

GOOD MORNING: 08/29/18 Farm Direction - Van Trump Report

2 messages

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

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"Good is the enemy of great." - Jim Collins

WEDNESDAY, AUGUST 29, 2018

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Morning Summary: Stocks are steady to slightly higher this morning. The S&P 500 has now closed at a record high 17 times this year, including in each of the last three trading sessions. Though the gains were a bit muted yesterday, it's worth noting that consumer confidence has reached an 18 year high. Bulls continue to argue that the U.S. economy is strong enough to not only withstand most political and trade negotiation headlines, but to keep heading north for the foreseeable future. Essentially discounting the bears arguments of a strengthening dollar, tightening Fed and emerging market fallout. Bulls sight that the U.S. dollar has weakened the past several sessions and the Fed could arguably turn perhaps a bit more dovish following the expected September rate hike. In fact, it already feels like there's less talk of three rate hikes coming in 2019 and perhaps just one or two, which the stock market likes to hear. Talk surrounding global trade continues to center around a recent win-win with Mexico and how long it will take to get our Canadian neighbors to agree to some type of tri-lateral deal? From what I understand, Canada could sign on by the end of this week or early next if a few more hurdles can be cleared. Washington insiders are saying, the powers that be are going to work hard in trying to complete a deal with Canada, then turn their immediate attention to resolving trade issues with the European Union. Unfortunately, that puts Chinese trade talks towards the back burner. Meaning threats of another \$200 billion in tariffs on Chinese goods will probably become a reality. Today we will see the second estimate of U.S. GDP, Crude Oil Inventories and the MBA Mortgage Index. Economists seem to be thinking the GDP rose at a 4% annual rate, down just a bit from the first estimate of 4.1%. A few more earnings will also be released today, including American Eagle and Dick's Sporting Goods reporting ahead of the opening bell, while Salesforce releases its quarterly results after markets close. Thursday will bring Weekly Employment numbers, along with Personal Income & Spending. Friday is Michigan Consumer Sentiment and Chicago PMI.

Is Russia Sending Huge Navy Presence To Syria? Russia is saying they have positioned a considerable naval armada in the Mediterranean near Syria after accusing the U.S. of plotting a false-flag chemical-weapons attack in rebel-held areas. A Russian Defense Ministry spokesman, Maj. Gen. Igor Konashenkov, recently said the U.S. had built up its naval forces in the Mediterranean and accused it of "once again preparing major provocations in Syria using poisonous substances to severely destabilize the situation and disrupt the steady dynamics of the ongoing peace process." The Pentagon has dismissed the claims of a military buildup by Russia as "propaganda. Regardless, it seems like tensions in this area are again starting to flare between Russia and the U.S. ...stay tuned!

Bitcoin Hasn't Fared Well As Of Late, But... Bitcoin still has a market cap of \$122 billion. That is larger than Ford (\$40 billion) and GM (\$53 billion) combined.

Is It An Oversized Drone or Electric Helicopter? Workhorse debuted what they are calling an electric helicopter called "SureFly" in downtown Manhattan last week. Interestingly, the cockpit has literally no buttons on the dashboard, just a control stick and a tablet. The company also showed off an electric pickup truck, which went by the less dramatic monicker W-15. Workhorse is currently building electric delivery vans and testing with a drone-based delivery system integrated into the roof of the van. Saying they are toying with the prospect of using a drone to deliver burgers from a nearby Shake Shack to a 25th-floor balcony. It's just crazy how quickly things are coming online in the transportation sector. If you are looking for more specifics, please read the entire article featured at [ARS-Technica](#)

