

GOOD MORNING: 09/05/18 Farm Direction - Van Trump Report

1 message

The Van Trump Report <reply@vantrumpreport-email.com>

Wed, Sep 5, 2018 at 7:25 AM

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"If you have everything under control, you're not moving nearly fast enough." ~Mario Andretti

WEDNESDAY, SEPTEMBER 05, 2018
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Morning Summary: Investors continue to talk about the future of U.S. and Chinese relations as Washington appears poised to move forward with a much more substantial round of tariffs on imports from China. Several sources are now saying the new tariffs could go into play as early as tomorrow. At the same time, NAFTA negotiations with Canada are set to resume today. There's a ton of hope that a deal of some sort can get worked out with Canada in the next 30-days. The trade also seems to be keeping a close eye on continued weakness in Argentina, South Africa, Turkey, Venezuela and Iran. There's also ongoing concern involving the European Union, particularly debt problems now involving Italy and the specifics surrounding Brexit. There's a lot of talk that it could be a "hard Brexit" as the UK and EU still appear miles apart in negotiations. From what I understand, they need to get something worked out within the next 90-days or the market will start to backpedal on increased uncertainty. Here at home, most all traders are looking for the U.S. Fed to once again hike interest rates following their September 26th meeting. The bigger question is how aggressive will the Fed remain moving forward? I continue to hear talk that the Fed could become a bit more dovish considering the strength of the U.S. dollar and weakness in emerging market economic growth. Most sources had been thinking we would see a fourth rate hike in 2018 at the December Fed meeting, then perhaps two or more rate hikes in 2019. Bulls are hoping perhaps the Fed is going to walk that back a touch in the coming months. As for today, there's not a lot on the economic calendar. We have U.S. trade deficit numbers, along with four Fed officials speaking about the U.S. economy. Globally, the trade will be digesting some Chinese and European economic data, as well as the latest monetary policy decision from the Bank of Canada. Thursday and Friday look to be more headline driven with trade talks and updated U.S. employment data. I don't know whether it's right, wrong or indifferent, but I personally decided to bank about 50% of my Amazon profits yesterday on the big rally north of \$2,000 per share. What an amazing run it has been. The stock is up over +23% in the past three months and up over +105% in the past 12 months. Keep in mind less than five years ago you could buy this stock in the \$290's. Yesterday it closed at \$2,039 per share. In other words, \$50k invested just 60 months ago in Amazon at \$290 per share would now be worth more than \$350,000. This is what I mean by hitting the free throws and layups. I want to kick myself for taking some half-court shots, when I could have just put more money to work in the obvious. I suspect as usual some will argue that I have exited the party too early, but as several great traders taught me a long time ago, nothing good generally happens when you stay at the party too late...

Social Media On The Hot Seat: Social media executives will be testifying in front of the Senate and House today. Providing testimonies will be Facebook COO Sheryl Sandberg and Twitter CEO Jack Dorsey. Both will appear at 8:30am CST in front of the Senate Select Committee on Intelligence. Dorsey will have a solo appearance in front of the House Committee on Energy and Commerce in the afternoon. From what I understand, Google will be a no show in Washington. Supposedly Google wanted to send their General Counsel, Kent Walker, but that didn't fly with the committee Senators wanting either Alphabets CEO and founder Larry Page or Googles CEO Sundar Pichai. Alphabets refusal to send its most senior executives is drawing a lot of attention on Wall Street and Washington.

Starbucks and Yelp Reviews Equal Higher Real Estate Prices? A recent Harvard study shows that a new Starbucks introduced into a ZIP code is associated

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with a +0.5% increase in housing prices within a year, the paper found. It's not clear whether housing prices are rising due to the Starbucks opening itself or simply because more affluent customers that would go to the coffee chain have moved into the area. The study also found that each 10-unit increase in the number of Yelp restaurant reviews is associated with a +1.4% increase in housing prices in the ZIP code. Read more [HERE](#)

The Day the Music Died: Data is showing that hip-hop has officially dethroned rock as America's most popular genre, putting pressure on labels to expand their rap rosters to build market share. Over the past 12 to 18 months, the cost of signing a new rapper has increased threefold, music-industry insiders say. The biggest contracts for debut artists, once capped at \$1 million, can hit the double-digit millions. Just as music executives once chased "hair-metal" bands (1980s), and grunge groups (1990s), they're now grabbing rappers with face tattoos, social-media fame. Hip-hop now represents 38% of U.S. on-demand audio streams, Nielsen Music says, more than rock (20%) or pop (16%). Read more at [The Wall Street Journal](#)

\$1,000 Invested Early In Amazon Stock: There are stories circulating of those who still own Amazon stock and were early investors when the stock first went public. Keep in mind, after debuting in 1997, the stock spilt twice in 1998, once 2 for 1 and another time 3 for 1. Then the stock split once again in 1999. Essentially every early share that was owned became worth 12 shares by the end of 1999. Bottom-line, every \$1,000 invested in Amazon in 1997 would now be worth over +\$1,200,000 million. What an investment machine this stock has been during the past 20-years.



see at out on the horizon, along with heated debates about our future.

SPECIAL GUEST SPEAKER

Molly Bloom - One of the most intriguing stories of the past decade. Her story was recently turned into a major hit motion picture called "Molly's Game". The true story of "Hollywood's poker princess" who gambled everything, won big, then lost it all.



"A captivating story that is interesting for a wide audience beyond those who enjoy poker. It's a high stakes adventure providing the layperson a peak into a world few will ever truly know or understand. Molly comes from a family of high achievers. She is no slouch. A champion skier, brains to match. Each time she hit a bump in her life she did not complain, she found a solution with a positive attitude. She offers many fantastic life lessons!"



Weather Wild-Card!

Weather guru Dr. Simon Atkins will be presenting what he is calling one of the most important weather updates and forecasts in years. Join us as he reveals a possible game changer!

Network directly with some of the top CEO's and ag industry executives. Learn first hand how NEW technology and transparency is influencing today's decisions.

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:

Love in Kleptopia

"Jan and Maria have fallen in love (via the internet) and Jan wishes to mail her a

Early Bird Special

\$299

regular price \$500

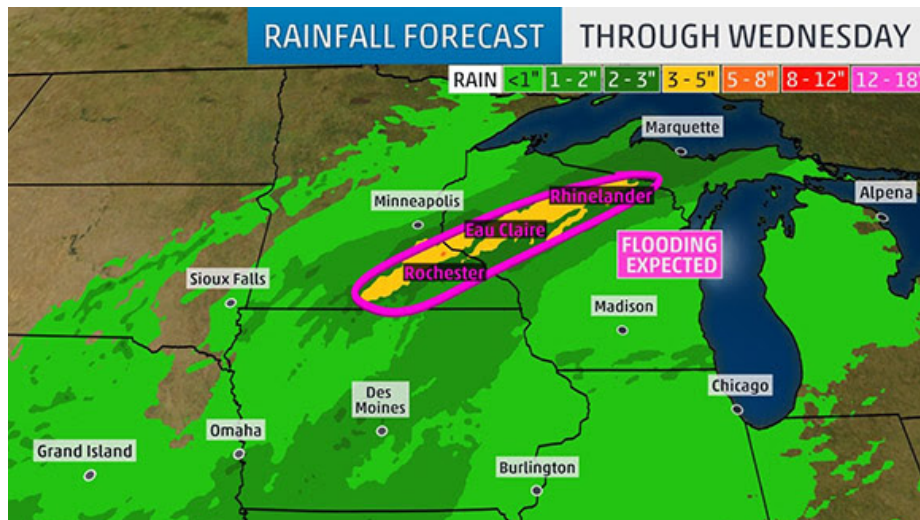
Remember we sold out early last year!

LEARN MORE

ring. Unfortunately, they live in the country of Kleptopia where anything sent through the mail will be stolen unless it is enclosed in a padlocked box. Jan and Maria each have plenty of padlocks, but none to which the other has a key. How can Jan get the ring safely into Maria's hands?

