

GOOD MORNING: 09/21/18 Farm Direction - Van Trump Report

2 messages

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

Fri, Sep 21, 2018 at 6:26 AM



"There are 3 ways for a smart fella to go broke: liquor, ladies, and leverage." - Charlie Munger

FRIDAY, SEPTEMBER 21, 2018

[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks remain strong after posting a fresh new record high, the first for the Dow since January 26th. The big rally continues to come on signs of improving fundamentals. Yesterday's economic data, showed that first-time jobless claims fell by -3,000 last week, dropping to their lowest level since November 1969. Separately, the Philadelphia Fed manufacturing index jumped more than expected in September, rising to 22.9 from 11.9 in the previous month, further confirming additional strength. Again, strong U.S. economic data continues to overpower negative headlines involving Washington. Macro traders are also keeping a close eye on the recent weakness in the U.S. dollar. Most insiders are wondering if this is just temporary weakness or a trend changing shift? There's also some interesting talk amongst the bears that the recent all-time high in the stock market might give President Trump the feeling or perception he has more room to get a lot tougher in negotiating with the Chinese. If that proves to be the case, perhaps some more difficult headlines could appear out on the horizon. Looking ahead to the next several trading sessions, there will be some larger macro events I will be keeping an eye on: The latest Fed decision is scheduled to be released next Wednesday, most suspect rates will again move higher, any comments about the future will be highly scrutinized. The same day President Trump will be holding a meeting with the UN regarding Iran; Italy is supposed to release groundwork for a fairly important budget, and we might also see headlines from the upcoming U.S.-Chinese trade talks. That is if the Chinese actually come to the meeting. There's also some talk that President Trump might make some comments that put the final \$267 million of tariffs into motion. Not that they will go immediately into play, but at least ran through the political process and turned into live ammunition. I still don't see any type of major resolution coming any time soon. In fact, I don't think President Trump and Chinese leaders Xi Jinping are scheduled to meet until the end of November or beginning of December. There's also several balls in the air involving NAFTA. I'm still not looking for a resolution until after the polls close on the upcoming Quebec election. Personally, I continue to remain a longer-term bull. However, each new leg higher, I've been using as an opportunity to reduce my portfolio diversification. I continue to like the thought of narrowing rather than widening my focus into the new highs. I've learned in the past, it's easy to get excited by the crowd and the hype. Unfortunately, that's when I start to see everything as a possible winner or an opportunity. It's like that old saying, "when you have a hammer in your hand, everything starts to look like a nail." Be careful, just because your equity has increased and portfolio grown larger, it doesn't mean you have to buy more stocks. Make certain you have a plan and are executing. This is not the time or place to careless or lazy!

Are Home Prices Starting to Drop? After three years of soaring home prices, the heat is coming off the U.S. housing market. Home sellers are slashing prices at the highest rate in at least eight years, especially in the West, where the price gains were hottest. In the four weeks ended Sept. 16, more than one-quarter of the homes listed for sale had a price drop, according to Redfin, a real estate brokerage. That is the highest level since the company began tracking the metric in 2010. Redfin defines a price drop as a reduction in the list price of more than 1 percent and less than 50 percent. There is still a critical shortage of homes for sale, especially on the lower end of the housing market, but supplies did increase annually in August for the first time in more than three years, according to the National Association of Realtors. At the same time, the increase in the median

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,

home value is now in the 4 percent range, rather than the 6 to 8 percent range where it has been for the past two years. Read more at [CNBC](#)

Cleveland Browns Finally Win A Game: Barack Obama was still president of the United States the last time Cleveland won a game. The Browns staged a comeback Thursday night to beat New York Jets 21-17 in Cleveland. The victory was made all the bit sweeter by an inspirational debut by quarterback Baker Mayfield. Locked fridges containing free Bud Light had been placed all over the city and fans were promised they would be opened when the Browns finally won a game. Dilly Dilly! Congrats to Cleveland...

New iPhones Hit The Stores: People are lining up at Apple stores around the globe this morning to snap up the new iPhone XS, XS Max and Apple Watch Series 4. The iPhone XR - the cheaper iPhone - won't be on sale until October.

Let Your Car Pay For The Gas, Parking and Donuts: Car makers seeking new revenue streams are offering drivers the ability to preorder coffee or make restaurant reservations on the move. The new GM Marketplace allows drivers to actually pay for their gas without getting out their debit or credit cards. Simply pull into an Exxon station and pay via your vehicle. BMW has a new system that actually finds parking spots and can also pay for parking. Analysts expect more car companies to link up with retailers, fast-food chains and other merchants to offer car owners the same kinds of e-commerce apps that have long been available on smartphones. With more cars rolling off dealer lots with built-in internet connections, the opportunity to add more retailing services will only grow over time, say auto executives and analysts. (Source: [The Wall Street Journal](#))



their current investments, what they 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

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:

With pointed fangs I sit and wait; with piercing force I crunch out fate; grabbing victims, proclaiming might; physically joining with a single bite. What am I?

Weather on the Plains saw cool, rainy weather prevailing across largest sections of the western High Plains, slowing fieldwork but benefiting recently planted winter wheat. Meanwhile, yesterday saw a final day of hot weather cover the central and southern Plains, where harvest efforts for crops such as corn and sorghum are proceeding. In the Corn Belt, locally heavy showers and thunderstorms continue to pepper the upper Midwest. Meanwhile, warm, dry weather prevails across the southern Corn Belt. On September 16, Missouri led the Midwest with one-quarter of its corn acreage harvested, followed by Illinois with 12% harvested. In the South, major to record flooding continues in parts of eastern North Carolina and northeastern South Carolina. Warm, dry weather prevails throughout the region, promoting recovery efforts in hurricane-affected areas and favoring summer crop maturation and harvesting in other areas. Cool air will continue to lurk across the nation's northern tier and will make a brief, late week surge across the Plains and Midwest. This will be the beginning of a broader, cooler pattern coming to much of the middle of the country.

Cooler Weather To Close Out September: *We are getting a better look at the cooler forecast from middle to late next week. It will bring the first chill of the fall season across the central U.S. as cold air from Canada will make its way south. This pattern will be in place as we move from September into October. Below is the 6 to 10 day outlook which indicates the below normal temperatures across the Plains and upper Midwest, illustrating the beginning of this coming cooler pattern change.*

