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GOOD MORNING: 09/26/18 Farm Direction - Van Trump Report

2 messages

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Wed, Sep 26, 2018 at 6:11 AM



"Everything in life has some risk, and what you have to actually learn to do is how to navigate it." - **Reid Hoffman**

WEDNESDAY, SEPTEMBER 26, 2018

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

Morning Summary: Stocks remain in a narrow range near their all-time highs as the trade awaits the announcements from the two-day Fed meeting. Most traders are expecting to see another small rate hike announced following the meeting at around 1:00pm. In addition, Fed Chair Jerome Powell will be holding a post-meeting press conference and hopefully add a bit of color to longer-term direction. Many traders are curious and will be closely monitoring the Fed's reaction towards the economic impact of trade negotiations, tariffs, and emerging market uncertainties. There's also speculation that the Fed could be viewed as a bit more hawkish if they remove the word "accommodative" from their current rhetoric. As usual, the devil will be in the detail. I should note, the odds of another interest rate hike happening in December currently stands at around 80%. Further out on the horizon, but something we need to have on our radar is the escalating tension between Russia and Ukraine, especially those of us in the commodity space, as it could have larger implications. From what I understand, tensions in eastern Ukraine have been escalating, and we are now seeing increased contention in Sea of Azov. The Sea of Azov is of great importance to Ukraine, since about 80% of the country's exports now pass through the body of water. Until just recently, most all of the conflicts have taken place on the ground in eastern Ukraine. Recent developments, however, suggest the conflict is perhaps intensifying and moving to sea, which adds a much larger twist. In recent weeks, both nations have deployed portions of their navy into this area and tensions are starting to flare. I hear a lot of this new tension stems from Russia opening a bridge back in May, that they built across the Kerch Strait connecting mainland Russia to the Crimean Peninsula. The Kerch Strait is the only water passageway from the Black Sea to the Sea of Azov. For that reason, all maritime traffic now has to pass under Russia's new bridge. As you can imagine, things quickly became much more complicated. Russian officials swiftly moved to limit the tonnage of ships passing through the Kerch Strait. That lead to a spike in the Russian Navy boarding ships and exerting power that hadn't been in play. I'm also keeping a close eye on oil prices. Do you realize oil prices are up more this year than the S&P 500, NASDAQ or DOW? It's the rapid rate of change that worries me most. I also recognize that many in the ag space aren't currently in a position to handle \$100 per barrel oil and many other U.S. consumers might also find it extremely difficult to swallow. We are not near that level as of yet, but I believe we need to be paying very close attention to this market. For what it's worth, Energy sector ETF's had been experiencing massive receptions, but in just the past five trading sessions the sector has seen close to +\$500 million in inflows...something is clearly happening. Pay attention!

U.S. Consumer Confidence Hit an 18-Year High in September as robust job growth and a strong economic outlook bolstered Americans' expectations for the future. The latest reading suggests Americans aren't too worried about trade tensions. Instead, lofty sentiment bodes well for consumer spending and economic growth. (Source: The Wall Street Journal)

Electrify America says it will include a subscription plan for Lucid electric vehicle owners as part of its network of 500 charging stations in the U.S. By comparison, Tesla has around 1,344 fast-charging stations globally with 11,041 Superchargers. The coast-to-coast Electrify America network is expected to be built or under construction by next summer, well ahead of the planned 2020 launches of the

THE
**VAN TRUMP
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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,

Lucid Air and Audi e-tron SUV. Volkswagen created Electrify America as a subsidiary a few years back. (Source: SeekingAlpha)

Apple, Amazon, Google and Others Back In Congress: The Senate Commerce Committee plans to quiz representatives of six big tech firms today in Washington. They are trying to learn more about privacy on their services and in their apps. The other big name companies include Twitter, AT&T, and Charter. The question remains the same, after all of the visits and testifying in front of Congress, will we see tougher restrictions and rules placed on the tech industry. If so, how will it impact growth, earnings, and the price of their stock?

7-Year Old Nails The National Anthem: Malea Emma Tjandrawidjaja performed "The Star-Spangled Banner" on Monday night before the L.A. Galaxy game against the Seattle Sounders. To say she nailed it would be a huge understatement. Must watch [HERE](#)



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.

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:

Can you think of a common word that contains double C, double S and double L?
Can you think of a second one?

