

## GOOD MORNING: 09/20/18 Farm Direction - Van Trump Report

1 message

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

Thu, Sep 20, 2018 at 6:53 AM

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*"Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it's worth it in the end because once you get there, you can move quickly and move mountains."* - **Steve Jobs**

**THURSDAY, SEPTEMBER 20, 2018**
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stocks continue to trade near the all-time highs as investors look beyond the noise surrounding trade talks and media drama coming out of Washington, instead focusing on the strong economic fundamentals. There's talk that President Trump will probably make a formal statement in the next couple of days that he is authorizing U.S. Trade Representative Robert Lighthizer to move forward with the process and details needed to implement the next round of Chinese tariffs. Most insiders believe it will include the final \$267 billion worth of Chinese imports, but probably wouldn't officially go into play for many more weeks. I still haven't heard any official announcement regarding China and if their representatives will be attending next weeks trade talks with the U.S.? I've heard rumors on both sides, but nothing official. Personally, I think the Chinese are going to attend, perhaps we will even see a few positive headlines form the event, but I don't see any resolution being announced anytime soon. As for NAFATA, I've heard that Trudeau is starting to come under a bit more pressure inside Canada to find a compromise with U.S. trading partners. I am still targeting a trade resolution with Canada being made between the October 1st general elections in Quebec and the November 6th U.S. mid-term elections. As for today, economic data is fairly light with the Philly Fed numbers, U.S. leading Index, and updated U.S. Existing Home Sales. I should note, U.S. homebuilding increased more than expected in August. The Commerce Department reported yesterday that U.S. Housing starts rose +9.2%. Most of the gains are attributed to growth in Multi-Family units, with starts on buildings with two or more units rising +29% to an annual rate of 406,000 units. Single-family homebuilding, which accounts for the largest share of the U.S. housing market, rose a more modest +1.9% to a rate of 876,000 units in August. I continue to keep a close eye on oil prices. The EIA reported that U.S. crude stockpiles fell for the 5th straight week, dropping by another 2.1 million barrels, to our lowest levels since early-2015. U.S. gasoline demand remains strong at 9.5 million barrels per day. From my perspective, it sounds like the Saudi's want oil prices up near \$80 per barrel. With Iran and Venezuelan production coming out of the supply pipeline, there's more talk that Saudi Arabia might drag their feet bit, electing to not bump up production to help offset the losses. This has the market a bit nervous about possible supply shortages as the sanctions against Iran go into effect. The national average gasoline price at the pump is thought to be around \$2.85 or about +25 cents higher than last year at this time. The average diesel price is around \$3.20 per gallon or about +50 cents higher than last year. Guess we shouldn't be complaining, 10-years ago the average price of gasoline was around \$4.10 per gallon and diesel was around \$4.80 per gallon.

**Housing Matters:** Single-family home construction accounted for 1.4% of GDP in the second quarter. That's near the highest level in the last decade. But from 1990 until 2008, the share fell below 2% only during recessions—and never below 1.5%. Home improvement spending is close to the all-time high. (Source: The Wall street Journal; Nick Timiraos)

## THE VAN TRUMP CONFERENCE 2018

**NOVEMBER 28 -29, 2018**

### Full MARKET Outlook



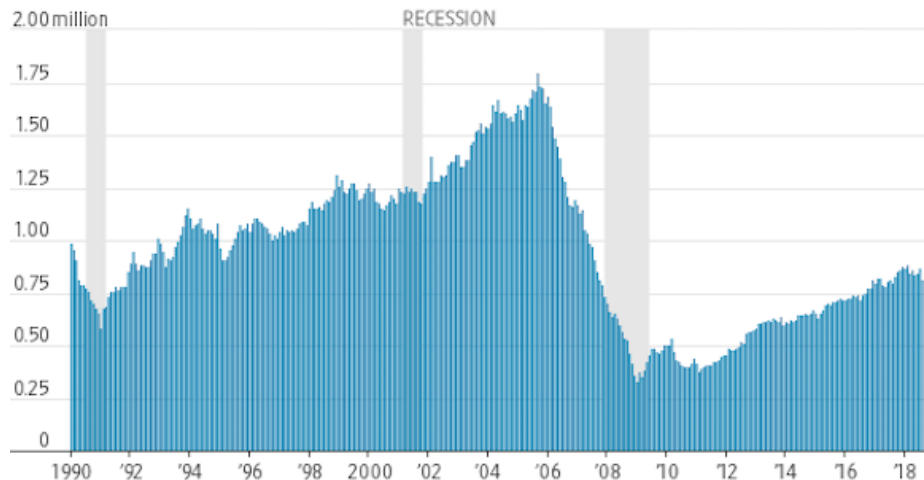
On hand will be several leading market analyst, traders and innovators who will be providing their insight and opinions on both short-term and long-term industry direction and outside investment ideas. You do not want to miss this years special event!

### SPECIAL "MASTER MIND" SESSION



*Sit front row in the boardroom with some of the best and brightest! Join us for an exclusively look behind the scenes as several of the top CEO's and leaders openly discuss their next moves in the markets, their current investments, what they*

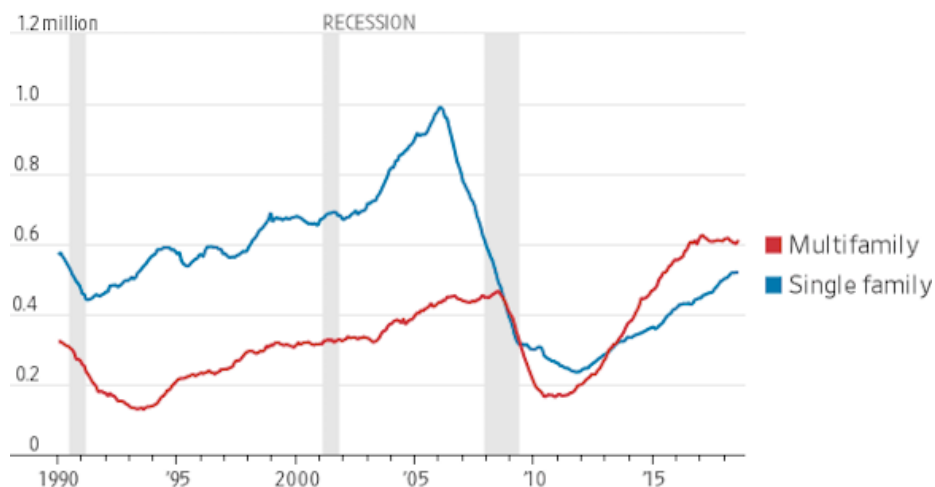
## U.S. permits for single-family homes



Note: Seasonally adjusted annual rate

Source: Commerce Department

## Housing under construction



Note: Seasonally adjusted

Source: Commerce Department

**Is Big Pharma Hedging In the Cannabis Space?** CEO Brendan Kennedy of the Canadian marijuana producer Tilray told CNBC's Jim Cramer that the "world's largest pharmaceutical companies must start thinking about partnering with cannabis producers as a 'hedge' against the space... Cannabis is a substitute for prescription painkillers, prescription opioids, and so if you're an investor in a pharmaceutical company or you're a pharmaceutical company, you have to hedge the offset from cannabis substitution". (Source: CNBC; DataTrek)

**Interesting To Think About...** "Intelligence" score, by U.S. state - Post analysis of SAT, ACT, IQ, and college graduate percentages. Go Minnesota!