Today In History



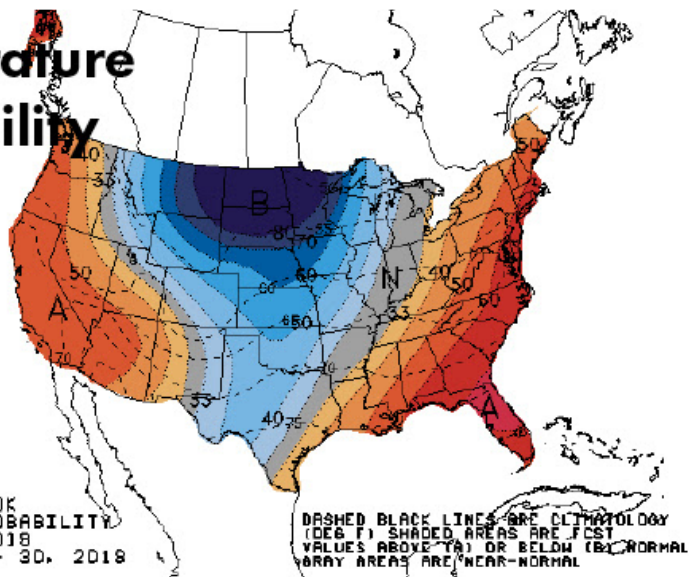
1780, Benedict Arnold -

During the American Revolution, American General Benedict Arnold meets with British Major John Andre to discuss handing over West Point to the British, in return for the promise of a large sum of money and a high position in the British army. The plot was foiled and Arnold, a former American hero, became synonymous with the word "traitor." Arnold was born into a well-respected family in Norwich, Connecticut, on January 14, 1741. He apprenticed with an apothecary and was a member of the militia during the French and Indian War (1754-1763). He later became a successful trader and joined the Continental Army when the Revolutionary War broke out between Great Britain and its 13 American colonies in 1775. When the war ended in 1783, the colonies had won their independence from Britain and formed a new nation, the United States. During the war, Benedict Arnold proved himself a brave and skillful leader, helping Ethan Allen's troops capture Fort Ticonderoga in 1775 and then participating in the unsuccessful attack on British Quebec later that year, which earned him a promotion to brigadier general. Arnold distinguished himself in campaigns at Lake Champlain, Ridgefield and Saratoga, and gained the support of George Washington. However, Arnold had enemies within the military and in 1777, five men of lesser rank were promoted over him. Over the course of the next few years, Arnold married for a second time and he and his new wife lived a lavish lifestyle in Philadelphia, accumulating substantial debt. Historians have identified many possible factors contributing to Arnold's treason, while some debate their relative importance. According to W. D. Wetherell, he was: among the hardest human beings to understand in American history. Did he become a traitor because of all the injustice he suffered, real and imagined, at the hands of the Continental Congress and his jealous fellow generals? Because of the constant agony of two battlefield wounds in an already gout-ridden leg? From psychological wounds received in his Connecticut childhood when his alcoholic father squandered the family's fortunes? Or was it a kind of extreme midlife crisis, swerving from radical political beliefs to reactionary ones, a change accelerated by his marriage to the very young, very pretty, very Tory Peggy Shippen? In 1780, Arnold was given command of West Point, an American fort on the Hudson River in New York and future home of the U.S. military academy, established in 1802. Arnold contacted Sir Henry Clinton, head of the British forces, and proposed handing over West Point and his men. On September 21 of that year, Arnold met with Major John Andre and made his traitorous pact. However, the conspiracy was uncovered and Andre was captured and executed. Arnold, the

Temperature Probability



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 20 SEP 2018
VALID SEP 26 - 30, 2018

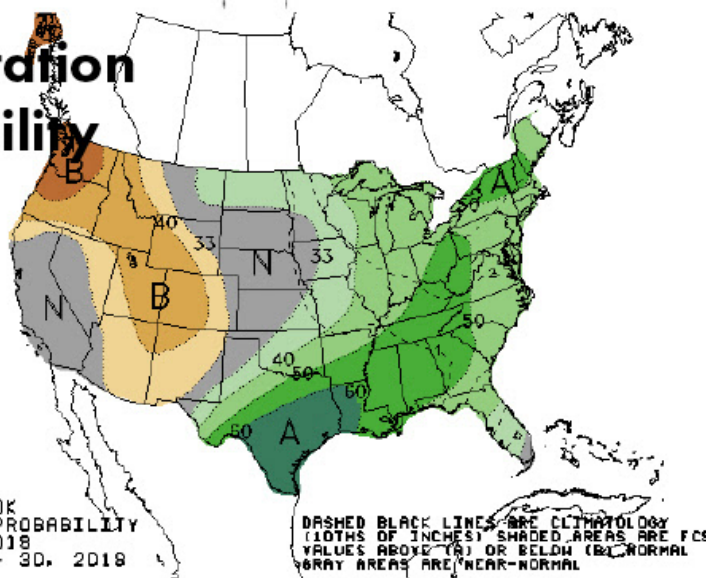


DASHED BLACK LINES ARE CLIMATOLOGY (10-DAY MEANS). SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL. GRAY AREAS ARE NEAR-NORMAL.

Precipitation Probability



6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 20 SEP 2018
VALID SEP 26 - 30, 2018



DASHED BLACK LINES ARE CLIMATOLOGY (10-DAY MEANS). SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL. GRAY AREAS ARE NEAR-NORMAL.

Corn bulls are pointing to strong export sales and a nearby short-covering rally. Weekly corn export sales were reported at +1.3 MMTs, up sharply from last week and topped most all guesses. There's some talk the funds covered a few short positions based on the weakness in the U.S. dollar. Bulls are also pointing to some potential late inning complications in a few production areas across the U.S. Producers are reporting late disease complications as well as flooded fields in parts of the Dakota's, Wisconsin and small portions of Iowa, Nebraska and Minnesota. There's also more nearby rains in the forecast and cooler temps. We are also seeing corn export premiums in South America and the Ukraine growing larger as supplies remain tight and taxes and logistics complicate flow. This leads me to believe U.S. exporters are going to remain a heavy supplier to global buyers and the strong "demand" story is going to remain in play. As a producer, I think a lot of consideration needs to be placed on "time". The end of 2018 isn't all that far away. How soon do you need to price bushels and raise cash-flow? How much storage is in play? Can you re-own the board in some capacity if you make cash sales near the low? I would like to say the low is in place, and all of worries are going to be fixed by a strong and lengthy rally. Unfortunately, I just can't convince myself that's going to happen. I still think we are somewhat range-bound and will continue to trade sideways to lower into yearend. From a technical perspective, it's easy to argue that we are stuck in 50 cent range between \$3.40 to \$3.90 per bushel. I'm personally more of the belief the range might be a bit lower, between \$3.30 and \$3.80 per bushel. Again, I'm just worried about "time" and producers who need to price more bushels prior to

former American patriot, fled to the enemy side and went on to lead British troops in Virginia and Connecticut. He later moved to England, though he never received all of what he'd been promised by the British. He died in London on June 14, 1801.