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

- John Wooden

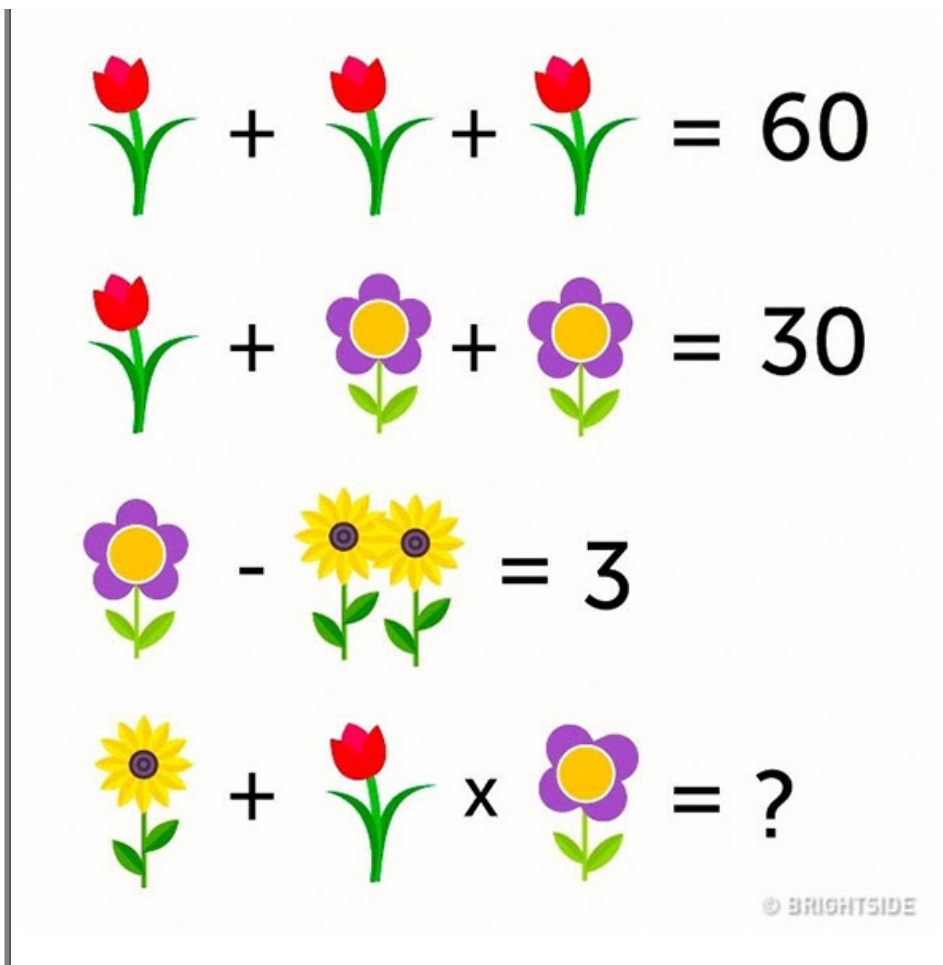


neuro mining



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

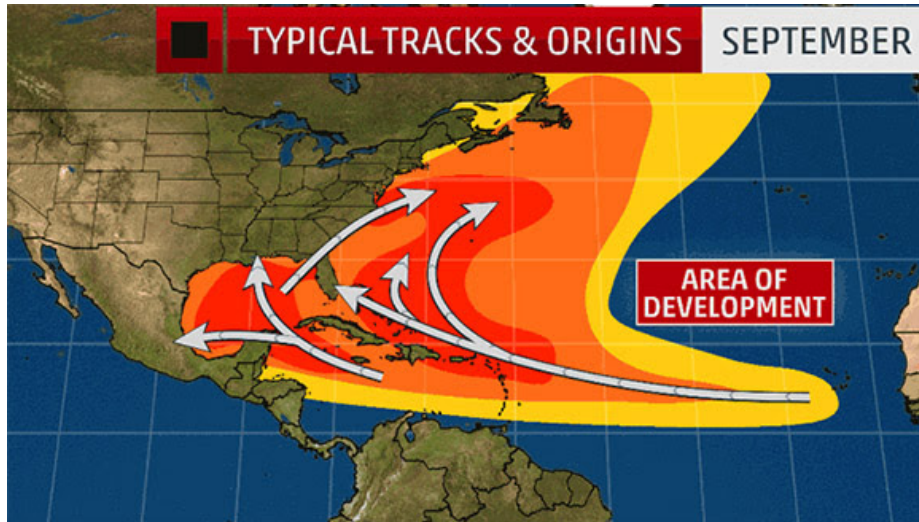
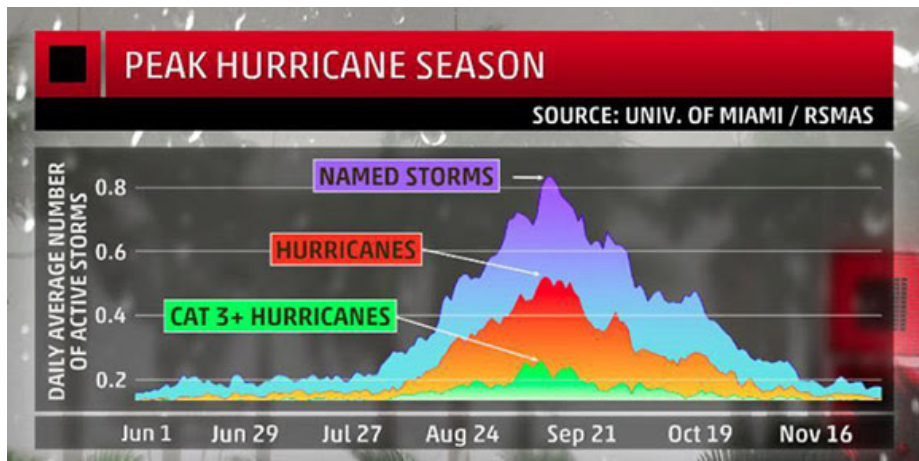


1533, Last Incan Emperor -

Atahualpa, the 13th and last emperor of the Incas, dies by strangulation at the hands of Francisco Pizarro's Spanish conquistadors. His execution marked the end of 300 years of Inca civilization. High in the Andes Mountains of Peru, the Inca built a dazzling empire that governed a population of 12 million people. Although they had no writing system, they had an elaborate government, great public works, and a brilliant agricultural system. In the five years before the Spanish arrival, a devastating war of succession gripped the empire. In 1532, Atahualpa's army defeated the forces of his half-brother Huascar in a battle near Cuzco. Atahualpa was consolidating his rule when Pizarro and his 180 soldiers appeared. Francisco Pizarro was the son of a Spanish gentleman and worked as a swineherd in his youth. He became a soldier and in 1502 went to Hispaniola with the new Spanish governor of the New World colony. Pizarro served under Spanish conquistador Alonso de Ojeda during his expedition to Colombia in 1510 and was with Vasco Nunez de Balboa when he discovered the Pacific Ocean in 1513. Hearing legends of the great wealth of an Indian civilization in South America, Pizarro formed an alliance with fellow conquistador Diego de Almagro in 1524 and sailed down the west coast of South America from Panama. The first expedition only penetrated as far as present-day Ecuador, but a second reached farther, to present-day Peru. There they heard firsthand accounts of the Inca empire and obtained Inca artifacts. The Spanish christened the new land Peru, probably after the Vire River. Returning to Panama, Pizarro planned an expedition of conquest, but the Spanish governor refused to back the scheme. In 1528, Pizarro sailed back to Spain to ask the support of Emperor Charles V. Hernan Cortes had recently brought the emperor great wealth through his conquest of the Aztec Empire, and Charles approved Pizarro's plan. He also promised that Pizarro, not Almagro, would receive the majority of the expedition's profits. In

Weather for the Corn Belt saw markedly cooler air spread across the upper Midwest yesterday. Meanwhile, lingering late season heat is promoting summer crop maturation from the Mississippi Valley into the lower Great Lakes region. On the Plains, cool weather trails a cold front across the northwestern half of the region. This morning's temperatures dipped below 40 degrees F in parts of Montana. Drier air is overspreading the northern Plains, although isolated showers linger. Meanwhile, hot weather persists across the southern Plains. In the South, hot, mostly dry weather continues to promote summer crop maturation and harvesting of crops such as corn, rice, and sorghum. Exactly one-fifth of U.S. rice and sorghum had been harvested by August 26. A weakening surge of cool air will fully encompass the Midwest by mid-week. Meanwhile, temperatures will quickly rebound to above normal levels across the northern Plains and much of the West. By week's end, above normal temperatures will cover most of the country. During the next several days, rainfall will be focused near a pair of cold fronts crossing the northern U.S. Five-day rainfall totals could reach 2 to 4 inches or more in the upper Midwest. Totals of 1 to 2 inches can be expected across the remainder of the Corn Belt.

Is The Atlantic Hurricane Season About to Wake Up? *No hurricanes have been active in the Atlantic Basin since July 12 despite August being the second most active month for Atlantic hurricanes, but some forecast guidance suggests the tropical Atlantic could wake up over the next two weeks. Multiple tropical waves are forecast to emerge off the coast of western Africa, some of which could develop into a tropical cyclone. September is the peak month for Atlantic hurricanes, recording more hurricanes in that basin than any other month on record. The period between Aug. 20 and Oct. 10 accounts for 60 percent of all Atlantic Basin hurricanes and 75 percent of all major hurricanes (Category 3 or stronger).*



Corn bulls are talking about perhaps too much rain in the forecast for some northern areas, which could obviously slow harvest if flooding becomes an issue. I personally don't see the market paying a lot of attention to any of the bulls arguments about a smaller yield or lower U.S. production estimate. It feels like the recent crop tours have somewhat spooked the bulls and are allowing more talk of a national U.S. yield pushing nearer 180 bushels per acre. I still see strong U.S. demand, which I'm hoping can help stop or limit the bleeding in the market. From a technical perspective, prices in the DEC18 contract have fallen by more than -30 cents from the highs posted just three weeks ago. Interestingly, the high was posted in late-May at \$4.29⁴, then less than 8 weeks later the contract posted it's low at \$3.50². It feels like we want to go back and re-test the lows and perhaps expand the range a bit into the \$3.30's or \$3.40's as the U.S. harvest starts to gain more momentum. Beyond that time period, which I'm not sure how long the bears can hold us under water, I have to imagine the markets starts to slowly claw itself back higher. Bulls are still searching for any type of lifeline to go along with the great demand story. Unfortunately theres just very little to grasp onto at this particular moment, especially with U.S. weather being so cooperative and total production feeling like it's getting larger.