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.

## Early Bird Special

**\$299**

regular price \$500

Remember we sold out early last year!

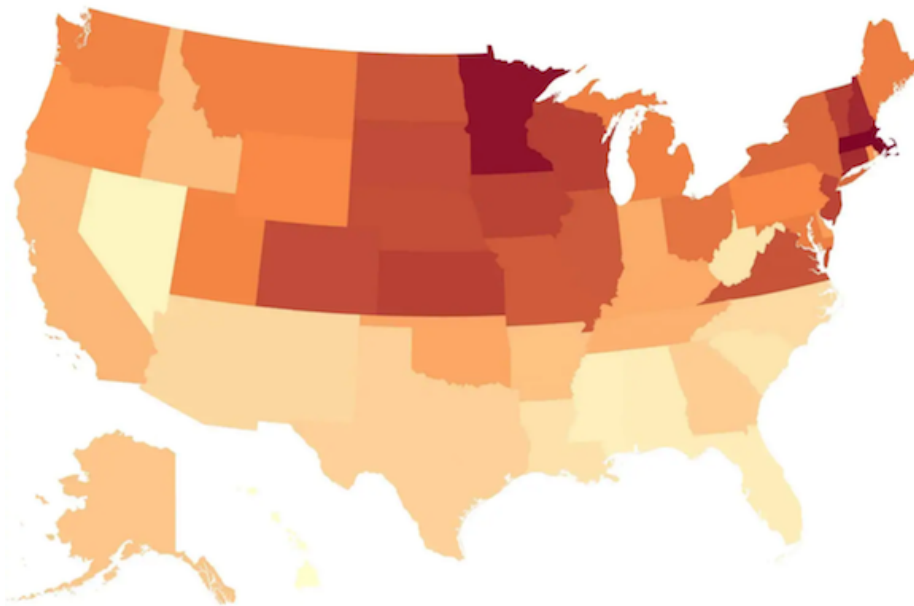
**LEARN MORE**

Today In History

## "Intelligence" score, by state

Post analysis of SAT, ACT, IQ and college graduate percentages.

LOWER  HIGHER



**1918, General Patton** - 32-year-old Colonel George S. Patton of the American Expeditionary Force (AEF) writes to his father from the

Western Front in France, recounting his experiences during the American-led offensive against the Germans at Saint-Mihiel earlier that month. Patton had previously served in Mexico in 1916 under General John J. Pershing during the U.S. Army's pursuit of Mexican rebel Pancho Villa. The following year, after the U.S. declared war on Germany, the young officer traveled to France as Pershing's aide. At Saint-Mihiel, Patton was put in command of the light-tank brigade. The attack marked the AEF's first major offensive operation as an independent army during World War I, as well as the first time the U.S. had used tanks in battle. "Dear Papa," Patton began his letter, "we have all been in one fine fight and it was not half so exciting as I had hoped, not as exciting as affairs in Mexico, because there was so much company. When the shelling first started I had some doubts about the advisability of sticking my head over the parapet, but it is just like taking a cold bath, once you get in, it is all right." In the rest of the letter, Patton chronicles his experience in battle alongside a brigade commanded by General Douglas MacArthur, later the commander of all Allied forces in the South Pacific during World War II and his movement on foot across the battlefield, evading German shells and surveying the damage inflicted by the battle. As Patton finally concluded, "This is a very egotistical letter but interesting as it shows that vanity is stronger than fear and that in war as now waged there is little of the element of fear, it is too well organized and too stupendous." Later wounded in the leg by a German machine-gun bullet, Patton was evacuated to a military hospital, where he enjoyed a full recovery. He returned home safe from France, receiving a Distinguished Service Cross and the Purple Heart for his service in World War I. Two decades later, as a general, Patton would play a leading role in World War II, becoming one of the most famous and controversial military figures in U.S. history. It's worth noting that Patton believed he had former lives as a soldier and took pride in mystical ties with his ancestors. Though not directly descended from George Washington, Patton traced some of his English colonial roots to George Washington's great-grandfather. He was also descended from England's King Edward I through Edward's son Edmund of Woodstock, 1st Earl of Kent. Family belief held the Pattons were descended from sixteen barons who had signed the Magna Carta. Interestingly, Patton believed in reincarnation, and his ancestry was very important to him, forming a central part of his personal identity.

**1960, Mickey Thompson** - California hot rodder Mickey Thompson takes

## 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:

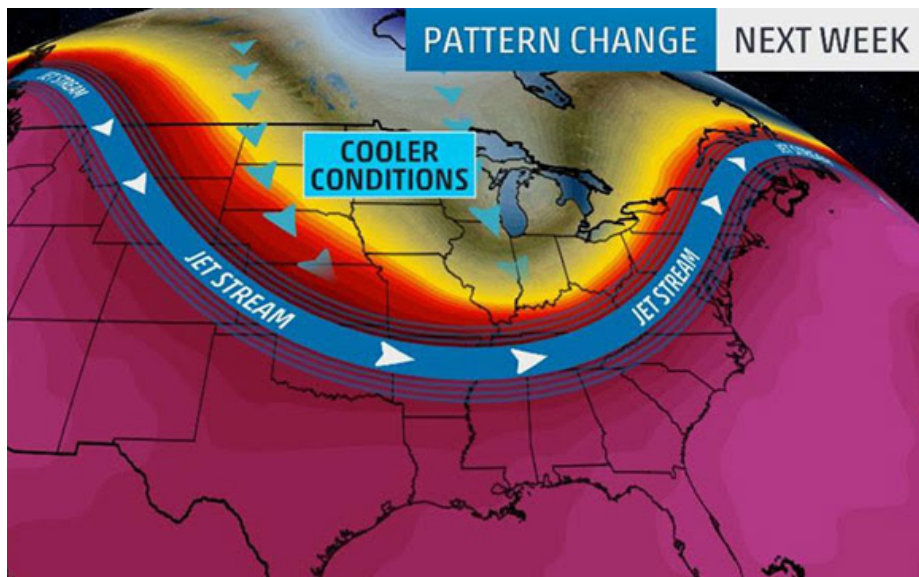
*What tire doesn't move when our car turns right?*

**Weather** in the Corn Belt saw showers and thunderstorms affect the upper Midwest yesterday. Cooler air is arriving across the northern Corn Belt, but late season warmth across the remainder of the Midwest continues to promote corn and soybean maturation. More than half of the U.S. corn crop was fully mature by September 16, compared to the 5 year average of 36%. On the Plains, cool air has overspread Montana and the Dakotas, accompanied by rain showers. Across the remainder of the Plains, hot, dry weather favors summer crop maturation and fieldwork, including harvest activities and winter wheat planting. Today's high temperatures should again exceed 95 degrees as far north as the central Plains. In the South, the worse flooding since September 1945 is affecting areas along the Cape Fear River, while the highest water levels since September 1996 are occurring along the Haw River. In areas not being affected by flooding, hot, dry weather is ideal for summer crop maturation and harvesting.