1968, Harper Valley P.T.A. -

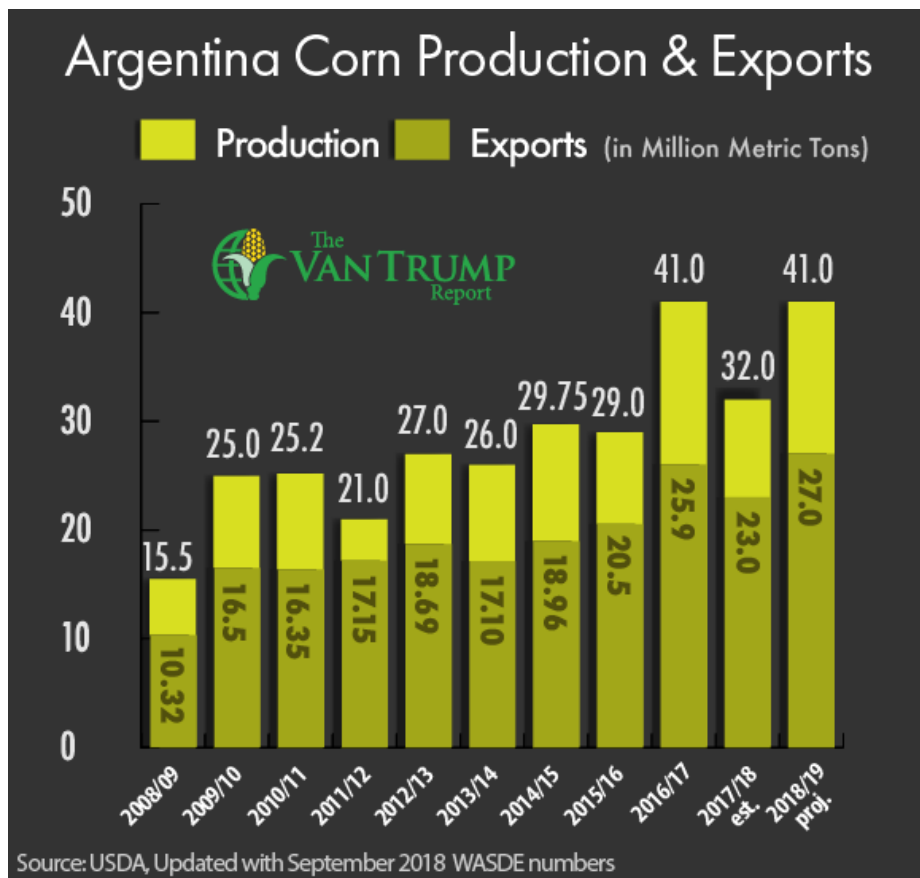
When Jeannie C. Riley said the word "men," it came out sounding like "min." And when she said "eyes," it came out sounding like "Ahhs." In New York or Los Angeles, her deep-in-the-heart-of-Texas accent might have been as big an impediment as Eliza Doolittle's Cockney lilt in London society, but in Nashville, Tennessee, the capital of country music, it was her ticket to pop immortality. With her career-defining hit song, 23-year-old Jeannie C. Riley accomplished a crossover feat that no other woman would match for another dozen years: On September 21, 1968, she became the first female performer to top the Billboard Country and Pop charts simultaneously, with "Harper Valley P.T.A." Perhaps never in pop history has one voice been more right for one song than Jeannie C. Riley's was for "Harper Valley P.T.A." Indeed, it was her speaking voice, and not her singing, that got Riley noticed and picked out for the song. She had come to Nashville from her native Anson, Texas, in her early 20s to pursue a singing career, but it was on her day job as a receptionist at that she was noticed by the legendary country-music record producer Shelby Singleton. Recognizing her voice as perfect for the protagonist in songwriter Tom T. Hall's crypto-feminist tale of a small-town Southern widow's fight for her right to wear her skirts short and her heels high, Singleton had Riley record "Harper Valley P.T.A." as her first professional demo, which was released as a single that charged up the Pop and Country charts in mid-summer 1968. But as big a hit as "Harper Valley P.T.A." was for the aspiring star plucked from obscurity to record it, rarely in pop history has a star grown to be as uncomfortable with her signature hit as Riley did with hers. Many fans wanted to believe that Jeannie C. Riley really was the Hester Prynne-meets-Daisy Duke protagonist of "Harper Valley P.T.A.," and for a time at least, she was willing to indulge the misconception and dress the part. Eventually, though, Riley sided rather publicly with the conservative values "Harper Valley P.T.A." derided by becoming a born-again Christian and refusing to perform her biggest career hit.



1989, Colin Powell -

The Senate Armed Forces Committee unanimously confirms President George H. Bush's nomination of Army General Colin Powell as chairman of the Joint Chiefs of Staff. Powell was the first African American to achieve the United States' highest military post. Powell was born in 1937 in Harlem, New York, to Jamaican immigrant parents. Joining the U.S. Army after college, he served two

yearend, may have only a few windows of opportunity near the higher end of the range. Stay engaged and continue to pay close attention. The bounces need to be used to reduce nearby risk. As a spec, I am still on the sideline wanting to be a longer-term bull, just in no real hurry.



Soybean prices are down a bit this morning after yesterdays big gains. Bulls argue that most all of the bearish news has now been baked into price and that a short covering rally was inevitable. I heard the recent rally was more currency related on the macro side, with some of the funds who had been short commodities based on a strengthening U.S. dollar, are now covering based on recent dollar weakness. I'm also continuing to hear talk that Argentine crushers are looking to buy more U.S. soybeans as their supplies are limited. Weekly U.S. export data was bullish and stronger than most in the market were anticipating. Interestingly, and somewhat surprisingly, the basis also improved in some locations. I was worried that any flat price rally could further work to widen the basis. Bears continue to point to a massively burdensome U.S. balance sheet, perhaps pushing north of +900 million, a record U.S. crop that looks like the yield could even larger, and record Brazilian acres already going in the ground. At the same time, bears continue to talk about African Swine Flu spreading in parts of Europe and more importantly across parts of China. There's also talks that Chinese officials are going to work towards reducing their overall soy demand. I'm not sure how this happens, but I believe we have to respect the possibility. From a technical perspective, prices have rallied about +40 from the recent lows. The close back above \$8.50 in the NOV18 contract could certainly pique some interest. It feels like the next leg of resistance in the NOV18 contract will be up near \$8.80 per bushel, each +20 cents thereafter would also represent another hurdle i.e. \$9.00 then at \$9.20.

tours in Vietnam. In his autobiography, Powell said he is haunted by the nightmare of the Vietnam War and felt that the leadership was very ineffective. Captain Powell served a tour in Vietnam as a South Vietnamese Army (ARVN) advisor from 1962 to 1963. While on patrol in a Viet Cong-held area, he was wounded by stepping on a punji stake. The large infection made it difficult for him to walk, and caused his foot to swell for a short time, shortening his first tour. Powell returned to Vietnam as a major in 1968, serving in the 23rd Infantry Division, then as assistant chief of staff of operations for the Americal Division. During the second tour in Vietnam he was decorated with the Soldier's Medal for bravery after he survived a helicopter crash, single-handedly rescuing three others, including division commander Major General Charles M. Gettys, from the burning wreckage. From 1987 to 1989, he was national security adviser to President Ronald Reagan and in 1989 reached the pinnacle of his profession when he was appointed chairman of the Joint Chiefs of Staff by President George Bush. As chairman, General Powell's greatest achievement was planning the swift U.S. victory over Iraq in 1991's Persian Gulf War. In 1993, he retired as chairman. Two years later, he embarked on a national tour to promote his autobiography, *My American Journey*, fueling speculation that he was testing the waters for a possible presidential campaign. By the fall of 1995, public enthusiasm over the possibility of his running for president had reached a feverish pitch. Regarded as a moderate Republican, opinion polls showed Powell trailing close behind Republican favorite Bob Dole and favored over Democratic incumbent Bill Clinton. However, in November 1995, he announced that he would not run for president in the next election, citing concerns for his family's well-being and a lack of passion for the rigors of political life. From 1997, he served as chairman of "America's Promise-The Alliance for Youth," a national nonprofit organization dedicated to building the character and competence of young people. In December 2000, Powell was appointed the first African American U.S. secretary of state by President-elect George W. Bush. Unanimously confirmed by the U.S. Senate, he was sworn in on January 20, 2001 and held that position until January 26, 2005. He was succeeded by Condoleezza Rice.