Weather in the Corn Belt is seeing rivers running high following recent downpours in several areas, including eastern Iowa, northern Illinois and southern Wisconsin. Currently, locally heavy showers persist across the upper Midwest, maintaining the threat additional flooding. In Contrast, hot, dry weather in the eastern Corn favors corn and soybean maturation. On the Plains, abundant rain is falling in the vicinity of a cold front. The showers are slowing fieldwork but benefiting rangeland, pastures and immature summer crops and boosting topsoil moisture in advance of the winter wheat planting season. Flash flooding is occurring in several areas, including south central Texas. The tropical storm in the gulf (Gordon) may become a category 1 hurricane before making landfall. As the tropical storm moves inland, a 2 to 5 foot storm surge could occur from southeastern Louisiana to western Florida. For inland areas along Gordon's path, the primary threat will be flash flooding due to rainfall that could reach a foot. Once inland, Gordon's forward speed should slow, maintaining the flood threat as the remnant circulation crosses the mid-South and turns toward the middle Mississippi Valley. Meanwhile, a slow moving cold front could lead to rainfall totals of 2 to 5 inches or more in the Corn Belt (more on that below). In contrast, hot, dry weather will prevail in the West, except for locally heavy showers in the central and southern Rockies.

Waterlogged Midwest Facing More Rain: Heavy rainfall over already saturated ground has caused flash flood watches to be issued by the national Weather Service from parts of Kansas to southeastern Nebraska and from Iowa into southern Minnesota, Wisconsin and the Upper Peninsula of Michigan. Heavy rainfall and flash flooding will continue to be a serious concern in the Midwest through today as a slow-moving frontal system interacts with ripples of energy in the upper atmosphere. Heavy pockets of rainfall may lead to totals through Wednesday of up to 8 inches in some areas, particularly portions of central Wisconsin and southern Minnesota. Wet conditions will continue at times through the week ahead. Below is both a map of today's expected rainfall and the next 5 days (wed. - mon.)

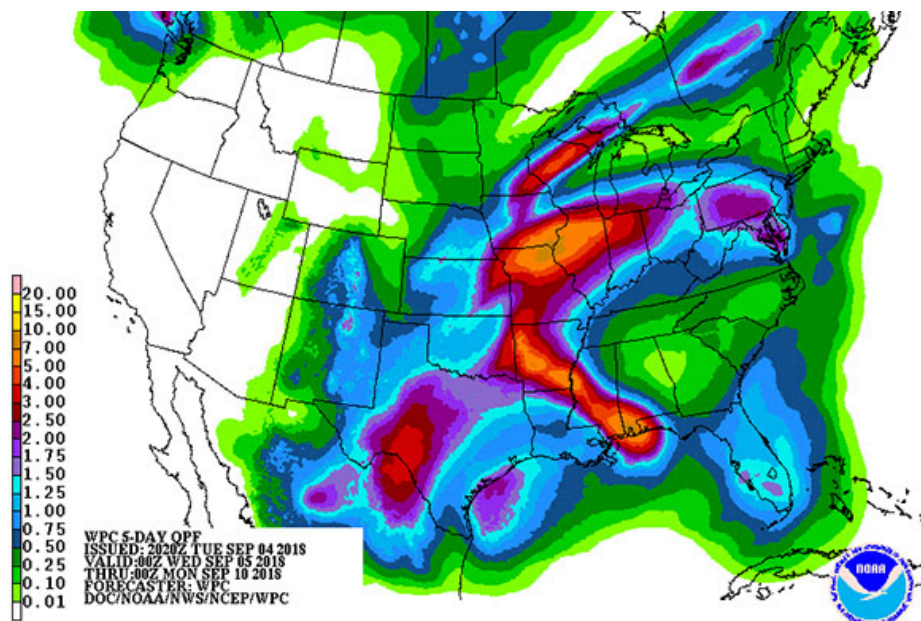


Today in History



1774, Continental Congress

- In response to the British Parliament's enactment of the Coercive Acts in the American colonies, the first session of the Continental Congress convenes at Carpenter's Hall in Philadelphia. Fifty-six delegates from all of the colonies except Georgia drafted a declaration of rights and grievances and elected Virginian Peyton Randolph as the first president of Congress. Patrick Henry, George Washington, John Adams and John Jay were among the delegates. The first major American opposition to British policy had come in 1765 after Parliament passed the Stamp Act, a taxation measure designed to raise revenues for a standing British army in America. Under the banner of "no taxation without representation," colonists convened the Stamp Act Congress in October 1765 to vocalize their opposition to the tax. With its enactment in November, most colonists called for a boycott of British goods, and some organized attacks on the customhouses and homes of tax collectors. After months of protest in the colonies, Parliament finally voted to repeal the Stamp Act in March 1766. Most colonists continued to quietly accept British rule until Parliament's enactment of the Tea Act in 1773, a bill designed to save the faltering British East India Company by greatly lowering its tea tax and granting it a monopoly on the American tea trade. The low tax allowed the company to undercut even tea smuggled into America by Dutch traders, and many colonists viewed the act as another example of taxation tyranny. In response, militant Patriots in Massachusetts organized the "Boston Tea Party," which saw British tea valued at some £18,000 dumped into Boston Harbor. Parliament, outraged by the Boston Tea Party and other blatant acts of destruction of British property, enacted the Coercive Acts, called the "Intolerable Acts" by colonists, in 1774. The Coercive Acts closed Boston to merchant shipping, established formal British military rule in Massachusetts, made British officials immune to criminal prosecution in America and required colonists to quarter British troops. The colonists subsequently called the first Continental Congress to consider a united American resistance to the British. With the other colonies watching intently, Massachusetts led the resistance to the British, forming a shadow revolutionary government and establishing militias to resist the increasing British military presence across the colony. In April 1775, Thomas Gage, the British governor of Massachusetts, ordered British troops to march to Concord, Massachusetts, where a Patriot arsenal was known to be located. On April 19, 1775, the British regulars encountered a group of American militiamen at Lexington, and the first shots of the American Revolution were fired.



1847, Jesse James - Seen by some as a vicious murderer and by others as a gallant Robin Hood, the famous outlaw Jesse Woodson James is born

on this day in 1847, in Clay County, Missouri. Jesse and his older brother Franklin lost their father in 1849, when the Reverend Robert James abandoned his young family and disappeared forever into the California gold fields. Their mother, Zerelda, quickly remarried, but rumor had it that their new stepfather treated Jesse and Frank poorly, and a third husband soon followed. Perhaps it was a violent and unstable family life that led the young Jesse and Frank into lives of crime. Regardless, it is certain that the brothers first learned to kill during the Civil War. As Confederate sympathizers, both Jesse and Frank joined William Quantrill's vicious Missouri guerilla force, and Jesse participated in the cold-blooded murder of 25 unarmed Union soldiers in August 1863. When the war ended, neither man felt any enthusiasm for the drab life of a Missouri farmer-earning a living with their guns seemed easier and more exciting. Joining a motley band of ex-soldiers and common thieves, Jesse and Frank staged the first daylight bank robbery in U.S. history on Valentine's Day in 1866, making off with \$57,000 of the hard-earned cash of the citizens of Liberty, Missouri. For the next decade the James Gang would steal many thousands more from banks, stores, stagecoaches, and trains. The boldness of their crimes and the growing resentment among westerners of big railroads and robber barons led some to romanticize Jesse and Frank, a process that was encouraged by the authors of popular dime novels who created largely fictional versions of the James brothers as modern-day Robin Hoods who stole from the rich to give to the poor. In reality, the James brothers' crimes preyed as much on the common folks as on the very rich, and they did little to spare the lives of innocents caught in the crossfire. The Robin Hood myth conveniently ignores the little girl shot in the leg during a botched robbery at the Kansas City Fair, the train engineer killed when the James Gang derailed his locomotive, or the dozens of other innocent bystanders murdered or maimed by Jesse, Frank, or their gang. Nonetheless, the myth that Jesse James was a good-hearted hero of the common folk remains popular to this day. Robert Ford shot James in the back of the head-killing him on April 3, 1882.