**A Taste of Fall Coming:** *We are looking at a pattern change next week that will bring an end to the recent heat and humidity as fall temperatures will develop in much of the central and eastern U.S. Before the pattern change next week, a cold front will move through the Plains, Midwest and Northeast, bringing a brief taste of fall late this week. However, warmer than average temperatures and humid conditions will hold on in the South. Below average temperatures will expand into the northern and central rail Plains by Tuesday of next week and will continue*



spreading south and eastward through Thursday. Highs will be 10 to 15 degrees cooler than average for much of the central U.S. We could see low temperatures in the 30s farther North with frost developing in some locations.



**Corn** prices are steady this morning but have tumbled -20 cents since the USDA released their increased record yield estimate mid last week. Prices posted fresh new contract lows on Tuesday and bears are calling the recent uptick nothing more than a simple dead cat bounce, with lower-lows coming in the days ahead. Bulls quickly point to "demand" for U.S. corns remaining robust. It would be nice to see further confirmation in this morning's weekly export sales data. Ethanol data released yesterday showed production jumped by +31,000 barrels per day last week, while at the same time stockpiles were reduced slightly. Bears still point to ethanol stockpiles being +7% higher than last year and talks of more plants slowing run rates or perhaps a few going fully offline in the weeks ahead. On the production side of the equation, there's certainly some cooler temps and additional rainfall in the forecast for the next couple of weeks that could work to dramatically slow the U.S. harvest. I'm also hearing more reports of wind damage and late disease causing some complications. I'm still highly uncertain about the final USDA yield estimate. I just can't get my hands around the yield moving beyond 182 bushels per acre. In fact, I'm probably more in the 180 camp. But then again, I might simply be talking my own position and listening to my producer friends who have been dealing with high variabilities from field to field. Psychologically, it seems like we always want to focus more attention on the negatives and problem areas. Perhaps this sways our outlook and overall perspective? I should also note, producers in Argentina and Brazil are seeing a bit more widespread rainfall, which ultimately improves their soil moisture profile. Technically, it feels like we are going to trade sideways to slightly lower through harvest, calling it range-bound. Support in the DEC18 contract seems to be between \$3.20 and \$3.40 per bushel, resistance to the upside seems to be in the \$3.70 to \$3.90 range.



another shot at the world land-speed record. A few weeks earlier, Thompson had become the first American to travel faster than 400 mph on land

when he'd piloted his Challenger I, a car that he designed and built himself, across Utah's Bonneville Salt Flats at 406.6 mph. This drive had made Thompson the fastest man on wheels, but not officially: In order to win a place in the land-speed record books, racers must make a return pass within the hour, and Thompson's car broke down in the middle of his second run, necessitating a follow-up attempt. At the time, the world land-speed record was 394 mph, set at Bonneville in 1947 by the British driver John Cobb. On his first run across the flats at 403.135 mph, Cobb became the first man to go faster than 400 mph. His second run only reached 388.019 mph; the record speed was an average of the two. To set a world speed record, drivers must make two passes over the same measured mile, one out and one back to account for wind assistance, and beat the previous average by at least 1 percent. After Thompson's first pass across the Utah flats on September 9, he refueled the 7,000-pound, 2,000 horsepower Challenger and pushed off for the return trip. As the car gathered speed, however, something went wrong. For years, Thompson told people that something was the driveline: It had snapped, he said, forcing him to stop accelerating and coast back across the desert. In fact, one of the car's four supercharged engines blew when Thompson shifted into high gear. "When you're sponsored by an engine company and you blow an engine," one expert on the Challenger I explained, "you don't say that you blew a Pontiac engine. You say that you broke a driveline." On September 20, Thompson tried again. This time, he only managed to coax the Challenger up to about 378 mph on his first run and 368 mph on his second. But it hardly mattered: The Challenger's speedy trips across the desert won worldwide fame for the car and its driver, and by the time Thompson retired in 1962, he had set more than 100-speed records. In 1988, two hooded gunmen murdered Thompson and his wife in their driveway and fled the scene on bicycles. Almost 20 years later, one of Thompson's business acquaintances was convicted of the killings; he is serving two life sentences without parole.

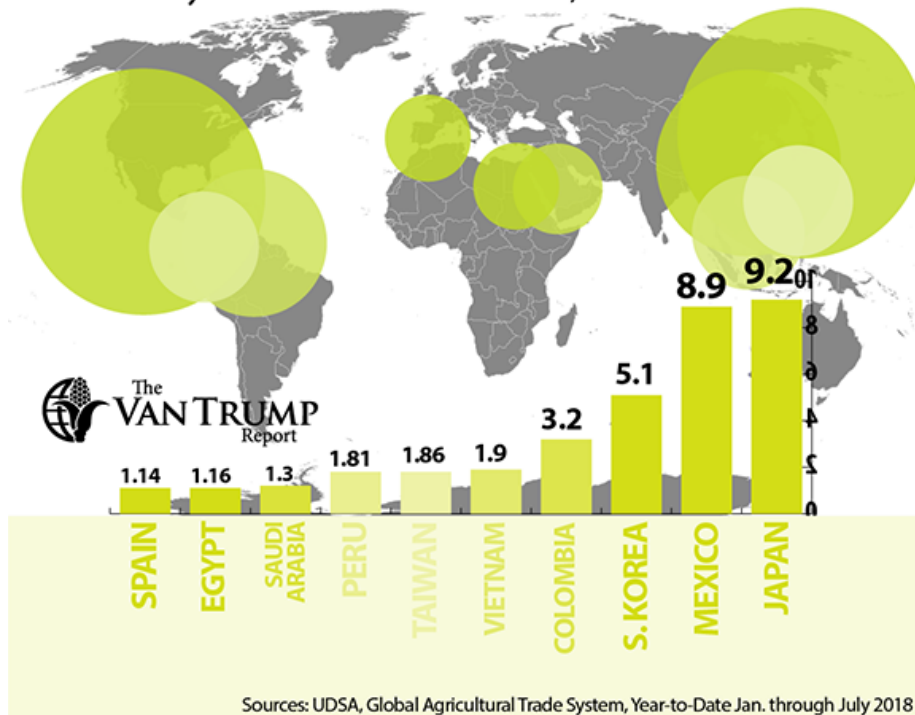


**1973, Billie Jean King** - In a highly publicized "Battle of the Sexes" tennis match, top women's player Billie Jean King, 29, beats Bobby Riggs,

55, a former No. 1 ranked men's player. Riggs (1918-1995), a self-proclaimed male chauvinist, had boasted that women were inferior, that they couldn't handle the pressure of the game and that even at his age he could beat any female player. The match was a huge media event, witnessed in person by over 30,000 spectators at the Houston Astrodome and by another 50 million TV

