

GOOD MORNING: 08/31/18 Farm Direction - Van Trump Report

2 messages

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Fri, Aug 31, 2018 at 6:36 AM



"It doesn't matter what your vision is. It matters what your vision does." — **Peter M. Senge**

FRIDAY, AUGUST 31, 2018
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Morning Summary: Stock are steady to slightly lower this morning as Washington continues to talk about moving forward with a massive \$200 million in Chinese tariffs. At the same time, the media is running with a comment President Trump made about threatening to leave the World Trade Organization. The headlines seem to have caused the bulls to perhaps pause a moment to reconsider overall global strength. Many inside the trade are worried that the additional Chinese tariffs and hardline approach towards global trade could create some additional headwind for the month of September, which historically can be a fairly rough month. The good news is, we could soon see an agreement announced between the U.S. and Canada. I'm also hearing reports that President Trump called on the Fed to provide a little assistance in the trade disputes with China and other countries. I suspect this means he would like to see them ease off a bit on the rate hikes and to help keep the dollar from racing higher. Keep in mind, several emerging market currencies have fallen to record lows against the U.S. dollar. The Argentine peso has tumbled to a record low, and has prompted the country's central bank to raise interest rates to a mind numbing 60%. In more traditional economic news, monthly average jobless claims have fallen to their lowest level since December of 1969, meaning the U.S. employment market is amazingly strong. On the flip side, the U.S. housing market continues to show signs of stalling for a moment, as existing home sales dipped below 6 million in July to the lowest reading in nearly two years. As for today, economic data should be fairly light with the Michigan Consumer Sentiment numbers and Chicago PMI. I suspect when we return, traders will be coming back from long summer vacations and will be looking to do some Fall cleaning, throwing out the losers and adding to the winners into yearend. Next week will also bring a fairly busy week of headlines. Obviously trade and tariffs will take center stage. We will also have U.S. construction and manufacturing data on Tuesday; Factory Orders and Durable Goods on Thursday; And a highly anticipated U.S. employment report on Friday. Have a safe and happy holiday weekend and come back ready for what could be an extremely volatile month.

Home Sales Hit a Fresh Low in July: The housing market has made little progress over the past year or so, and this summer, the wind officially seems to have gone out of its sails. One after another, the economic data reports have disappointed, leading MarketWatch to observe, back in June, that the current housing cycle may have run its course. As a reminder, sales of previously-owned homes make up the vast majority of housing market sales. Those sales declined for the fourth month in a row in July, and touched the lowest point in over two years, the National Association of Realtors said. I should also point out it's not lack of inventory, as the number of new homes available for sale hit its highest level since 2009. Read more [HERE](#)

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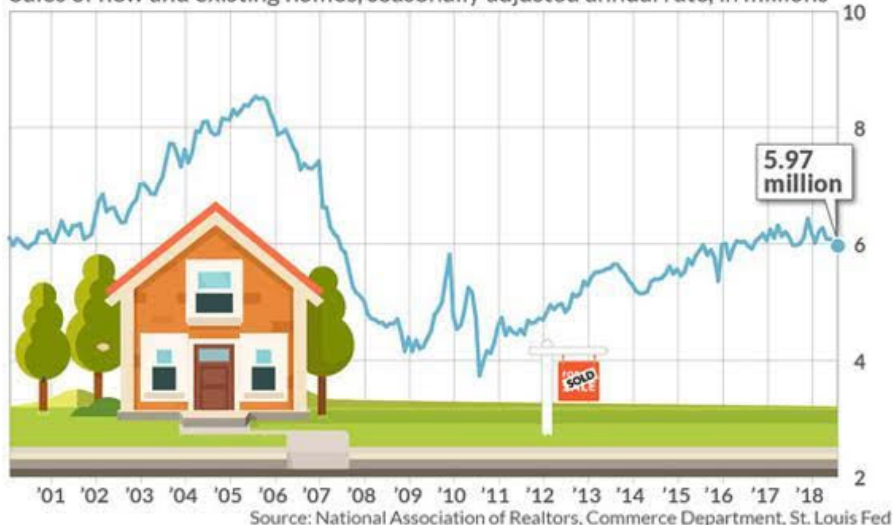
A gathering for the
 sharpest minds in
 agricultural investing.

Hear firsthand
 about new
 innovations.

Innovations
 that will be

Total home sales

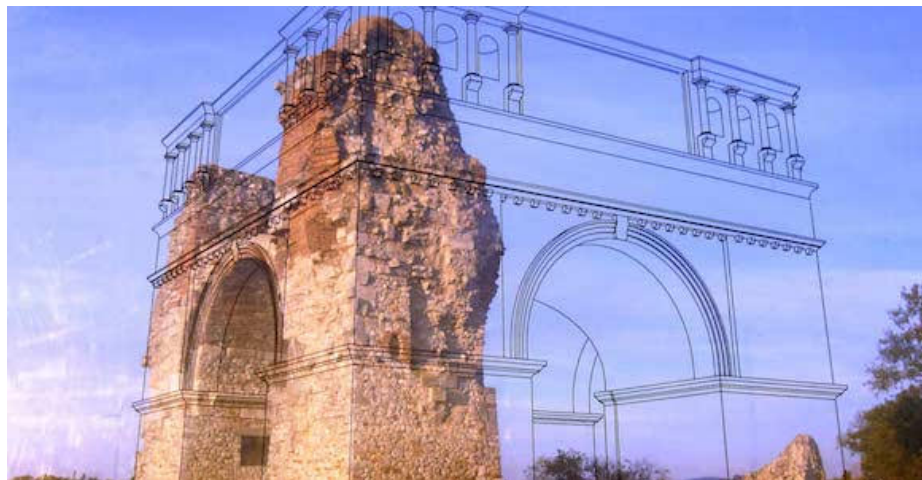
Sales of new and existing homes, seasonally adjusted annual rate, in millions



Google Titan now Available in the US: Google recently introduced its "Titan Key", which is a physical security key used for two-factor authentication and is now available to buy in the US. Google began requiring its 85,000 employees to use Titan Keys last year and once it did, the company said it didn't have a single instance where an account was taken over through an attack. The Titan will cost \$50, which you will receive a USB security key and a Bluetooth security key as well as a USB-C to USB-A adapter and a USB-C to USB-A connecting cable. (Source: Engadget)

College Football's Growing Problem...Empty Seats: College football has an attendance problem. Average announced attendance in football's top division dropped for the fourth consecutive year last year, declining -7.6% in four years. But schools' internal records show that the sport's attendance woes go far beyond that. (Source: [The Wall Street Journal](#))

Apple is Working on AR Glasses: Apple just bought Akonia Holographics, a Colorado-based startup dedicated to the manufacturing displays for augmented reality glasses. "Apple buys smaller companies from time to time, and we generally don't discuss our purpose or plans," the iPhone maker said in a statement. Akonia's technology promises dramatic higher performance in five key metrics of full color (RGB), efficiency, transparency, high field-of-view (FOV), and production cost. Bloomberg reported at some point last year Apple was developing augmented reality glasses that could be ready as early as 2020. Apple tends to do a great job of staying on top of technology trends, so expect this to be in play in the coming months. In case you are wondering, Virtual Reality (VR) is different than Augmented Reality (AR), which is an interactive experience of a real-world environment whereby the objects that reside in the real-world are "augmented" by computer-generated perceptual information, sometimes across multiple sensory modalities, including visual, auditory, haptic, somatosensory, and olfactory. Below are a couple of examples of Augmented Reality.