1877, Chief Crazy Horse - On this day in 1877, Oglala Sioux chief Crazy Horse is fatally bayoneted by a U.S. soldier after resisting

confinement in a guardhouse at Fort Robinson, Nebraska. A year earlier, Crazy Horse was among the Sioux leaders who defeated George Armstrong Custer's Seventh Cavalry at the Battle of Little Bighorn in Montana Territory. The battle, in which 265 members of the Seventh Cavalry, including Custer, were killed,

UPDATE On Payments: *The Market Facilitation Program that will provide direct payments to help corn, cotton, sorghum, soybean, wheat, dairy and hog farmers who have been directly impacted by illegal retaliatory tariffs, began yesterday. If farmers plan to apply for the payments, they must do so before January 15, 2019. To take advantage of this planned one stop process, corn and soybean farmers should consider waiting until after their harvest is completed to file for their Market Facilitation Program payment. Farmers will have to certify their final yield before receiving a check under this program. Therefore, if farmers apply in their local FSA office this week (or anytime prior to harvest completion), they will have to visit again to sign and certify final yields. For more information about the MFP program, visit www.farmers.gov/MFP or contact your local FSA office. (Source: Illinois Corn Growers Association)*

Corn prices have rallied a bit from their recent lows, but quickly approaching are some nearby technical hurdles that could trip up the bulls. Demand remains strong, but at the same time most all sources are looking for a new record yield to be harvested. The USDA continues to confirm strong demand, showing July ethanol production chewed through 481.3 million bushels of corn, up almost +6% compared to last July. This has many bulls believing the USDA will need to raise their current corn used for ethanol estimate by about +10 million bushels. We also have the recent headlines that indicate Argentina is rising their export taxes, which simply makes U.S. corn more competitive. There's just no debating the fact we have a good "demand" story in play. The problem is production seems to be getting larger not smaller. We are already hearing headlines about more corn acres in 2019, at the same time most sources inside the trade are talking about the current U.S. corn yield coming in record large somewhere between 177 and 180 bushels per acre. The USDA is currently estimating the crop at an average yield of 178.4 bushels per acre. In other words, no real surprises or massively heated debates about the yield being aggressively smaller. It seems like most everyone is willing to admit a trend-line or higher average yield. Yes there are flooded fields and there has been excessive rainfall in several key areas, especially in the western Midwest. But the longer-term weather forecast paints a much more cooperative picture, hence no one really crying foul. There's some talk of some nearby technical resistance up between \$3.70 and \$3.75. The next stiffer and longer-term round of resistance is up between \$3.90 and \$4.00 per bushel. USDA's weekly crop-condition report lowered the overall "Good-to-Excellent" rating by -1% from 68% down to 67% vs. 61% last year. States showing the most improvement were: Colorado up +6%, now with 72% of their crop rated GD/EX vs. 55% last year; Kentucky was raised +4%, now with 75% rated GD/EX vs. 80% last year; Indiana was raised +2%, to 72% rated GD/EX vs. 51% last year; Iowa, Michigan, Missouri, North Carolina, South Dakota, and Tennessee all improved by +1%. States reporting deteriorating conditions were: Pennsylvania lowered by -5%, now with 65% rated GD/EX vs. 88% last year; Nebraska lowered -2%, now with 81% rated GD/EX vs. 63% last year; Kansas lowered -2%, now with 44% rated GD/EX vs. 54% last year; Illinois and Wisconsin were both lowered by -1%. Minnesota, North Dakota, Ohio and Texas were all left unchanged on the week. The crop was reported as 75% "dented" vs. the 5-year average of 60%. Corn in the "dough" stage was reported at 96% vs. the 5-year average of 91%. There are a few southern states that are reporting harvesting data: Louisiana is thought to be about 94% harvested vs. the 5-year average of 84%; Georgia 76% harvested which is about right in line with their historical average; Mississippi about 57% harvested, which is just slightly ahead of schedule; Alabama reported at 49% harvested vs. the 5-year average of 29%; Kentucky is reported at 12% harvested vs. the 5-year average of 6%. Tennessee is reported at 9% harvested vs. the 5-year average of 5%. Missouri was reported at 2% harvested vs. the 5-year average of 4%. As a producer, I feel like

nearby we are stuck in the \$3.40 to \$3.90 range. Longer-term, I'm a bit more optimistic but will need to get into a post-harvest environment with perhaps better geopolitical headlines. If you feel your hands are tied and you are forced to be a seller out of the field at harvest, try to pull the trigger in the upper half of the range mentioned above. In other words, somewhere between \$3.65 and \$3.90 might not be a bad play for the next 30-days. As a spec, I am still not comfortable taking a longer-term bullish position, I still think there could eventually be more downside.

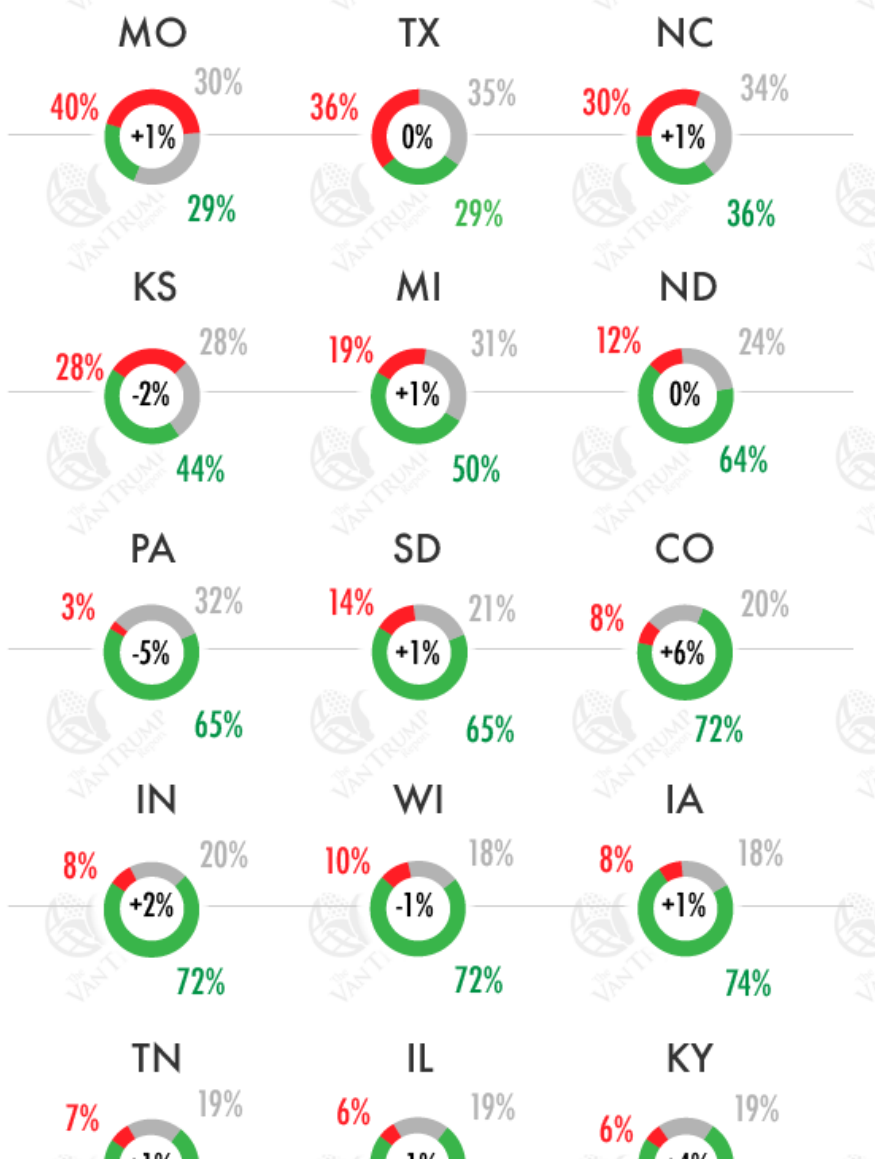
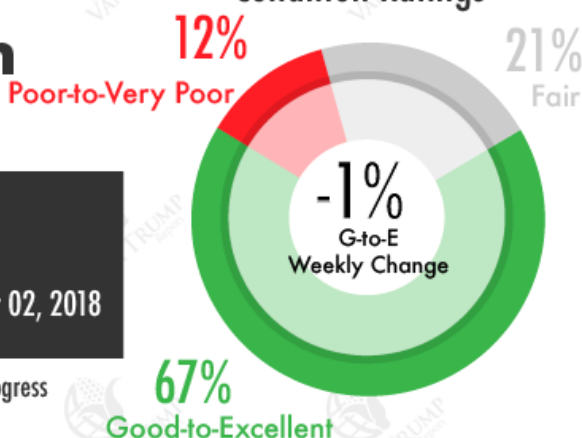
Corn Crop Condition Ratings

