

GOOD MORNING: 08/28/18 Farm Direction - Van Trump Report

2 messages

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Tue, Aug 28, 2018 at 6:20 AM



"Your input determines your outlook. Your outlook determines your output, and your output determines your future." - Zig Ziglar

TUESDAY, AUGUST 28, 2018

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Morning Summary: Stocks are coming off another fresh new all-time high after the U.S. and Mexico agreed on revisions to NAFTA calling it the United States-Mexico Trade agreement. Initial details surrounding the deal could help improve labor provisions and remove some incentives for U.S. automakers to take jobs to Mexico. The deal with Mexico is a relief on Wall Street as bears have been talking about the possible fallout for the past two-years. Next up Canada, I'm told Canadian Foreign Minister Chrystia Freeland is expected to pick up negotiations in Washington today. It's worth noting that political stakes are high for all three countries. Here in the U.S., those up for re-election in November are hoping that Canada can be weaved into the agreement before election day in order to ensure farmers and others whose livelihoods are being negatively impacted by trade disruptions that a deal is in place. The direction of the U.S. dollar remains a major debate. The dollar has backed off the recent highs posted back in mid-August, and may be feeling some additional weakening effects after Jerome Powell's comments at Jackson Hole, which suggested a slow and steady pace to rising rates. It's worth noting that following its one-year high in mid-August, the U.S. dollar has fallen more than -2% after President Donald Trump's criticism of the Fed's continued rate hiking. Today we will be digesting Consumer Confidence and Case-Shiller Home Price Index numbers. Tomorrow we will see the second estimate of U.S. GDP, Crude Oil inventories and the MBA Mortgage Index. Thursday will bring Weekly Employment numbers, along with Personal Income & Spending. Friday is Michigan Consumer Sentiment and Chicago PMI. I am personally in the process of taking a few profits off the table as we head into the holiday weekend. I'm sticking with my shorter-term trading mentality while in this current geopolitical environment. I am constantly reminded by the old trader lessons I've been taught, "never try to short a new high and never try to buy a fresh new low."

NAFTA Replaced By The United States-Mexico Trade Agreement: *The U.S. and Mexico struck a trade deal on Monday that paved the way to replace NAFTA. I'm told the new deal will be called The United States-Mexico Trade Agreement and Trump was quick to mention the deal will help farmers and manufacturers. The new deal will last 16 years and will be reviewed every six years, according to U.S. Trade Representative Robert Lighthizer. Lighthizer also said the plan will not cap imports of light vehicles from Mexico, but keeps the steel and aluminum tariffs that are already in place. Keep in mind the deal must also be approved by Congress. Officials are now hoping that any remaining concerns of Canada's can quickly be worked out and a tri-lateral agreement can finally be completed. Read more [HERE](#).*

Global Car Sales Hit a Speed Bump: *After nearly a decade of growth, China's once-booming car market is cooling, while in Europe the car market is also softening as demand returns to prerecession levels. (Source: Wall Street Journal)*

China Could Eliminate Birth Restrictions: *China this week is mulling scrapping its controversial birth restrictions, with the draft civil code set to be completed by 2020. Couples are limited to two children at present, after rules were relaxed from the notorious one-child policy that was in force from 1979 to 2016. This obviously not any significant nearby change, but could certainly be digested as longer-term bullish food and agriculture. (Source: SeekingAlpha)*

Garth To Play First Concert Ever at Notre Dame Stadium: *Garth Brooks will have the honor to be the first artist to ever perform a concert in Notre Dame Stadium. The concert will take place on October 20th and will begin at 7 p.m. The concert will be held rain or shine, according to the announcement from tour promoter Varnell Enterprises. Tickets for the concert will go on sale at 10 a.m. EDT*

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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

Sept. 14. All seats are sold best available at the same price throughout the stadium at \$83.95. Some are expecting Garth to do a full college stadium tour after this performance. Click [HERE](#) to purchase tickets to this historical show. Click [HERE](#) to watch my favorite Garth song of all time... "The Dance". This is actually a tribute Garth performed for Dale Earnhardt after his passing. I still love watching the tribute to this day.



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

- John Wooden

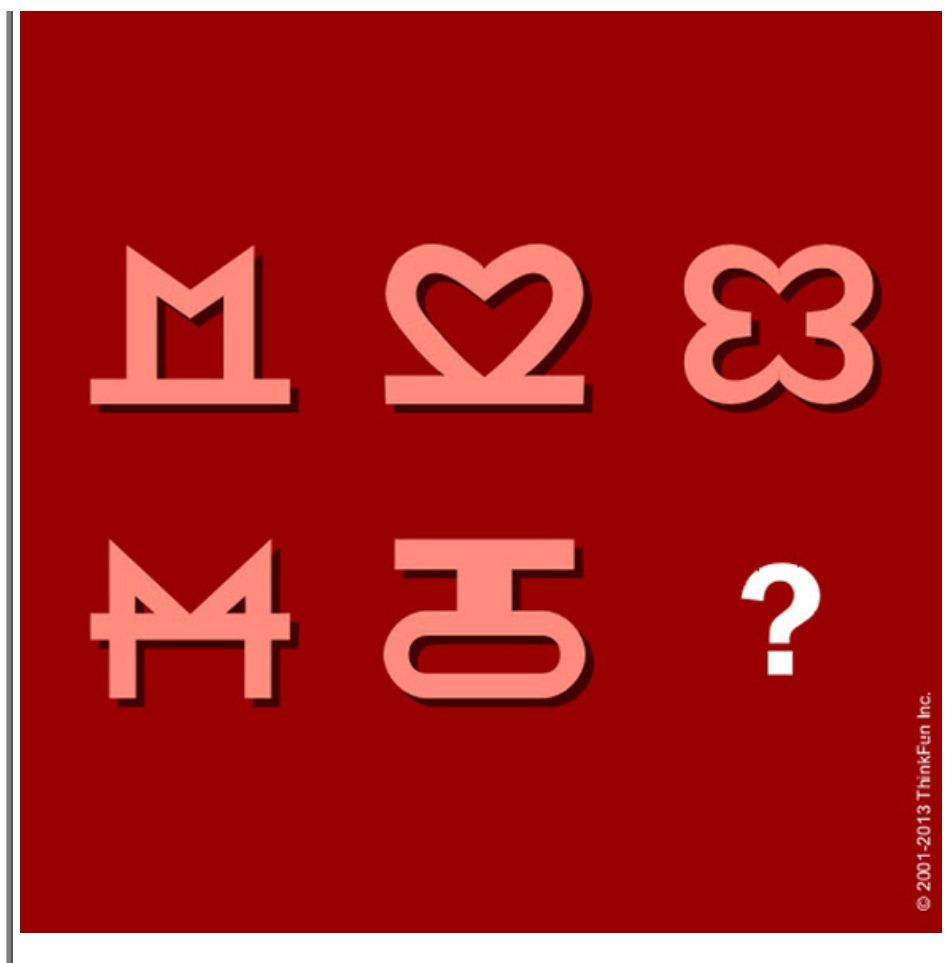


neuro mining



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:



Co-hosted by:



