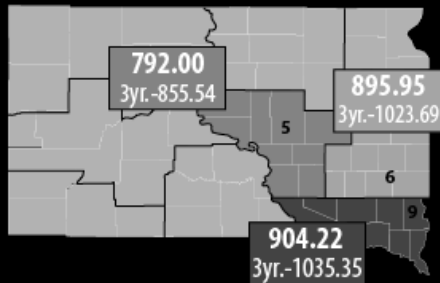
Pod Count in 3 x 3 Square

## FARM JOURNAL CROP TOUR RESULTS

# SOUTH DAKOTA

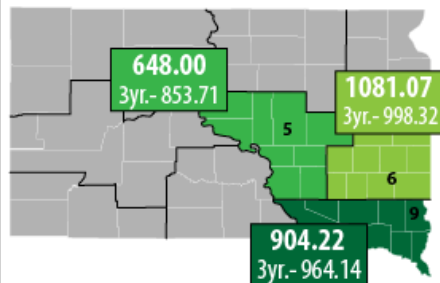


2017 Soybean  
**899.56**  
Pod Counts



Pod Count in 3 x 3 Square

2018 Soybean  
**1024.72**  
Pod Counts



Pod Count in 3 x 3 Square

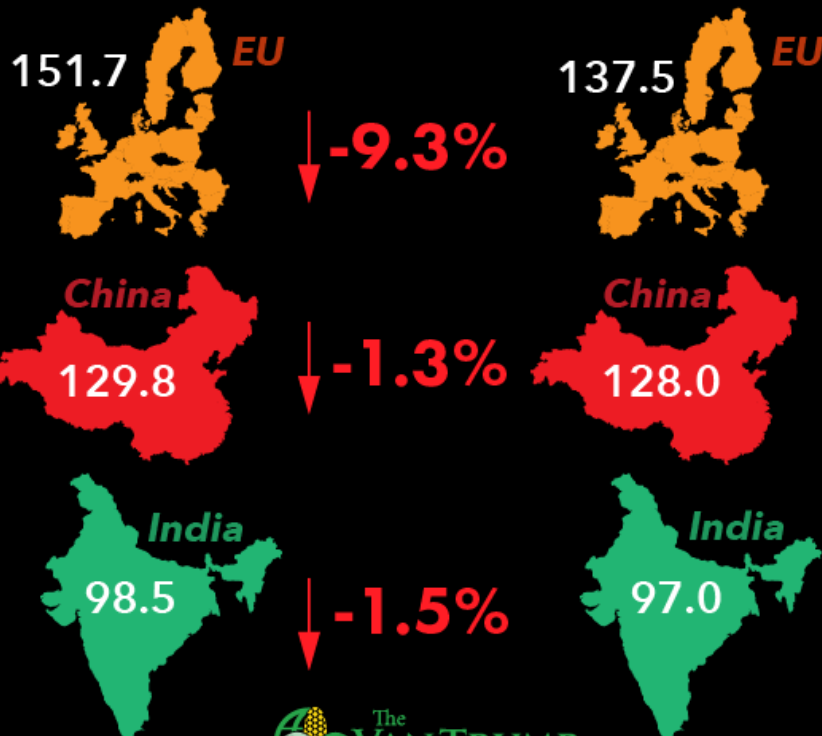
**Wheat** bulls are talking about production problems perhaps increasing in parts of the European Union and areas of South America. Recent headlines are talking about German wheat production being down over -25% compared to their 5-year average. Insiders in South America are talking about dry conditions and a hard freeze this week in some important Argentine wheat areas. There's also some areas in southern Brazil that are having problems. At the same time Agritel is confirming their estimates that the current Russian crop could fall from a record 85 million last year to 67.4 million tons this year. In addition, they believe Russian exports could fall from 42 MMTs down to 31.5 MMTs. I'm also hearing continued problems and uncertainty with production in parts of Australia and spring wheat production in parts of Canada. As I mentioned a couple of weeks back, the bulls might have gotten a bit ahead of themselves and the market might need to backpedal a while before it's able to post another leg higher. As a producer, I've been an aggressive seller on the strength, while being extremely patient on the pullbacks. I'm 100% sold out of this year's crop and have 50% of next year's estimated production priced. If we continue to tumble, I might start looking more seriously at some reownership strategies. As a spec, I remain a longer-term bull.