Week 35

week ending September 02, 2018

Source: USDA, NASS Crop Progress

2018 U.S. Corn Condition Ratings

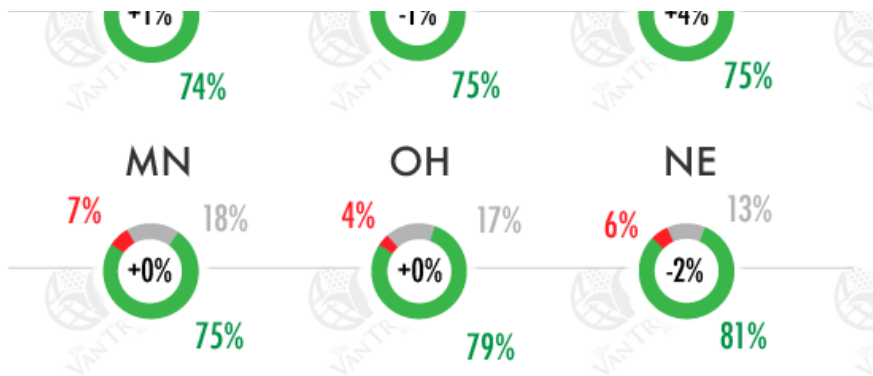


was the worst defeat of the U.S. Army in its long history of warfare with the Native Americans. Crazy Horse was born to parents from two tribes of the Lakota division of the Sioux, his father being an Oglala and his mother a Miniconjou. His father, born in 1810, was also named Crazy Horse. Crazy Horse was named Cha-O-Ha ("In the Wilderness" or "Among the Trees") at birth, meaning he was one with nature. His mother, Rattling Blanket Woman (born 1814), gave him the nickname "Curly" or "Light Hair," as his light curly hair resembled her own. She died when Crazy Horse was only four years old. One account said that after the son had reached maturity and shown his strength, his father gave him his name and took a new one, Waglula ("Worm"). Another version of how the younger Crazy Horse acquired his name is that he took it after having a vision. Crazy Horse's cousin (son of Lone Horn) was Touch the Clouds. He saved Crazy Horse's life at least once and was with him when he died. Crazy Horse lived in a Lakota camp in present-day Wyoming with his younger half-brother, Little Hawk, son of Iron Between Horns and Waglula. Little Hawk was the nephew of his maternal step-grandfather, Long Face, and a cousin, High Horse. In 1854, the camp was entered by Lieutenant John Lawrence Grattan and 29 other U.S. troopers, who intended to arrest a Miniconjou man for having stolen a cow. The cow had wandered into the camp, and after a short time someone butchered it and passed the meat out among the people. When the soldiers fatally shot Chief Conquering Bear, the Lakota returned fire, killing all 30 soldiers and a civilian interpreter in what was later called the Grattan massacre. After witnessing the death of Conquering Bear at the Grattan massacre, Crazy Horse began to get trance visions. After the victory at Little Bighorn, U.S. Army forces led by Colonel Nelson Miles pursued Crazy Horse and his followers. His tribe suffered from cold and starvation, and on May 6, 1877, Crazy Horse surrendered to General George Crook at the Red Cloud Indian Agency in Nebraska. He was sent to Fort Robinson, where he was killed in a scuffle with soldiers who were trying to imprison him in a cell. Crazy Horse is commemorated by the incomplete Crazy Horse Memorial in the Black Hills of South Dakota, near the town of Berne. Like the nearby Mount Rushmore National Memorial, it is a monument carved out of a mountainside. The sculpture was begun by Polish-American sculptor Korczak Ziolkowski, who had worked under Gutzon Borglum on Mount Rushmore, in 1948. Plans call for the completed monument to be 641 feet wide and 563 feet high.

Upcoming Events

Mon. 9/10 - Crop Progress

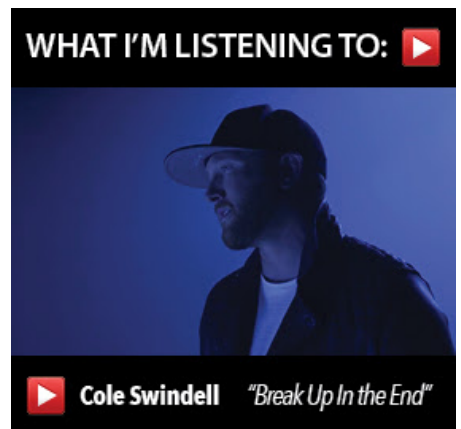
Tues. 9/11 - 17 Year Anniversary of 9/11



Soybean prices struggle to hold upside momentum. Bears continue to talk about the U.S. yield perhaps getting larger and the ongoing negative headlines associated with the spreading of "African Swine Fever" in parts of eastern China. Let's also not forget we are battling the ongoing negative trade headlines, where the U.S. looks poised to move forward with a much larger round of tariffs on Chinese imports, perhaps as soon as this week. Any way you want to slice it, these are some tough headlines for many bulls to step in front of. To this point, there's been a lot of talk of the U.S. yield and total production growing even larger. Several bears inside the trade have been throwing around the average yield estimate reaching a record 53 bushels per acre. Bulls are saying the recent heavy rains may have done some damage in key locations and the top-end of the yield might be under a bit of pressure. As for overall Chinese demand, I'm now hearing that the Chinese might be able to make it much longer than the trade originally had anticipated, perhaps until early-2019 before they will really need to source U.S. supply in a larger manner. I personally think it happens soon rather than later. Domestic U.S. demand continues to put up strong numbers. The USDA reported yesterday that the July crush was 178.9 million bushels, up almost +15% from last year and up substantially from last month. It also eclipsed the previous July record set back in 2015 at 155.8 million bushels. This has many of the bulls thinking U.S. domestic soybean meal demand is higher by +3% to +4% and the USDA might need to raise their current crush forecast by around +10 million bushels. It's tough to gain much traction to the upside however with most sources inside the trade talking about record U.S. production. The USDA's crop-condition report showed soybeans overall "unchanged" at 66% rated "Good-to-Excellent" vs. 61% last year. States showing the most improvement were: Missouri up +7%, now with 43% of their crop rated GD/EX vs. 65% last year; North Dakota was raised +4%, now with 52% rated GD/EX vs. 47% last year; Michigan was raised +3%, to 65% rated GD/EX vs. 53% last year; Indiana, Iowa and Kentucky raised +2%; Arkansas and Illinois raised +1%. States reporting deteriorating conditions were: Louisiana lowered by -7%, now with 48% rated GD/EX vs. 56% last year; Minnesota lowered -3%, now with 69% rated GD/EX vs. 73% last year; South Dakota and Wisconsin lowered -2%; Mississippi lowered -1%. Kansas, Nebraska, North Carolina, Ohio and Tennessee were all left unchanged on the week. The USDA also showed soybeans "dropping leaves" at 16% vs. the 5-year historical average of 9%. As producer, I'm heavily sold at much higher levels and remain patient. Targeting late-2018 or perhaps early-2019 as our next opportunity to reduce risk. Those who don't want to store the bushels or have nothing sold are likely going to face a much more difficult task. The basis in many areas is hammering producers and cash prices seem to have a lid overtop. I heard some folks saying if they could just get a flat price near \$9.00 per bushel, add in the government subsidies, then it pencils. I personally still think we are going to re-test the nearby lows down near \$8.26[^]2, perhaps even test the \$8.00 level, before finding the headlines to move back higher. Washington and China remain the big unknowns...