Upcoming Events

Fri. 9/21 - Cattle on Feed

Sat. 9/22 - Autumn Begins

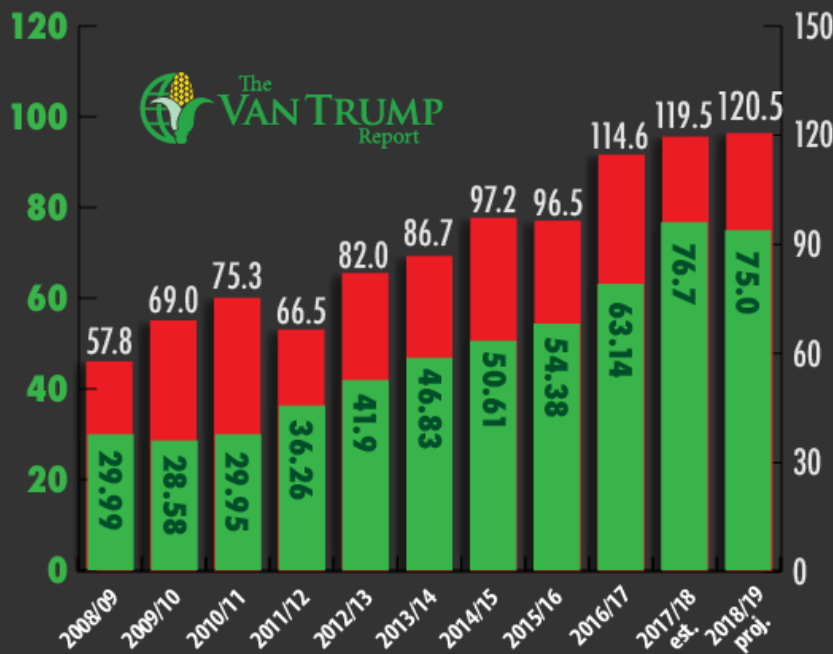
Mon. 9/24 - Cold Storage, Crop Progress

Tues.-Wed. 9/25-9/26 - FOMC Meeting

Fri. 9/27 - Quarterly Hogs and Pigs

Brazil Soybean Production & Exports

■ Production ■ Exports (in Million Metric Tons)



Source: USDA, Updated with September 2018 WASDE numbers

Wheat prices are in positive territory on the week but the bulls are searching for fresh headlines. Talk of lower exports out of Russia and Australia have been well advertised this week. We have also heard talk of lower production in parts of the European Union, Canada and Argentina. Global wheat buyers are starting to pay higher premiums and there's more reason to believe U.S. exporters are going to start gaining marketshare. Bulls are also happy to see a weaker U.S. dollar, which one could argue will help improve exports. Bears continue to point towards increasing U.S. acres and improved soil moisture profiles that will help the crop as it heads into dormancy. As both a spec and a producer, I remain a longer-term bull. I suspect if we lack fresh bullish headlines next week, the market could give back some of its recent gains and perhaps even retest the mid-July lows. Staying extremely patient...

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

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

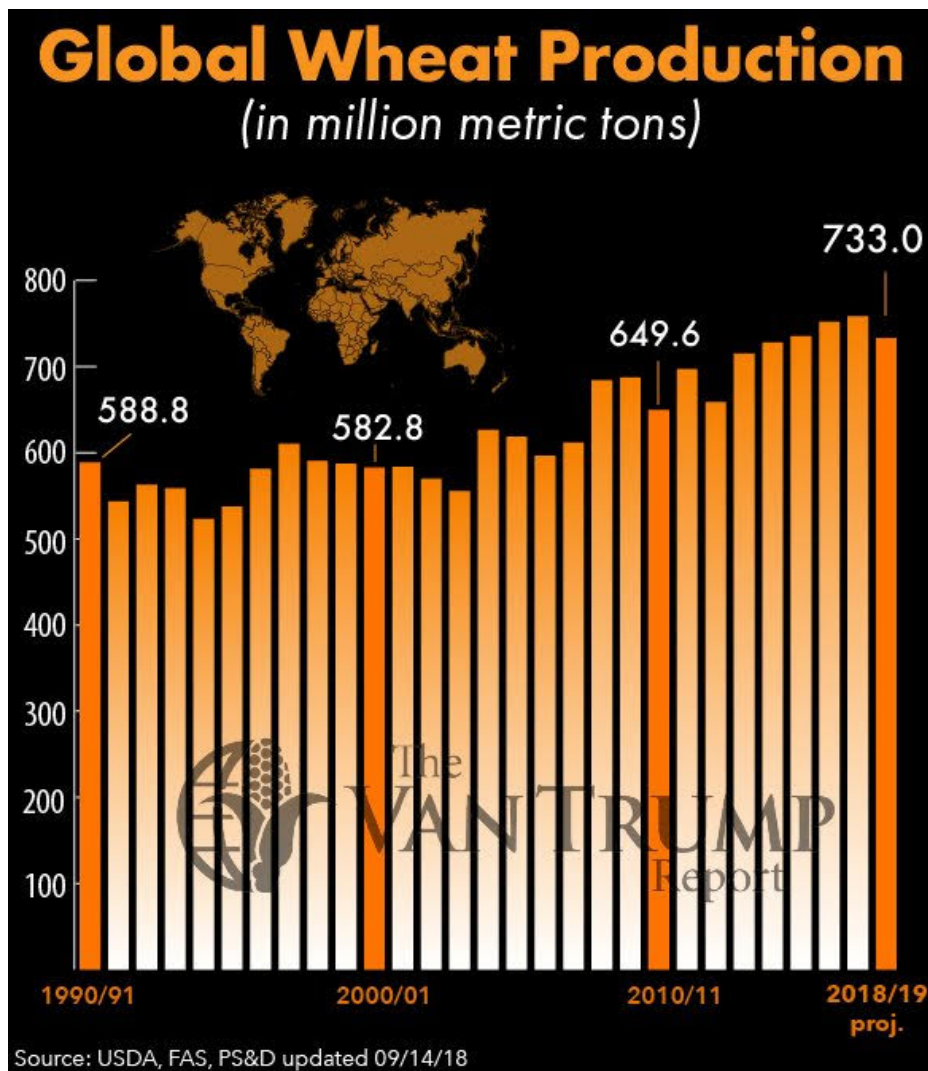
Wed.-Thur. 11/28-11/29 - 2018 Van Trump Conference

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

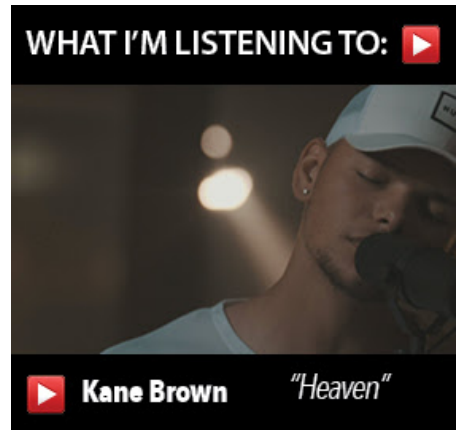
Fri. 12/21 – Quarterly Cold Storage, Hogs and Pigs, Monthly Cattle on Feed, Personal Income

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



> **U.S. Exporting More Soybeans to EU:** The U.S. has bumped Brazil from the top spot of EU's top soybean supplier since inking a deal in July with President Trump. In the 12 weeks to mid-September, U.S. soybeans accounted for 52% of imports to the EU, rising 133% compared with the same period last year to 1.47 million metric tons. European Commission Juncker pledged in a White House deal in late July that European would buy more U.S. soy as a part of a package to avert tariffs from Washington U.S. imports of EU cars. The key in understanding all of this is the fact that these trends are largely the result of favorable price movements in world markets. The EU had no previous barriers to U.S. soybeans. So it's more likely that prices have enticed EU purchasers, not trade deals. (Source: Reuters)

> **Poet Finishes \$120 Million Project in Ohio:** In a bit of good news from the ethanol space, I'm told that Poet has just completed a \$120 million dollar upgrade of their plant in Marion, Ohio where they increased capacity to 150 million gallons of ethanol and 360,000 MT of high-protein animal feed.