# Top 3 Wheat Producers

(in million metric tons)

2017/18

2018/19 proj.



Source: USDA, FAS, PS&D, 08/22/18

The VAN TRUMP Report



> **U.S. Tariff Farm Assistance Program???** I've been hearing talk that the USDA will release the details and plans for the \$12 billion in subsidies sometime on Friday. The rumors are \$1.65 per bushel to soybean farmers and little if any to corn or wheat production. Stay tuned.

> **Interesting View Regarding Global Wheat Supply:** Although global stocks are expected to hit an all-time high of 273 million tonnes at the start of the 2018/19 grain marketing season, according to U.S. Department of Agriculture estimates, the problem is nearly half of it is in China, which is not likely to release any onto global markets. Experts predict that by the end of the season, the eight major exporters will be left with 20 percent of world stocks - just 26 days of cover - down from one-third a decade ago. The USDA estimates that China, which consumes 16 percent of the world's wheat, will hold 46 percent of its stocks at the beginning of the season, which starts around now, and more than half by the end. The 126.8 million tonnes China is estimated to hold is up 135 percent from 54 million five years earlier. (Source: Reuters)

> **Consultancy Cuts Russian Wheat Exports:** French Consultancy expects a 25% cut to Russian wheat exports in 2018-19... From what I'm hearing exports of just 31.5 MMT of wheat will leave the country in 2018-19, a 10.5 MMT cut from the previous season's record-setting shipments, according to Agritel. The French consultancy maintained its Russian wheat crop estimate of 67.4 MMT, mostly due to poor weather this growing season.

> **EU's Blazing Summer Causes Crop Damages To Mount:** European farmers are counting the cost of a summer heatwave that has shrunk cereal harvest and shriveled pastures, leaving some farms struggling to survive and shutting the EU out of lucrative



export markets. German forecasters are talking about a 22% plunge in grain production this year in the EU's second largest cereal grower. As for exports, EU's wheat offering will fall to a seven-year low of around 21 million metric tons in 2018/19 as the bloc was is set to see all-wheat production drop by some 15 million metric tons from last year.

**> Pork Inventories Tighten Taking Beef Stocks Higher:** 485.007 million lbs. of beef were in frozen storage at the end of July, up 12% from year-ago levels and up 8% from the end of June. I'm told that frozen poultry stocks increased in July, climbing to 1.471 billion lbs., a 1% increase from June 30 and a 5% rise versus year-ago. Pork stocks managed to finish at 548.053 million lbs. in the nation's freezers as of July 31, which represented a 1% decline from year-ago and a 2% drop from the end of June.

**> Ozone Is Trimming Farmer Profits:** Environmental authorities have long tracked ozone concentration in the atmosphere. A study released this month quantifies the problem, and its findings make for uncomfortable reading. Led by the UK's Centre for Ecology & Hydrology, the paper estimates that ozone pollution costs the world up to 227 million tons a year in yield for four main crops. Effects are particularly pronounced for soybean and wheat, with average yield losses of 12.4 percent and 7.1 percent respectively. (Source: AgriInvestor)

**> First Meeting On Farm Bill Is Set:** Hearing reports that the farm bill conference committee has set its first meeting for September 5. Senate Ag Chairman Pat Roberts said the committee staff have so far made progress on some titles, including conservation. (Source: EE News)

**> Recombinetics Raises \$34 Million in A-Funding:** A pioneer in gene-editing solutions for human health and animal agriculture announced the completion of a \$34 million Series A Financing round. This financing will help the company develop new regenerative medicine products and breed animals that are healthier and more productive. (Source: BusinessWire)

**> Bitcoin Bulls Hoping to Get Approval of ETF:** Bitcoin investors are hoping the first-ever bitcoin-based exchange trade fund will be approved by the Securities Exchange Commission. The ETFs will track bitcoin futures contracts traded on the CBOE and will trade on NYSE Area. Many are hoping that approval of the ETF could bring a wave of new institutional buyers. (Source: CNBC)