FARM TANK



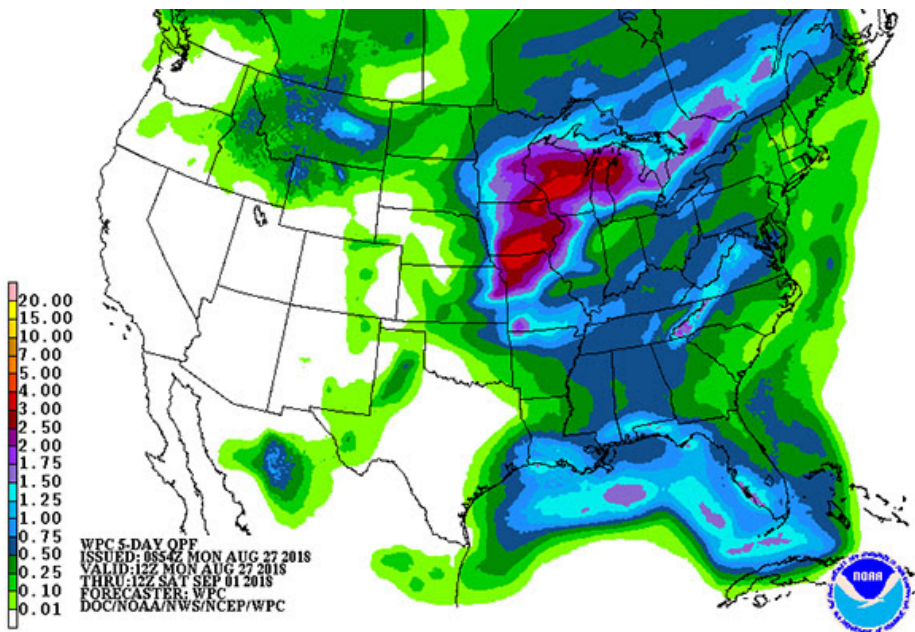
Today In History



1869, John Wesley Powell's expedition of Grand Canyon

- The expedition set out from Green River Station (Wyoming) on May 24, 1869, with a company of ten men including Powell. Green River Station's convenient location on the Transcontinental Railroad, which had been completed in Utah Territory just two weeks earlier, allowed Powell to ship the expedition's four boats directly from Chicago to the launching point. The company included Powell's brother Walter, as well as a group of seasoned mountain men and war veterans that Powell had recruited on his way to Wyoming. The complete roster included: John Wesley Powell; Walter H. Powell, a captain in the Civil War and John's brother; John C. Sumner, a professional guide and outfitter who had guided Powell, his wife, and his students through the Rocky Mountains on previous trips to the West; Oramel G. Howland, a printer, editor, and hunter; Seneca Howland, a mountain man and Oramel's brother; William H. Dunn, a hunter and trapper from Colorado; William Robert Wesley Hawkins, "billy" a mountain man, possible ex-fugitive, and the expedition's cook; Frank Goodman, an Englishman and skilled boat handler who had come west looking for adventure; Andrew Hall, a 19-year-old mule driver whose skills as an oarsman impressed Powell and George Y. Bradley, a soldier at Fort Bridger who agreed to accompany Powell in exchange for a discharge from the United States Army that Powell arranged. Convinced they will have a better chance surviving the desert than the raging rapids that lay ahead, three men leave John Wesley Powell's expedition through the Grand Canyon and scale the cliffs to the plateau above. Though it turned out the men had made a serious mistake, they can hardly be faulted for believing that Powell's plan to float the brutal rapids was suicidal. Powell, a one-armed Civil War veteran and self-trained naturalist, had embarked on his daring descent of the mighty Colorado River three months earlier. Accompanied by 11 men in four wooden boats, he led the expedition through the Grand Canyon and over punishing rapids

Weather for the Corn Belt has seen showers and thunderstorms in the vicinity of a cold front that are heaviest in the Great lakes region. In fact, local flash flooding is occurring in Wisconsin and Michigan. Across the remainder of the Midwest, very warm weather is promoting corn and soybean maturation. On the Plains, markedly cooler air is engulfing Montana and the Dakotas. Showers accompany the cool conditions, slowing small grain harvesting but boosting topsoil moisture in advance of winter wheat planting. In contrast, hot weather prevails across the central and southern Plains, where today's high temperatures will reach or exceed 100 degrees F as far north as Kansas. In the South, hot mostly dry weather favors summer crop maturation and harvesting. Isolated thundershowers are confined to the Deep South, mainly in Florida and along the gulf Coast. A surge of cool air will weaken while shifting eastward across the northern and central Plains and the Midwest, but will be sufficiently strong to end a late season heat wave. By week's end, however, a return of near or above normal temperatures can be expected nearly nationwide. Widespread showers and thunderstorms will precede and accompany the initial push of cool air, with storm-total rainfall expected to reach 1 to 3 inches or more in the Midwest. Other areas across the eastern half of the U.S. could receive at least an inch of rain. In contrast, mostly dry weather will prevail through week's end in the Pacific Coast States, the southern Plains, and the Southwest. 5-day rainfall outlook valid through September 1.



Corn bulls are trying to argue poorer crop-conditions in some key growing regions. Despite the fact the USDA elected to leave weekly crop-conditions mostly "unchanged" at 68% "Good-to-Excellent" there are some notable deteriorations. Conditions in North Dakota fell by another -6% from 70% to 64%. This is the second week in a row for North Dakota to be downgraded aggressively, last week it was dropped by --9%. We are hearing from our friends and producer in North Dakota that the downgrades are well deserved and probably more are needed, meaning their crop size could continue to deteriorate. Pennsylvania was reported down -4% from 74% to 70%; Kentucky down -3% from 74% to 71%; Michigan down -2% from 51% to 49% and Wisconsin down -2% from 75% to 73%; South Dakota down -1% from 65% to 64%; Indiana down -1% from 71% to 70%; Nebraska down -1% 84% to 83%. States that showed improvements were Colorado +9%; Tennessee +5%; Ohio +2%; Minnesota +1%. States where conditions were left "unchanged" included Illinois, Iowa, Kansas, Missouri, North Carolina, Texas. The USDA also continues to show the crop running well ahead of schedule with 92% in the "dough stage" vs. the 5-year average of 84%. They also show 61% of the corn is now "dented" vs. the 5-year average of 42%. Bottom-line, the market still sees this year's overall crop-conditions much stronger than last year. Both this year and last year, reported 12% of the crop rated "Poor-to-Very Poor". The big difference remains this years "Excellent" category. The USDA currently shows 21% of the crop rated in "Excellent" condition, while last year just 14% was rated "Excellent". The kicker is the big "Excellent" readings are coming from states like Illinois, Indiana, Nebraska, Ohio, Minnesota, Wisconsin and Iowa, all showing +20% of their crop in "Excellent" condition, meaning some fields are going to throw out huge numbers. Corn demand remains strong with weekly export inspections at the high end of expectations. Unfortunately, as I've been saying, "demand" alone just hasn't been enough to carry the market steadily higher. Technically, the corn market is in the process of posting multi-week lows. Bulls are hoping psychological support for the new-crop DEC18 contract can hold near the \$3.50 level. Bears are hoping they can keep the pressure on and ultimately test the \$3.20 to \$3.30 range. As a spec, I like the thought of being a longer-term bull on the breaks. Meaning, looking for opportunities to be buyer in the next 30 to 45 days. As a producer, I am in no hurry to price additional cash bushels and will be patiently waiting on post-harvest opportunities.

that many would hesitate to run even with modern rafts. The worst was yet to come. Near the lower end of the canyon, the party heard the roar of giant rapids. Moving to shore, they explored on foot and saw, in the words of one man, "the worst rapids yet." Powell agreed, writing that, "The billows are huge and I fear our boats could not ride them...There is discontent in the camp tonight and I fear some of the party will take to the mountains but hope not." The next day, three of Powell's men did leave. Convinced that the rapids were impassable, they decided to take their chances crossing the harsh desert lands above the canyon rims. On this day in 1869, Seneca Howland, O.G. Howland, and William H. Dunn said goodbye to Powell and the other men and began the long climb up out of the Grand Canyon. The remaining members of the party steeled themselves, climbed into boats, and pushed off into the wild rapids. Amazingly, all of them survived and the expedition emerged from the canyon the next day. When he reached the nearest settlement, Powell learned that the three men who left had been less fortunate—they encountered a war party of Shivwit Indians and were killed. Ironically, the three murders were initially seen as more newsworthy than Powell's feat and the expedition gained valuable publicity.