# Top 10 U.S. Markets For Corn

by Volume in Million Metric Tons, Jan. - Jul. 2018



**Soybean** bulls are hoping the bears might be running out of bullets. It sounds like Washington might only have one more major tariff bomb in their arsenal. At the same time a record setting U.S. crop has been well advertised and the trade has perhaps already started swallowing thoughts of the balance sheet getting larger. There's some bullish weather headlines circulating as well, with weather forecasters calling for perhaps a heavy frost prior to October 1st for parts of the Dakota's and Minnesota. Bulls are also talking about China buying more supply from Argentina, and in turn Argentine crushers buying more U.S. soybeans in the days and weeks ahead. I should also note, there's more talk and rumors that the Argentine government might be forced to ramp back up their export taxes on soybeans and meal through 2020 to help further fund their national budget and repayment of loans. If that were to play out it could work to limit Argentine exports and push some of that business back to the U.S. In Brazil, it seems like the new freight rates and overall transportation hiccups have slowed their movement of soybeans. There's also continued uncertainty surrounding the upcoming presidential election in Brazil. The concern is if the far-right candidate who is currently in the lead actually wins the election, it could create massive social unrest and uncertainty across the country. That could eventually spill over and create further logistical complications and make it more difficult for exporters. This might be a stretch, but I've also been hearing that producers in both Argentina and Brazil, while planning on planting record acres, might not be willing to spend as much on inputs in 2019. There's some talk that the devaluing of both the Argentine and Brazilian currency in comparison to the U.S. dollar could work to limit buying power of fertilizer, chemicals, and pesticides. Hence, talk of perhaps some yield drag in 2019. Obviously a lot will depend on weather, but certainly interesting to think about all of the moving pieces and how much more expensive some of the dollar based inputs could be in 2019. Even here at home, when looking out on the horizon, I'm seeing steeper input cost. Bears continue to point to perhaps a much longer-term trade battle developing between the U.S. and Chinese. In fact, starting to hear more talk of perhaps little movement or headway with Chinese trade negotiations until early-2019. From a technical perspective, most are talking about stiff nearby resistance up between \$8.35 and \$8.50 per bushel. Support is thought to be somewhere between the recent lows of \$8.12<sup>1</sup>/<sub>2</sub> and major psychological support at \$8.00 per bushel.

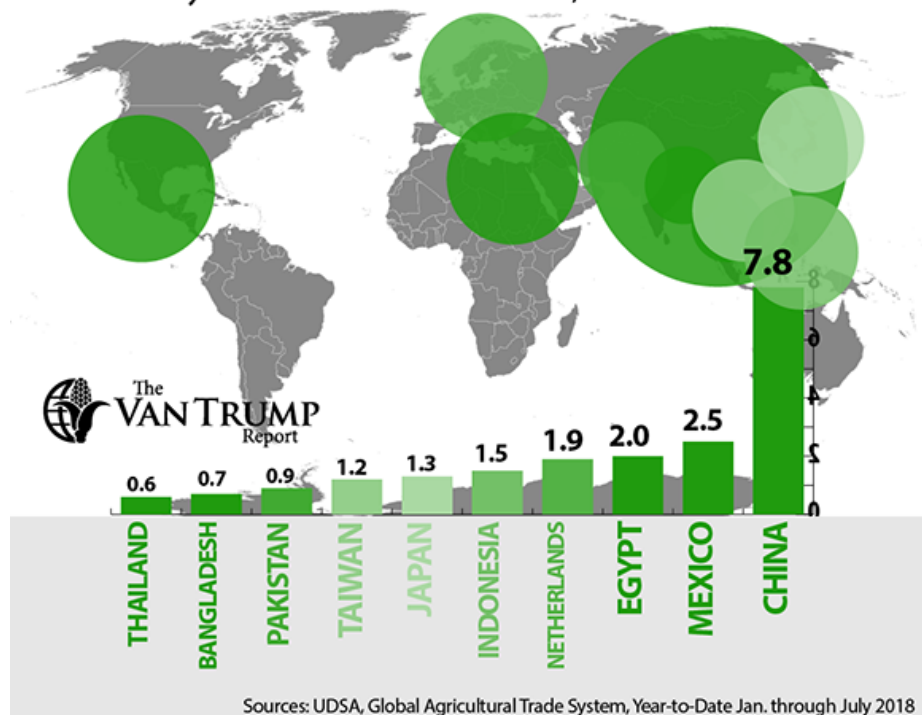
viewers worldwide. King made a Cleopatra-style entrance on a gold litter carried by men dressed as ancient slaves, while Riggs arrived in a rickshaw pulled by female models. Legendary sportscaster Howard Cosell called the match, in which King beat Riggs 6-4, 6-3, 6-3. King's achievement not only helped legitimize women's professional tennis and female athletes, but it was seen as a victory for women's rights in general. King was born Billie Jean Moffitt on November 22, 1943, in Long Beach, California. Growing up, she was a star softball player before her parents encouraged her to try tennis, which was considered more ladylike. She excelled at the sport and in 1961, at age 17, during her first outing to Wimbledon, she won the women's doubles title. King would rack up a total of 20 Wimbledon victories, in singles, doubles and mixed doubles, over the course of her trailblazing career. In 1971, she became the first female athlete to earn more than \$100,000 in prize money in a single season. However, significant pay disparities still existed between men and women athletes and King lobbied hard for change. In 1973, the U.S. Open became the first major tennis tournament to hand out the same amount of prize money to winners of both sexes. In 1972, King became the first woman to be chosen Sports Illustrated's "Sportsperson of the Year" and in 1973, she became the first president of the Women's Tennis Association. King also established a sports foundation and magazine for women and a team tennis league. In 1974, as a coach of the Philadelphia Freedoms, one of the teams in the league, she became the first woman to head up a professional co-ed team. Considered the "mother of modern sports", King retired from tennis with 39 Grand Slam career titles. She remained active as a coach, commentator and advocate for women's sports and other causes. In 2006, the USTA National Tennis Center, home of the U.S. Open, was renamed in King's honor. During the dedication ceremony, tennis great John McEnroe called King "the single most important person in the history of women's sports."

## Upcoming Events

- 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
- Mon. 10/1** - Crop Progress
- Thur. 10/4** - Export Sales
- Fri. 10/5** - Monthly Unemployment
- Mon. 10/8** - Columbus Day

# Top 10 U.S. Markets For Soybeans

by Volume in Million Metric Tons, Jan. - Jul. 2018



**Wheat** prices have recovered from most all losses associated with last weeks USDA report. Again, we are hearing bulls talk more about lower production and export estimates coming out of Australia and Russia. I'm hearing there's some Spring wheat harvest delays in some key parts of Russia on increased snowfall and cold weather. There was a little disappointment on StatsCan bumping their Canadian wheat estimate higher not lower. The good news is they are still slightly lower than the current USDA estimate, which I'm hoping to see the USDA trim a bit in the months ahead. Bears continue to point towards overall bearish macro fund attitude towards global growth. There's also continued talk of higher wheat acres and better soil moisture in the U.S. for new-crop wheat. It will be interesting to see if U.S. exports can start to find more marketshare. If exports don't start to show more signs of strengthening, I have to imagine the upside momentum on the board will be limited. If U.S. exports can ever start to surprise to the upside, I'll be looking for the market to post another leg higher. I continue to closely monitor global weather and global production hiccups. The soil moisture profile across many parts of the European Union are worth paying close attention. I remain a longer-term bull...