**> Check Out the Social Media Universe in 2018:** Billions of people around the world grew up during the age of social media, and mankind is slowly marching toward a future where nearly everyone will be a digital native. For the one-third of humanity that now uses a smartphone, messaging and status updates are often more natural than having a live conversation. The platforms we use become more than mere service providers; they are the connective tissue of our society. So what services are people using to communicate? The chart below is based on monthly active users or MAUs, which is a metric commonly used to evaluate how many people are using a service regularly. Here are the world's top social and messaging platforms by MAUs. (Source: VisualCapitalist) Click [HERE](#) for a larger view of graphic below.

# SOCIAL MEDIA UNIVERSE

2018

VISUAL CAPITALIST

In the digital age, our connections and communications are increasingly moving online. What platforms are people using to share, chat, and stay connected?

Below is a look at platform size by the number of monthly active users (MAUs).



Let's go exploring.

Messenger  
MAUs: 1,300,000,000

Instagram  
MAUs: 1,000,000,000

Instagram is still the darling of the social media universe. New features (which look suspiciously similar to Snapchat) have helped drive engagement on the platform. The photo-based social network now accounts for over a third of Facebook's revenue.



Facebook  
MAUs: 2,196,000,000

Facebook is far-and-away the world's largest social network. The company owns Instagram, and two messaging platforms with over a billion monthly active users.

While momentum on almost every social platform appears to be reaching a plateau, some areas of Facebook's empire continue to grow - most notably, Instagram.

On Facebook - which is now well over a decade old - MAU numbers continue to increase as well.



Google+

Google's social media arm is somewhat of an enigma. On one hand, the platform is widely viewed as a failed attempt to compete with Facebook. On the other, it does give

WhatsApp  
MAUs: 1,300,000,000

WhatsApp was one of the first truly viral mobile apps of the smartphone era, arriving at a time when people were unhappy with the cost of SMS. In 2014, Facebook recognized the potential of the messaging platform and acquired the company for a colossal \$19 billion.

Snapchat  
MAUs: 255,000,000

Snapchat saw its meteoric rise stifled by Instagram and a redesign that failed to resonate with users. As a result, the social media upstart saw a drop in users for the first time in Q2 2018.

Peach

Twitter  
MAUs: 336,000,000

Twitter's IPO in 2013 produced growth expectations that have been hard to live up to. As well, the platform is a magnet for controversy.

Still, Twitter has never been more culturally relevant than today. Tweets from world leaders and CEOs can have far-reaching consequences, and hashtagged social movements have united more people than ever to affect change.

Vine

By the close of 2016, Twitter's short-form video platform was shuttered. During its peak, Vine had a monthly active user base of 200 million.

## FROM THE FIELD

**Central North Dakota** - I want to explain how bad it's really gotten here. For starters guys around the Fort Bertford Reservation are looking at 20-bushel soybeans beans with \$1.70 taken off for basis. With today's price that puts them at \$7.00 so if you do the math they are looking at \$140 per acre gross. So just to be clear seed, land and insurance kill the \$140 and everything else is just pure loss. We farm near the Grand Forks and the basis is negative \$1.50, today we are looking at maybe 30-bushel beans

so with the higher rent we are in the exact same scenario. Maybe we can pay for equipment if we had cheap equipment. No one is going to sell their soybeans at this price so I'm hoping low price is the cure for low price.

**Southeast Nebraska** - We have lodging problem this year and since the soybeans are a little shorter with so many pods they are starting to fall over. I'm going to say they zero chance of standing back up because once the lodging starts it only gets worse. I have heard that lodging was the result of cutting cost and corners. It seems like about everyone has a story or two about how they should have done something different or spent a little extra money to avoid lodging, Japanese beetles, nematodes etc. Part of the reason I believe that this crop tour is off base is because there's a lot of little problems that didn't exist last year or the year before and I think they will add up in the long run, but I could be betting on the wrong pony here, who knows.