1530, Pizarro returned to Panama. In 1531, he sailed down to Peru, landing at Tumbes. He led his army up the Andes Mountains and on November 15, 1532, reached the Inca town of Cajamarca, where Atahualpa was enjoying the hot springs in preparation for his march on Cuzco, the capital of his brother's kingdom. Pizarro invited Atahualpa to attend a feast in his honor, and the emperor accepted. Having just won one of the largest battles in Inca history, and with an army of 30,000 men at his disposal, Atahualpa thought he had nothing to fear from the bearded white stranger and his 180 men. Pizarro, however, planned an ambush, setting up his artillery at the square of Cajamarca. On November 16, Atahualpa arrived at the meeting place with an escort of several thousand men, all apparently unarmed. Pizarro sent out a priest to exhort the emperor to accept the sovereignty of Christianity and Emperor Charles V., and Atahualpa refused, flinging a Bible handed to him to the ground in disgust. Pizarro immediately ordered an attack. Buckling under an assault by the terrifying Spanish artillery, guns, and cavalry (all of which were alien to the Incas), thousands of Incas were slaughtered, and the emperor was captured. Atahualpa offered to fill a room with treasure as ransom for his release, and Pizarro accepted. Eventually, some 24 tons of gold and silver were brought to the Spanish from throughout the Inca empire. Although Atahualpa had provided the richest ransom in the history of the world, Pizarro treacherously put him on trial for plotting to overthrow the Spanish, for having his half-brother Huascar murdered, and for several other lesser charges. A Spanish tribunal convicted Atahualpa and sentenced him to die. On August 29, 1533, the emperor was tied to a stake and offered the choice of being burned alive or strangled by garrote if he converted to Christianity. In the hope of preserving his body for mummification, Atahualpa chose the latter, and an iron collar was tightened around his neck until he died.



1876, Charles Franklin Kettering - the American engineer and longtime director of research for General Motors Corp., is born on August 29,

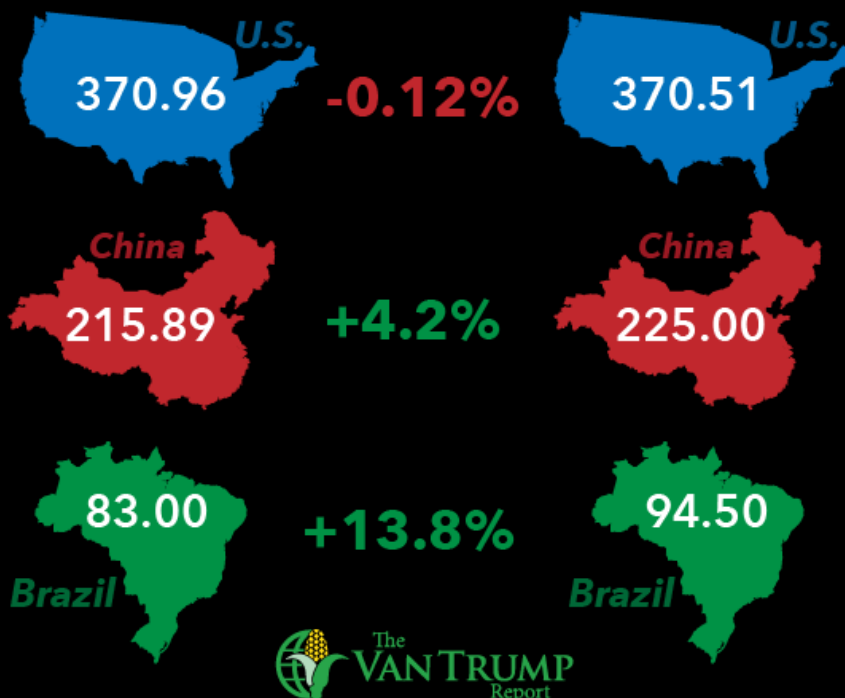
1876, in Loudonville, Ohio. Kettering would obtain over 140 patents the course of his lifetime, and perhaps the most notable was his electric self-starter for the automobile, patented in 1915. Early in his career, Kettering worked at the National Cash Register Company in Dayton, Ohio, where he helped develop the first cash register to be equipped with an electric motor that opened the register drawer. With Edward A. Deeds, he formed Dayton Engineering Laboratories Company (DELCO), a business dedicated to designing equipment for automobiles. Keep in mind, early automobiles required a hand crank for starting. Occasionally, when the spark lever was not properly set, the hand crank kicked back, causing

Top 3 Corn Producers

(in million metric tons)

2017/2018

2018/2019 proj.



Source: USDA, FAS, PS&D, 08/28/18

Soybean bears continue to talk about the U.S. crop getting larger and not smaller. At the same time this is invoking talk that an already massive 785 bushel ending stock estimate is going to get larger, perhaps pushing to between 850 to 950 million bushels. Obviously, the thoughts of a record U.S. crop, yield pushing north of 52 bushels per acre, along with no real signs of amicable trade negotiations with the Chinese, is muting most all rallies. As I've mentioned the past couple of weeks, there's also starting to be a bit more debate about total Chinese demand and total U.S. demand. The headlines just aren't here for the bulls. There's some technical arguments that the market is getting itself a bit oversold, and after essentially being down for six trading days in a row, it might be due for a little reprieve. I also continue to hear talk of basis bids eroding across the U.S. I'm hearing valid arguments on both sides of the fence. One group saying the basis bids are going to start to stabilize then find some strength in a few weeks. The other side saying the basis could continue to widen beyond most all historical levels. This is really getting worrisome in several parts of the country. I'm glad we locked in a majority of our production estimates way early when the basis was strong. Some good sources were telling me it could get ugly if the U.S. harvested a good crop and the trade negotiations with the Chinese went south. There was certainly nothing genius like about the comments, just glad I listened! As for flat price, just remember, somebody is obviously excited about still selling this market even as we trade near decade lows. I was always told, the worst sound a bull can hear is the sound of the bears reloading. Be careful thinking they are out of bullets on the next small rally, I'm still thinking they could be reloading...