**Tues. 10/9** - Crop Progress

**Thur. 10/11** - USDA Supply and Demand, Crop Production

**Fri. 10/12** - Export Sales

**Mon. 10/15** - Crop Progress, NOPA Crush

**Thur. 10/18** - Export Sales

**Fri. 10/19** - Cattle on Feed, Milk Production

**Mon. 10/22** - Crop Progress

**Thur. 10/25** - Export Sales

**Mon. 10/29** - Crop Progress

**Wed. 10/31** - Halloween

**Thur. 11/1** - Export Sales

**Fri. 11/2** - Monthly Unemployment

**Sun. 11/4** - Daylight Savings Time Ends (turn clocks back and gain an hour)

**Mon. 11/5** - Crop Progress

**Tues. 11/6** - Midterm Election

**Wed.-Thur. 11/7-11/8** - FOMC Meeting

**Thur. 11/8** - Export Sales, USDA Supply and Demand, Crop Production

**Mon. 11/12** - Veterans Day; US Markets Open

**Tues. 11/13** - Crop Progress

**Thur. 11/15** - NOPA Crush

**Fri. 11/16** - Export Sales

**Mon. 11/19** - Crop Progress, Milk Production

**Wed. 11/21** - Cattle on Feed, Cold Storage

**Thur. 11/22** - Thanksgiving; US Markets Closed

**Fri. 11/23** - Export Sales, Black Friday

**Mon. 11/26** - Last Crop Progress, Cyber Monday

**Wed.-Thur. 11/28-11/29** - [2018 Van Trump Conference](#)

**Thur. 12/6** - Export Sales

**Fri. 12/7** - Monthly Unemployment

**Tues. 12/11** - USDA Supply and Demand, Crop Production

**Thur. 12/13** - Export Sales

**Mon. 12/17** - NOPA Crush

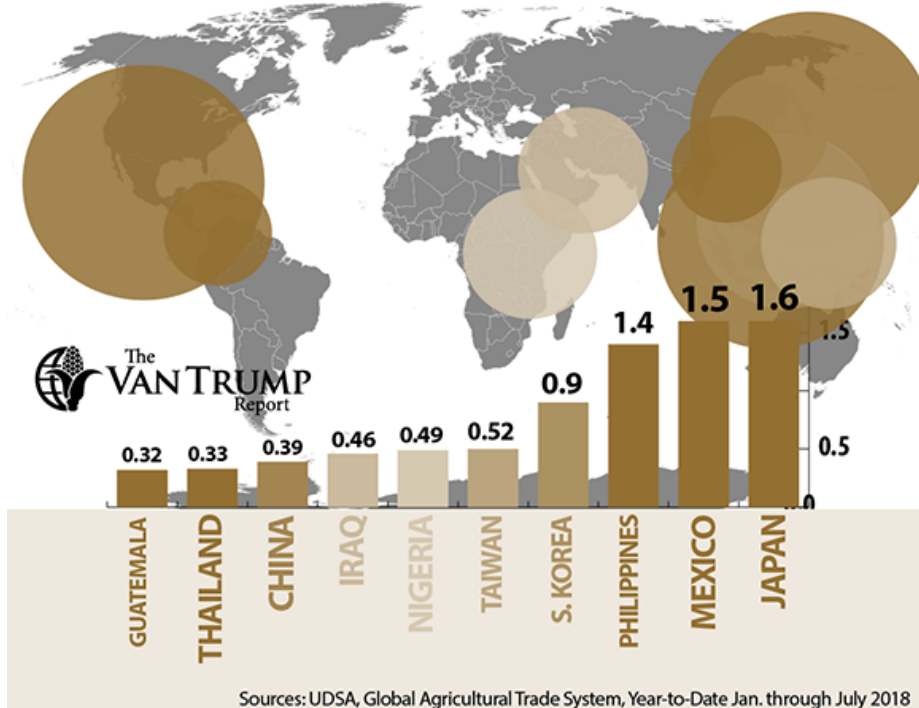
**Thur. 12/20** - Export Sales

**Fri. 12/21** - Quarterly Cold Storage, Hogs and Pigs, Monthly Cattle on Feed, Personal Income



# Top 10 U.S. Markets For Wheat

by Volume in Million Metric Tons, Jan. - Jul. 2018



**Mon. 12/24** - Christmas Eve; Market Closes at Noon CST

**Tues. 12/25** - Christmas Day; US Markets Closed

**Fri. 12/28** - Export Sales

Kevin's Song of the Week



Kevin's Song of the Week



**> Chinese Demand For Imported Hides Is Weakening:** China is by far the largest importer of hides and skins in the world, supplying the massive leather-production industry. However, imports have begun to decline. In the first quarter of 2018 imports were down nearly 10% from the same period last year. Key factors to this drop include: material substitution, spiraling labor rates, tightening environmental policies, consolidation in the industry and the dreaded trade war with the U.S. Despite this, China remains by far the largest producer of leather and leather goods in the world and a key market for U.S. exporters. In 2017, roughly half of total U.S. hides and skins exports were shipped to China, reaching a total of \$945 million. (Source: USDA, GAIN reports)

**> Belgium Bans Pork Over Swine Fever Fear:** Six countries have banned pork imports from Belgium after the EU nation discovered the highly contagious African swine fever in two dead boars last week. The six nations include China, South Korea and Mexico and represent about 50% of Belgium's total for exports. (Source: AP)

**> Brazil's Livestock Industry Struggles to Find Ethanol:** Brazil's biggest poultry processor, BRF SA, is struggling to keep stocks of corn based ethanol as competition for supplies from the center of the country is climbing. Some companies are starting to use DDG's in areas where corn-based ethanol is produced.

**> Green Plains Denies Ethanol Plant Shutdowns:** We recently reported that Green Plains was shutting down two ethanol plants in Iowa in advance of selling at least some of the company's ethanol assets. However, CEO of Green Plains Todd Becker has come out and told media that the company has not shut down any ethanol plants. They are flexing production up and down, which is very normal. He did also mention that they are a couple of weeks away from their fall maintenance shutdown where a majority if not all of the plants go down for two to four days. (Source: Reuters)

**> Who Has Gone Cage Free?** A recently published report tracks food companies shifting toward use of cage-free eggs. The report's findings include: Taco Bell has fulfilled their commitment to source 100% cage-free eggs as ingredients in all deserts and mayo-based sauces. Other companies that received a 100% cage-free rating include Papa John's Pizza, Shake Shack and Whole Foods. (Source: Politico)

> **Sony to Launch Retro PlayStation Classic:** Sony's next video game console is going retro. The electronics giant announced they will sell the PlayStation Classic, a miniature version of its first PlayStation console on December 3. Instead of requiring discs to play games, the PS Classic will come pre-loaded with 20 retro games. The classic looks exactly like the original PlayStation, which launched in 1994 only the Classic is about 45% smaller. It was a huge hit for Sony, becoming the first home video game console to ship 100 million units worldwide. Some of the guys in the office are getting quite nostalgic about this and want to be one of the first to get it in December. (Source: CNBC)

> **Amazon Could Open 3,000 Cashierless Stores:** Amazon.com Inc. is considering a plan to open as many as 3,000 new "AmazonGo" cashierless stores in the next few years. (Source: Bloomberg)


> **Apple Pays Whopping \$16.7 Billion Owed To Irish Government:** Apple has paid off the \$16.7 billion it owed to the Irish government because of an illegal tax break. The money is, however, being held in an escrow account while Apple's appeal runs its course. The European Commission decided in 2016 that Ireland had given Apple unauthorized state aid by allowing it to effectively pay less than 1% in corporate taxes.

> **Global Poverty Hits Record Low:** The World Bank said Wednesday that 10 percent of the world's population lived on less than \$1.90 a day in 2015 — the last year for which numbers were available — down from 11.2 percent in 2013. That means 735.9 million people lived below the poverty threshold in 2015, down by 68.3 million from 804.2 million two years earlier.