**Northern Indiana** - In our location the temperatures feels like it been much higher in the last month but when I did a little research I found out that we have only been about 1-2 degrees warmer on average then the same time last year. I would have to believe that it has something to do with the fact that everyone has been preaching it's been warmer and the GDD are substantially higher in a shorter time period then last year. We had good corn last year, maybe the best I have ever seen because of the test weight mostly. So, when guys are saying the test weight might be the Achilles heel of yield I find that hard to believe.



What Will the World Eat in the Next Decade? India will eat more butter and drink more milk. Africa's sweet tooth will grow bigger. But China's appetite for pork is on the wane. Each of these trends will reshape global trade flows in agriculture, creating new winners—and forcing companies to adjust their food chains to serve shifting tastes. Read more [HERE](#)

Forgotten Crops Could Hold Keys To Future Food Security: Researchers are trying to unlock the potential of certain ignored crops – plants they describe as forgotten, under-used or 'alternative' as they are displaced by increasingly uniform diets fuelled by processed ingredients from the major crops. It's worth noting that food security experts agree that the problem truly isn't food insecurity as many proclaim, but rather food ignorance. Experts are trying to remind populations that 'Whenever we have indigenous crops we tend to disregard them as if they were not valuable but they are'. Read more [HERE](#).

Investors Eyeing Drilling Waste Water Removal Companies: When producers blast a mix of water, sand and chemicals to release oil and gas from rock formations miles underground, they not only unlock oil and gas, but also massive quantities of briny water long buried beneath the surface. Drillers in the Permian Basin in New Mexico and Texas currently generate more than 1,000 Olympic-size swimming pools full of this murky, salty water every day. Handling it amounts to up to 25% of a well's lease operating expense, according to analysts. Sensing a chance for a big return, private-equity firms have invested more than \$500 million into wastewater-disposal companies such as Solaris Water Midstream, WaterBridge Resources LLC, and Oilfield Water Logistics. There are roughly a dozen of these water-focused companies that analysts say could each be worth hundreds of millions of dollars. Learn more [HERE](#).

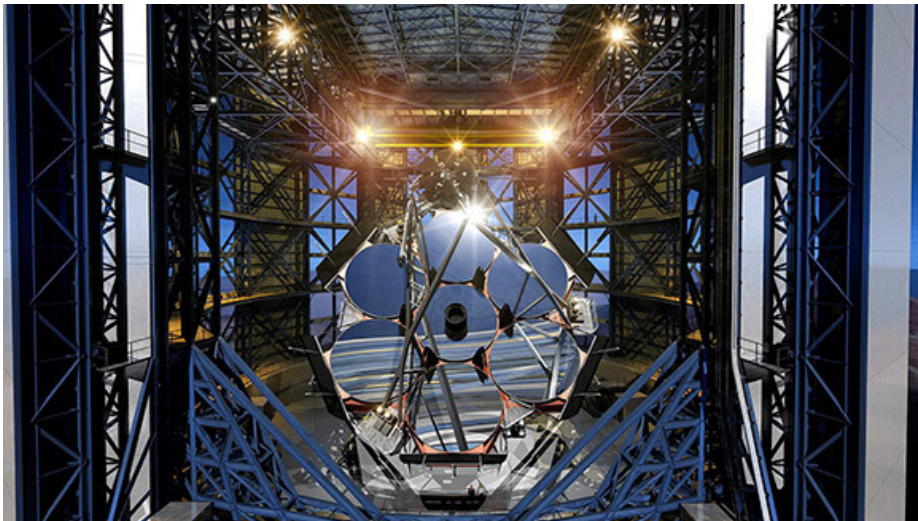
Automation Will Change The Type Of Work Humans Do: Automation will cause the nature of work to likely undergo a profound transformation on two fronts. First, the machines will take over more and more of the routine tasks that defined work in a standardized, mass market product world. Second, the only way to create value in a more differentiated and rapidly changing product world will be to redefine work at a fundamental level to focus on distinctly human capabilities like curiosity, imagination, creativity, and emotional and social intelligence. Generally, I suspect we will see different categories of work become more and more prominent in a rapidly changing economy. Find out what they are [HERE](#).