serious injury: a broken wrist, arm, or shoulder. On a winter night in 1908, the result was much worse. Byron Carter, founder of Cartercar, came across a stalled motorist on Belle Isle in the middle of the Detroit River. He gallantly offered to crank the car for the stranded driver. When she forgot to retard the spark, the crank kicked and broke Carter's jaw. Complications developed, and Carter later died of pneumonia. When Cadillac chief, Henry M. Leland, heard the news, he was distraught. Byron Carter was a friend; the car that kicked back was a Cadillac. "The Cadillac car will kill no more men if we can help it," he told his staff. Thus Kettering's key-operated electric self-starting ignition system, was introduced on Cadillac vehicles in 1912 and patented three years later. The device made automobiles far easier and safer to operate than they had been previously when the ignition process had been powered by iron hand cranks. By the 1920s, electric self-starters would come standard on nearly every new automobile. United Motors Corporation (which later became General Motors) purchased DELCO in 1916, installing Kettering as vice president and director of research at GM from 1920 to 1947. During his tenure at GM, Kettering was instrumental in the development of improved engines, quick-drying automobile paints and finishes, "anti-knock" fuels and variable-speed transmissions, among other innovations. Kettering's passion for invention spread far beyond the automotive industry: He helped develop the refrigerant Freon, used in refrigerators and air conditioners, and took an active role in the medical industry, inventing a treatment for venereal disease, an incubator for premature infants and artificial fever therapy. Highly devoted to education, he helped found the Flint Institute of Technology in 1919 and the General Motors Institute (now Kettering University) in 1926. In 1945, he and longtime General Motors head Alfred P. Sloan established the Sloan-Kettering Institute for Cancer Research in New York City.



1945, Executive Order No. 9639 - President Harry Truman issues Executive Order No. 9639, giving the Secretary of the Navy the power to seize

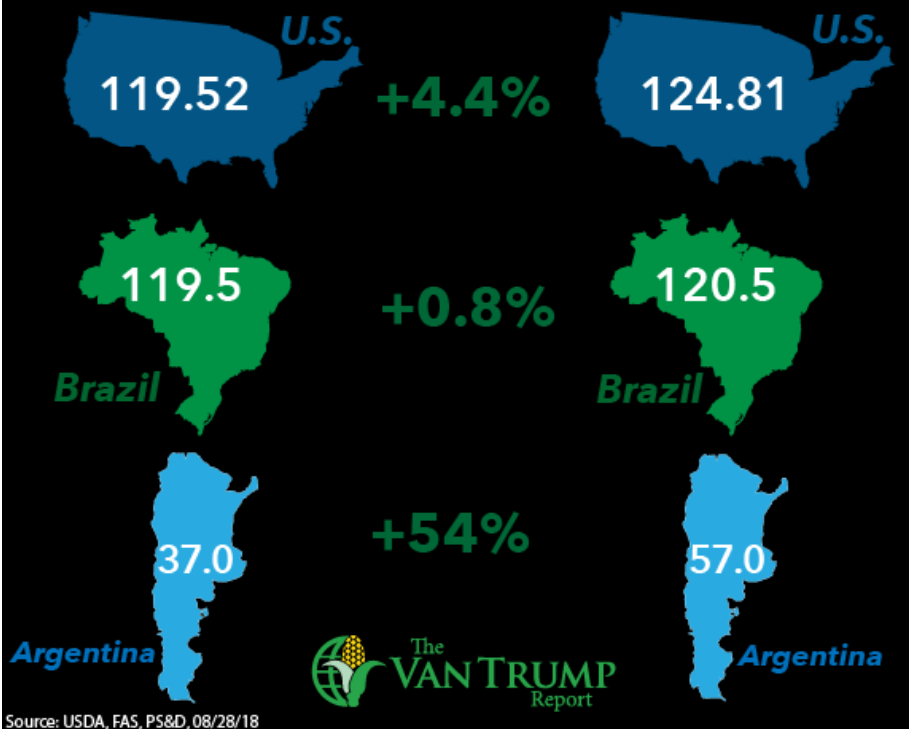
control of and operate a list of petroleum refineries and transportation companies in order to counteract strikes by oil workers. The list of plants seized by the Navy included those owned by industry giants: the Gulf, Shell, Standard and Union oil companies. Although the Second World War was for all intents and purposes over with the bombing of Hiroshima and Nagasaki on August 6 and 8 respectively, the war did not formally end until the Japanese signed an unconditional surrender agreement on September 2, 1945. Knowing that vast amounts of oil would be required to enable demobilization and the return of military equipment and personnel to the U.S., Truman was forced to intervene between

Top 3 Soybean Producers

(in million metric tons)

2017/2018

2018/2019 proj.



Wheat bulls are saying U.S. supplies are starting to find their way back in the mix in regard to global demand. Russian exports continue to win for the moment, but it's debatable how long they can maintain their aggressive sales. Several insiders argue the recent selloff in the U.S. market is close to running its course and prices will start gradually gaining in the next few weeks. I'm mostly in agreement, but I also understand and have learned the market can remain irrational much longer than we want to imagine in our head. As both a spec and a producer I remain a longer-term bull, I'm just in no hurry to be a buyer and don't want to get equity chopped up while the market tries to figure out direction based on the ever changing geopolitical winds. There's just not enough traditional fundamental news to sustain direction and the market seems to be a cross-hedging zone for worries and fears associated with either Russia or the European Union.

oil workers and management to avoid a crippling shutdown of the industry. Oil, gas and chemical workers had worked longer and harder than usual during the war to meet production demands and now wanted to return to a 40-hour work week. They resented the amount of money oil-industry CEOs were making off of their labor while they simultaneously threatened to lower workers' wages after the war. Truman ordered the formation of an emergency board to negotiate a settlement between the oil workers' union and industry owners. The union rejected the board's recommendations and on August 25 seemed determined to carry out their strike. At that point, Truman felt he had no other option but to bring in the Navy. Shortly thereafter, the oil workers' union accepted the Truman's administration's terms and ended their strike. Truman's tough action, however, alienated many of his labor supporters. Truman later employed similar tactics to avoid critical shutdowns of industries during the Korean War. In 1948 and 1950, he intervened in railway disputes between union employees and management and, in 1952, he waded into the middle of a conflict in the steel industry. Truman, like his predecessor Franklin Roosevelt, believed that government intervention was critical to maintaining uninterrupted industrial production in a time of war.