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

- John Wooden



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Today in History



1777, Samuel Mason -

Captain in command of Fort Henry on the Ohio frontier, Samuel Mason survives a devastating Indian attack only to become one of the young nation's first western desperados. The son of a distinguished Virginia family, Samuel Mason became a militia officer and was assigned to the western frontier post of Fort Henry in present-day West Virginia. In the summer of 1777, with the colonies fighting a war for independence, Mason feared attacks by the Indian allies of the British. On this day in 1777, a band of Native Americans from several eastern tribes did attack the fort. The Indians initially fired only on several men who were outside the fort rounding up horses. Hearing the shots, Mason gathered 14 men and rode to their rescue. This was exactly what the warriors hoped he would do. They lay in wait and ambushed the party, killing all but Mason. Badly wounded, Mason escaped death by hiding behind a log. A second party that attempted to come to his rescue suffered the same fate as the first. All told, Mason lost 15 men compared to only one fatality among the attackers. Mason recovered from his wounds and continued to command Fort Henry for several years. Following the end of the war, though, he seems to have fallen on hard times. Repeatedly accused of being a thief, he moved farther west into the lawless frontier of the young American nation. By 1797, he had become a pirate on the Mississippi River, preying on boatmen who moved valuable goods up and down the river. He also reportedly took to robbing travelers along the Natchez Trail in Tennessee, often with the assistance of his four sons and several other vicious men. By the early 1800s, Mason had become one of the most notorious desperados on the American frontier, a precursor to Jesse James, Cole Younger, and later outlaws of the Wild West. In January 1803, Spanish authorities arrested Mason and his four sons and decided to turn them over to the Americans. En route to Natchez, Tennessee, Mason and his sons killed the

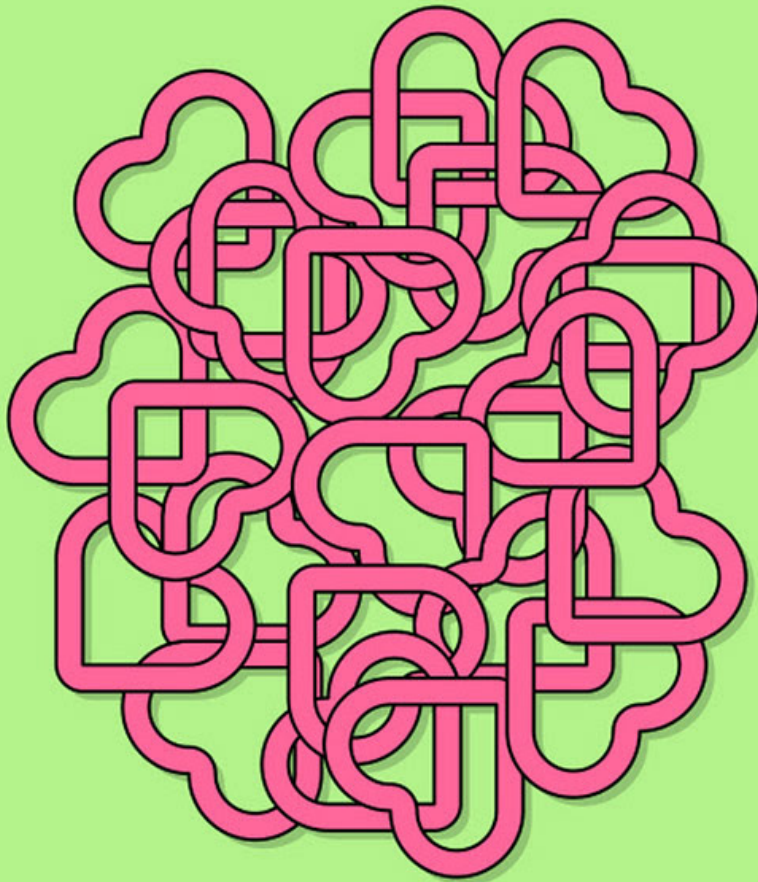
neuro mining



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:

In this picture, there are 4 hearts that are joined together. Can you find them?



Puzzle: © 2013 The Grabarchuk Family. Web page: © 2013 ThinkFun Inc.

Weather on the Plains is mostly dry, favoring fieldwork and summer crop maturation. In addition, late-season heat continues across Texas and is returning to the High Plains. Today's high temperatures will top the 90 degree mark at least as far north as western South Dakota. In the Corn Belt, mild, dry weather prevails, following a cold front's passage. Across the northern Corn Belt local flooding in the wake of early week down pours has largely begun to subside, although rivers are still running high in parts of Wisconsin. In the South, showers are expanding as a cold front interacts with hot, humid air. The rain has caused local fieldwork disruptions but maintained generally favorable pasture conditions. Late season heat across the nation's mid-section continues to build as it expands to cover much of the country by week's end. Some of the hottest weather, relative to normal, will occur on Friday and Saturday across the southern Plains, where widespread temperatures of 100 degrees F or greater can be expected. Meanwhile, the focus for significant rainfall will be a pair of cold fronts. By week's end, the first front will stall across the Southeast, while the second front will reach the western Corn Belt. In contrast, hot, dry weather will dominate the West, the Great Basin and the Northwest. The 6 to 10 day outlook is calling for near to above normal temperatures and precipitation nationwide, except for cooler than normal conditions in Montana and drier than normal weather in the Pacific Northwest.

commander of the boat and escaped. Determined to apprehend Mason, the Americans upped the reward for his capture, dead or alive. The reward money soon proved too tempting for two members of Mason's gang. In July 1803 they killed Mason, cut off his head, and brought it into the Mississippi territorial offices to prove that they had earned the reward. The men were soon identified as members of Mason's gang, however, and they were arrested and hanged.