> **Diocese of Brooklyn:** Yesterday, the church reached a huge settlement with four men who were sexually abused as children in the early 2000s. Sexual abuse has been a systemic problem at the Catholic Church. Just last month, a Pennsylvania grand jury dropped a bombshell report that found over 300 priests had abused children in the area for decades. And earlier this month, New York's attorney general said 'gonna look into this too' and issued subpoenas to every Catholic diocese in the state. Now, this. The abuser - a former director at the church - is currently serving 15 years in jail. But the victims sued to get the church to take some of the blame as well. Now, the four victims will be awarded more than \$6 million each - making it one of the largest settlements ever awarded to victims of child sex abuse in the Catholic Church. (Source: TheSkimm)

> **The Value of U.S. Ag Exports To China Decline by \$7 Billion:** The latest quarterly USDA Outlook for Ag Trade provided it first agricultural export forecasts for fiscal 2019 (October 2018 - September 2019). globally, U.S. Ag exports are forecast to total \$144.5 billion, a \$500 million increase over the fiscal 2018 forecast. At the regional level, however, exports to Asian countries are forecast to decline by \$3.2 billion — the result of an expected decrease of \$7 billion in Ag exports to China from the 2018 forecast of \$19 billion. Chinese demand for U.S. soybeans is expected to be sharply lower because of China's retaliatory tariffs, which also curb demand for other products, including sorghum, pork and products, and dairy products. (Source: USDA, ERS)

## NEXT level THINKING



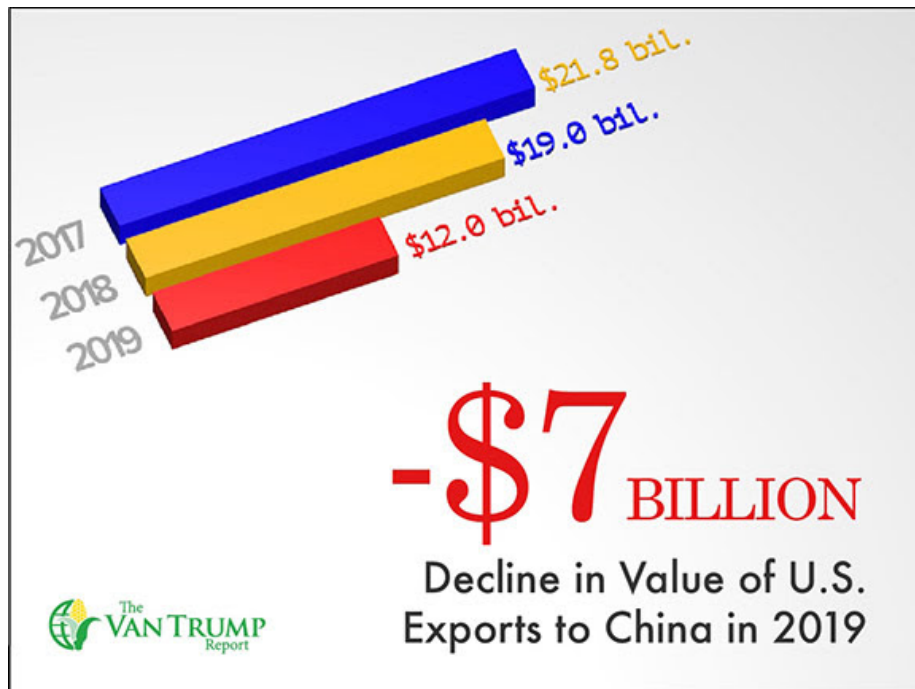
My goal at "The Van Trump Report" is to help readers better identify the moving parts and dynamics associated with the financial markets, geopolitical events, economics, media and culture that is currently influencing and shaping the direction of the agricultural markets. I like to believe I "Challenge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





## FROM THE FIELD

Westcentral Minnesota – Our neighbors are cutting beans since late last week had us itching to do something. We are all ready to combine flowers and soybeans, but they are a week or more out. Last night we pulled some ears tested around 24% moisture. We combined 2500 bushel tonight just to calibrate the machine. The load was 21.9% on 97-day corn. This is not early for us. Hopefully have a good day tomorrow combining and get the dryer going. Right now, it looks like rain for us Thursday. Yields a little below last year but last year was our best yields we have seen. And last year we were shelling 22% corn in the middle of November not September.

Southern Illinois – I wanted to share a couple harvest updates that I thought were interesting and somewhat unusual. We have a few fields of down beans that were taken down several weeks back by a combination of week stems and wind. The interesting part about the beans is they are yielding the exact same as the beans standing up. It's almost like this crop is going to yield maximum yields whether the crop is laying on the ground or standing straight up. Its honestly unbelievable because we have never had down beans that didn't have a little yield drag. We are harvesting a little slower but that the only downfall at this point. This is our best crop in my memory.

Northcentral Kansas – I have heard several guys doing the exact same thing, so I will share my plan for next year. I am going to run in nearly all wheat since we have a good price for insurance and a high insurance level purchased. If soybeans come back a little I will run in soybeans behind the wheat and have a little double crop with wheat and soybeans, I might even try a little double crop corn behind the wheat. If the wheat is a failure or if corn or soybean prices bounce back I might just spray the wheat and run full season corn or soybeans. Time and price will tell me what to do but I'm keeping a lot of doors open at the moment.



## CROSSING WIRES

A place to share intelligent thoughts...

Indigo Ag Raises Additional \$250 Million: Bacteria-based agriculture is starting to become big business. On Tuesday startup Indigo Ag Inc. announced it had raised \$250 million from investors, bringing its funding total to more than \$650 million. Investors in the round included Baillie Gifford, the Investment Corporation of Dubai and the Alaska Permanent Fund. It comes on the heels of a \$203 million financing round last year which valued the Boston-based company at \$1.4 billion, from what I'm hearing that figure has moved to \$3.8 billion. Indigo is one of a number of firms using microbes to improve agricultural output, which could potentially curtail the use of synthetic pesticides, fertilizers and genetically modified seeds. In April, Bloomberg reported that Indigo's microbe coatings boosted cotton yields by an average of 14 percent in full-scale commercial trials in Texas. I'm told the new funds will go to expand its digital grain marketplace. Read more [HERE](#).

Don't Let Obstacles Block Your Path... Make Them the Path: Successful people come from all walks of life, yet they all have one thing in common: where others see impenetrable barriers, they see challenges to embrace and obstacles to overcome. Their confidence in the face of hardship is driven by their ability to let go of the negativity that holds so many otherwise sensible people back. This perspective helps successful people to think differently to everyone else, which is important, because if you think like everyone else, no matter how smart or experienced you are, you'll hit the same ceiling. By thinking outside the box and going against the grain, successful people rise above their limitations. Learn ten ways successful people think differently [HERE](#).

Finding Solutions to Energy Storage: Energy storage is arguably the next big thing in the cleantech industry, with the potential to bring constructive disruptions to the renewable energy and electric vehicle markets. Today, storing electricity is expensive – but the cost of storage is falling rapidly. There are several electricity storage technologies in use, ranging from different kinds of batteries, such as lithium ion and lead acid, to pumped hydro and thermal storage. The advancements in energy storage are encouraging, with batteries becoming cheaper and more efficient, and with longer life. Between 2011 and 2017, the cost of lithium-ion batteries fell by 74%. Experience rates suggest that this cost may reduce by another 50% by 2025. Read more [HERE](#) on what trend in energy storage could emerge on top.