Upcoming Events

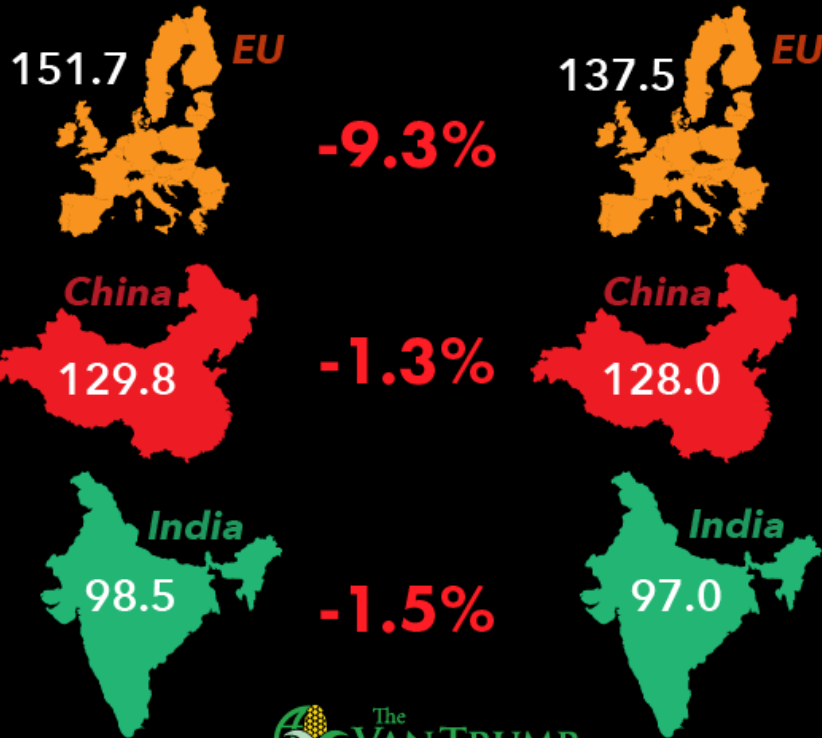
- Fri. 8/31** - First Notice Day for September Grains
- Mon. 9/3** - Labor Day (Markets Closed)
- Tues. 9/4** - Crop Progress
- Mon. 9/10** - Crop Progress
- Tues. 9/11** - 17 Year Anniversary of 9/11
- Thur. 9/12** - USDA Supply and Demand
- Thur. 9/12** - Last Trading Day for September Grain Futures
- 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

Kevin's Song of the Week

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

Connecting the Dots

> Missouri Becomes First State In U.S. To Regulate Use Of The Word 'Meat':

Just yesterday, Missouri becomes the first state in the country to have a law on the books that prohibits food makers to use the word "meat" to refer to anything other than animal flesh. This takes aim at manufacturers of what has been dubbed fake or non-traditional meat. Missouri becomes the first state in the country to have a law on the books that prohibits food makers to use the word "meat" to refer to anything other than animal flesh. This takes aim at manufacturers of what has been dubbed fake or non-traditional meat. (Read more at CNBC)

> Argentina Exports Soybean Oil to China for First Time in 3 Years: A projected

total of 90,000 metric tons of soybean oil is planned to ship to China from Argentina's Rosario grain hub. Normally, China imports soybeans to be crushed locally. But they have been struggling to source beans since the trade war with U.S. had intensified. Soybean oil and soybean meal crushers in Argentina have had to import raw beans from Brazil, Paraguay and the U.S. this year due to a drought in the Pampas farm belt that hurt harvest. According to insiders, Argentina expects to export significant amounts of soybean meal to China starting after the next harvest of soybeans in May as the country looks to take advantage of U.S. -China trade strife. (Source: Reuters)

> U.N. Warns China's African Swine Fever Could Spread Easily Across Asia:

More than 24,000 pigs have been culled in four provinces since the first reported incidence as Chinese officials scramble to contain African swine fever outbreak. In a statement the UN's Food and Agricultural Organization said the cases had been detected in areas more than 600 miles apart, meaning the disease could cross national borders. Understand, African swine is not harmful to humans but almost always end in death within a few days for domesticated pigs. There is no antidote or vaccine, and the

WHAT I'M LISTENING TO: ▶



Randy Rogers Band

"Fuzzy"

Kevin's Song of the Week

NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that

only known method to prevent the disease from spreading is a mass cull of the infected livestock. (Source: UN FAO)

> Long-Form Read on Brazil's Soybean Boom and Its Environmental Tradeoff: I came across an [interesting article](#) giving good insight into Brazil's industrial farming and how cheap farm acreage and permissive land-use has helped catapult the country into an ag superpower. It has also put a vital ecological zone at risk: a vast tropical savanna that is home to 5% of species on the planet. Known as the Cerrado, this habitat lost more than 40,541 square miles of native cover since 2008. However, numerous environmental groups have called for an immediate action to stop deforesting the cerrado. The stage is set for a major standoff between producers and environmentalists. (Source: Reuters)

> India Will Be Global Leader In Oil Demand By 2024: India will take over from China as the largest source of demand growth in the global oil market by 2024, and between now and 2035 India will add around 3.5 million barrels per day in demand, a third of the global increase over that timeframe, according to Wood Mackenzie. However, in the short run, rising oil prices and a weakening rupee could undercut India's oil consumption.

> Brazil's Soybean Exports Continue Higher: Brazil exported 7.7 MMT of soybeans in July and with a few days left in August, the country has already sent 6.0 MMT of beans out the door. Over the last seven months, Brazil has exported 61.4 MMT of soybeans, which exceeds last year's amount by 7 MMT. China has been the recipient of nearly 60% of those shipments.

> Feds Top Policy Makers Now In Place: The Senate confirmed Columbia University economist Richard Clarida as vice-chairman of the Federal Reserve. With Jerome Powell's appointment as chairman and John Williams as New York Fed president, the Fed's top three policy positions have all turned over this year. (The Wall Street Journal)

> Chipotle and Door Dash Partner Up To Deliver Burritos To Your Door: Customers can now purchase their burritos and guacamole via the Chipotle app and website, instead of a third-party app. Delivery is now available in all 70 markets the DoorDash currently serves, or more than 1,800 Chipotle locations in the U.S. This digital upgrade will allow Chipotle to gather more data about its diners and will help Chipotle entice more consumers to join its loyalty program, which it plans to launch in 2019. Interestingly, Chipotle's digital sales grew 33% during the second quarter and now account for 10.3% of total sales. (Source: CNBC)

> Amazon To Open Second Amazon Go Store: Amazon has announced plans to open a second Amazon Go convenience store in Seattle. The store will be slightly smaller than its first Amazon Go format and will feature a ready-to-eat breakfast, lunch, dinner and snack products, along with Amazon Meal Kits. Will the experiment continue to grow?

> Building The Blockchain: According to a new survey published by PwC, which included 600 executives from 15 territories, 84% of their firms said they are "actively involved" with Blockchain technology. Despite the growing interest, other research estimated it will take 5.9 years for blockchain to gain widespread adoption amid worries about trust, regulatory uncertainty and compliance.

> Consumer Confidence Unexpectedly Grows: Consumer confidence is higher than it's been in almost 20 years. It surprisingly rose this month to its highest since October 2000, according to a report that showed more Americans anticipate buying big-ticket items like homes and cars within six months. But I'm told, that data conflicts a bit with the University of Michigan's index, which dropped to its lowest level this year. Do we believe what people say or what they do...?

> FAO Schwarz Reopening Back To Manhattan: Iconic toy brand FAO Schwarz is opening a store in Rockefeller Plaza in time for holiday shopping this year. The brand was known for its famous flagship store on 5th avenue which closed in 2015. I'm told the store will be experiential, featuring product demonstrations with employees, magicians, and employees dressed up as characters.