1877, Charles Stewart Rolls

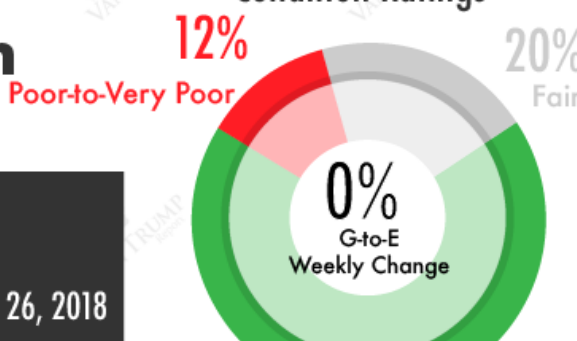
- Rolls, the pioneering British motorist, aviator and co-founder (with Henry Royce) of the Rolls-Royce Ltd. luxury automobile company, is born on this day in London's upscale Mayfair district. The third son of Lord and Lady Llangattock, who had their ancestral seat in Monmouth, Wales, Rolls was a card-carrying member of the British aristocracy. He was educated at Eton and at Cambridge University's Trinity College, where he first developed his love for the new sport of motoring. His first vehicle, a Peugeot with 3.75 horsepower, was the first car to be seen at Cambridge, and enabled him to drive home to Monmouth in an astonishingly quick time of two days. In 1900, Rolls drove a 12-horsepower Panhard car in the famous British auto race the Thousand Mile Trial; he also took part in a number of other early long-distance European races. Considered the best driver in Wales, he was reportedly responsible for changing the national speed limit at the time from 4 to 12 miles per hour. In 1902, Rolls went into the business of selling cars. Two years later, at the Midland Hotel in Manchester, England, he met with Frederick Henry Royce, an electrical engineer of modest background who had his own engineering business, Royce Ltd., and had built several experimental cars of his own design. After that historic meeting, Rolls and Royce merged their firms in 1906 to form Rolls-Royce Ltd. The first Rolls-Royce car, the Rolls-Royce 10 hp, was unveiled at the Paris Salon in December 1904, although in the early advertising it was the name of Rolls that

Corn Crop Condition Ratings

Week 34

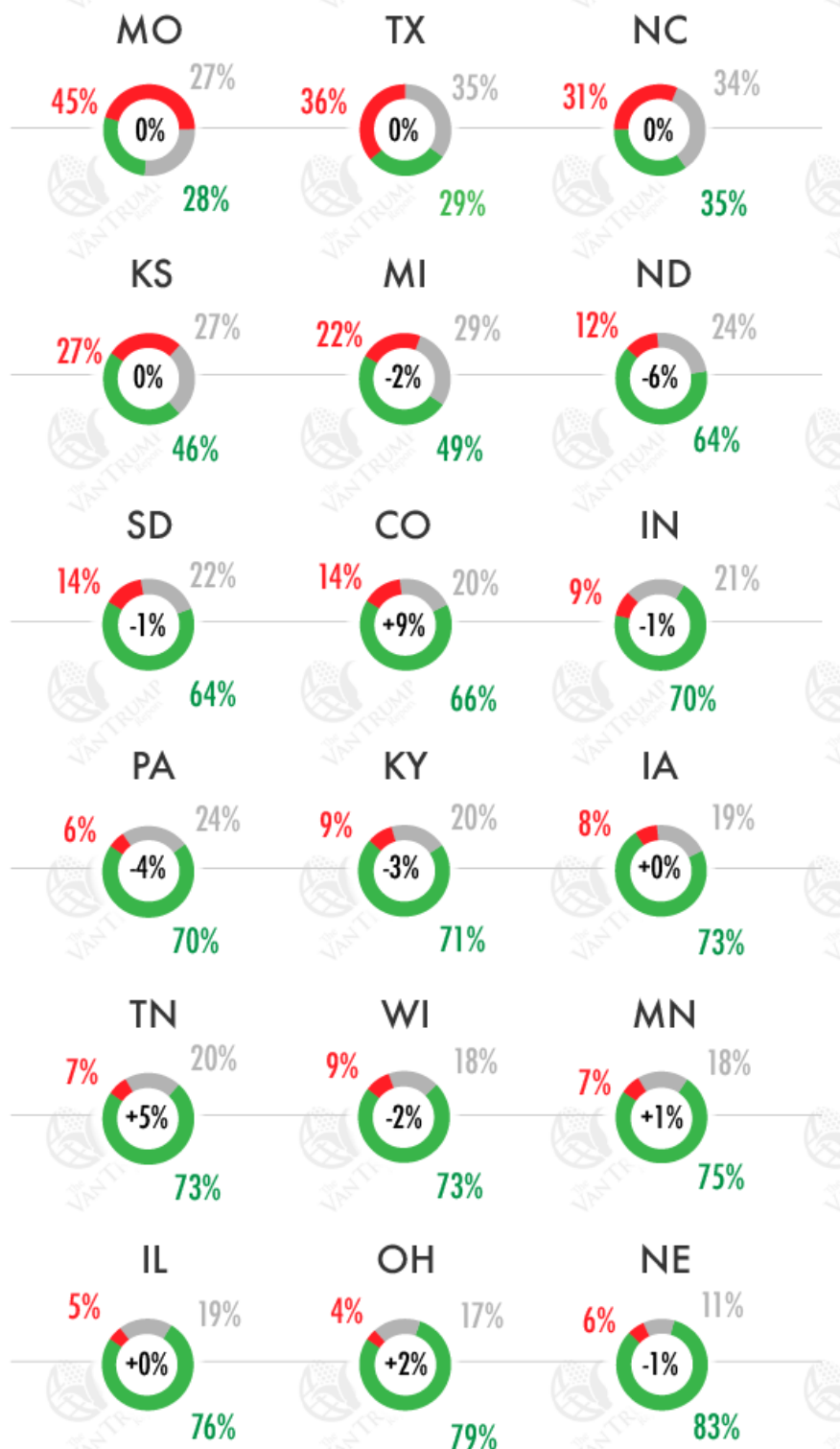
week ending August 26, 2018

2018 U.S. Corn Condition Ratings



Source: USDA, NASS Crop Progress

68%
Good-to-Excellent



was emphasized over that of Royce. In 1906 Rolls and Royce formalized their partnership by creating Rolls-Royce Limited, with Rolls appointed Technical managing director on a salary of £750 per annum plus 4% of the profits in excess of £10,000. Rolls provided the financial backing and business acumen to complement Royce's technical expertise. In 1907 Rolls-Royce Limited bought out C.S. Rolls & Co. In addition to automobiles, Rolls became passionate about aviation, including hot air balloons and early airplanes. In February 1910, Rolls wrote to the inventor Wilbur Wright to complain about the Wright plane he had bought in Europe. In the letter, Rolls told Wright he had resigned his former position at Rolls Royce and taken another, which "does not require any regular attendance at the office," in order "to devote myself to flight." That June, Rolls became the first aviator to fly nonstop across the English Channel and back. Tragically, on July 12, 1910, Rolls was killed when the tail of his plane snapped off in mid-air during a flying exhibition in Bournemouth, England. He was 32 years old.