- Thur. 9/12** - USDA Supply and Demand
- Thur. 9/12** - Last Trading Day for September Grain Futures
- Mon. 9/17** - NOFA 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 Crop Condition Ratings

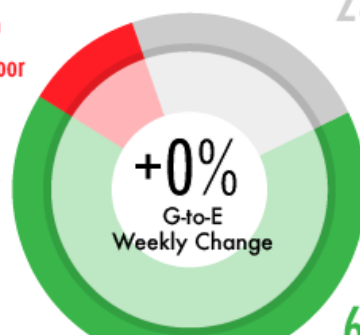
Week 35

week ending September 02,

2018 U.S. Soybean Condition Ratings

11%
Poor-to-Very Poor

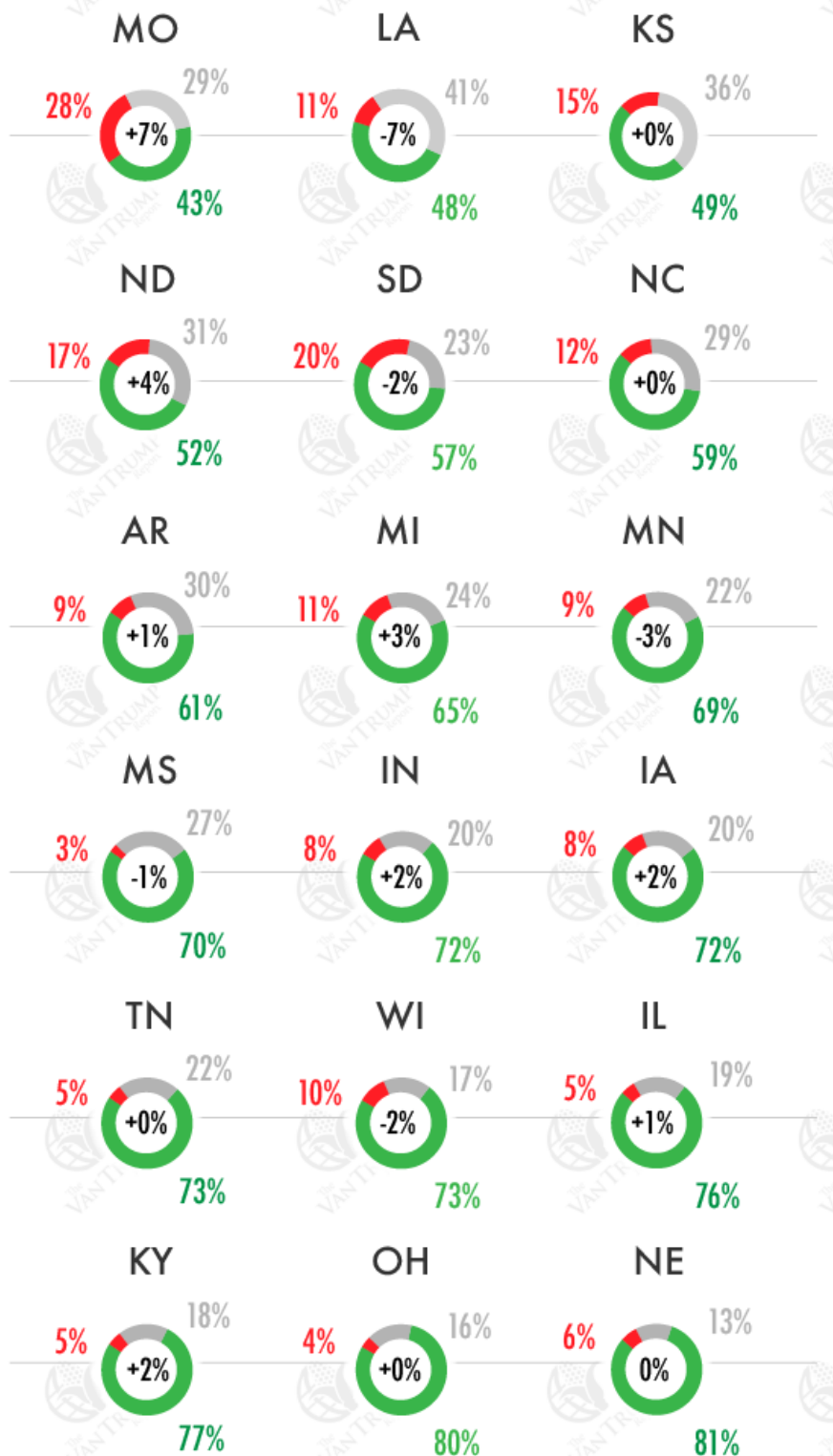
23%
Fair



+0%
G-to-E
Weekly Change

Source: USDA, NASS Crop Progress

Good-to-Excellent



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

Wheat bulls continue to find it difficult to maintain a rally. The most recent disappointment came on headlines that Russia would not be implementing export restrictions. There's also ample rainfall and soil moisture accumulating across portions of the Great Plains, which could lead to a greater increase in U.S. wheat acres and perhaps a stronger stand heading into dormancy. U.S. wheat export inspections are still nothing to get excited about and U.S. exporters still remain an ancillary supplier, behind low-cost producers in the Black Sea region and portions of the European Union. Personally I still see more global production problems out on the horizon. The problem is the production hiccups have been so well advertised, the bulls are finding it hard to keep traction or momentum as prices escalate. Bears simply point to a lack of a U.S. demand story and strong competition remaining in play by low-cost global exporters.

"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

Until the market can find or see some type of confirmation that current suppliers are running out, they see no need to add additional risk premium. The USDA reported spring wheat harvest advancing at 87% harvested vs. the 5-year historical average of 75% for this time of year. Montana and Idaho are the only two states running slightly behind their historical pace, with both now over 73% harvested. I remain longer-term bull, but believe nearby the road ahead will be difficult to climb, two-steps forward, two-steps backwards could become a bit of a nearby routine...

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**

Spring Wheat Harvested

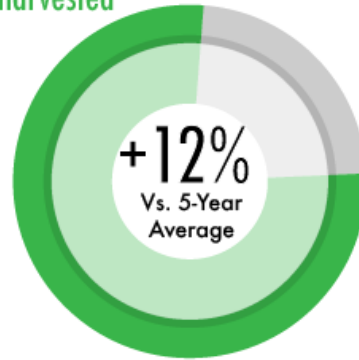
Week 36

week ending September 2,

Source: USDA, NASS Crop Progress

2018 U.S. Winter Wheat Harvested Percentage

87% harvested



SD
99%



WA
88%



ID
73%



MN
98%



MT
75%



ND
88%



**Red if Below
5-yr. average**

**Green if At or Above
5-yr. average**

Connecting the Dots

> **Chinese Exec Says They Will Almost Entirely Replace U.S. Soybean Imports:** According to statements made from a high-level exec at top-crusher Jiusan, China will almost entirely replace its soybean imports from the U.S. with Brazilian beans and other origins in the upcoming season, but may run out of the oilseed in early 2019. Imports from the U.S. will plunge further in the 2018/19 season starting this month to just 700,000 metric tons. That compares with 27.85 million metric tons of U.S. soybeans imported in the prior year. Overall, China's imports of soybeans for the year will drop to 84.67 million metric tons, down 10.79 million metric tons from last year's purchases according to this Jiusan exec speaking at a recent industry conference. (Source: Reuters)