U.S. Will Soon Have Hypersonic Weapons: The U.S. Air Force has awarded contracts to defense giant Lockheed Martin to develop two new hypersonic weapon systems. The contracts are in response to the rapid development of hypersonics in Russia and China, a development that could challenge U.S. technological superiority. Hypersonic weapons are the new frontier in warfare and they come in two types: boost glide weapons and powered atmospheric weapons. Boost glide weapons—a category that includes Arrow, Tactical Boost Glide, and apparently Hacksaw—are unpowered weapons boosted to high altitudes by rockets and released to glide down to target at hypersonic speeds—hence the name. Powered atmospheric weapons use engines such as scramjets for propulsion. Read more [HERE](#) to learn about the "ARROW" and "HACKSAW" weapon systems.

Soon We Can Peek At The Edge Of The Universe: We can now put a price tag on a view of the edge of the universe: \$1 billion, that's what it's going to cost to build the Giant Magellan Telescope. The Giant Magellan Telescope should be online and ready for use in 2024, and researchers already have big plans for the device. I'm told it will be able to collect more light than any telescope ever



built, including light from the earliest days of the universe (because of how long it takes light to travel such immense distances, looking at that light invariably means looking back in time). The device will allow us to determine the distance of far-off objects from the Earth and their composition. Scientists are hoping that Magellan may help answer many of the greatest questions of modern astronomy, including how galaxies form, the nature of dark matter and dark energy, and how stars formed. Read more [HERE](#).



### Scientists Want To Fly A Warplane Into Hailstorms

Hail is responsible for almost 70% of the property damage from thunderstorms in the U.S. each year, claiming over \$1.7 billion in property damages, as well as \$59 million worth of damage to crops in 2017. From what I understand, hail has become a forgotten peril following a lull in research since studying this weather phenomenon began in the 1980's. Combatting the increase in intensity and damage will require getting in the middle of the action, meaning flying into the storms as they are occurring. To do this, scientists at the National Center for Atmospheric Research (NCAR) are considering the use of an armored aircraft to accumulate data. I'm told NCAR scientists have been in talks with the Navy to procure a surplus Navy A-10 Warthog for research missions. You might remember the name from watching newscasts of the first Gulf War as this titanium-armored aircraft was used to attack tanks. In order to be used for gathering data in the storms, the plane would be fitted with instruments to learn more about the internal workings of the most damaging storms. The renewed interest in hailstorms is timely as earlier this summer a storm with softball-sized hailstones hit Colorado Springs. It injured 14 people and damaged about 400 cars parked at the local zoo as well as killing two animals. Also last year, a large hailstorm that hit Denver triggered \$2.3 billion worth of insurance claims for damage to stores, homes and cars.



Scientists are saying that severe hailstorms could become more common over some parts of the U.S. particularly in a zone that extends from the Dakotas into northern Texas. Warmer, more humid air is likely to give storms more power, but more work is needed to trace the link between larger storms and climate change. Hail can result from large, swirling thunderstorms that create violent updrafts, sucking moist air upward into cooler, drier air where water freezes amid differing wind speeds. Scientists are not sure why, but growing hail damage is becoming a problem in mountainous areas worldwide. The largest recorded storms occurred over Argentina this year, where the damaged grapes, citrus crops and livestock. And a world record hailstone fell near Cordoba, Argentina this which nearly weighed a whopping 2 pounds. Scientists and researchers all agree that more can be done to study this weather phenomenon and are seeking better radar and satellite-based observations in order to create better forecasts of possible hailstorms. These forecasts will help scientists better understand the initiation and development of powerful thunderstorms and hailstorms and how they can be better predicted to save lives and property. For more historical data you can see some numbers on storm frequency by month and state [HERE](#). (Source: [NCAR](#))







### **Will Alabama Win the National Championship... Again?**

It's almost time for the start of college football, with the first games right around the corner. The first games kick off this weekend, with games including Prairie View at Rice, Hawaii vs. Colorado State, and Wyoming vs. New Mexico State. The larger more premiered games will start being played next Thursday, August 30, which will include Northwestern vs. Purdue and Wake Forest vs. Tulane. The big day many people are looking forward to is next Saturday, September 1st, games to watch will include Ole Miss vs. Texas Tech, Oregon State vs. Ohio State, Texas vs. Maryland, Auburn vs. Washington, Tennessee vs. West Virginia, North Carolina vs. California, and finally Alabama vs. Louisville. Don't forget there will also be some big games that following Sunday and Monday, September 2nd and 3rd, LSU vs. Miami on Sunday and Virginia Tech vs. Florida State on Labor Day. I've included below some information and highlights about the upcoming college football season. I'll be pulling for my Arkansas Razorbacks and their new head coach. Best of luck to everyone and their favorite teams!