1963, MLK - 250,000 people attending the March on Washington for Jobs and Freedom to hear civil rights leader Martin Luther King. The demonstrators—black and white, poor and rich—came together in the nation's capital to demand voting rights and equal opportunity for African Americans and to appeal for an end to racial segregation and discrimination. The peaceful rally was the largest assembly for a redress of grievances that the capital had ever seen, and King was the last speaker. With the statue of Abraham Lincoln—the Great Emancipator—towering behind him, King used the rhetorical talents he had developed as a Baptist preacher to show how, as he put it, the "Negro is still not free." He told of the struggle ahead, stressing the importance of continued action and nonviolent protest. Coming to the end of his prepared text (which, like other speakers that day, he had limited to seven minutes), he was overwhelmed by the moment and launched into an improvised sermon. He told the hushed crowd, "Go back to Mississippi, go back to Alabama, go back to South Carolina, go back to Georgia, go back to Louisiana, go back to the slums and ghettos of our northern cities, knowing that somehow this situation can and will be changed. Let us not wallow in the valley of despair." Continuing, he began the refrain that made the speech one of the best known in U.S. history, second only to Lincoln's 1863 "Gettysburg Address": "I have a dream," he boomed over the crowd stretching from the Lincoln Memorial to the Washington Monument, "that one day this nation will rise up and live out the true meaning of its creed: 'We hold these truths to be self-evident: that all men are created equal.' I have a dream that one day on the red hills of Georgia the sons of former slaves and the sons of former

Soybean bears seem to remain in control as U.S. weather appears cooperative and Chinese demand remains in question. There's talk inside the trade of more recent interest in bear spreading this market, especially as more crop scouts talk about increasing pod counts and perhaps another new all-time record yield. There's also the ongoing uncertainty surrounding Chinese demand? Not only is there little talk of a trade resolution between the U.S. and the Chinese, but now there's some question about nearby Chinese meal demand in light of the African Swine Flu hitting a few hog operations. The number of actual pigs impacted isn't the problem or fear, it's how those surrounding the farms are reacting to the news and how they are liquidating herds ahead of a possible government quarantine or forced culling. We don't see this being a

major hiccup longer-term, but it's just adding to the already bearish news that is circulating. The market is also trying to digest more negative headlines and talk of increasing global supply in 2018-2019. Weather will obviously be a wild-card for next year, but the increased acres in South America and lack of a trade deal with the Chinese will certainly cloud the future and keep a lid on most nearby rallies. Right now it just seems like the trade is focused on the U.S. crop getting bigger, not smaller. As well as being worried that the Chinese and U.S. are both digging in their heels until perhaps closer to the November mid-term elections. Weather seems to currently be a non-event and there's talk of Brazil about to plant a record number of soybean acres. I suspect the bears will be able to swing for the fences until the headlines start to change or the USDA throws something off-speed or unexpected. As a producer, I'm keeping all hedges in place. As a spec, I'm still staying patient in regarding to initiating a longer-term bullish position. Still see no reason to be in a hurry with thoughts of +800 million ending stock. The USDA raised weekly soybean conditions by +1%.

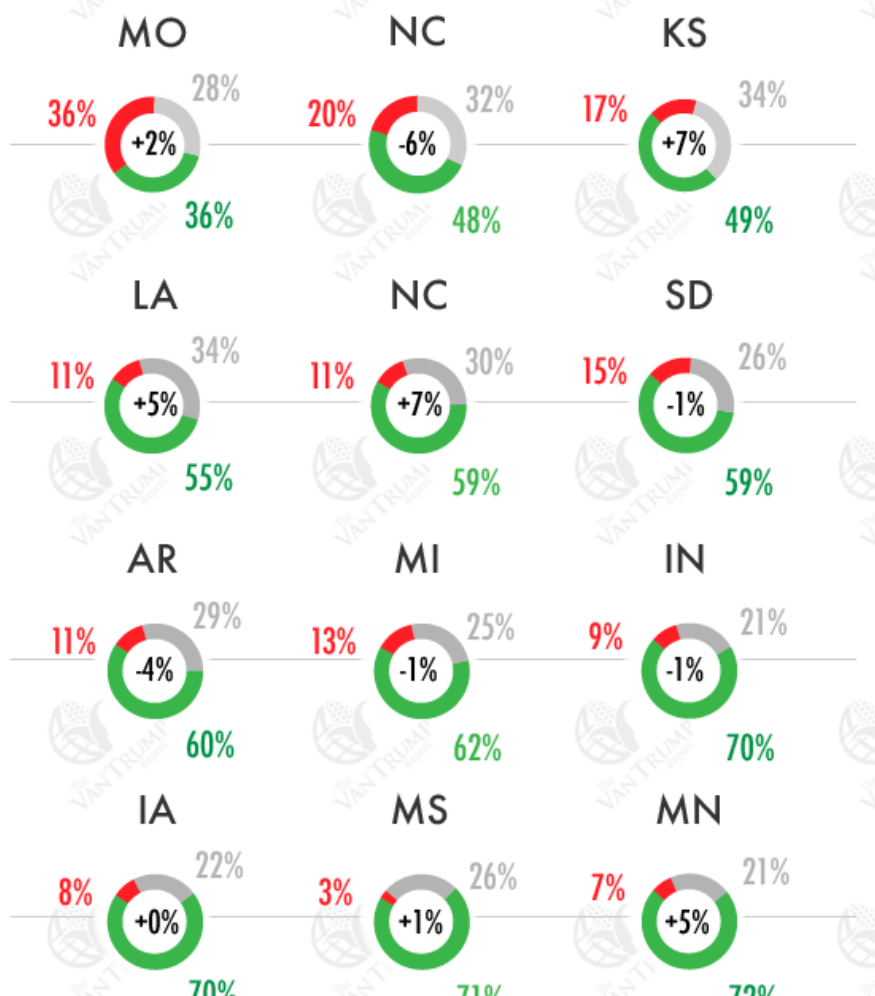
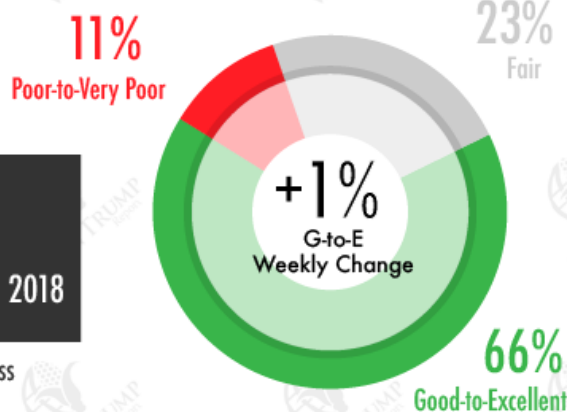
Soybean Crop Condition Ratings