Bringing Law and Order to Crypto Exchanges: After taking a closer look at some of the largest crypto-trading platforms, the New York State Attorney General published a long list of concerns yesterday. The regulator, based on a voluntary survey of nine exchanges including Coinbase and Gemini, signaled that even greater scrutiny and enforcement may follow. The new report says that in many instances, trading platforms fall short on protecting everyday traders from manipulation and algorithmic trading. They also neglect to make sure customer holdings are secure from hackers and that sophisticated traders aren't given special advantages, according to the voluntary survey. Read more [HERE](#) on how officials are protecting investors.

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.*

Muhammad Ali's Rolls-Royce Heads To Auction: The worlds of luxury motoring and sporting legend combine with the news that a 1970 Rolls-Royce Silver Shadow convertible that once belonged to boxing legend Muhammad Ali will be auctioned by Bonhams. I'm told the vintage automobile is estimated to fetch from \$47,000 to \$70,000 when it goes under the hammer, without reserve, on Oct. 5 in Belgium. From what I understand, the car is one of only 272 Silver Shadow left-hand-drive convertibles created by then-in-house coachbuilder H.J. Mulliner Park Ward in Willesden, London. At the time of its release, it was the company's most expensive, top-of-the-range model. Ali purchased the Rolls-Royce new in New Jersey in December 1970 for around \$16,000, the same year his boxing license was reinstated after a three-year suspension due to draft refusal during the Vietnam War. Read more [HERE](#).

*Farm Direction*  
RECIPES

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



**Do Nothing  
Tornado Cake**

**CLICK TO SEE RECIPE**









### Producers Dealing With More Ear and Stalk Rot... Make Certain You Are Testing

Wet, humid conditions during silk emergence and just prior to harvest favor ear rot development, so certainly we have potential to see ear rots this year. Ear rots differ in the damage they cause as well as the potential for mycotoxin production and types of mycotoxin. Growers need to be able to identify the various ear rots

There was a great article sent my way the other days that was published by University of Nebraska-Lincoln's [CropWatch](#), which was written by Tamra Jackson-Ziems, Extension Plant Pathologist and Jenny Rees, Extension Educator. I encourage you to read the entire article in full by clicking the link I included above. Below are just some of the highlights that I found interesting and wanted to pass along:

**Scout for stalk rot diseases right now in order to determine which fields are at greatest risk of lodging and should be harvested first. Fields at higher risk include those that sustained injury due to hail or insect feeding during the cropping season, such as that caused by grasshoppers or western bean cutworm, as wounding can often promote infection by ear rot fungi. As you may know, some fungal growth may only be evident after husks are opened to reveal cottony fungal growth that can vary in color. Ear rot diseases may not only cause yield loss but also reduces overall grain quality.**

Ear rot diseases are caused by several species of fungi that can continue growing in stored grain, hence further reducing quality. In addition, some fungi may produce secondary mycotoxins that can be harmful at higher concentration to livestock and other consumers. It's important to understand that the presence of ear rot fungi does not necessarily mean that mycotoxins are also present. Knowing which ear rot fungi are present can help predict which, if any, mycotoxins may be present. Mycotoxin levels can be measured by certified labs testing suspect ears. Over the past few years, weather has swung wildly between heavy flooding and severe drought throughout parts of the Midwest. These conditions gave way to mycotoxins in grain, so I wanted to talk about what you should do to test. Officials suggest if 30% of ears in your field have Gibberella or Fusarium ear rots, test for vomitoxin and fumonisins.

Testing your corn is also recommended if you observe multiple ears with more than 50% of the ear covered with Gibberella or Fusarium fungi. If you find any ear with Aspergillus ear rot, test the harvested grain for aflatoxin. In order to test your corn, you will need to find a certified lab in your area which you can find [HERE](#) at USDA Grain Inspection, Packers & Stockyards Administration service providers. \*\*\*If you are going to test on your own using the black light method, understand that it has been proven inaccurate because it detects fluorescence of a chemical that is produced by many fungi, not just Aspergillus, thus it does not accurately predict the presence or concentration of aflatoxin or other mycotoxins.

For more information on corn diseases and how to differentiate numerous stalk and ear rot disease, you can visit the UNL [Crop Protection Network](#) which can provide additional information on [ear rots](#) and [mycotoxins](#).



### Bombs At The Bottom Of The Gulf Of Mexico

Millions of pounds of WWII unexploded ordnance is thought to be lying at the bottom of the Gulf and from what I've been reading, no one actually knows where they are located. Disturbingly, it's believed there could even be chemical weapons like mustard gas in the mix. Most Americans are unaware that after World War II, the U.S. military began dumping surplus munitions. According to William

Bryant and Neil Slowey, oceanographers at Texas A&M University, at least 31,000,000 pounds of bombs were dumped in the Gulf of Mexico and off the shores of 16 states, including New Jersey and Hawaii. It appears the dumping started in 1946 and ended in 1970. Included in the cache are 250, 500 and 1,000-pound aircraft bombs as well as landmines. Not all of the ordinance are from the U.S., as much of it was captured from Germany at the end of the war. Concerning for most is that there is no official record of the dumpings and with the shipping traffic needed to support the 4,000 energy rigs, commercial fishing, cruise lines and other ocean activities, some fear the potential for a disaster is looming, not to mention the environmental damage if chemicals are leaking out of their containers. The bombs are no stranger to Bryant and Slowey, who have come across them numerous times while conducting various research projects in the Gulf, and they have photographed many of them sitting on the Gulf floor like bowling pins, some actually in areas cleared for oil and gas platform installation. It's worth noting that some conspiracy theorist wonder if the 2010 Deep Water Horizon explosion wasn't the outcome of a leftover ordinance. We do know that shrimping boats have recently grabbed up containers of mustard gas and bombs in their trolling nets. The team of oceanographers have surveyed the ordinance as they come across it in their work and they have determined that bombs lie anywhere from 10-60 miles offshore. From what I'm told there are plans to at least do some research to figure out if the 40-60-year-old canisters could be leaking and ways they can remove them once they are found. (Source: popmech, [tamu.edu](http://tamu.edu))



### **Why It All Goes By So Fast... This Too Shall Pass**

As we get older, it seems like time flies. At the same time, it feels like our nerves and anxiety become more unexplainable. These changes are not the same in everyone. Some people have many changes in their nerves and brain tissue. Others have few changes. These changes are not always related to the effects on your ability to think but can often alter how we deal with and handle stress. Several recent surveys suggest that one in five older adults now suffer anxiety symptoms that require treatment. Others try and battle the changes on their own. I find myself a bit more uncertain about heights than when I was younger. I also find myself being much more cautious when riding motorcycles or doing anything considered somewhat extreme. I remember reading a psychologist who wrote, "It's our thoughts about our thoughts that create the issues, and those thoughts tend to increase as we age." If a bird-dog sees a quail he simply reacts. Dogs don't have thoughts about their thoughts. I've also often wondered why time seems to move so much faster as we get older. I've read several opinions and studies on the subjects mentioned above, but few seem to be as accurate and more importantly simple as Phil Yaffe's explanation. Phil has been a writer and journalist for over four decades, his personal experience with accelerating time and managing thoughts that fuel anxiety is definitely worth the read. Hope you enjoy!