> **India Lobbying China To Drop Ban of Rapeseed Meal:** India is urging China to drop a years-long ban on rapeseed meal imports from the South Asian nation. China was the biggest buyer of Indian rapeseed meal until being banned the purchases in late 2011 over quality concerns. China imported Indian oilseeds worth \$161 million in 2011. Rapeseed meal is a key ingredient in animal feed and India is hoping China will open its markets in light of growing U.S. - China trade tensions. (Source: Reuters)

> **Cargill Recalls 132,000 Pounds of Ground Beef:** For the second consecutive month, a Colorado based meat producer that ships nationwide is recalling thousands of pounds of ground beef for a possible E.coli contamination. The 132,000 pounds of ground beef products was made for the chuck portion of the cow. The recalled product bears the number "EST.86R" inside the USDA mark of inspection and were shipped to retail locations nationwide. This week's recall comes less than a

month after Cargill recalled more than 25,000 pounds of ground beef for an E. coli risk. (Source: USA Today)

> **Bayer Asks for Glyphosate Verdict To Be Vacated:** Bayer has requested that a judge toss out a \$289 million verdict from a California jury that found Monsanto's Roundup product to blame for a retired groundskeeper's cancer diagnosis. The company said in a post-trial motion the decision was insufficiently supported by evidence.

> **Look Out For Tweet From President Trump:** The Federal Emergency Management Agency plans to send a message to all U.S. cellphones today to test an alert system that would warn people in the event of a national emergency. The message will be labeled "Presidential Alert" and your cell phone will emit a loud tone and make a special vibration. (Source: Reuters)

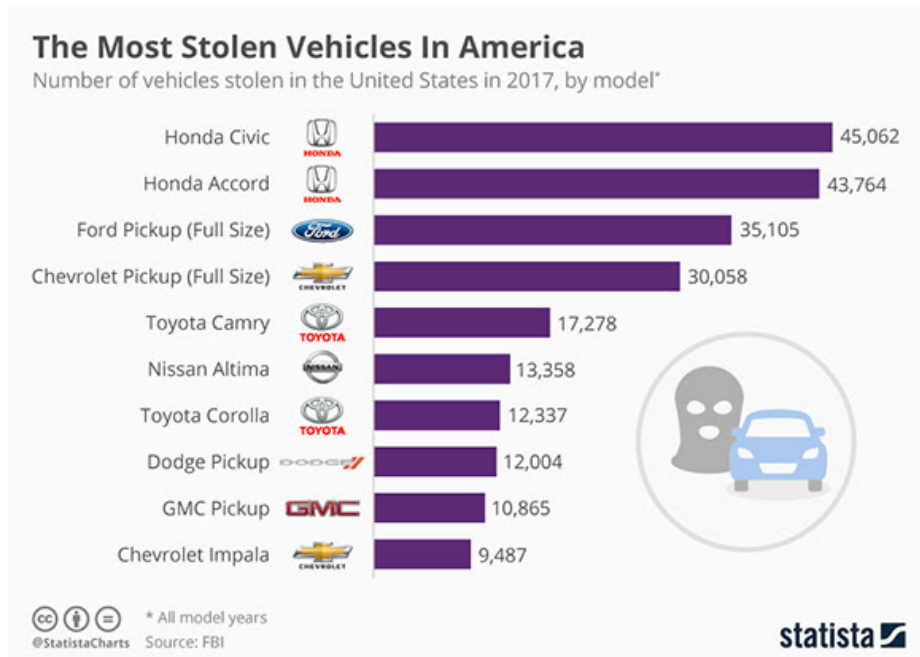
> **More \$100 Bills Than \$1 Bills In Circulation In U.S.:** That's right. There are now more \$100 bills than \$1 bills in this country as the financial crisis and low inflation pushed more people to store their money in higher denomination banknotes. (Source: Quartz)

> **Spotify Beta Feature Allows Artists To Upload Their Own Music:** Music streaming service Spotify is launching a beta feature that allows artists to upload music to the service directly without going through a label company or distributor. The feature is only available by invitation to a few hundred U.S.-based artists at the moment, but they will be opening it up in the future. Once uploaded fans can listen and recording royalties will hit the artists bank account automatically each month. (Source: Spotify)

> **"Alexa, please defrost my chicken"** may be one of the new commands consumers can tell Amazon's intelligent assistant after the retail giant unveiled a whole host of products to control the smart home of the future. Among them: New Echo devices including Echo Auto, an Amazon Basics Microwave, Smart Plug, Wall Clock, Alexa Guard, Ring security cameras, Fire TV Recast and audio equipment. (Source: SeekingAlpha)

> **Higher Prices To Check Bags:** American Airlines and Delta have both raised fees for first and second checked bags by \$5 each, roughly three weeks after United and JetBlue hiked their baggage prices.

> **The Most Stolen Vehicles In America in 2017:** The National Insurance Crime Bureau released its annual Hot Wheels report which details the 10 most stolen vehicle models in the U.S. Technology has reduced car theft over the past decade but it is experiencing something of a mini resurgence, primarily due to complacency from drivers. In 2017, like in previous years Honda has undesirable reputation as the most-targeted car manufacturer. Last year, the Honda Civic was the most stolen vehicle with 45,000 thefts, ahead of the Honda Accord with just over 43,700. While this looks bad, the bulk of Hondas where were stolen last year were older models with the most targeted Civics being 1998 models and the most stolen Accords dating from 1997. (Source: NCIB, Statista)



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

Northwest Iowa – I have a couple field under water along the river. They tend to flood every year, but it eventually dries up. What's interesting this year is we have crops that are nearly dried all the way down that are ready to harvest but the water is still standing in the field. It's probably not going to be possible to get the combine down there and get anything out unless we want to risk burying the combine. The insurance guy thinks we are going to be able to harvest but he's lost because we keep getting rain and I would bet we wouldn't sink any less than 2 feet and then we would spend half the day pulling the combine out if it was even possible. I asked my buddy who runs a couple custom combines if he would put one of his machines down in that mess and he said not a chance, but insurance expects us to try.

Southern Missouri – In my opinion the yields are average with the last two to four years. We have some guys that are slightly better than last year while others are slightly worse in corn. Not really anything exciting either way. Soybeans on the other hand are doing good. We had guys that planted some group 3 beans that are making close to 90 bushels per acre. I should probably lead with that only amounts to about 10% of all the beans. We are always up against heat with group 3 so most guys plant 4-5 and I think they are much closer to 65-70 bushels per acre.

Eastern Iowa – We have had about 10 straight days of harvest perfect weather, so we have been able to get one of the last crops off the alfalfa before we start harvesting corn next week. I'm thinking we will start poking around early next week and be full swing by the end of next week I would guess based on where harvest is about 50 miles south of here anyway. I would say the corn is in the low 20's moisture wise. I read that guys are dropping ears up in Northern Iowa, so I went around with my agronomist and we are not seeing any of that in my neck of the woods. We are going to let our corn totally dry down in the field because we don't have any storage and I'm not paying the ridiculous storage and drying fees that the local elevator is offering. We have way too much unpriced grain.



How a Therapy Treatment Turned Into a Successful Business: Terry Brake and business partner Laurie Macpherson started Canada Banana Farms six years ago. They now cultivate papayas, pineapples, lemons, guavas, bananas and more. Macpherson said the bananas get a lot of attention when they take them from the farm in Blyth, Ont., to markets in Exeter and Goderich, where they sell at four for \$2. 'It's nice to be able to eat something in the middle of winter that actually tastes like what it should taste like,' Macpherson said. The seeds for the business were planted a decade ago, when a car accident left Brake unable to talk, walk or continue working. A doctor gave him a banana plant to take care of as therapy. 'It gave me something to get up in the mornings for,' Brake said. 'It gave me purpose.' As his hobby grew, Macpherson – who was his caretaker -- urged Brake to turn it into a business. You can read more and watch a video [HERE](#) on the duo's success.