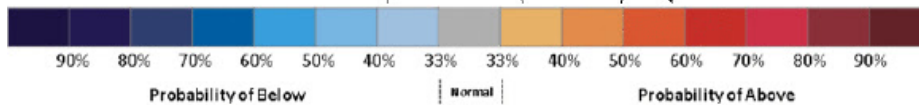
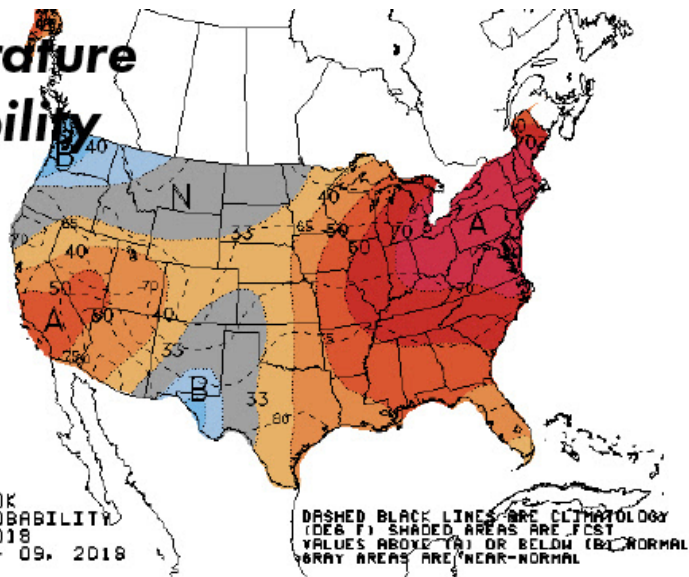
1897, Thomas Edison - Edison receives a patent for his movie camera, the Kinetograph which he was developed with its viewer in the early 1890's.

The camera was based on photographic principles discovered by still-photograph pioneers Joseph Nicéphore Niepce and Louis Daguerre of France. In 1877, inventor Edward Muybridge developed a primitive form of motion pictures when Leland Stanford, governor of California, invited him to develop photo studies of animals in motion. Muybridge developed an ingenious system for photographing sequential motion, setting up 24 cameras attached to trip wires stretched across a racetrack. As the horse tripped each wire, the shutters snapped. The resulting series of photos could be projected as something resembling a motion picture. This breakthrough in the early 1870s inspired another student of animal motion, Etienne Jules Marey of France, to develop in 1882 a rotating camera rather like a rifle, where different pictures were taken in a rapid sequence by a rotating cartridge. Unlike these earlier cameras, Edison's Kinetoscope and Kinetograph used celluloid film, invented by George Eastman in 1889. In February 1893, Edison built a small movie studio that could be rotated to capture the best available sunlight. He showed the first demonstration of his films—featuring three of his workers pretending to be blacksmiths—in May 1893. The invention inspired French inventors Louis and August Lumiere to develop a movie camera and projector, the Cinematographe, that allowed a large audience to view a film. Several other cameras and projectors were also developed in the late 1800s. In 1898, Edison sued American Mutoscope and Biograph Pictures, claiming that the studio had infringed on his patent for the Kinetograph. He had entrusted the development of the machine to his assistant, W.L.K. Dickson, who left Edison's company in 1895 and helped found Biograph. However, in 1902, the U.S. Court of Appeals ruled that although Thomas Edison had patented the Kinetograph, he only owned rights to the sprocket system that moved perforated film through the camera, not the entire concept of the movie camera. In 1909, Edison and Biograph joined forces with other filmmakers to create the Motion Pictures Patents Company, an organization devoted to protecting patents and keeping other players from entering the film industry. In 1917, the

Temperature Probability



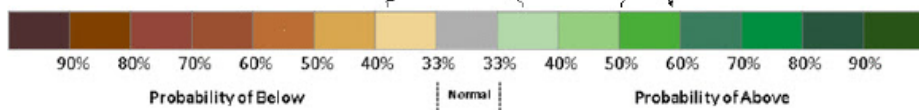
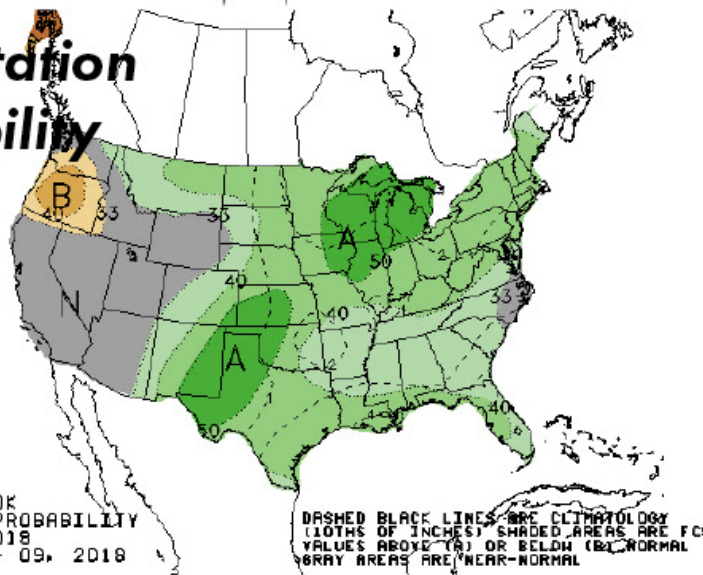
6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 30 AUG 2018
VALID SEP 05 - 09, 2018



Precipitation Probability



6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 30 AUG 2018
VALID SEP 05 - 09, 2018



Corn prices are up a touch this morning, but bulls have had very little to cheer about as of late with price still down about -5 cents on the week. Technically, the DEC18 contract is still seeing nearby psychological support at \$3.50 per bushel. More major support falls in the \$3.30 to \$3.40 range. In a somewhat interesting twist, respected source FC Stone lowered their yield estimate from 178.1 down to 177.7 bushels per acre which is below the USDA's current 178.4 bushel estimate. This might have added some nearby support to the trade and worked to help the bulls confirm the argument that the record USDA yield estimate is a bit overly optimistic. I continue to hear talk from those in the field harvesting that yields are good but test weights lower than they would have guessed. Also hearing more areas that have had just too much rain. Not that the crop is bad in those areas, just that some of the added complications took some off the top-end and they will not be harvesting record yields. Lots of variability out there this year. I'm still worried about the basis in the coming weeks and how it might negatively impact those who have not locked in or need to sell directly out of the field.

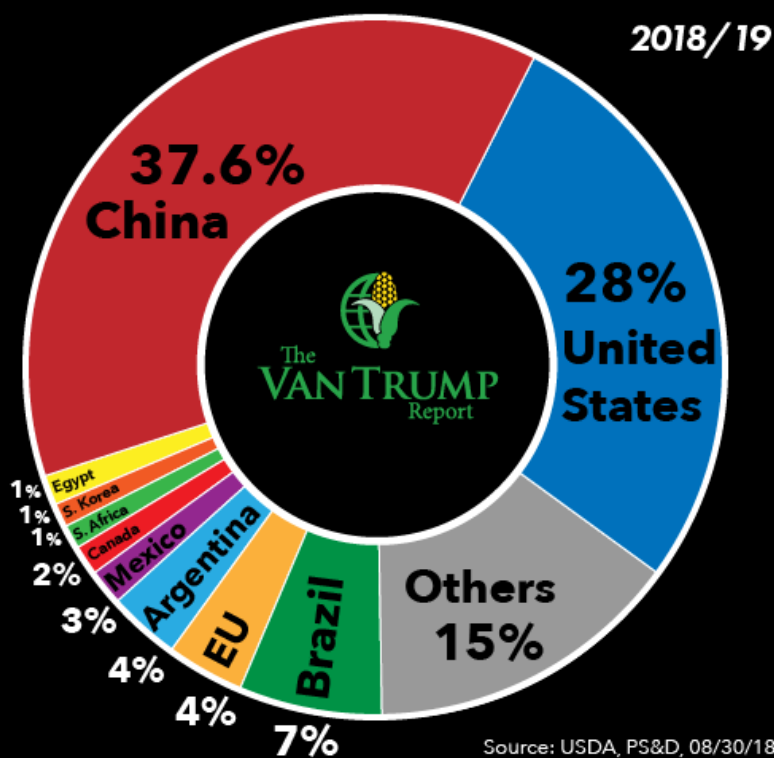
Supreme Court dissolved the trust, and the Edison Company left the film industry the same year.