> **Brazilian Court Overturns Ban on Glyphosate:** A Brazilian court on Monday overturned an injunction banning products containing the popular weed-killer glyphosate, knocking down a previous ruling that had been set to disrupt the soybean planting season set to begin this month. The

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.

injunction and the subsequent reversal also applied to insecticide abamectin and fungicide thiram. Remember, Brazil is the world's largest exporter of soybeans and relies heavily on the agrochemical. (Source: Reuters)

> **Argentina Corn Cash Bids Dry Up:** Cash brokers and physical traders across South America and Asia are struggling to get to grips with the shifting and contrary dynamics as Argentina undergoes changes that impose a floating duty for all exports, including corn. Market sources say price levels for physical bids and offers have disappeared from the market for spot trading out as far as indications for March and April 2019. (Source: Agricensus)

> **Could AI Have Same Effect On Economy As Steam Engine?** Artificial intelligence could contribute an additional 1.2 percent to annual gross domestic product growth for at least the next decade, according to a simulation from McKinsey Global Institute. According to McKinsey, AI could deliver \$13 trillion in additional global economic activity by 2030, putting its contributions to growth on par with the introduction of other transformative technologies such as the steam engine. The institute's model expects about 70 percent of companies will adopt at least one form of AI by 2030, and that a significant portion of large firms will use a full range of the technology. The world's two largest economies, the U.S. and China, are both racing to invest heavily in the technology and Beijing, in particular, has made AI part of its five-year plan through 2020 and wants to become a leader in the technology by 2030. Read more [HERE](#).

> **Taylor Swift At The Center Of a 9-Figure War:** Taylor Swift's contract with Big Machine Records is set to expire in November, likely thrusting the world's biggest artist into an industry bidding war with hundreds of millions of dollars at stake. Many are saying she's in position to pull off the biggest artist deal of the century. It's easy to see why everyone in the music industry wants Swift: she sells a lot! Only 21 albums have ever sold 1 million copies in their first week, and Swift has four of them. All of her albums have sold at least 2 million copies. The biggest issue with her next deal is the rights to the master recordings of her first six albums. Some estimates suggest each of the past albums could be worth \$20 million. Ultimately, Swift holds all the power to fill in the blank space on her paychecks for years to come. (Source: Axios)

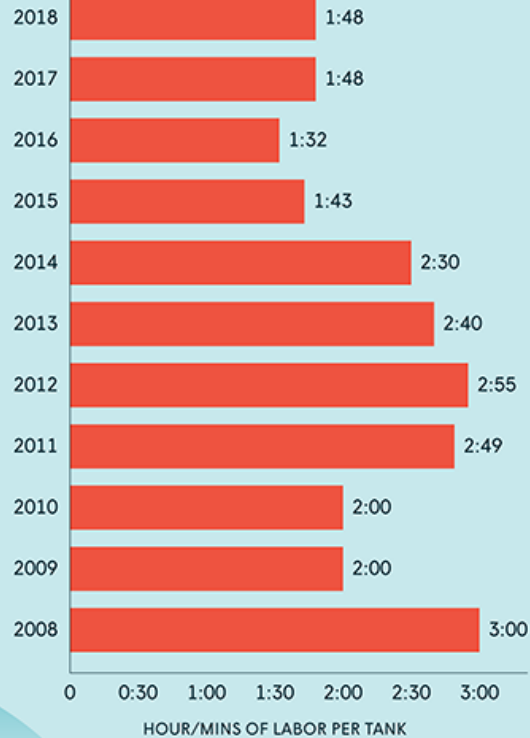
> There are now more billionaires in the world than ever before: 2,754. That's according to [The Wealth-X Billionaire Census 2018](#). The United States accounts for 25% of the global billionaire population, though it's home to just over 4 percent of the world's total population. In fact, there are more billionaires in the U.S. (680), than in China, Germany and India combined. It's also worth noting, the number of female billionaires rose by 18%, outpacing the growth of the male billionaire population. Harvard, once again, ranked as the world's top university for producing billionaires, extending its considerable lead over second-placed Stanford and third-placed University of Pennsylvania. All of the leading institutions were American universities, a reflection both of the country's dominant share of the world's billionaire population and the established, global reputation of its higher education system. Two public institutions also feature near the top, the highest ranked being the University of Michigan, followed closely by the University of California, Berkley (ranked 11th). Together, the two establishments accounted for 51 billionaire alumni.

> **Labor Day Wraps Up Highest Summer at the Pump Since 2014:** Consumers have seen the most expensive summer at the pump since 2014 with an average of \$2.84 per gallon according to Gas Buddy. That's about a 20 cent increase from Labor Day 2017. It's been consistently a more painful summer at the pump than what we have seen the last few summers. Without major hurricanes, we should continue to see prices gently decline in the weeks ahead as demand begins to slow into the fall. While gas prices have remained high, motorists have worked hard to fill their tanks. Taking into account the average wages across the nation from the Bureau of Labor Statistics, the average American needs to perform an hour and 48 minutes of labor to earn enough money to fill a tank of gasoline. While this is high, it's far less than the situation in 2008. (Source: GasBuddy)





AMOUNT OF LABOR REQUIRED TO FILL A TANK OF GAS



FROM THE FIELD

Northeast Iowa – Leading up to Labor Day and through the weekend we have had close to 10 inches of rain. I think we might have had a little more than most people because we are butted up against the river. I have buddies that farm through the Wisconsin Dells all the way down to Rockford, IL which also all got 5 plus inches of rain if not more. We have about a 75% chance of rain tomorrow and then the temperatures are going to sit around 70-73 degrees on the high for about 10 days. At this pace we have very little chance of drying out by mid-September. We are seeing lodging in our soybeans and water is sitting in the corn husk which will create mold if the rain doesn't stop. We are in the best part of Iowa as far as potential yield is concerned but that could slip away very quickly if we don't see this weather move out and the heat kick back in. Now I'm hearing that we could get even more rain if Gordon turns into a hurricane. Chances are it won't reach us if it stays a tropical storm. It feels like the gas station is within sight, but the car is starting to stutter. We are within weeks of making our best crop.

Central North Carolina - It's been a long three weeks but finished corn harvest. The unloading line at the feed mill has been almost nonexistent, in an out in 10 minutes if you timed it just right. The crop has been exactly like I estimated... 200-bushel fields within quarter mile from 50-bushel fields, then everything in between. Test weight has been amazing, 60 to 62 lbs. Everything is dryland. We had a variety comparison on one field that had an excellent yields and other varieties that were not so great. Got some much-needed rain Saturday night for the soybeans, could be a very good crop there but most are still filling pods. We were amazed looking at the harvest maps and seeing harvested soybeans in North Dakota and harvested corn in Indiana and Wisconsin. I guess the pro crop tour missed seeing those ready to harvest areas, go figure.

Northwest Mississippi - We are in the middle of soybean harvest. The yields are good as what we could expect for all the summer heat. We only have about 2 fields that don't have water, so our yields stay even all the time anyway. One thing we are trying to get done over the next few days is beat this hurricane into land. If we don't get the beans harvest in the next 24-48 hours, then there a good chance we could lose beans to shatter among many other things like lodging from all the rain. I think our corn should make a little over 200 but we are seeing some problem in certain varieties with disease. It's been a hot and humid summer, so the corn has matured fast. We are seeing ears with not as much length as what we are used to.

CROSSING WIRES

A place to share intelligent thoughts...