Week 34

week ending August 26, 2018

Source: USDA, NASS Crop Progress

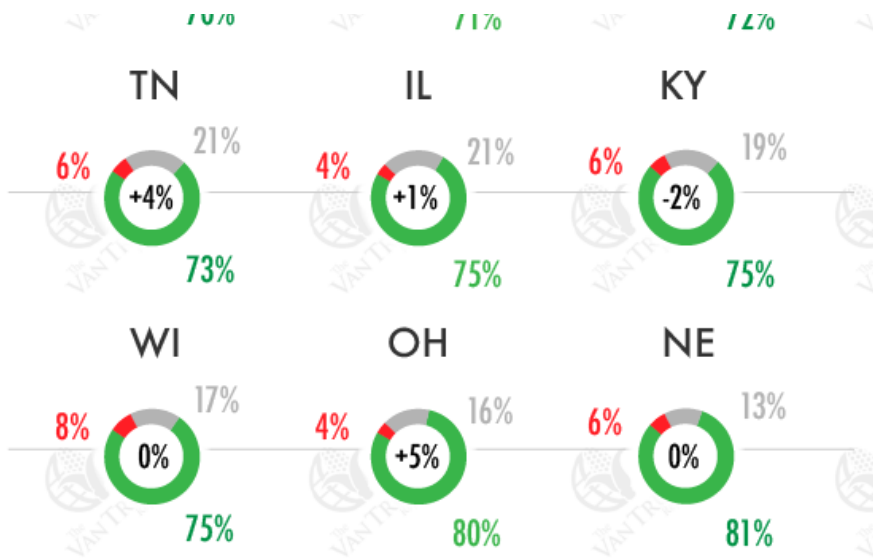
2018 U.S. Soybean Condition Ratings



slaveowners will be able to sit down together at the table of brotherhood. I have a dream that one day even the state of Mississippi, a state sweltering with the heat of injustice, sweltering with the heat of oppression, will be transformed into an oasis of freedom and justice. I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character. I have a dream today." King had used the "I have a dream" theme before, in a handful of stump speeches, but never with the force and effectiveness of that hot August day in Washington. He equated the civil rights movement with the highest and noblest ideals of the American tradition, allowing many to see for the first time the importance and urgency of racial equality. He ended his stirring, 16-minute speech with his vision of the fruit of racial harmony: "When we allow freedom ring, when we let it ring from every village and every hamlet, from every state and every city, we will be able to speed up that day when all of God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing in the words of the old Negro spiritual, 'Free at last! Free at last! Thank God Almighty, we are free at last!'" In October 1964, Martin Luther King, Jr., was awarded the Nobel Peace Prize. On April 4, 1968, he was shot to death while standing on a motel balcony in Memphis, Tennessee—he was 39 years old. The gunman was escaped convict James Earl Ray.

Upcoming Events

- 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



Wheat prices remain in a tailspin, having given back more than -75 cents from the high posted just earlier in the month. It seems like the same old story, U.S. exports remain disappointing, talk of increased U.S. acres in 2019, while at the same time no real fresh or new weather headlines for the bulls to chew on. The USDA weekly data showed U.S. Spring Wheat at 77% harvested vs. the 5-year average of 61%. Technically, the market has now also fallen below several key moving-averages, which probably has added to the recent selling pressure. As a producer, I'm extremely happy about the fact I was an aggressive seller on the rally and already have 50% of next years crop price risk removed. As a spec, I'm still thinking there could eventually be another bull run, but it might not be for a several more weeks. If we continue to be pressured by the bears, I will become much more interested in adding to my current longer-term position. I think eventually bullish headlines will come from Russia and or the Europe Union.

Kevin's Song of the Week



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

Spring Wheat Harvested

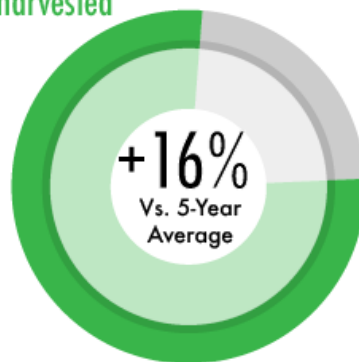
Week 34

week ending August 26, 2018

Source: USDA, NASS Crop Progress

2018 U.S. Winter Wheat Harvested Percentage

77% harvested



SD

97%



MN

94%



ND

77%



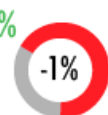
WA

71%



ID

67%



MT

61%



Red if Below
5-yr. average

Green if At or Above
5-yr. average

Connecting the Dots

> **USDA Outlines Direct Payments To Farmers:** The initial MFP payment will be calculated by multiplying 50 percent of the producer's total 2018 actual production by the applicable MFP rate. If CCC announces a second MFP payment period, the remaining 50 percent of the producer's total 2018 actual production will be subject to the second MFP payment rate. MFP payments are capped per person or legal entity at a combined \$125,000. Also to eligibility is based on Adjusted Gross Income under \$900,000 and in conservation compliance. Payments to wheat farmers will be 14 cents per bushel; Sorghum will be set at 86 cents per bushel; Soybeans at \$1.65 per bushel; Corn at 1 cent per bushel; Cotton at 6 cents per pound. Ag Secretary Sonny Perdue says the farm aid program will be implemented on September 4. Interested producers can apply after harvest is 100% complete and they can report their total 2018 production. Producers will also be able to submit their MFP applications in person, by email, fax, or by mail. MFP applications will also be available online at www.farmers.gov/mfp. (Source: USDA)

> **China Trade Update:** When President Trump announced his Mexico deal, he also said he was rejecting China's efforts to negotiate on trade. "It's just not the right time to talk right now, to be honest," he said. Mid-level talks between the two countries' negotiators last week failed to produce an agreement, and the Chinese are apparently now talking about suspending talks until after the midterms. (Source: Fortune, CEO)

> **GMO Myths vs. Facts:** It's always good to come back to this and read up on the myths over GMOs. There's a great deal of mis-information out there about long-term health affects of GMOs and

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 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.

negative affects on the environment and we need to have the latest data to combat the folks out there who seem to be screaming the loudest. Read up [HERE](#) at GMO Answers.

> **China Moving To Lessen Damage of African Swine Fever:** China's Shandong province has banned live hogs from areas of high risk for African swine fever from entering the province in a bids to stop the spread of the deadly disease across the world's largest herd. The move comes after China discovered another outbreak of the highly contagious disease last Thursday, its fourth since the country's first ever outbreak was reported on August 3. (Source: Reuters)

> **The Starbuck's Pumpkin Spice Latte Will Return... Earlier than Ever:** Over the last 15 years, Starbuck's Pumpkin Spice Latte has become the defacto marker of the beginning of autumn. Well, the coffee giant has confirmed that the drink will return on Tuesday, August 28, the earliest the Pumpkin Spice Latte has ever debuted. This means fall is coming early. This will be the 15th year that Starbucks will serve the Pumpkin Spice Latte, a seasonal beverage that has become an iconic market of fall for many.

> **Another WWII Bomb Discovered In Germany; 18,500 Evacuated:** Officials in the German town of Ludwigshafen ordered the evacuation of about 18,500 people Sunday while crews defused a World War II bomb discovered earlier in the week. Found by construction workers in an area believed to contain many unexploded bombs from the Allied aerial attack on the Nazis, the bomb weighed some 1,100 pounds. After 6 hours, the bomb was defused and people were allowed to return home. The bomb was believed to have been dropped by American forces. (Source: BBC)

> **Highest Paid Reciever in the Game:** Odell Beckham Jr. and the Giants are closing in on a five-year deal worth \$95 million, with \$65 million guaranteed. This deal will make Beckham own the largest contract for a receiver in NFL history. Beckham is still only 25. He's caught 313 passes for 4,424 yards and 38 touchdowns since 2014. He's missed 17 games in that span and still ranks 8th in receptions, 7th in receiving yards, and 2nd in touchdown catches. Looks like Beckham could be worth the money the Giants paid up for him.