1959, Sandy Koufax - Los Angeles Dodgers left-hander Sandy Koufax strikes out 18 batters, setting a new National League record for most

strikeouts in a single game. Sandy Koufax was a talented all-around athlete from Borough Park in Brooklyn, New York. His first love was basketball, and he attended the University of Cincinnati on a basketball scholarship. His impressive left arm, however, attracted the attention of major league ball clubs and in 1954 he was signed by the then Brooklyn Dodgers. Despite his promising talent, Koufax won just 36 games to 51 losses from 1955 to 1961, and was incredibly inconsistent, blowing hitters away one game and walking runs in the next. Finally, advice from veteran catcher Norm Sherry turned Koufax around. As Koufax recounted in his autobiography, Sherry told him to "take the grunt out of the fastball." On August 31, Koufax and the Dodgers faced their rivals the San Francisco Giants in Los Angeles. The Dodgers entered the game two games behind the Giants in the race for the National League pennant, and Koufax came out firing, whizzing fastballs and breaking off curveballs to strike out the first two Giants batters. However, Willie Mays and Orlando Cepeda then hit back-to-back doubles to give the Giants a 1-0 lead in the top of the first. The Dodgers quickly tied the game in the bottom of the inning, but in the fifth, Willie McCovey, the Giants star slugger, hit a home run to put the Giants up 2-1. The Dodgers tied it up, and Koufax continued to throw strikes. Finally, in the ninth, Koufax and Jim Gilliam singled before Wally Moon sent a 1-1 fastball from relief pitcher Al Worthington over the left-field fence. The capacity crowd in Chavez Ravine erupted, and the Dodgers won 5-2. Koufax's total of 18 strikeouts in the game broke Dizzy Dean's 26-year-old National League record, and tied the major league record held by Cleveland Indian ace Bob Feller. Koufax also broke the record for strikeouts over two consecutive games, fanning 31 men combined, having struck out 13 batters in his previous start. That year, the Dodgers went on to win the National League pennant. Though Koufax lost his only start in the 1959 World Series in spite of giving up only one run, the Dodgers brought home the championship. From 1962 to 1966, Koufax executed what are arguably the five greatest seasons by a pitcher in baseball history. Newfound control limited his walks from 4.8 per game to just 2.1. He threw no-hitters in 1962, 1963 and 1964, and led the Dodgers to World Series wins in 1963 and 1965 and the National League pennant in 1966. He won four World Series games, with a .95 earned run average and 61 strikeouts for his postseason career. Koufax won three Cy Young Awards (1963, 1965 and 1966), all of them unanimous. In 1965 he struck out 382

Global Corn Ending Stocks %



men, breaking Rube Waddell's 1904 record of 350 by 32. According to longtime Dodgers broadcaster Vin Scully, Koufax was so well-regarded that he would often receive a standing ovation from fans while just warming up for a game. Sandy Koufax retired after the 1966 season at just 30 years old because of arthritis in his elbow. He was elected to the Hall of Fame in 1972.

Upcoming Events

- 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

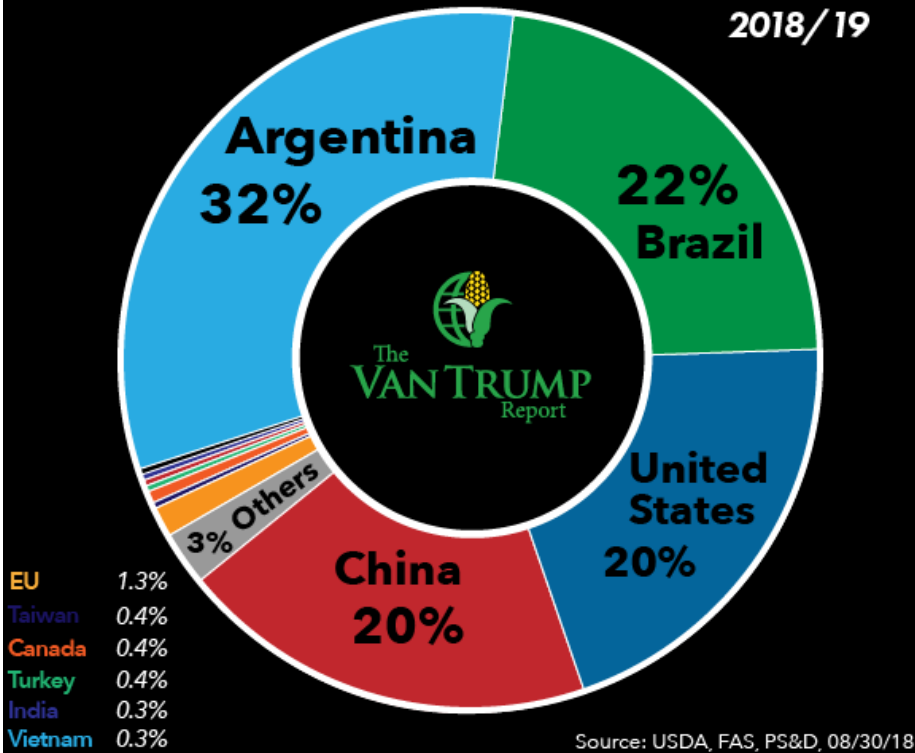


Kevin's Song of the Week

Soybean bears are again paying close attention as Washington talks about moving forward with an additional \$200 billion in tariffs, perhaps as early as next week. The escalation of a trade war with the worlds #1 buyer of soybeans does very little to encourage or help incite a rally. There is also some negativity associated with comments from Chinese delegates who suggest their total soybean imports for 2018-2019 might be closer to 86 MMTs vs. the current USDA estimate of 95 MMTs. Keep in mind, there was also another case of African Swine Fever discovered in eastern China, which is spooking the trade to some degree. Many sources are thinking the actual number of cases are being underreported. With China being home to almost half of the worlds pig population, just seeing them sneeze can cause many inside the trade to worry about wide spread contagion. From my perspective, the much bigger concern is how long the trade war between the U.S. and China will last? I continue to hear comments circulating inside the trade that China has enough supply to make it through November, but December and January appear much more uncertain. In other words, they may ultimately have to purchase 12 to 15 MMTs of U.S. soybeans to bridge the gap until new-crop South American production can become available. Here at home, the trade is trying to digest even more bearish news, as the well respected FC Stone pushed their soybean yield forecast from 51.6 to 53.8 bushels per acre vs. the USDA's current estimate of 51.6 bushels per acre. If this type of yield number is actually harvested, there's worry that it could push U.S. ending stocks north of a massive +950 million bushels. I still see more downside ahead...