Space Junk Now Poses Threats to Satellite Operations: The U.S. Air Force — more precisely, the U.S. Strategic Command — is already actively tracking more than 20,000 satellites, rocket pieces and collision fragments bigger than a softball that are orbiting the earth, which together present a looming menace to satellite operations and everything that depends on them, including global positioning systems, telecommunications, weather forecasts and the internet. Over 50 years ago, when we first started putting satellites in orbit, we seemed small, and the earth very big. Now, with nearly 500 new satellites going up every year, our influence is no longer small. Read more [HERE](#) on what solutions researchers are considering.

Diversifying Your Thinking Habits: Based on popular psychology literature, some thinkers have codified the way that we form habits into a simple loop: a trigger, a routine, and a reward. We first see something in our environment that sets off the trigger; the trigger leads to a routine we have internalized based on our past interactions in such an environment; finally, a reward at the end reinforces said routine. If you observe this in your daily life, you'll see that it's roughly right. Our brain is a pattern-seeking survival machine, and habits are how it ensures that we don't always have to think too hard about what to do when familiar situations arise, letting us conserve energy. One of the reasons that it's so hard to change our mind about things is that our brains are stuck in these mental habit loops, which only look at the information from a singular point of view. They have learned something in one context, and they mistakenly apply it to other ones, mixing up the triggers that lead to routine thoughts. Read more [HERE](#) how to diversify your thinking habits.

First Unmanned Air-to-Air Kill: A U.S. Reaper drone shot down another with a missile, the Air Force revealed recently. I'm told the incident, which took place last year and involved an unmanned target drone, was the first case of a drone shooting down another aircraft. The event is a watershed moment in the history of aerial warfare, as unmanned aircraft begin to muscle in on air-to-air combat —previously the exclusive domain of manned aircraft. According to Military.com, a MQ-9 Reaper launched an infrared-guided air-to-air missile against a 'maneuvering target,' a smaller target drone with the missile scoring a direct hit. The Air Force regularly shoots down target drones, but this is the first time an unmanned aircraft has shot down another aircraft. Read more [HERE](#) about the possible future of air-to-air combat.

Why is it so Hard to Design a Better Golf Ball? I thought this was a pretty cool video for all my golfing buddies who like to get into the weeds not only with their tee balls;) but also with the tech behind the game. I don't think we consider all the time and money that is poured into making a ball

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..."

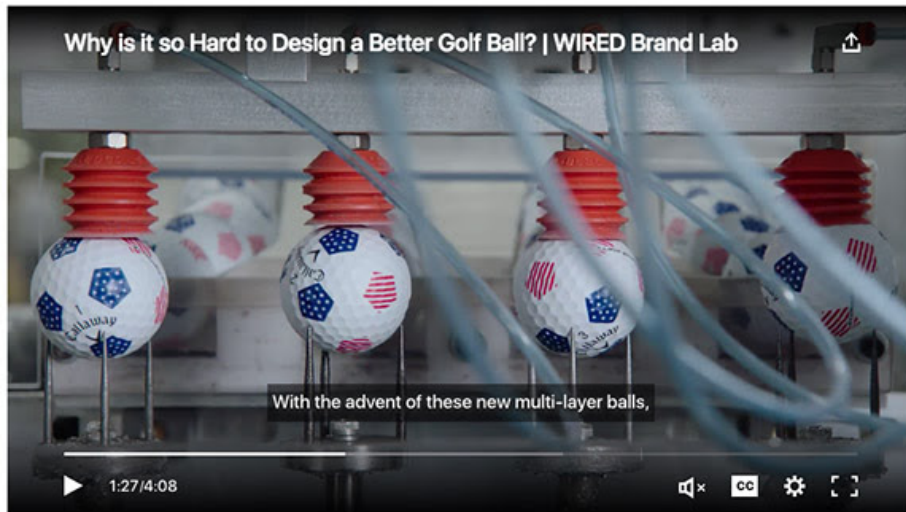
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.

do the things golfers need whether teeing off or trying to flop one close. Check out the cool video produced by the Wired Brand Lab for Callaway [HERE](#).



SCIENCE

Why is it so Hard to Design a Better Golf Ball? | WIRED Brand Lab

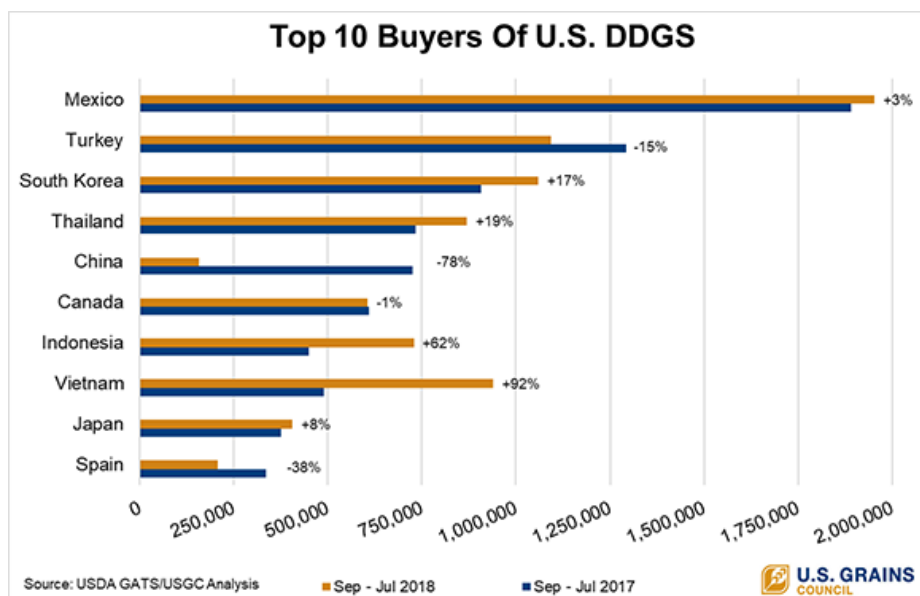
Produced by WIRED Brand Lab for Callaway. How is a Nobel Prize winning material changing the paradigms of golf ball design?