> **The Final Season of Game of Thrones Update:** The series is rumored to premiere some time in March or April of 2019. However, it's now been talked about there could be even more of a delay, which would cause the show to have the final season out until at least May. The final season will also be the shortest one yet, with just six episodes left to wrap up all the hanging plot threads in Westeros. All of the episodes are set to be between 50 and 90 minutes long, with no 2-hour specials. Click [HERE](#) to watch a few sneak peaks of the new season.

> **Uber's Valuation Continues To Push Higher:** *Toyota will invest \$500 million in Uber and partner with the company to make driverless vehicles. The deal "values Uber at about \$72 billion, slightly higher than where SoftBank valued the ride-hailing company earlier this year with its funding".* (Source: [The Wall Street Journal](#))

> **Chinese Soybean Imports Take First Dip After A Long-Running Expansion:** Below we have a chart illustrating China's reduction in soybean imports for the 2018/19 marketing year. By early July, the price of U.S. soybeans imported by China spiked after the government raise idmport tariffs on U.S. soybeans by 25%. Also, because of a 10% decline in the value of China's currency relative to the U.S. dollar since April, the relative prices of U.S. sourced beans have risen. The cumulative imports for October 2017 to July 2018 virtually matched the year-earlier level at 77 million tons, and imports are expected to total 96 million tons by September, a modest increase from the previous year. In 2018/19, the volume of soybeans imported to China are expected to decline relative to a year earlier, totaling 95 million tons. This would be the first annual decline in Chinese soybean imports since 2003/04.





FROM THE FIELD

Southeast Nebraska – We are going to have a large variety of quality, yield and moisture of corn. So, the real challenge we are going to have this year is storing the corn. We will have corn that is going to come off at 12-14% moisture and other corn that comes off in the low 20's on the moisture. The higher quality corn is going to be the corn with higher moisture and we can't store that corn with the lower quality corn that because we will run into the dilemma of over drying the already dry corn and what I'm going to assume will be lighter test weight as well. I know a lot of guys deal with this and probably have bins designed to handle all different moisture and quality corn, but we don't have those options, so we plan on having all the corn sold as quickly as possible. That will leave us at the mercy of the markets and our storage will not be as beneficial this year. We have large areas that have nitrogen leaching problem, it has a slight yellow tint because all the excessive rain, but there are much larger areas, especially northwest of us that look the best they have ever seen.

Southwest Minnesota – We didn't get any of the ProFarmer crop guys in our immediate area but if you look at the maps on your report we are in district 7. We had a few distant neighbors have their fields looked at, but they felt like they just looked at the better part of the fields. I think I heard a guy say it best when he said they needed to take all the final yields by 75% because of the drown out. I would agree with guys and say we have specific areas that are well into the 200's but we have big areas where the corn doesn't even have a stand. There are massive drown out spots. There are quite a few bottom fields that have significant nitrogen losses, which is turning the corn a lighter green if not yellow on the bottom leaves. The bottom leaves are dropping as the plant is trying to fill out the ear the rest of the way. If they haven't been shed, they are completely yellow.

Northeast North Dakota – We are located about 25 miles off the Canadian border. We don't farm a ton of corn here, but we always try to put anywhere from 400-800 acres end depending on rotations. We have had heat close to 100 degrees for 2 weeks. I think since the 15th of the month we have 3 days over 100 degrees and at least a few more that felt like the heat index were close to 100. I have been watching the over night temperatures and they were not dropping in that 2-week period. Here's the problem we have had extreme heat for us during the day and no break at night for weeks now so the we have dropped close to 70 bushels on our corn. We went from 160 bushels per acre to 90 bushels or less. After this weekend I'm thinking we might be closer to 75 bushels. The tip back is unbelievable in just a few weeks.



CROSSING WIRES

A place to share intelligent thoughts...

World's First Floating Dairy Farm: Peter van Wingerden, an engineer at Beladon, came up with the idea after visiting New York City at the time of Hurricane Sandy. Seeing how difficult it was for residents to access food in the wake of the superstorm got him thinking about the importance of shortening the distance food needs to travel from producer to consumer. By situating a farm right in a city, it creates more food security and lessens the environmental impact of transportation. So now, the city of Rotterdam, in the Netherlands, is about to become home to the world's first floating dairy farm. An offshore facility is under construction in the Merwehaven harbor and will house 40 cows producing 1,000 litres of milk per day. The floating farm will get 80% of the cows food supply from food waste at the local restaurants. Read more [HERE](#).

Maersk Deploys The AHTS Maersk Launcher For Ocean Cleanup: The effort will target the well-publicized "garbage patch" in the Pacific, which contains mismanaged plastic waste generated on shore. According to researchers at the Helmholtz Centre for Environmental Research, ten river systems in Asia and Africa account for as much as 95 percent of ocean plastic pollution worldwide, and six of ten flow into the seas of the Western Pacific region. I'm told the Ocean Cleanup's system relies upon long floating screens to collect plastic debris for recycling and the team recently conducted offshore tow testing for a 120-meter segment of the barrier. Unbelievably, plastic waste enters the sea at an estimated rate of 90,000 to 270,000 tons per week, according to an estimate published in Science in 2015. Read more [HERE](#).

Scientists Discover How To Convert Type A & B Blood Into Universally Used O: At the 256th National Meeting & Exposition of the American Chemical Society, a team of researchers from the University of British Columbia described how they were able to use enzymes derived from bacteria in the human gut to remove markers called antigens from AB, A and B blood, effectively turning the blood into type O. Remember that someone with type A blood can't receive type B blood, and vice versa. Type O is often called the 'universal donor' because these red blood cells don't have antigens. This type, specifically type O negative, which is the true 'universal donor', is the most valuable because it can be administered to virtually everyone. That's why it's often carried on medical helicopters. Read more [HERE](#) about the breakthrough.

One Of Sixty Remaining Apple-1 Computers Goes To Auction: Steve Jobs and Steve Wozniak produced about 200 Apple-1 computers in the mid-1970s and around 60 of those are known to still exist today. Every so often one pops up at auction and manages to sell for a price that could easily purchase a home in most locations. RR Auctions is preparing to take bids on a functioning, late "Byte Shop"-style Apple-1 model, with the expectation that it will go for more than \$300,000. The auction lot comes with not just the motherboard, but also the original manual and a period-style monitor and keyboard to fire it up and show off to anyone who wants to see how powerful an Apple computer was in 1976. Take a moment to consider the advancements in computer power over the last 40 years and keep in mind it's doubling every 18-24 months...Wow!! Read more [HERE](#).

World's Largest Telescope, Can Science and Economic Development Co-Exist? China spent \$180 million to create the telescope, which officials have repeatedly said will make the country the global leader in radio astronomy. But the local government also spent several times that on this nearby Astronomy Town—hotels, housing, a vineyard, a museum, a playground, classy restaurants, all those themed light fixtures. The government hopes that promoting their scope in this way will encourage tourists and new residents to gravitate to the historically poor Guizhou province. It is, in some sense, an experiment into whether this type of science and economic development can coexist. Which is strange, because normally, they purposefully don't. Read more [HERE](#) and check out the impressive telescope.