Global Soybean Ending Stocks %

2018/19



Wheat prices are higher this morning and trying to find new momentum. Bulls continue to talk about the possibility of Russian officials eventually limiting exports. Unfortunately, most inside the trade don't this as a concern until late in the year. Bulls are also talking about continued dryness in portions of Australia and the fact the USDA may still need to further reduce their estimate. There's also talk that the USDA's current Ukraine estimate may also need to be reduced. Bulls are also quick to remind the trade that seasonally this is a rough period for price. Meaning once we get past this window of U.S. winter and spring harvest, perhaps we can find more longer-term support and post another leg higher. Bears are pointing to what appears to be increasing U.S. acreage, Keep in mind, some areas down south are already starting to plant. Bears also continue to talk about an overall lack of U.S. export demand, which I'm hoping will soon start to find some strength. Export sales commitment for U.S. wheat is currently running about -25% behind last years pace. Personally, I still remain a longer-term bull. I'm thinking U.S. exports are eventually going to come into vogue and the USDA is going to start reducing export estimates for nations like Australia, Canada, European Union, Ukraine, etc...

NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

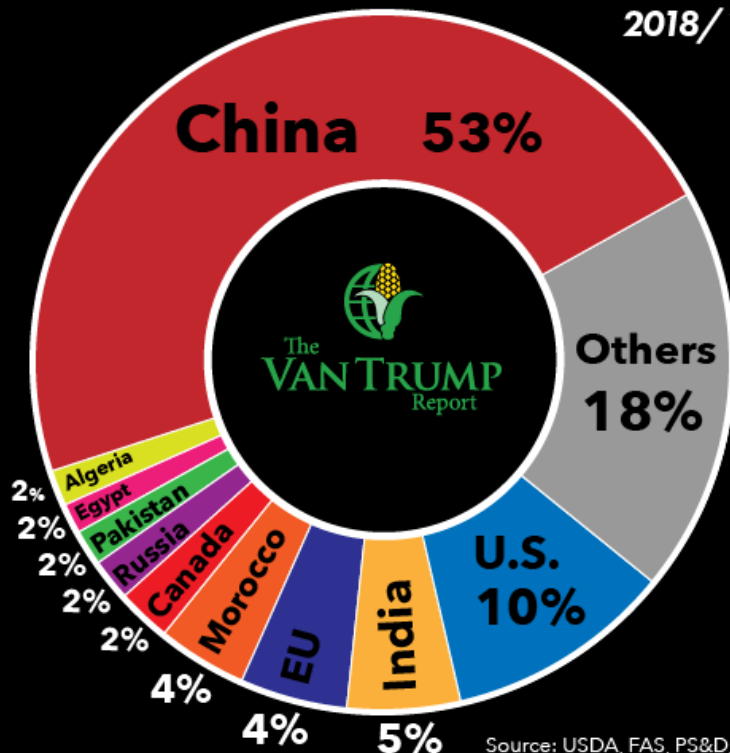
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis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

A.M., FDIC

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

Global Wheat Ending Stocks %

2018/19



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.



> China's Likely Underreporting Swine Fever: According to U.S. Ag Secretary Sonny Perdue, the outbreak of African swine fever in China's hogs is probably bigger than what has been reported publicly. The Chinese Ministry of Ag and Rural Affairs yesterday said African Swine Fever has infected 185 pigs on a farm in an eastern province, China's fifth outbreak of the deadly disease this month. The disease has been detected in Russia and Eastern Europe as well as Africa, though never before in East Asia and is one of the most devastating diseases to affect swine herds. (Source: AP)

> Volkswagen In Hot Water Again; This Time With Farmers: Farmers are blaming automotive company Volkswagen's method of car protection for crop failure. VW's "hail cannons" which stop hail from falling onto new cars outside of the assembly facility in Puebla City, Mexico are partly responsible for poor crop yields, local farmers allege. The cannons, which were set to automatic, emitted shockwaves whenever rain was present. Producers said the sky didn't rain when the cannons were active. They estimate the lack of moisture has caused about 5,000 acres of crops to fail and are seeking about U.S. \$3.5 million in compensation. Volkswagen has said they won't operate them automatically but will still use them in manual mode when weather conditions determine hail is imminent. (Source: AP)

> Ag Secretary Perdue Says President Will Get E15 Done: We got some assurances from Ag Secretary Sonny Perdue as he said the President called him and said they need to year-round E15 done. Perdue said hopefully the Trump administration will have an announcement on 15% ethanol blends soon. But also added that there needs to be some rebalance with refiners. Perdue also made it clear that Acting EPA Administrator Andrew Wheeler will be on board with year-round E15. (Source: Politico)

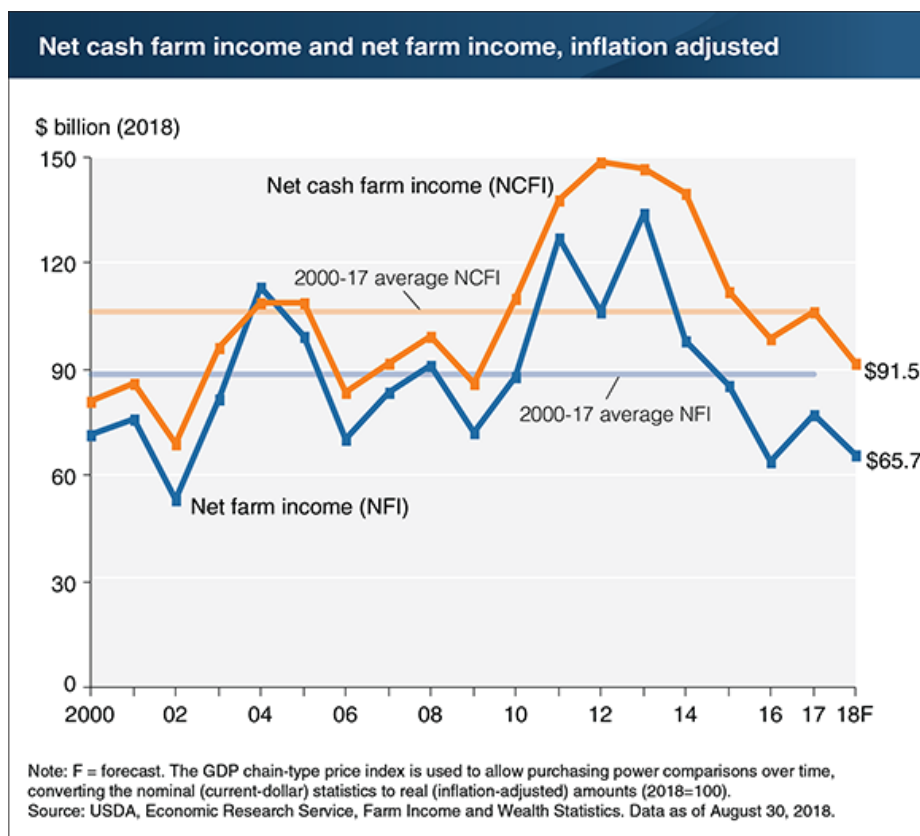
> HelloLife, Inc. Initiating A Voluntary Recall Of Four Different Products: Neuroveen, Respitrol, Thyroveev and Compulsin, within expiry, to the retail and consumer level due to possible microbial contamination. Neuroveen has been tested and found to be contaminated with *Staphylococcus saprophyticus* and *Burkholderia cepacia*. Compulsin has been identified as containing *Burkholderia cepacia*. Respitrol and Thyroveev are still pending bacterial identification. Each product being recalled is for a single lot that was packaged into 2-ounce amber bottles. (Source: FDA)