Scientists Say 'Water Crisis' At Lake Mead And Powell Is Real: The Colorado River basin, which stretches from Wyoming to Mexico, has been drying out during what scientists say is one of the driest 19-year periods in the past 1,200 years. The river has long been over-allocated, with the demands of farms and cities exceeding the available water supply, and the strains are being compounded by growing population, drought and climate change. The scientists, who say their group presents an "independent, scientific voice for the future of the Colorado River," detailed how much Lake Powell has gone down in less than two decades. By the end of this year, Powell's levels are projected to have dropped 94 feet below where the reservoir stood in 2000, when it was nearly full. Read more [HERE](#) to see what's being recommended.

Unmanned Boat Sails Into History: The SB Met, built by Norwegian company Offshore Sensing AS, reached the finish line of the Microtransat Challenge for robotic boats on Aug. 26, two and a half months after setting off from Newfoundland, according to preliminary data. It's a milestone that shows the technology for unmanned boats is robust enough to carry out extended missions that can dramatically cut costs for ocean research, border security, and surveillance in rough or remote waters. They're part of wider efforts to develop autonomous marine vessels such as robotic ferries and cargo and container ships that could be operating by the end of the decade, outpacing attempts to commercialize self-driving cars. Read more [HERE](#).

Japan Plans To Take An Elevator To Space One Day: A team of researchers from Japan's Shizuoka University and other institutions will conduct the first test in space this month as part of a project to build a space elevator, Japan's The Mainichi reported last week. The space elevator essentially ferries people and cargo shipments in an elevator car travelling on a cable connecting Earth to a space station. Space elevators are expected to cut the costs -- and risks -- of space travel massively if they can be realized. While cargo would typically cost about \$22,000 per kilogram via shuttle, Obayashi's elevator will cut that to about \$200. Read more [HERE](#).

Stop Rushing To Be Right...Do This Instead: When we immediately launch into answer mode, we end up chasing the wrong problem. When we rush to identify solutions — when we fall in love with our diagnosis — our initial answer hides better ones lurking in plain sight. The difficulty lies, as John Maynard Keynes put it, "not in the new ideas, but in escaping from the old ones." When we're familiar with a problem, and when we think we have the right answer, we stop seeing alternatives. The initial framing of the question, and the initial answer, both stick. Unfortunately, our education system deeply entrenches this pattern, creating adults unable to explore other possibilities. The next time you're tempted to engage in problem-solving, try problem finding instead. Ask yourself, Am I asking the right question? Is there a different way of framing the problem? If I changed my perspective, how would the problem change? Read more [HERE](#) to overcome this habit.

China's Bike Graveyards: Bicycle sharing in China may have hit peak supply, as thousands of abandoned shared bikes piled up in Shanghai. The government has removed bikes from the streets and stored them at "bicycle graveyards". French-born photographer Mathias Guillin filmed one of the sites with his drone. It is amazing how fast an industry can get saturated, to the point the government is taking them off the streets in massive quantities. Check out more amazing photos [HERE](#).





BROUGHT TO YOU BY:



During 2018, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aquaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

Join us each Thursday at 3pm CT for [Agrifood Conversations](#).

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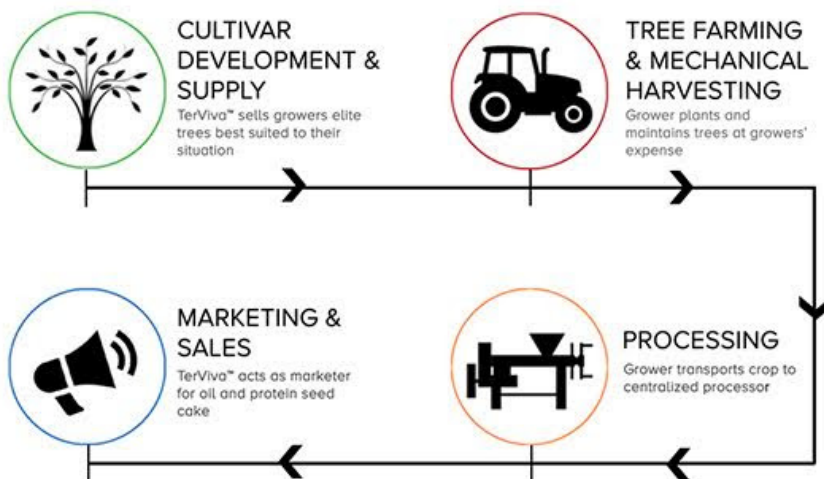


Learn More About "TerViva"

Title: Transforming Distressed Farmland For New Uses

Time: Thursday, September 6 @ 3:00 pm CT

The world's arable land base continues to shrink every year at an alarming rate, falling by -40 million acres in the past 40 years in the U.S. alone. At the same time, the global population is growing rapidly, causing demand for food and fuel to soar. According to some estimates, we will need to double food production by 2050 in order to feed all of these people. With offices in Hawaii, California, and Florida, TerViva grows a hardy orchard crop called Pongamia that helps to restore idle agricultural land to productive use, while generating clean energy, supporting local food production, and restoring environmental health. Pongamia is a non-GMO tree crop that can be grown with little or no irrigation and produces oilseeds that are processed into oil for biofuel, plant protein for animal feed or biogas, and biomass for baseload electricity generation. Learn how one company is restoring idle agricultural land to productive use at "Transforming Distressed Farmland for New Uses Through Pongamia," a webinar to be held at 3 pm CT on September 6 featuring Naveen Sikka, founder and CEO of TerViva.



Scientists One Step Closer To Glaucoma Cure

Worldwide estimates show that between 60 and 80 million people suffer visual impairments stemming from glaucoma. I'm told the disease results from high fluid pressure inside your eye, which happens when the liquid in the front part of the eye doesn't circulate the way it should. It's worth noting that glaucoma is the leading cause of irreversible blindness in the world. And unfortunately, it usually has no symptoms early on, meaning, if you don't not have regular eye exams you most likely will not catch it soon enough. If diagnosed early, the disease can be treated with eyedrops but

keep in mind that laser treatments and surgery can also be used and in most cases control the advancement of the illness. But now scientists are hoping to do better than just treat the disease as many are changing their view that no cure is possible. From what I understand, new findings suggest vision loss in people with glaucoma is caused by an immune response to early exposure to bacteria, which can elevate eye pressure and trigger heat shock proteins. Keep in mind these proteins are designed to respond to stressors, but memory T cells then detect the heat shock proteins and mistakenly see the neurons in the retina as foreign bodies and attack. With the knowledge, researchers may have a new tool to provide early detection. I'm told there is hope in a biomarker that comes through the blood and predicts who is most likely to get glaucoma or who could have a rapid progression of the disease. Fortunately, the eye is an isolated organ, so experts can target the misguided memory T cells, preventing them from attacking neurons without harming the immune system. Which could potentially eliminate the risk factor for blindness and change life for millions. It's worth noting that this new insight and technology may also help identify other degenerative eye problems and also some forms of brain disease. Bottom line, technology in health care and medicine is advancing so rapidly, we should be scheduling and attending annual exams. There's a much stronger chance of Doctors predicting or catching something early in order to prevent longer-term complications. (Source: healthline, interestingengineering, pulse)

Normal Vision

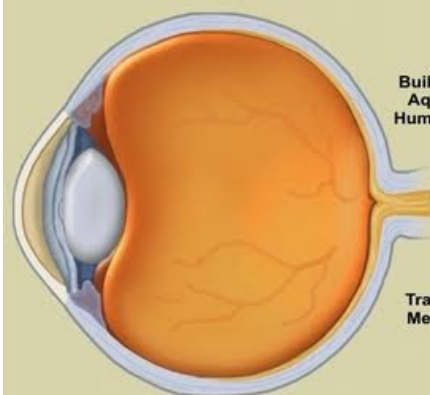


Vision With Glaucoma*

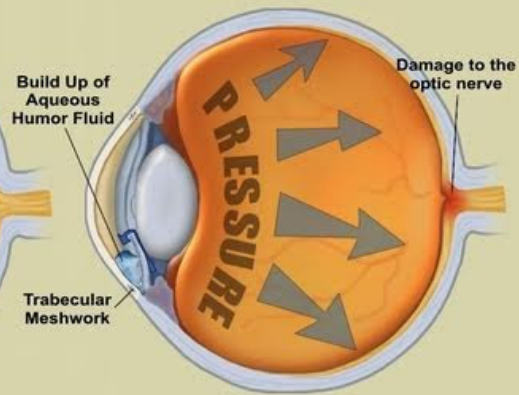


*Degree of side (peripheral) vision loss varies based upon severity of disease

Normal Eye



Eye with Glaucoma



Be A Chef... Not A Cook

This was sent my way by a reader and it made me really stop and think. I believe it was originally written by Tim Urban, former Harvard graduate, and one of our nations most popular bloggers. In this short excerpt he explains the difference between a Chef and a Cook. I found it interesting enough that I shared it with my children. Hope it makes you think...