Investment in Ag Tech Continues to Trend Upward

According to a mid-year report by a venture capital firm called Finistere Venture, agtech seed stage funding continues to trend higher globally. The report, which you can find [HERE](#), shows that seed stage deal value and investment are rising, while angel investment into agtech is slightly down since it's peak in 2016. The good news is there is plenty of money for early stage or seed investments. This is a change from a few years back when there were so few sources of investment for agtech at this level. Keep in mind however, back then companies seemed to be extremely well vetted prior to receiving funds, whereas now it seems like some companies are slipping through the cracks without a well thought out plan or experienced team to take it to the next level. Personally, I've witnessed several companies as of late receiving heavy funding, while they are still trying to figure out their business model and how or where they can best gain market share. Just because they are in the ag space people are wanting to throw investment dollars their direction. In my opinion, many agricultural technology companies are still looking for a problem to solve, then hoping they can stumble upon the solution. Low income levels the past few years in the ag community has also created a tougher environment, as fewer are in the position to spend additional dollars or taking chances on something that might not bring a return. Our friend Connie Bowen, the co-founder and the Director of Operations at the Yield Lab Institute, and Program Manager at the Yield Lab North America accelerator has done a great job of identifying a few of them in her recent Forbes article. I encourage you to read it in full [HERE](#). I know we are all trying to investigate and figure out where we can spend money on new tech and bring our farms the biggest returns. Unfortunately, that answers is going to be different for almost every operation, as it brings into account a wave of variables that only you can answer and best understand. Whether you are trying to survive as "low-cost provider" in a commoditized market i.e #2 yellow corn, or looking for ways to decommoditize and build more direct channels you are going to have to make investments in ag tech. Below are a just few items that might spark some additional thoughts or conversation. (Source: [Forbes](#), Pitchbook)

Indoor Farming: As of June, Finistere's surveys indicate that indoor farming investment is down slightly, but remember that SoftBank put +\$200M in Plenty last year and made its move to out-muscle other indoor farms to presumably address the challenges facing indoor farming once and for all. Bowen believes that we're going to see another uptick in investment going into

this sector in the next couple of years, and sees a huge opportunity for seed breeding in parallel with less expensive controlled environment systems. From what we are seeing, I definitely believe in the indoor farming sector growth as well as 'designer' seeds being a category of growth in the future. I have to think that Crisper technology will open doors to seed improvements. I personally believe farmers who have fairly close access to metropolitan areas should be actively pursuing indoor farming on their current operation. It would be a great way to keep more hired hands busy year round and help to generate more stable cash flow for the farm.

Crop Protection and Input Management: Bowen sees the space continuing to grow as she reminds us that agtech exits are primarily driven by M&A, and a large number of the strategic acquirers are very focused on the potential for microbial and biological crop protection solutions. We have definitely seen the move to microbial use and soil health practices as a low cost way to enhance yields.

Precision Ag: It remains one of the most active areas as most every corporation and every investor has a play in precision ag right now, but the problem lies in the fact the systems and data sets aren't talking to each other. As a global community, we still need to figure out to integrate different data sets and how to make these systems affordable and accessible. As we compile research each day we are seeing lots of talk about data, but until producers can be shown how the aggregation, correlation and integration of their data will go straight to the bottom line, I suspect adoption rates will remain low.



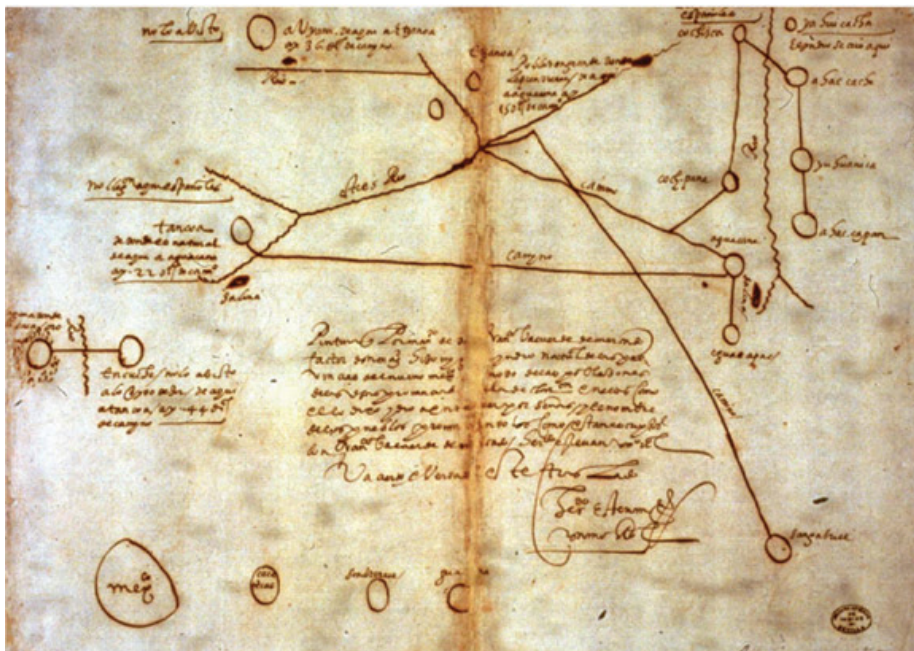
A Lost Native American City Is Being Unearthed in a Kansas Field

People are flocking to a city in southcentral Kansas that hasn't been seen since the 1600's. Etzanoa, a town that once supported 20,000 is thought to be one of the largest prehistoric Native American towns in the U.S. Interestingly, generations of residence in the area have been finding flint tools,

arrowheads, cooking utensils and pottery shards, but no one really gave it much of a second thought. There were of course, stories and folklore surrounding an ancient Indian metropolis. From what I understand, The first written tales of Etzanoa came from Spanish soldiers looking for gold. Scholars at the University of California, Berkeley retranslated Spanish accounts of Juan de Onate's 1601 expedition to the Great Plains, where Onate and 70 conquistadors came across a city of 2,000 houses, each holding eight to 10 people. But folklore would become fact when Adam Ziegler, a Lawrence Free-State High School freshman, was helping Donald Blakeslee — an anthropologist and archaeology professor at Wichita State University — search the site with a metal detector. I'm told they found a half-inch iron ball, matching the same kind fired from a 17th-century Spanish cannon and lending confirmation of the city. It's worth noting that Etzanoa was the home to a Wichita tribe and was visited by Don Juan de Onate in 1601, considered the last Spanish conquistador. He came to the area in search of riches — the fabled "Seven Cities of Gold." Though he wouldn't find the gold, his visit would pay off in other ways, providing descriptions of the city. Impressively, a map of the city made by a captive of the Spaniards was found in good condition. I understand that there was a battle in the area between the Spanish explorers and a rival tribe of the Etzano called the Rayados and after the Spanish defeated them in 1601, Onate and his conquistadors took hostages home to New Mexico to convert them to Christianity. By the time Europeans visited the area again, in the 1700s, the city was gone, possibly ravaged by European diseases introduced by the Spaniards. As you can see, the cannon shell that Ziegler found is good evidence of the battle and further evidence of the lost city. If you like history and to dig then plan a trip through Kansas next year when the Kansas State Historical Society and the Kansas Anthropological Association will sponsor a dig at the site. In the meantime, historians and leaders of Arkansas City are opening some of the area to [public tours](#)

. (Source: Wichita Eagle, Kansas City Star)

Below is pictured Blakeslee, a map drawn by a Wichita Indian captured by the Spanish in 1602, a picture of a Wichita Lodge, thatched with prairie Grass, and a map of where archaeologists believe Etzanoa once was.