#### **Why Does Time Go Faster As We Get Older?**

Philip Yaffe

It is a widely accepted adage that, "The older you get, the faster time seems to go." But why should aging have this effect? After all, there is the parallel adage that, "Time flies when you are having fun." But as we age, time flies whether we are having fun or not.

So what's going on?

I have recently been trying to understand the phenomenon, because for the past several years many of my days have been extremely long, yet the years still seem to be accelerating.

To tackle the problem, I did an Internet search to see what others were saying on the subject. Nearly all the returns had to do with parenting. "Oh, they grow up so fast. The days are long, but the years are short." This is perhaps a partial explanation; however, since the phenomenon occurs just as well to people who have no children, it cannot be the whole answer.

Some other comments had to do with getting religion. "I found God at the age of 30 and every day since I have been waiting to go to His kingdom. I am now in my 80s. Oh, the days have been so long, but the years have been so short." Again perhaps a partial explanation; however, since the phenomenon occurs just as well to non-believers as believers, it cannot be the whole answer either.

Many comments were philosophical. They said simply to accept the phenomenon and live each day to the full. Good advice, but again no advance in understanding.

I then turned to science. I typed in the search words "psychology of time". This turned up hundreds of articles, most of which were very technical, dealing with brain structure and functions, neurotransmitters and the like. To narrow the search, I typed in both "psychology of time" and "days are long". And got nothing at all!

Finally, I decided to sit quietly and ponder the matter myself. This turned about to be a wise decision, because I think I found the solution. It's really quite simple. It all has to do with "anticipation" and "retrospection".

Whatever the nature of our individual lives, we all anticipate things important to us. Then after they happen, we look back at them. For example, most school children look forward to the long summer vacation, which always seems to be an eternity away. Finally, it arrives. Then, almost before they blink an eye, it's over and they are back in school again.

Progressing from primary school to secondary school is another excruciating anticipation for a youngster, especially if the move is perceived as being an important step away from childhood into adulthood.

And so it goes. When anticipated, each new significant event seems to be excruciatingly far away. However, after the event, we regularly look back and exclaim. "Did it really happen that long ago?"

Our first love, our first heartbreak, driving a car, landing a job, marriage, etc. When we look forward, all these milestones seem impossibly far in the future. However once achieved, how quickly they recede into the past.

The older we get, the more milestones we have to look back on. So the farther and faster they appear to recede. So if sometimes the clock may seem to have stopped, the calendar always continues racing ahead.

For me, the high point of my life was joining the Peace Corps and serving as a volunteer teacher of math, physics, and journalism in Tanzania. I applied for a Peace Corps posting early in my senior year at UCLA. Processing the application took only about three months -- perhaps the longest three months of my life. It seemed more like three years. I was accepted and sent abroad for two years - the shortest two years of my life, because I was having so much fun.

When I returned to Los Angeles, I could hardly believe the adventure was already over. The first week back seemed extremely long, because my heart was still beating 10,000 miles away. However, the weeks rapidly became shorter and shorter, then the first year, then the second year, and so on. I couldn't believe it when the first decade had passed, then the second, and so on.

I went to Africa with the Peace Corps in 1965 and returned in 1967. More than 40 years ago!

I of course have had many other milestones in my life, which are all rapidly hurtling away from me. Even the most recent ones already seem to be covered in dust. I am now 65. I don't feel old, but somehow I just can't get my mind around the fact that many of these things already look like ancient history.

If accumulating milestones is truly the secret of the accelerating years, what do we do about it? Basically nothing; we just have to accept it. However, this is not necessarily a negative. True, the good things are coursing away faster and faster into the past. But so are the not-so-good things.

The story is told of the biblical King Solomon. He once called his wise men together and presented them with a challenge. "Find me a cure for depression." They meditated for a long time, then gave him the following advice. "Your Majesty, make yourself a ring and have engraved thereon the words: This too shall pass." He had the ring made and wore it constantly. Every time he felt sad or depressed, he looked at the inscription, which tended to lift his spirits.

"This too shall pass." Indeed, it shall. Whether positive or negative, nothing in life lasts forever, even if it sometimes feels as if it will. We are certain of this because we know even life itself doesn't last forever.

We are all born to die. What happens after that is the subject of considerable controversy. But whatever it is, we are certain it is going to happen, and that it will almost certainly be different from whatever we know today.





**THE BAD NEWS:  
TIME FLIES  
THE GOOD NEWS:  
YOU'RE THE  
PILOT!**

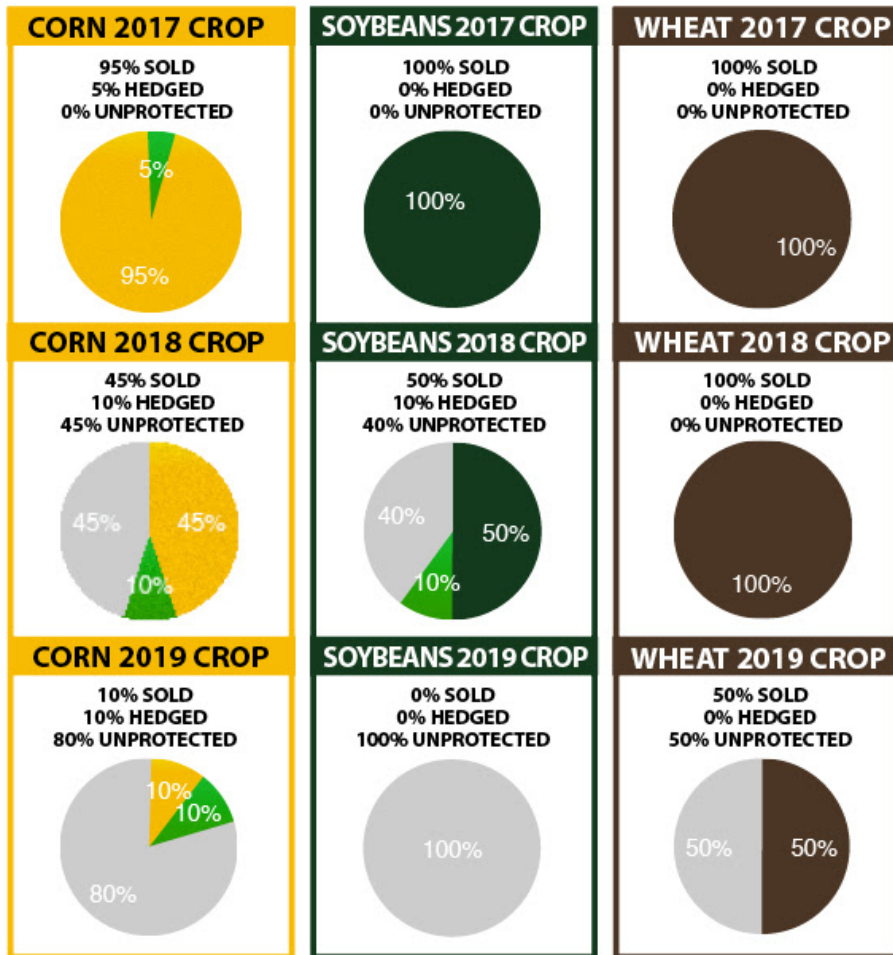
**#ATTACKTHEWEEK**

**ANSWER to riddle:**

The spare tire.

## CASH SALES & HEDGING TOTALS

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