DDGS Market Stays Strong, Shows Ability to Diversify

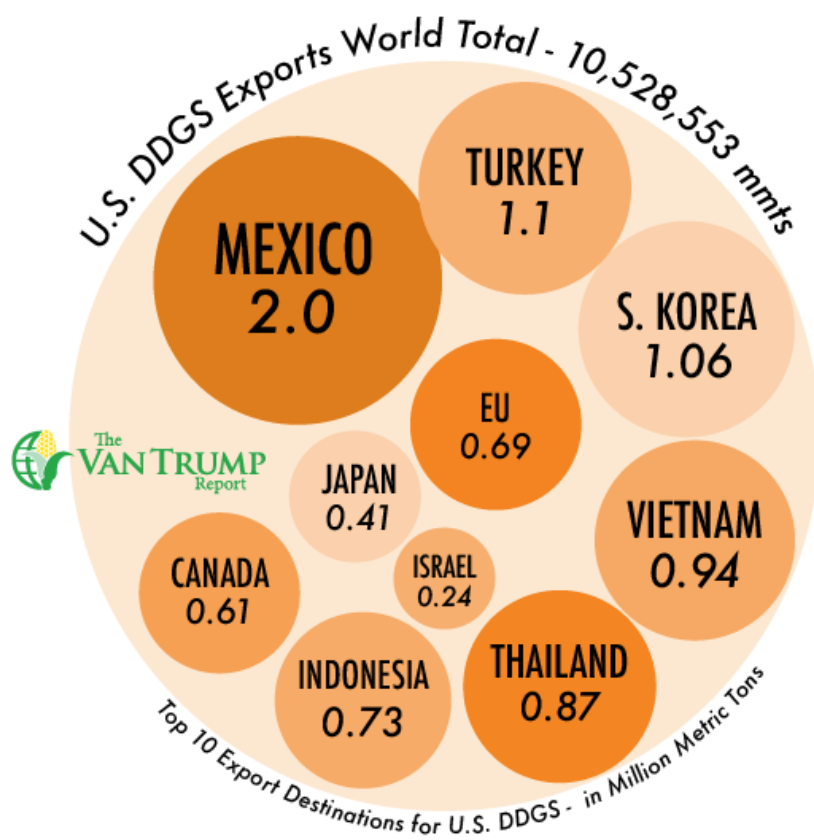
Despite major market disruptions dominating the headlines and spurring negative price trends, buyers around the world continue to expand purchases of U.S. dried distiller's grains with solubles, otherwise known as DDGS. By tonnage, exports of U.S. DDGS are up +2.2% year-over-year in 2017/18 to 10.5 million metric tons, with one month's data yet to be released. While still down from peak exports of 12 million metric tons in 2013/14, the mix of world buyers purchasing U.S. DDGS represents a shifting dynamic in the market. China dominated the world DDGS market in 2013/14 importing 6.18 million metric tons. Since that time — when anti-dumping and countervailing duties were implemented — purchases have trended downward, dropping -78.4% in the current marketing year to nearly 157,000 tons. While the disruptions in the Chinese market sparked a vigorous response at all levels from traders, end-users, the U.S. government and the Council which has result in the rise of other market players who recognize the true feeding value of this feed ingredient. The diversification of world buyers for U.S. DDGS is directly attributable to the Council's long-term market development work. Mexico is now the top buyer of U.S. DDGS, purchasing 1.95 million metric tons so far in 2017/18 — up another +3.2% year-over-year. Sales of DDGS nearly doubled to Turkey last marketing year, following the Council's effort to connect end-user with U.S. farmers, grain suppliers and technology companies. While imports this marketing year are currently down 15%, Turkey remains the second largest buyer. South Korea rounds out the top three largest importers of U.S. DDGS for 2017/18h marketing year to date. Purchases of 1.06 million tons represent a +16.6% increase year-over-year and officially exceed the one million ton mark for the first time. Thailand currently ranks as the fourth largest buyer, with purchases of nearly 870,000 tons that already exceed last marketing year's total. Similarly, sales to Indonesia are up +62% from the prior marketing year, continuing a steady trend of increased imports over the last three years. The U.S. Grains Council continues to stress that whether just south of the U.S. border or across the Pacific Ocean, one trend in the U.S. DDGS remains true - "When Trade Works, the World Wins." (Source: USDA, USGC)





Where Are U.S. DDGS Going?

Current Marketing Year (Sep 2017 - July 2018)



Oktoberfest Kicks Off Tomorrow

You may have heard of Oktoberfest in your local city, but it all started in Germany. Oktoberfest is the world's largest Volksfest or beer festival annually held in Munich, Bavaria, Germany with more than 7 million people in attendance each year that consume close to 2 millions gallons of beer. The festival will start tomorrow and run through October 7th. The first Oktoberfest was held in the year 1810 to honor the Crown Prince Ludwig's and Princess Therese von Sachsen-Hildburghausen marriage. The festivities began on October 12, 1810, and ended on October 17th with a horse race with 30 horses on an 11,200-foot racetrack. In the following years, the celebrations were repeated and were eventually moved up to September because the nights were warmer. The last day of the festival is always on the first Sunday of October. Something cool about the festival is they have a parade of the restaurateurs to start the festival and exactly after at 12:00 the lord mayor opens the first beer barrel in the Schottenhamel tent. Then, 12 gunshots are fired on the stairway of Ruhmeshalle, which

signals the other restaurateurs to start with the serving of beer. The beer at Oktoberfest comes from Munich breweries which include Augustiner, Paulaner and Spaten. Most of these are light-tasting Helles, with a heavy Dunkel Bier (dark German lager) also available. Beer isn't all that is at the event, though. I heard the food is also amazing at this festival and it's rumored you have to get the roasted chicken, pretzels and Weisswursts. Expect to spend \$17 to \$18 for a meal and a beer. There are 2 new rides this year that include the Chaos Pendel, which is a swing and slingshot that sends riders in all possible directions. The other ride is called the Predator. Most people wear the traditional Bavarian wear like Lederhosen and Dirndl known as Tracht to the festival. Shops in Munich are happy to help you find the Bavarian outfit of your dreams, but these outfits can get a little pricey. The festival has a total of 34 tents. If you want to see everything the festival has to offer, three days is usually enough to do that. Oktoberfest is a lot, but if you want to see everything the festival has to offer then three days is usually enough. The best part about the festival is it's free to attend every day. Click [HERE](#) to check out some of the Oktoberfest fun.



Fall Officially Begins This Weekend

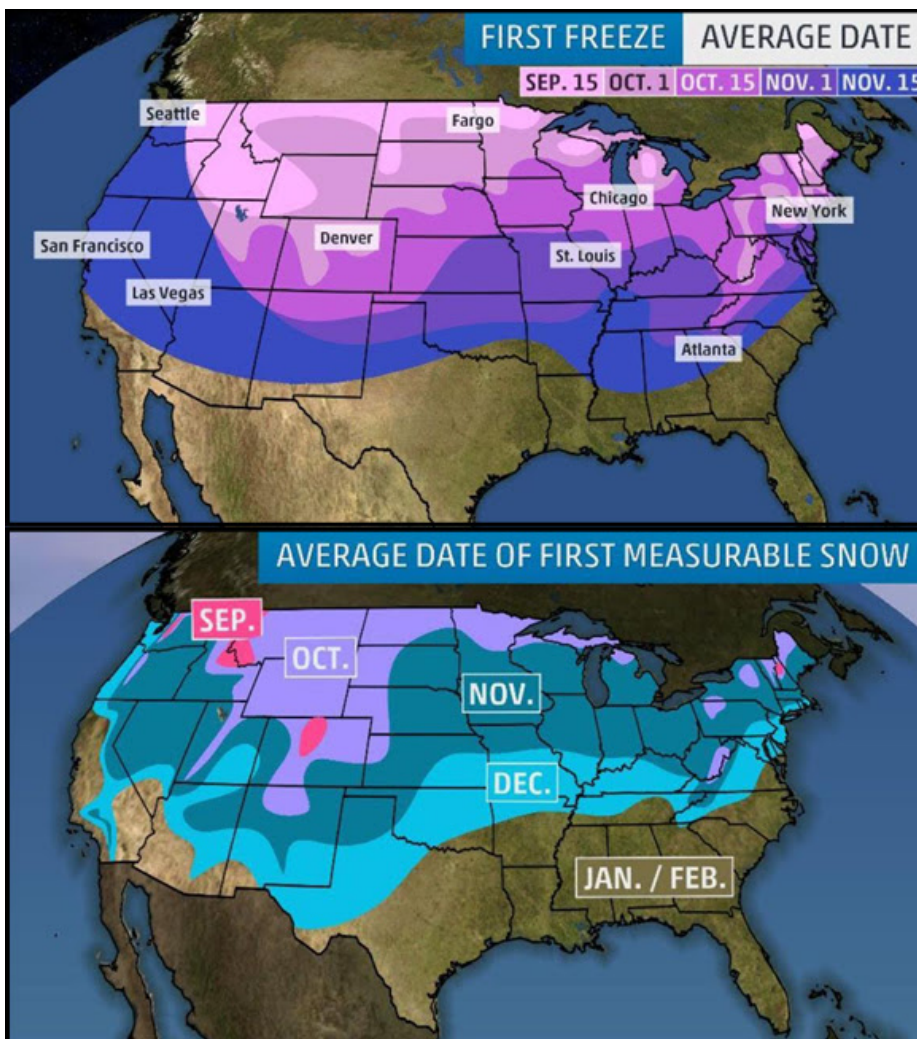
It's only a matter of time before cooler temperatures arrive, as the Earth just can't maintain the warmth of summer with the length of our days quickly shrinking. The change comes with the autumnal equinox, which splits the day equally between day and night just like the spring equinox. Unlike spring though, the Northern hemisphere will begin receiving less direct sunlight due to the tilt of the Earth's axis, bringing shorter and cooler days the deeper we slip into autumn. On average, by the middle of September, much of the Rockies and Intermountain West as well as parts of the northern Plains and upper Midwest and upper Great Lakes will have seen their first freeze. By October 15 a large area of the country averages the first freeze including the central Plains, and the entire Midwest (all Corn Belt States). By November 1, the Southwest, southern Plains and mid-Mississippi and Ohio Valley will likely have seen their first freeze. Below, I have provided some fun info about some of the biggest changes the fall season brings us. (Source: Weather.com, NOAA)