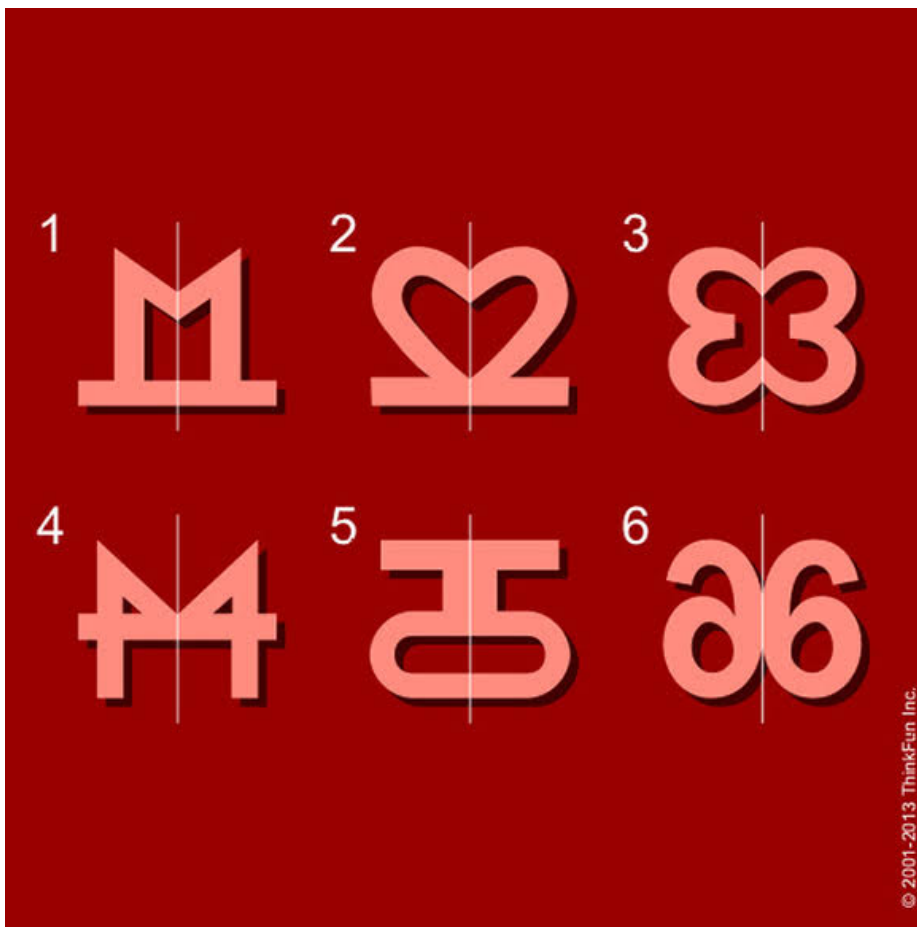


Amazing Story... From a Life-Threatening Injury to Pitching for the White Sox

On April 20, 2018, Danny Farquhar was pitching in relief in the 6th inning in a game against the Houston Astros. After the inning, Farquhar collapsed in the dugout. Teammates and the White Sox Trainer say Farquhar was in the White Sox's dugout vomiting before he finally lost consciousness. Many weren't sure if he was alive or dead. Farquhar was then carried out by ambulance and taken to Rush University Medical Center. His teammates were shocked because they did not seem to notice any signs of Farquhar being sick while he was around them. After many tests, doctors revealed Farquhar suffered a brain hemorrhage, which was caused by a ruptured brain aneurysm that led him to the hospital's ICU for 3 weeks. He was given a 40% chance of dying and a 60% chance of being somewhat functional if he made it through the surgery. Farquhar was eventually released from the hospital on May 7, 2018, and the first thing he could think about was how to get back to baseball. It seems what happened to his brain didn't change much in his heart as he states, **'If you have a 'Plan B', you don't give 'Plan A' everything you have. I went to college, but that was to be a baseball player. I didn't have a 'Plan B'. I still don't have a 'Plan B'.'** Despite being ruled out for the rest of the 2018 season, doctors expect him to make a full recovery and pitch again at some point in 2019. He seems to be in great physical shape, but they want to keep a close eye on him due to the severity of the injury so they can catch anything as soon as it pops up. Danny was already back in baseball facilities working out and throwing bullpens 3 months after surgery. He is the first person to come back from an injury like this in professional sports and doctors truly believe he's a walking miracle. On June 1, 2018, he was in good enough condition to throw the ceremonial first pitch for the White Sox's game against the Milwaukee Brewers with his whole team behind him, which was a very special moment. He picked one of his best friends on the team, Nick Jones, to catch the first pitch because he knew if he made a wild throw Jones would do anything in his power from letting it hit the ground. Click [HERE](#) to watch Danny's full recovery story. Amazing!

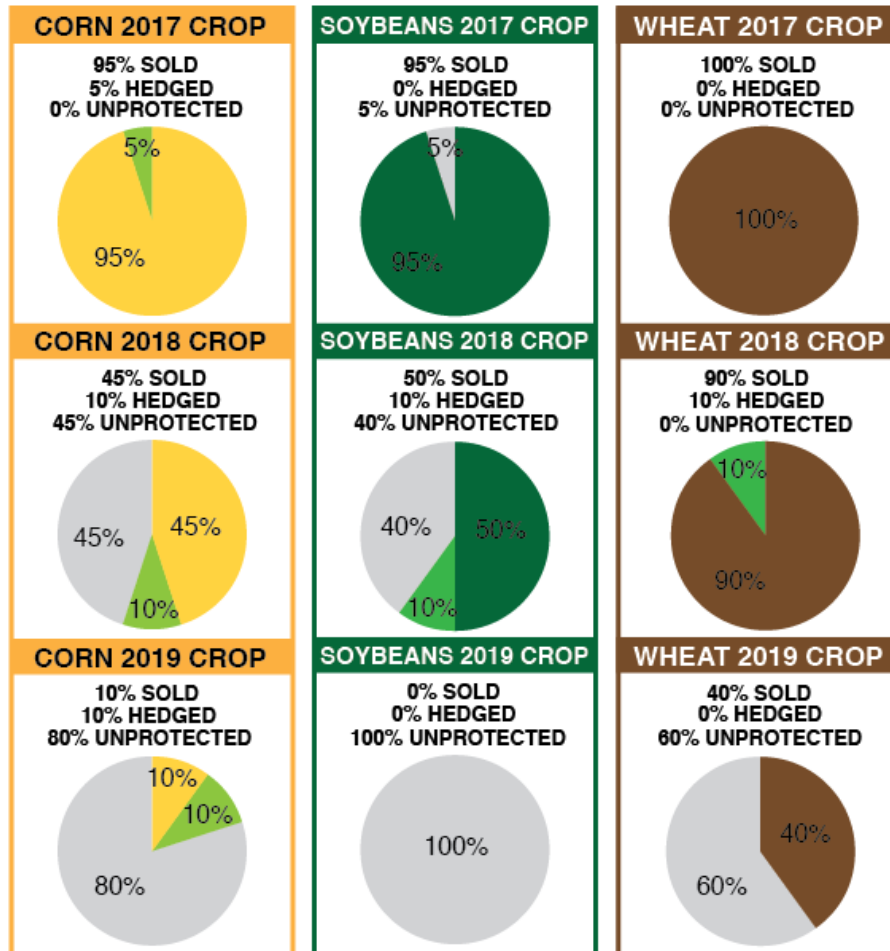


ANSWER to riddle:



CASH SALES & HEDGING TOTALS

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