### **Top 25 with Odds of Winning the National Championship**

1. Alabama 19/10 (Won 5 of the last 10 National Championships and been to the last 3)
2. Clemson 3/1 (Won 1 and been to 2 of the last 3 National Championships)
3. Ohio State 10/1
4. Georgia 9/1
5. Washington 12/1
6. Wisconsin 25/1
7. Oklahoma 16/1
8. Penn State 25/1
9. Miami 50/1
10. Auburn 33/1
11. Notre Dame 40/1
12. Michigan 14/1
13. Michigan State 40/1
14. Stanford 66/1
15. Virginia Tech 100/1
16. USC 66/1
17. Mississippi State 100/1

18. Florida State 50/1
19. Boise State 200/1
20. West Virginia 100/1
21. TCU 66/1
22. Texas 28/1
23. Oregon 100/1
24. UCF 150/1
25. South Carolina 150/1

### **NCAA 2019 College Football Playoff Prediction**

*Alabama, Clemson, Oklahoma, and Ohio State*

### **Top 3 Conference Favorites**

*ACC: Clemson, Miami, Florida State*

*Big 12: Oklahoma, Texas, TCU*

*Big Ten: Ohio State, Wisconsin, Michigan*

*Pac-12: Washington, USC, Stanford*

*SEC: Alabama, Georgia, Auburn*

*American: UCF, Houston, Memphis*

*Mountain West: Boise State, San Diego State, Fresno State*

### **Players to Watch**

1. Ed Oliver - DT (Houston)
2. Nick Bosa - DE (Ohio State)
3. Rashan Gary - DE (Michigan)
4. Justin Herbert - QB (Oregon)
5. Jake Fromm - QB (Georgia)
6. Drew Locke - QB (Mizzou)
7. Khalil Tate - QB (Arizona)
8. Clelin Ferrell - DE (Clemson)
9. Bryce Love - RB (Stanford)
10. Devin Bush - LB (Michigan)

### **Teams with Impact Freshman**

*USC: QB JT Daniels and WR Amron St. Brown*

*LSU: WR's Ja'Marr Chase and Terrace Marshall*

*Clemson: QB Trevor Lawrence*

*Oklahoma: DB Brendan Radley-Hiles*

*Alabama: CB Patrick Surtain Jr.*

### **Sleeper Teams to Watch**

*Arizona, Mizzou, Nebraska, Purdue, and Texas A&M*

### **Heisman Hopefuls**

1. Will Grier, QB, West Virginia
2. Bryce Love, RB, Stanford
3. Shea Patterson, QB, Michigan
4. Jonathan Taylor, RB, Wisconsin
5. Kelly Bryant, QB, Clemson



## Must-Watch Games Each Week

*Week 1: Michigan at Notre Dame*

*Week 2: USC at Stanford and Georgia at South Carolina*

*Week 3: LSU at Auburn*

*Week 4: TCU at Texas and Texas A&M at Alabama*

*Week 5: Ohio State at Penn State*

*Week 6: Texas at Oklahoma*

*Week 7: Georgia at LSU*

*Week 8: Michigan at Michigan State*

*Week 9: Clemson at Florida State*

*Week 10: Alabama at LSU, Penn State at Michigan, and Stanford at Washington*

*Week 11: Oklahoma State at Oklahoma and Auburn at Georgia*

*Week 12: USC at UCLA*

*Week 13: Auburn at Alabama and Michigan vs. Ohio State*



## Steve Perry's First New Song in 20 Years... I Personally Still Prefer the Old

The former lead singer of Journey, Steve Perry, will return to the music world this fall releasing a new album called *Traces*. This will mark Perry's first solo album since 1994. *Traces* will contain nine original songs and a cover of the Beatles' "I Need You." This album is planned to be released October 5th. One song from the album has already