> Where Is Augmented Reality Heading? Most consumers are exposed to augmented reality every day! Snapchat and Instagram actually integrate augmented reality into their software, without specifically calling it that way. Those pretty filters you use to spam friends and family? Yep, Augmented reality in all its glory. Most people started recognizing the possibilities of AR with the huge success of PokemonGo, which had millions of people running around the world trying to catch 'em all, but the truth is companies and businesses have used AR to their advantage for years.

> New Survey Shows 18% of U.S. Students Own Cryptocurrency: According to a nationwide [survey](#) of 675 students, commissioned by crypto exchange Coinbase, 21 of the top 50 U.S. universities now offer a class on blockchain technology or cryptocurrency, and at least 11 colleges offer more than one. Not only are students eager to learn, but 18% of respondents in the survey said they own some cryptocurrency. (Source: Coinbase)

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..."

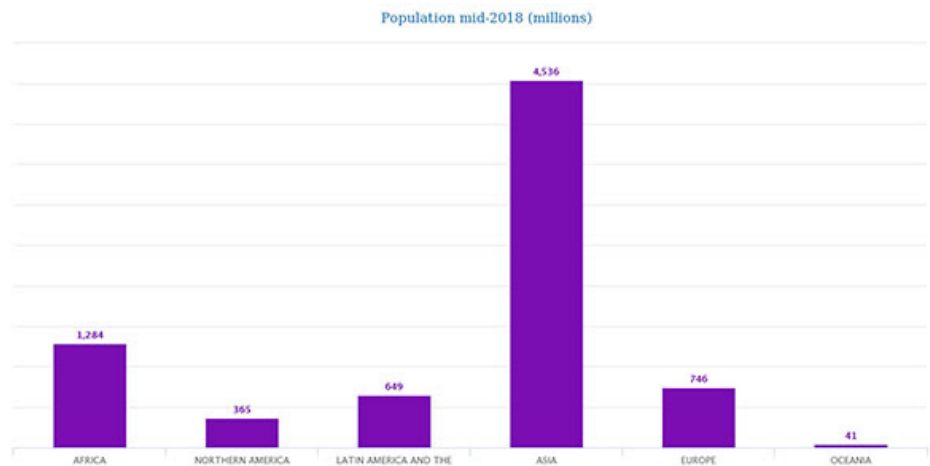
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.

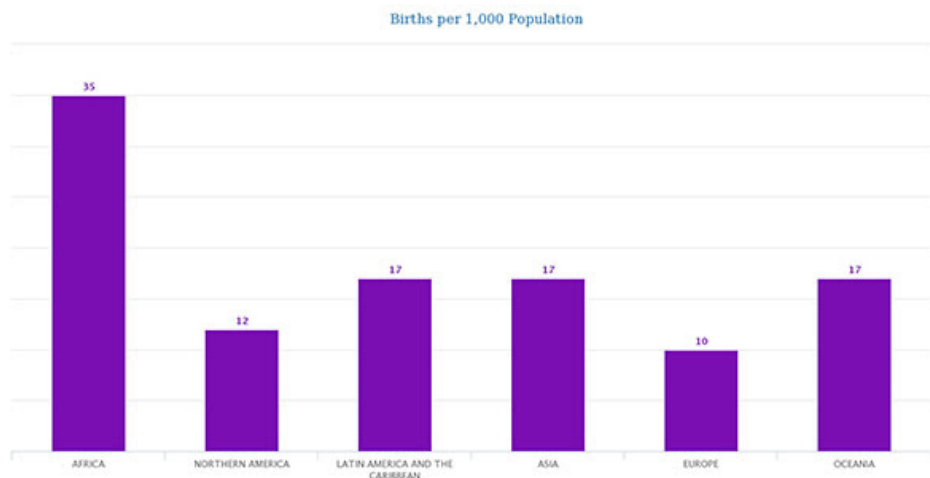
- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

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.

> **A World Growing Older:** With continued decline in fertility and mortality, the global population's shift toward an older age structure, known as population aging, will accelerate. Older adults' (ages 65+) share of the global population increased from 5% in 1960 to 9% in 2018 and is projected to rise to 16% by 2050, with the segment ages 85 and older growing the fastest. Children's share is falling from 37% in 1960 to 26% in 2018 with a projected decrease to 21% by 2050. Below is a few charts from the population reference bureau that shows current world population split into world regions and also current births per 1,000 population. (Source: [PRB](#)) Click charts for larger view.



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Southeast Nebraska – I don't know whether to be mad or laugh after the ProFarmer crop tour or the USDA national average. I don't know if the USDA has been in my specific area, so I can't really be mad or upset with them especially since I don't know the rest of the country's yield. I know what my corn looked like, I also know ProFarmer was in my area and I knew they were miles off. Today we started harvesting and we are barely over 125 bushels per acre and 18% moisture which is far less than our 5-year average of 200 bushels. Like many have predicted we have many areas where the corn is lacking because it spent weeks being water lodged. Then we followed that up with very little rain until just recently, which was too little too late. We are disappointed with the crop this year. The soybeans aren't going to be great this year, but they won't be much better I don't think, but it's harder to tell on the soybeans.

Western Kentucky – We are starting to cut soybeans and just to give you an idea of where we farm, we are directly South of the bottom of Illinois. Our soybeans made close to 60 bushels across the entire first field which is about 10% better than we would normally expect. I know there's a ton of guys that are shelling corn in the southern part of Illinois and from what I've been told nobody wants to share their yield because they are that good. I know guys were talking like 200-220 depending on the field, so I'm guessing it's honestly much better than that which is scary because normally 180 is

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about the best you see in that area. I also heard from a buddy that Southern Missouri guys are making 30-50 bushels better than they expect too so I'm hoping we don't see that everywhere.

Northcentral North Dakota – We are about 25 miles off the Canadian border. We have had nearly a month of severe heat with very little rain. The rains we have had was not hardly measurable. We finally received a small shower last night that amounted to about 80 hundred so that will help but we needed it two weeks ago. We are starting to see the crop turn a little yellow which we shouldn't see anything start to yellow for at least another 4-6 weeks at the earliest. I noticed the crop has went backwards here according to the USDA report over the last few weeks, but I would say they are under shooting that by half. I would say we lost 30% of our corn in the last month and not 15% like they are saying. We are thinking that we might try to plant soybeans earlier next year to try and dodge the heat.