> **Apple's "Gather Round":** Apple has sent out invitations to the "Gather Round" event happening on Sept. 12 at 12:00 pm ET in the Steve Jobs Theater at Apple's new headquarters. There's been no acknowledgment of new iPhones releases mentioned, but it seems fairly certain that they will be unveiled there since that has been the purpose of the event the past 6 years. There are expectations of 3 new models of the iPhone that will be announced during this meeting. There are also expectations of a new Apple Watch and new iPad to be showcased. The event will also be live-streamed on Twitter. There's some talk the stock might run up in price into the hype of the event.

> **Walmart To Offer A Lot More Toys:** At a briefing with the media in New York, Walmart said it will expand its assortment of toys by 30% at all brick-and-mortar locations this holiday season and will offer +40% more toys on Walmart.com. The aggressive push comes after hundreds of Toys R Us stores were shuttered earlier this year, leaving a window for other retailers to gain market share. (Source: SeekingAlpha)

> **Aretha Franklin's Funeral Will Be 6 1/2 Hours Long:** The Queen of Soul's celebration of life is scheduled to last for 6 1/2 hours, from 8:30 a.m. to 3 p.m. at the Greater Grace Temple in Detroit, Michigan today. Artists like Faith Hill, Ariana Grande, The Clark Sisters, Chaka Khan, Ron Isley, Smokey Robinson, the legendary Stevie Wonder, and many more will perform musical tributes at the ceremony. There will also be a number of tribute speeches given from people like Mike Duggan, Rick Snyder, Eric Holder, Bill Clinton, Greg Mathis, Clive Davis, and Isaiah Thomas. There have also been reports LeBron James will be at the funeral. People expect the 4,000-seat church will be filled wall to wall with people. The Word Network will live stream the event if your interested you can watch it by clicking [HERE](#).

> **Farm Sector Profits Forecast To Decline in 2018:** Net cash farm income and net farm income are two conventional measures of farm sector profitability. Inflation-adjusted U.S. net farm income is forecast to decline \$11.4 billion (14.8%) from 2017 to \$65.7 billion in 2018, while inflation adjusted U.S. net cash farm is forecast to decline \$14.6 billion (13.8%) to \$91.5 billion. the forecast declines are largely due to higher production expenses. Additionally, government payments are forecast to decline \$2.3 billion (19.1%). However, the 2018 forecast for government payments, net farm income, and net cash income do not include payments under the recently announced Market Facilitation Program, because it is too early to tell from the detail how many farm producers will enroll and receive payments in 2018. (Source: USDA,ERS - Farm Sector Income and Finances - August 30, 2018)





Northwest Iowa – *I hate to be the bearer of bad news about how good yields are in this part of the world, but we have some of the best corn I have ever seen in 25 years. I took ear samples today around the farm and we are 18 by 20 around and 35 to 45 long. The population is 28,000 across the farm on average. We have a few fields that are more but not by much. At a conservative kernels per bushel count of 75,000 we will range from 235 bushels per acre to 335 bushels per acre. I'm just going to let you know that we have much more corn 20 by 40 than 18 by 35 so I would bet we are going to see a farm average closer to 300 bushels per acre than 250 unless I'm totally missing something on this corn which I was very thorough on my checks. Not to mention we are nearly at $\frac{3}{4}$ dent.*

Southcentral Nebraska – *We are hearing from our seed company that the only way to get the top end yield out of the corn is to pick it at higher moisture and bring it down to 14-15 bushels through a drier. They are basically telling us they don't think the stock can handle 250 bushel per acre ear which I find extremely irritating. Most guys don't have the ability to dry down hundreds of thousands of bushels so them telling us that we shouldn't let it stand in the field because they have seen massive ear dropping is mildly frustrating. If we had to take 20% moisture corn into the elevator right now they would dock us down to nothing and if we put it in our bin we would face all kinds of potential mold. So our options are basically let 50-70 bushel corn fall on the ground, take a 50-70 bushel dock or put it in our bin and hope it doesn't go bad.*

Southwest Kentucky - *We are a little over 20% done shelling corn. We have shelled a few fields that ranged from 145 bushels up to 175 bushels per acre. I have not heard any talk of poor test weight up to this point in our area or in our fields. The moisture is currently sitting right around 20% so we will dry it down a little before we bin it. We are at least 20 bushels behind what we expect on everything we have picked which would be considered our early corn. But, we are still hopeful that we get into better crop as we push deeper into harvest. Right now, I would contribute the yield drop on the lack of rain in July. It's not that we didn't have any rain in July but when we did have a rain it was trace amounts at best, or just a few drops. We are still very hopeful that we will get in better crops as we get deeper into harvest.*



CROSSING WIRES

A place to share intelligent thoughts...

Disney World's Hydroponics Are Still Producing Monster Crops: Walt Disney's magic is definitely alive and well inside Disney World resort's Epcot, where a massive greenhouse produces giant produce. It's almost like a Wonka wonderland, but for fruits and vegetables instead of confectioneries. I suspect many of you have been to the greenhouse, and seen its unrealistically large produce, inside of the Living Off The Land ride inside of Epcot. When the ride is over you get the opportunity for a close-up inspection of how it's done. The results are stunning as I'm told they have grown watermelon as large as 100 pounds and 9 pound lemons just to mention a few. Check out the pics and read more [HERE](#).

New Study Shows Normal Body Temps are 97.7 Degrees: Also, you no longer have a fever until you hit 99.5 degrees, at least that's what a new research project came up with after gathering nearly 12,000 temperatures from crowdsourcing using an iPhone app called Feverprints. The study, published online this month in the [Journal of General Internal Medicine](#), refutes the age-old benchmark of 98.6 degrees Fahrenheit. From what I understand, that's an antiquated number based on a flawed study from 1868 and I'm told that the facts about fever are a lot more complicated. Read more [HERE](#).