Changing Leaf Colors - With fewer hours of sunshine comes a change in leaf color as trees begin to go into hibernation, producing less chlorophyll. You may recall from your grade school science class that chlorophyll is the key component in a plants ability to turn sunlight into glucose, which in turn feeds the trees. Many millions of these chlorophyll cells saturate the leaves, ultimately making them appear green to the eye. However, when chlorophyll production slows down, the “true” color of the leaves are revealed, giving way to the brilliant reds, oranges and yellows of autumn foliage. The U.S. National Parks Service actually has a [state-by-state guide](#) that outlines peak fall foliage, what the typical colors are and some of their recommended viewing spots.

Why Trees Lose Their Leaves - All deciduous trees will eventually shed their leaves as they head into dormancy for the winter. It's a brilliant self-preservation technique, where the pathways that carry water to and from the leaves are “shut off”. This is due to the fact that if this soft vegetation contained water when harsh winter temperatures arrived, they would freeze and damage the leaf stems and then the limbs. In the end, the damage would eventually kill the tree. There is the exception though, with so-called “evergreen” trees. Evergreens do actually lose their “leaves”, but they do it in batches instead of all at once. Think of it like your own hair, which is continuously falling out and being replaced. Evergreen species also have a waxy coating which makes them resistant to the cold and keeps them from drying out. While the trees may look like they do even in warm weather, they are mostly dormant over the winter.

Migrating Birds - Fall is a peak migration time for many species of birds. During autumn, birds will fly to other areas seeking more hospitable climates. The Arctic tern journeys about 11,000 miles each way for its annual migration. That is like going all the way across the United States about three and a half times!

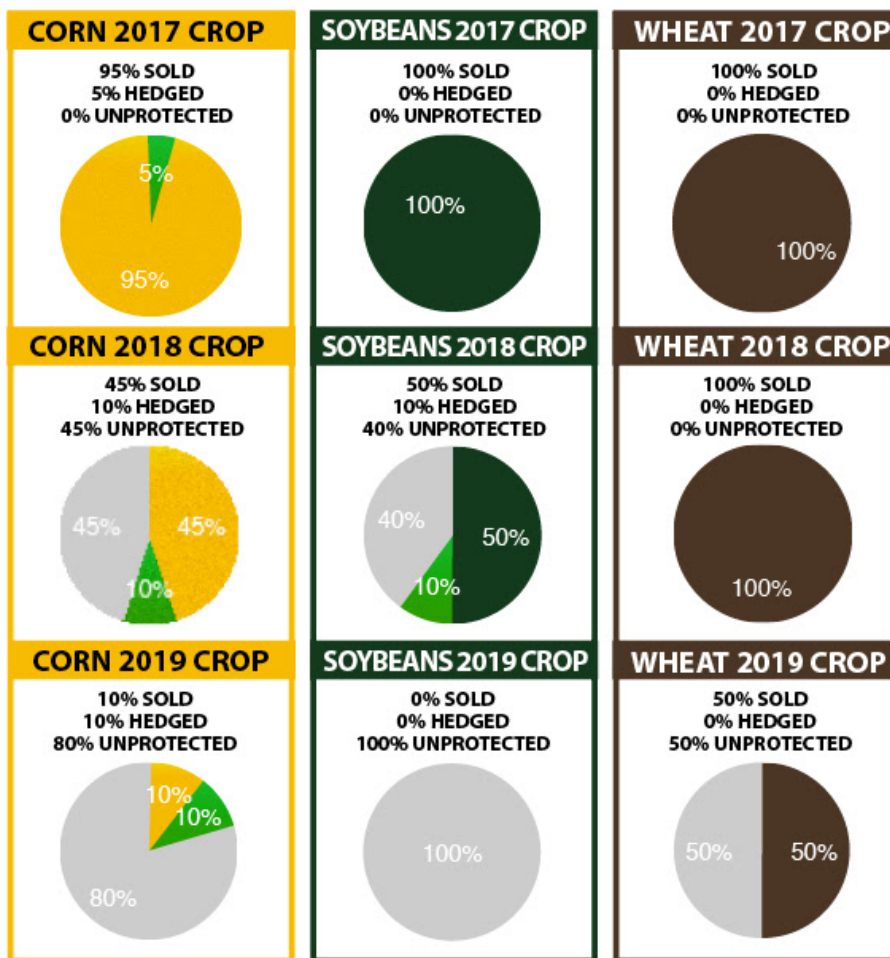
Autumn’s Full Moon - Autumn is preceded by the arrival of the Harvest Moon. Full moons are named for the month or season in which they rise and the Harvest Moon is the full moon closest to the autumn equinox, which occurred on the night of Sept. 16 this year. Before artificial lighting, farmers took advantage of the full moon’s light to harvest their crops. In late summer and early autumn, many crops ripen all at once, making lots of work for farmers who had to stay in the fields after sundown to harvest all the goods. This late season light, or the “Harvest Moon”, was essential to getting everything out of the fields.



ANSWER to riddle: A stapler.

CASH SALES & HEDGING TOTALS

PLEASE READ The Van Trump Report is a publication intended to give analytical research to the Agricultural community. The Van Trump Report is not rendering investment or hedging advice based on individual portfolios or individual business operations. Kevin Van Trump is NOT registered as a stock or commodity advisor in any jurisdiction. You need to consult with your own registered advisor for specific strategies and ideas that are appropriate to your specific portfolio or business entity. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete. This report is not intended, and shall not constitute, or be construed as an offer or recommendation to "buy", "sell" or "invest" in any securities or commodities referred to in this report. Rather, this research is intended to identify issues and macro situations that those invested in the agricultural industry should be aware of to help better assess and improve their own risk management skills. Please read the entire [DISCLAIMER PAGE](#) for full risk-disclosure and copyright laws.



© FARM DIRECTION 2011

[About Us](#) | [Testimonials](#) | [Subscribe](#) | [Contact Us](#) | [Disclaimer](#) | [Update Profile](#)

Bcc: info@farmdirection.com

[Quoted text hidden]