Soy Boom Devours Brazil's Tropical Savanna: Brazil's farmers have plowed under more than half of the Cerrado, South America's largest savanna. The nation is the world's largest exporter of beef and soybeans. The cost is greenhouse gas emissions, vanishing wildlife and weakened watersheds. Known as the Cerrado, this habitat lost more than 105,000 square kilometers (40,541 square miles) of native cover since 2008, according to government figures. That's 50 percent more than the deforestation seen during the same period in the Amazon, a biome more than three times larger. Accounting for relative size, the Cerrado is disappearing nearly four times faster than the rainforest. Read more at [Reuters Special Report](#)

Google Is Making It Easier For Veterans To Find Post-Military Jobs: Nearly 1 in 3 veterans say they experience under-employment, meaning they're forced to take jobs below their skill level. Of those who do find post-military work, 44% end up leaving their first post-military job within a year because they didn't feel like it was a good fit or because they couldn't find a sense of purpose. Now Google is trying to make it easier for veterans and military spouses to find work in the civilian world. Starting today, service members can search "jobs for veterans" on Google and enter their military occupational specialty code (MOS, AFSC, NEC) to see relevant civilian jobs that require similar skills to those used in their military roles. Read more [HERE](#) how Google is helping veterans who are looking for work as well as those who own businesses.

Russia Will Hold Their Biggest War Games In 40 Years: Russia's military forces in the country's east were put on high alert Monday ahead of massive war games that also involve China and Mongolia, the largest show of power in nearly 40 years, the Russian defense minister said. Defense Minister Sergei Shoigu said the five-day "snap inspection" of the troops will pave the way for the massive exercise called Vostok-2018, or East-2018, which will be held in August and September. From what I understand, The Zapad exercises in 1981 were the largest war Soviet war games ever held, according to the CIA, with about 100,000 to 150,000 troops participating. Read more [HERE](#) on the joint military venture.

J.J. Watts Unprecedented Crowdfunding Effort: The J.J. Watt Foundation released the results of its fundraising efforts following Hurricane Harvey this week, announcing it brought in \$41.6 million for the Hurricane Harvey Relief Fund -- the largest crowd-funded fundraiser in history. The donations went to eight nonprofits and the results are incredible. Per the foundation, over 600 homes have been cleaned up, repaired and rebuilt in the Houston area. Over 420 childcare centers and after-school programs have been recovered to serve over 16,000 children. Over 26 million meals have been distributed. Physical and mental health services have been provided to over 6,500 individuals. And over 10,000 patients have received medicine. Talk about doing your part! Read more [HERE](#).

Welcome To The 24-Hour Butcher: Steaks, pork, lamb, sausages and ground beef are now available 24 hours a day in Stone Ridge New York, at your local vending machine. The machines are growing in popularity as a mode of transaction as more and more items are finding their way onto city sidewalks, malls and airports. From what I know cars, shoes, vests and now meat have all become the latest products to be put in your path as you are out and about. Josh Applestone envisioned the system as a way to reach more customers, and make the shopping process more seamless. I'm told it's more for busy families and less about the ability to get grass-fed burgers in the middle of the night. Applestone meats is currently available in New York, but I suspect it won't be long before steaks will be sitting in a vending machine near you. I keep wondering what will be next. Read more [HERE](#).



THE INTERNET OF AG: HOW GADGETS ARE TRANSFORMING THE FARM

PANEL DISCUSSION | 8/30 AT 3PM CT



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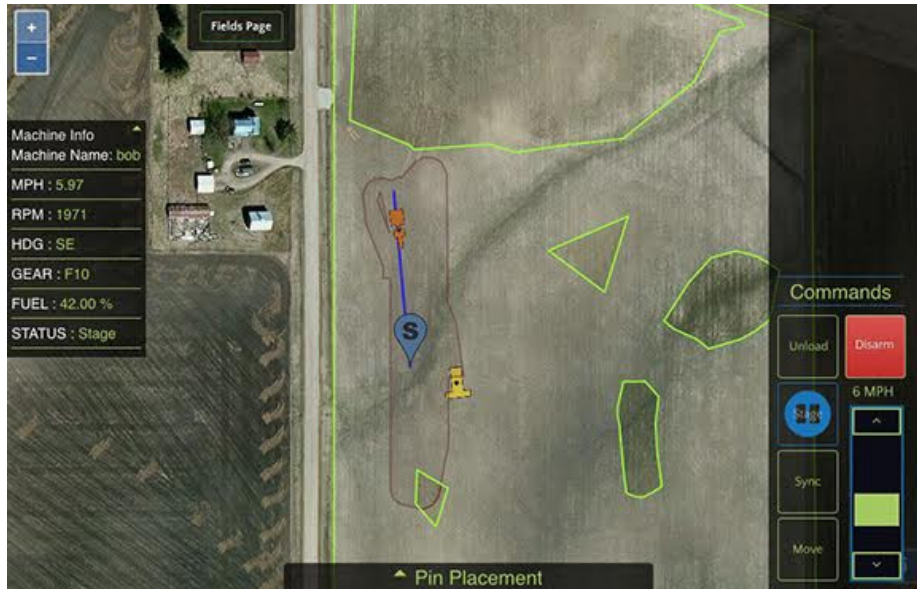
Learn More About "The Internet of Ag"

Title: The Internet of Ag: How Gadgets Are Transforming the Farm

Time: Thursday, February 22 @ 3:00 pm CT

More Robots Showing Up On More Farms

Farmers are becoming knowledge workers. The days are gone of migrant labor and harsh conditions. Robots are starting to take on the manual labor. Robotic and automated technologies are revolutionizing the agriculture industry, with everything from automated pickers, to smart harvesting systems, to data-enabled fertilizer spreaders changing what it means to be a farmer. At night, Roomba-like devices wander the field killing weeds. At harvest, automated carts gather grain. This might seem like a long way off, but the technology exists today. The technology is here now, and it's only going to see wider adoption going forward, as farms adapt to rising demand and scarce farm labor. Learn how innovative startups are making the "smart farm" a reality at "The Internet of Ag: How Gadgets Are Transforming the Farm," a live panel discussion to be held at 3 pm CT on August 30. The panel will include Renee Vassilos, founder of Banyan Innovation Group, Jason Aramburu with Baidu, Mac Keely with Blue River Technologies, Colin Hurd with SmartAg, and Paul Bissett with Harvest COO.