Karel Sabbe Sets New Speed Record On Epic Appalachian Trail: Karel Sabbe, a 28-year-old dentist, kissed the wooden sign atop Mount Katahdin at the end of his northbound journey on the A.T. Sabbe began his trek at Georgia's Springer Mountain on July 18 in Georgia. He averaged around 53 miles per day—over two full marathons per day—for 41 consecutive days. The average thru-hiker takes five to six months to complete the trail and averages around 14 miles per day. Sabbe becomes the first person to hold speed records for both the Appalachian Trail and Pacific Crest Trail. In 2016, Sabbe completed the Pacific Crest Trail—which runs 2,650 miles from Canada to Mexico

through the mountains of California, Oregon, and Washington—in 52 days, 8 hours, and 25 minutes. Read his story of incredible effort and determination [HERE](#).

Science Takes A Look At Hypnosis: According to Irving Kirsch, a lecturer and director of the Program in Placebo Studies at Harvard Medical School, there are many myths about hypnosis, mostly coming from media presentations, like fictional films and novels. But setting aside pop-culture clichés, he says hypnosis is a well-studied and legitimate form of adjunct treatment for conditions ranging from obesity and pain after surgery to anxiety and stress. I'm told one study from Len Milling, a clinical psychologist and professor of psychology at the University of Hartford, found that hypnosis could help kids avoid post-surgical pain or pain related to other medical procedures. Another of his studies found that when it comes to labor and delivery-related pain, hypnosis can in some cases outperform standard medical care—including epidurals and drugs. Read more [HERE](#).

Check Out The Lego Technic Bugatti: Using over one million Lego Technic pieces and taking 13,500 hours to complete, the creative team at Lego was able to produce a full-size, drivable model of the Bugatti Chiron supercar. The Bugatti was built partly as a promo to show off at the Italian Grand Prix and used Lego's Technic pieces which for the unfamiliar is Lego's line of interconnecting rods, gears, axles, motors, and other parts a bit more complex than the bricks and blocks the company is best known for. Believe it or not they got the car to actually run at speeds nearing 13 mph. Check out the video and read more [HERE](#).





Slowing Pest And Weed Resistance

Researchers are saying they need more help and resources if they have any chance of fighting the advancing progression of weeds and insects. This is being considered an extremely important takeaway from a North Carolina State University review paper addressing pesticide resistance published recently in the journal *Science*. Simply stated, scientists agree that in order to slow the evolutionary progression of weeds and pests gaining resistance to herbicides and pesticides, policymakers will need to provide resources for large-scale, but untested approaches for slowing advancement. Keep in mind, pesticide resistance exacts a tremendous toll on the U.S. agricultural sector, costing some \$10 billion yearly, not to mention many feel costs could begin to affect humans as well. For instance, if insecticide-coated bed nets and complementary insecticide spraying fails to slow the transmission of malaria by pesticide-resistant mosquitoes, for example, the human health costs in places like Africa could be catastrophic. According to the study research, weed species have evolved resistance to every class of herbicide in use, and more than 550 arthropods have resistance to at least one pesticide. Many of us have experience with the diminishing effects of glyphosate in some of our fields and it was only a short 20 years ago that crops were genetically engineered to withstand glyphosate, allowing them to survive exposure to the chemical while weeds perished. And by 2014, some 90% of planted U.S. corn, soybean and cotton crops were genetically modified to withstand glyphosate. Unfortunately, as the evolutionary arms race progresses, many weeds have figured out how to evolve resistance to glyphosate, making the chemical increasingly ineffective and forcing farmers to look for other or new solutions. Some of these "new" solutions are actually old, as the herbicides 2, 4-D and Dicamba, developed in the 1940s and 1960s, respectively, are currently getting a second look as possible widespread weed weapons. Besides ecology and economics, cultural practices by farmers -- whether they till their land or not and how often they rotate their crops -- all play a big role in pest resistance. Any proposed solutions have to include perspectives from the individual farmer, community and national levels. The authors propose large-scale studies that would test the efficacy of a particular pesticide resistance strategy in one large area -- thousands of acres or more -- and how weeds and crop yields compare to large "control" areas that don't utilize that particular strategy. Farmers would receive incentives to participate; perhaps subsidies already allocated to farmer could be shifted to provide the participatory incentives. The authors of the study make a critical statement that I believe we have to consider: "In the end, are we going to outrun the pests or are they going to outrun us?" (Source: news.ncsu)



Shotguns Worth More Than \$100,000

Pacific Sporting Arms has some of the most expensive guns in the world. In fact they offer some of the coolest shotguns I've ever seen under one roof. I've had my fair share of high grade Brownings and Beretta's in my day, but some of these guns are beyond top-shelf. They have gun brands ranging from Kreighoff, Perazzi, Blaser, Beretta, Salvinelli, and Perugini. Some of their new arrivals include Cosmi Extra Lusso Game 28GA 27" (663), which costs just over +\$28,000. Another new arrival they have is the A & S Famars Side plate Sporter 12 gauge 30" (975), which costs around \$25,000. They also have guns like the Anschutz 22 target rifle. It's the same gun they use in the Olympics. The people that buy these guns are shooting targets as small as the letter on a pen as far as 50 meters away. The gun that really proves Pacific Sporting Arms as one of the most premiere gun dealers in the U.S. is the Beretta shotguns they carry, which go for as much as \$110,000. The reason why these guns go for so much is because they take over 2 years to make and because of the detailed engravings on the gun. These guns are made in Italy and the company has been in business since 1526. If you really want to get serious, then you can buy the whole set. This is a 4 gun matching set that runs for \$354,000, which includes a Beretta .12, .20, .28, and .410. If you're interested in checking out some insanely cool shotguns visit their site [HERE](#)





Happy Labor Day Weekend

Labor Day Weekend is officially here and families across America will be trying to squeeze out one last Summer hurrah! We all have our own unique traditions for the holiday but one that seems to be shared by a majority is grilling! In fact, Labor Day is the third most popular grilling weekend of the year behind Memorial Day and the July 4th holiday. Labor Day also marks the end of the "official" grilling season. The Labor Day holiday first came about as a way to honor workers and is sometimes called the "workingman's holiday." It began in Canada way back in 1872 as a way to support striking workers. The idea spread to the U.S. where we had our own labor disputes. The first Labor Day in the U.S. happened in New York in 1882 where over 10,000 workers marched from City Hall to Elm Park, where the day ended with a picnic and "an abundance of cigars and Lager beer kegs." Below are a few additional bits of interesting info about the end-of-summer holiday:

Official Holiday - Labor Day didn't become a national holiday for more than a decade. Oregon became the first state to declare it a holiday in 1887, and states like New York, Massachusetts and Colorado soon followed suit. Under President Grover Cleveland, and amid growing awareness of the labor movement, the first Monday in September became a national holiday in 1896.

The Unions - In 1983, the union membership rate was estimated at 20.1% in the US. As of 2017, the union membership rate has fallen to just 10.7%. The number of wage and salary workers belonging to unions, 14.8 million in 2017 which is +200,000 from last year. New York has the highest rate of union workers among the states, with 23.8%, while South Carolina has the lowest at just 2.6%.