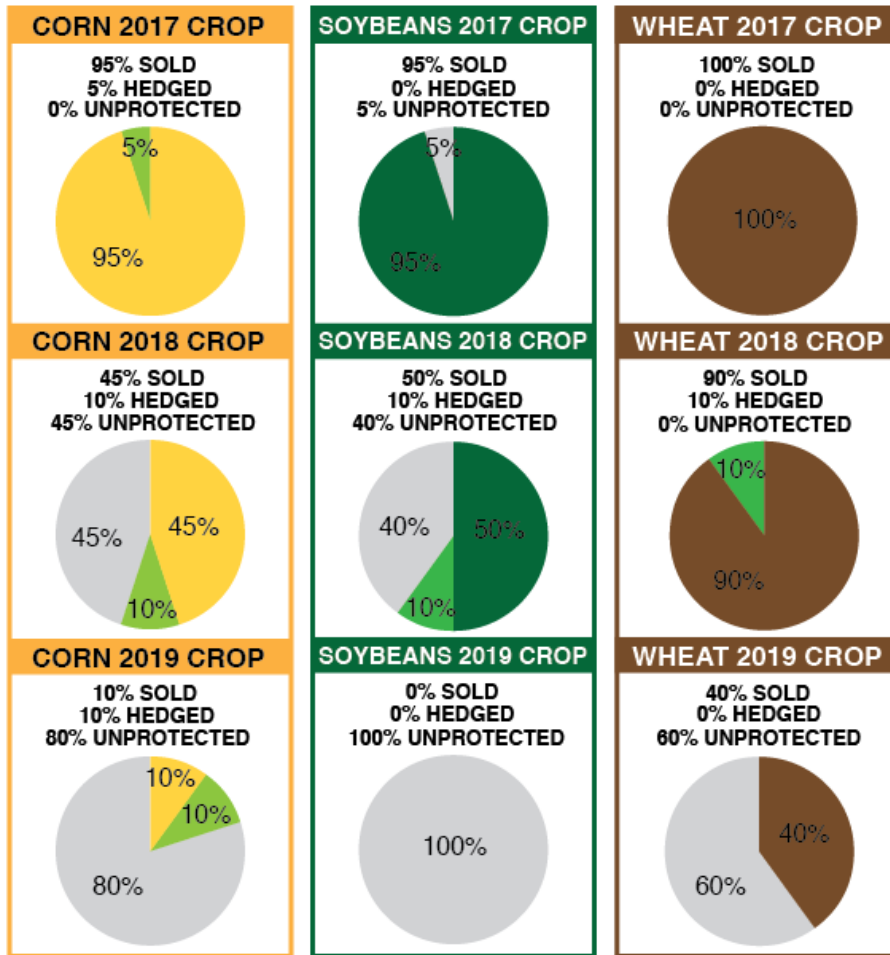
been released, though. The song is called "No Erasin," which tells the story of a school reunion and meeting up with an ex-flame. Perry says the song is about going back to a class reunion in the farm community where he was raised. The lyrics from this song can easily fit his story of walking away from music as well. Perry released a statement about the song stating, "Putting 30 years into 10 songs has certainly been an emotional experience for me." Perry also explains his sudden absence from music after the release of this single. He says his love for music suddenly left him and it got to the point he didn't even enjoy listening to music. The reason he began recording this album in May of 2015, "I found love. My precious Kellie gave me a life I never knew I had. I lost her December of 2012. I now deeply understand the meaning of: 'It's better to have loved and lost, than to have never loved at all.'" *Traces* should be a very good album overall due to Perry's songwriting collaborators on the album being "Oh Sherrie" co-writer Randy Goodrum, Rob Zombie guitarist John 5, and former Semisonic member and songwriter Dan Wilson. To listen to "No Erasin" click [HERE](#). I listened to it, but found myself quickly searching for some old Journey... sorry Steve, tough to beat the old *Escape* album! Click [HERE](#) to listen to the old school Journey from the early-80's.



**ANSWER to riddle:** Shoelace

## CASH SALES & HEDGING TOTALS

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