The words "cook" and "chef" seem kind of like synonyms. And in the real world, they're often used interchangeably. But in this post, when I say chef, I don't mean any ordinary chef. I mean the trailblazing chef—the kind of

chef who invents recipes. And for our purposes, everyone else who enters a kitchen—all those who follow recipes—is a cook.

Everything you eat—every part of every cuisine we know so well—was at some point in the past created for the first time. Wheat, tomatoes, salt, and milk go back a long time, but at some point, someone said, "What if I take those ingredients and do this...and this.....and this....." and ended up with the world's first pizza. That's the work of a chef.

Since then, who knows how many people have made a pizza. That's the work of a cook.

The chef reasons from first principles, and for the chef, the first principles are raw edible ingredients. Those are her puzzle pieces, her building blocks, and she works her way upwards from there, using her experience, her instincts, and her taste buds.

The cook works off of some version of what's already out there—a recipe of some kind, a meal she tried and liked, a dish she watched someone else make.

Be a Chef, not a cook.

Cooks span a wide range. On one end, you have cooks who only cook by following a recipe to the T—carefully measuring every ingredient exactly the way the recipe dictates. The result is a delicious meal that tastes exactly the way the recipe has it designed. Down the range a bit, you have more of a confident cook—someone with experience who gets the general gist of the recipe and then uses her skills and instincts to do it her own way. The result is something a little more unique to her style that tastes like the recipe but not quite. At the far end of the cook range, you have an innovator who makes her own concoctions. A lamb burger with a vegetable bun, a peanut butter and jelly pizza, a cinnamon pumpkin seed cake.

But what all of these cooks have in common is their starting point is something that already exists. Even the innovative cook is still making an iteration of a burger, a pizza, and a cake.

At the very end of the spectrum, you have the chef. A chef might make good food or terrible food, but whatever she makes, it's a result of her own reasoning process, from the selection of raw ingredients at the bottom to the finished dish at the top.

In the culinary world, there's nothing wrong with being a cook. Most people are cooks because for most people, inventing recipes isn't a goal of theirs.

But in life—when it comes to the reasoning "recipes" we use to churn out a decision—we may want to think twice about where we are on the cook-chef spectrum.

On a typical day, a "reasoning cook" and a "reasoning chef" don't operate that differently. Even the chef becomes quickly exhausted by the mental energy required for first principles reasoning, and usually, doing so isn't worth his time. Both types of people spend an average day with their brain software running on auto-pilot and their conscious decision-making centers dormant.

But then comes a day when something new needs to be figured out. Maybe the cook and the chef are each given the new task at work to create a better marketing strategy. Or maybe they're unhappy with that job and want to think of what business to start. Maybe they have a crush on someone they never expected to have feelings for and they need to figure out what to do about it.

Whatever this new situation is, auto-pilot won't suffice—this is something new and neither the chef's nor the cook's software has done this before. Which leaves only two options:

Create or Copy...

The chef says, "Ugh okay, here we go," rolls up his sleeves, and does what he always does in these situations—he switches on the active decision-making part of his software and starts to go to work.

The cook has no idea how to proceed on his or her own. When the cook needs to make a life decision, he goes through his collection of authority-written recipes, finds the one he trusts in that particular walk of life, and reads through the steps to see what to do—kind of like WWJD, except the J is replaced by whatever authority is most trusted in that area. For most questions, the authority is the tribe, since the cook's tribal dogma covers most standard decisions. But in this particular case, the cook leafed through

the tribe's cookbook and couldn't find any section about this type of decision. So he needs to get a hold of a recipe from another authority he trusts with this type of thing. Once the cook finds the right recipe, he can put it in his catalog and use it for all future decisions on this matter.

Bottom-line, if you want to be a Chef, don't make decisions like a Cook.

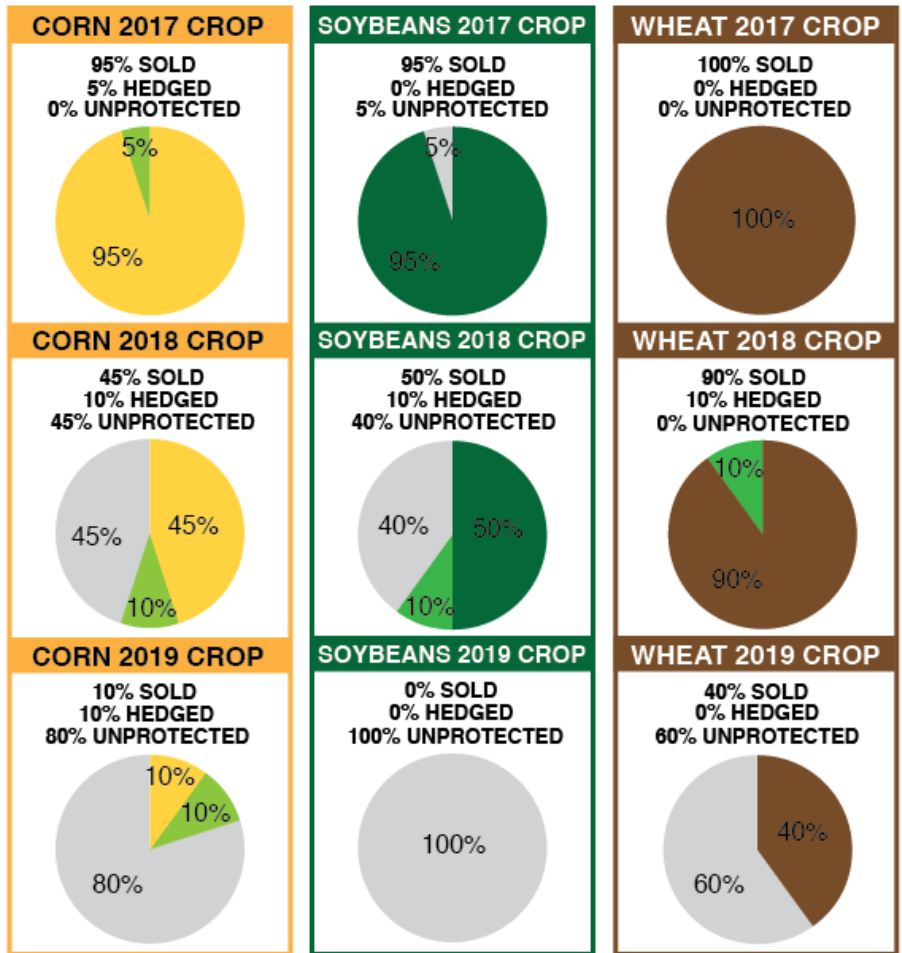


ANSWER to riddle:

This puzzle came from Caroline Calderbank, young daughter of mathematicians Ingrid Daubechies and Rob Calderbank. In the solution she had in mind, Jan sends Maria a box with the ring in it and one of his padlocks on it. Upon receipt Maria affixes her own padlock to box and mails it back with both padlocks on it. When Jan gets it he removes his padlock and sends the box back to Maria; voila!

CASH SALES & HEDGING TOTALS

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