China Leads The World In Buying U.S. Hardwood

USDA's Foreign Ag Service shows China's demand for U.S. hardwood lumber for furniture continues to soar, especially in Northeast China. As China's middle class continues to expand their wood demand is hitting at an all-time-high, making them the world's largest hardwood importer. However, the nature of this demand is changing. A decade ago, most of the timber imported by China was for further processing into furniture for re-export. Now most imported hardwood and an increasing amount of softwood, is for furniture production for the domestic market. New demand for wood in interior applications like flooring and doors is also taking off. The market for lumber is growing as China's newly expanding middle class is looking for quality interiors in their new homes. China's middle-and upper class now outnumber the residents of the U.S. This in turn is leading for more demand for more high-end products, more willingness to purchase based on quality, and more demand for long-term consistent suppliers. From what we understand, Chinese home buyers are looking for quality cabinets, flooring, doors, bedroom and living room furniture, fancy molding and quality window frames. Since the middle of 2015, China has imported more U.S. hardwood lumber than the rest of the world combined. China continues to be the world's largest wood furniture exporter and this trend is expected to continue. To take advantage of strong worldwide demand and increase local income, more wood manufacturing businesses are being established and smaller ones are being consolidated. Understand, in 2016 China banned logging in domestic forests which put a lot of mills out of business in the Northeast region of the country. Like cities throughout all of China, numerous northeastern cities are homes to hundreds of 40 and 50 story high-rise towers where each flat is individually custom fitted by the owner. Many of these cities are home to over three million residents. The U.S. enjoys the enviable position of being the world's largest hardwood exporter and its reputation of being a sustainable supplier is very attractive to Chinese importers and designers. The species profile of the U.S. hardwood forest is another factor making U.S. wood popular in the China market. Approximately 50% of the U.S. hardwood forest is red and white oak. Red and white oak are favored by Chinese furniture and panel manufacturers because of its sturdiness, consistency and the fact that it can easily be stained to appear like more traditional but more expensive tropical hardwood species or given a lighter color to be more attractive to younger consumers who want a more modern look to their furniture. This strong demand from Chinese buyers had been aggressively driving U.S. prices to record highs. Since the trade tariffs and headlines hit back in May, lumber prices here at home are down over -20%. (Source: USDA, FAS)



Michael Jackson

One of my wife's favorite artists growing up was Michael Jackson. She was super excited when she got to attend his Pepsi world concert tour at Arrowhead Stadium during the summer of 1984. I always acted too cool for Michael Jackson, but deep down inside I would catch myself smiling when his songs would come on. Lets just say I always thought he acted a bit goofy, but the man could certainly dance and the songs he delivered made people feel something special, so I tip my hat. Today would have been Michael Jackson's 60th birthday. If you recall, he died on June 25, 2009, at the age of 50 due to a cardiac arrest. I've heard the Michael Jackson Estate and Columbia Live Stage are working on a Broadway musical inspired by his life, which is set to debut some time in 2020. I suspect it will be a highly entertaining show and certainly one my wife will drag me to attend. Click [HERE](#) to listen to one of Michael Jackson most popular track and video, "Thriller". You can also see and listen to the first time Jackson performed "Billie Jean" while at the Motown 25th Anniversary back in March of 1983, over 35 years ago, by Clicking [HERE](#). Below are a few things you may not know about the iconic artist.

1. Michael is the most-awarded artist of all time. He's received 23 Guinness World Records, 40 Billboard Awards, 13 Grammys, and 26 American Music Awards.
2. Billie Jean was the first music video by a black artist to air on MTV.
3. He's the highest-earning deceased artist. He has been recognized by the Guinness Book of World Records for a new category called Highest-Earning Deceased Artist. After passing away in 2009, Jackson raked in close to \$1billion for his estate alone
4. He had some famous godchildren, which included Lionel Ritchie's daughter, Nicole, and Bee Gees singer Barry Gibb's son, Michael.
5. He has two stars on the Hollywood Walk of Fame, which include one for himself and one for the Jackson 5.
6. He won eight Grammy's in 1984, which is the highest amount ever won by one person in a single year.
7. Jackson paid \$47 million for his publishing rights to the Beatles in 1985 and sold a share of to Sony in 1995 for \$95 million.
8. Michael Jackson and Janet Jackson were part of the most expensive video ever "Scream" with an expense of \$7 million.
9. Michael is the son in law of Elvis Presley. Back in 1984, his 1st marriage was with Elvis Presley's daughter Lisa Marie Presley, which lasted only 19 months.
10. Michael Jackson tried to buy Marvel Comics in the early 1990's so that he could play Spider-Man in his own produced movie.

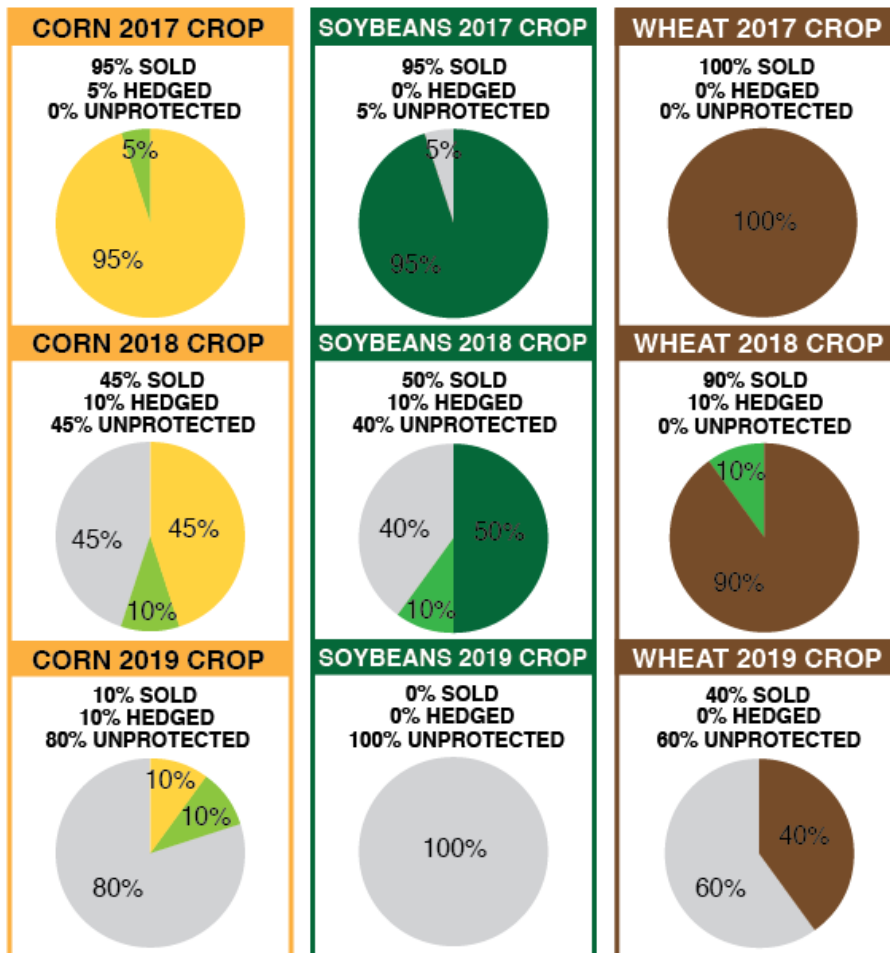


ANSWER to riddle:

- 1) 3 red flowers = 60...red flower = 20
 - 2) 20 + 2 purple flowers = 30... purple flower = 5
 - 3) 5 - 2 yellow flowers = 3... yellow flower = 1
- 1 + 20×4 (5 minus 1 petal) gives us 81

CASH SALES & HEDGING TOTALS

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