Why the First Monday of September - Labor union leaders had pushed for a September date for the New York demonstration, which coincided with a conference in the city of the Knights of Labor, one of the largest and most influential of the unions. The first two New York City Labor Days took place on the 5th of September, but in 1884, the third annual New York City Labor Day holiday was scheduled for the first Monday in September, and that date stuck.

Food: Labor Day is of course synonymous with food! On average, these holiday meals of bbq, coleslaw, burgers and chips will add up to 1,800 calories, about triple a normal weeknight meal. Labor Day is tied with the Fourth of July as the second highest beef consumption holiday, falling behind number one, Memorial Day.

Lakes: America's many lakes are always a top holiday weekend destination for families. There are thousands upon thousands of US lakes, covering approximately 39.9 million acres! Our lakes and reservoirs actually provide the country with approximately 70% of its fresh water supply.

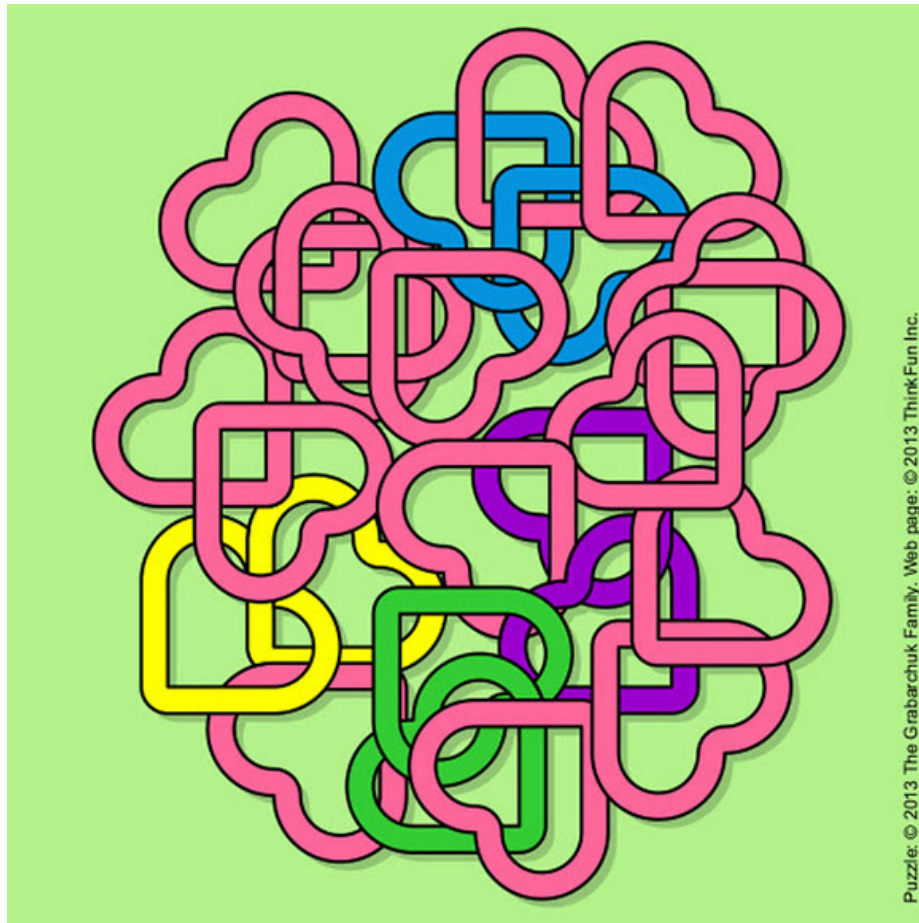
Chores: Labor Day weekend is all about actual labor for many homeowners. Nearly 60% of Americans do some sort of house work, and 40% do yard work!

Fashion: No White After Labor Day - Historians say the expression "no white after Labor Day" comes from when the upper class would return from their summer vacations and stow away their lightweight, white summer clothes as they returned back to school and work. Hence fashion moguls say never wear white after Labor Day.

Please Be Safe - Remember, Labor Day weekend is one of the most dangerous weekends on U.S. highways. It's estimated that close to 36 million Americans will travel at least 50 miles for the holiday weekend. Keep the family safe on the roads and have a great holiday!

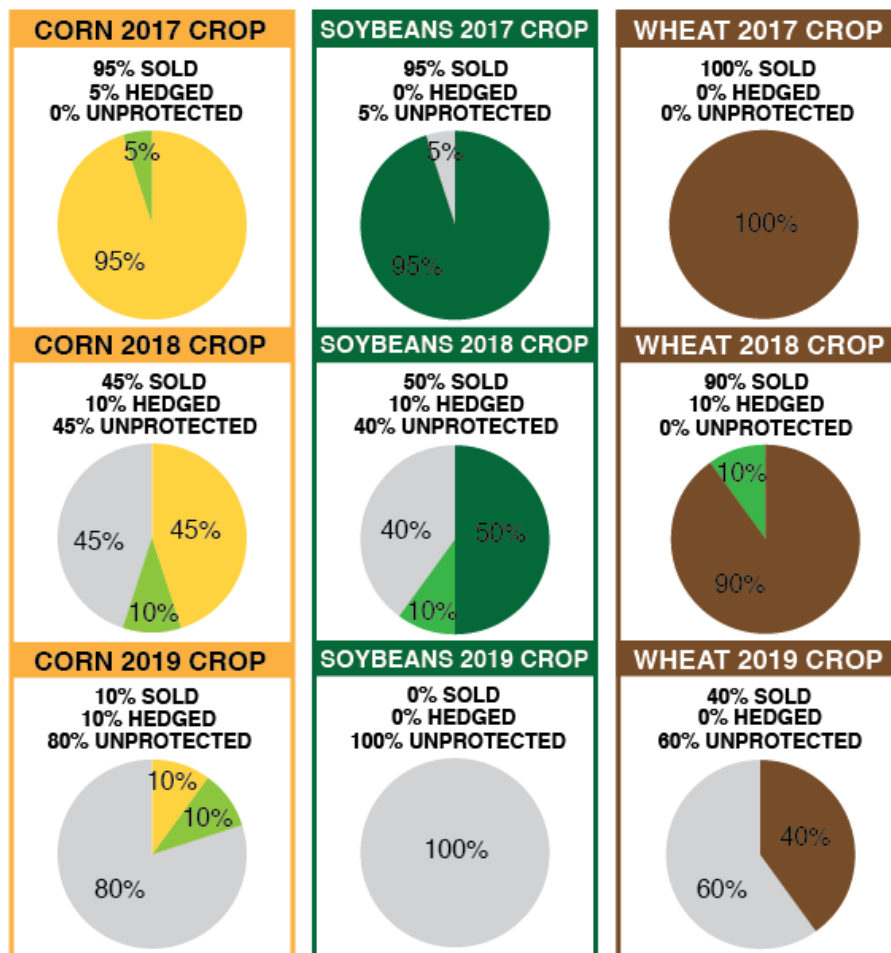


ANSWER to riddle:



CASH SALES & HEDGING TOTALS

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