Weather forecasts continue to see an unsettled Midwest pattern featuring rain and cooler weather. Forecasts call for brief drying in the northwestern Midwest this week. However, rain delays harvest progress in southeast areas this week and rain returns to disrupt northern areas by late week. In the southern Plains, lower temps are indicated for this week. This trend along with recent rain is beneficial for newly planted winter wheat. Pace of winter wheat planting is ahead of schedule. The northern Plains will see a drier and colder pattern the rest of the week, offering generally favorable conditions for harvest. In the south, a cold front draped across the Appalachian and the central Gulf coast is generating scattered showers. Meanwhile favorably dry weather prevails in still-flooded sections of the eastern Carolinas. A frost advisory was issued for this morning for portions of western Nebraska and environs. By week's end, freezes will likely end the growing season across portions of the northern Plains and upper Midwest.

Early Bird Special

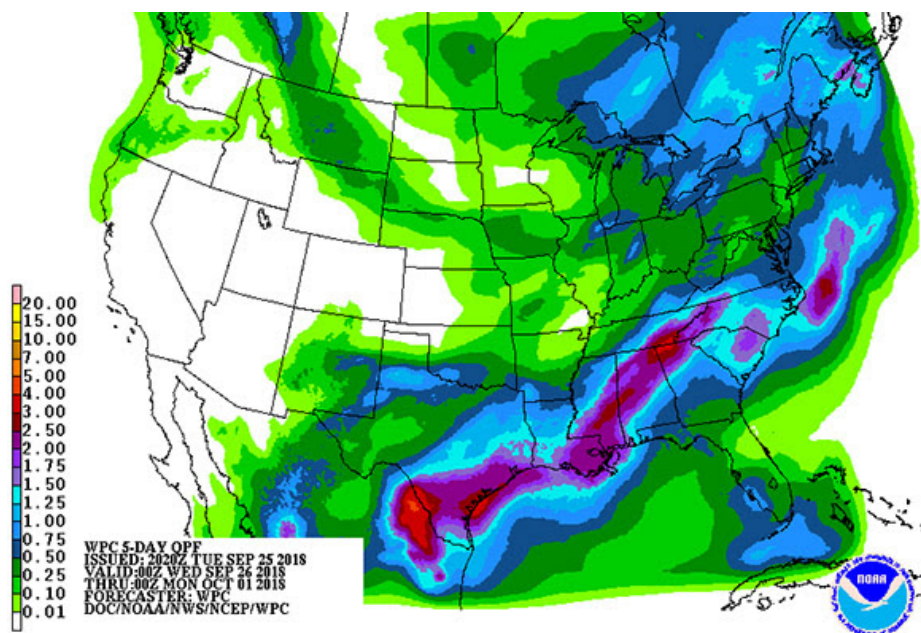
\$299

regular price \$500

Remember we sold out early last year!

LEARN MORE

Meanwhile, 5 day rainfall totals could reach 1 to 3 inches in the South and East, with lesser amounts expected across the Plains and Midwest. Below is the 5 day rainfall outlook for Wed Sep 26 through Mon Oct 1.



Corn bulls continue to point to strong U.S. demand. There are also some weather related hiccups in a few areas that will delay harvest and or create some late yield complications. The USDA reported another large sale of corn (239,630 MTs) to Mexico. There was also a sale recently announced to "unknown" destinations, which makes some in the trade scratch its head. I'm also hearing of some position squaring ahead of Friday's USDA Quarterly Grain Stocks report. There are no domestic or global balance sheet adjustments in this report, those will come in the October 11th WASDE. This report will be more of a census of what's taking place and an attempt to tell us how many of last year's bushels were still on hand as of September 1st. For corn it's going to come down to the Feed and Residual number. The average estimate of September 1st U.S. corn stocks is just above 2.0 billion bushels, with the range of guesses somewhere between 1.95 and 2.1 billion. This compares to last years 2017/18 ending stocks estimate of 2.002 billion. In other words, there's probably not a lot of fireworks coming from the report on Friday, but you never know. There's also a bit of talk floating around that tensions between Russia and Ukraine are heating back up, which could make some of the larger bears a bit nervous. If the algo's start to pick up on heavier headlines out of that area it could certainly trigger some short-covering and perhaps a little buy-side interest. It's worth putting on our radar and perhaps pausing a moment if you are wanting to price more nearby bushels. An announcement for year-round E15 could also be on the nearby horizon. Net-net, we may have a couple of bullish wild-cards towards the top of the deck that make the bears a bit more nervous about calling nearby bullish bets. Staying patient... I included a bit more specificity about the Russian/Ukraine conflicts in the wheat section below.

Today In History



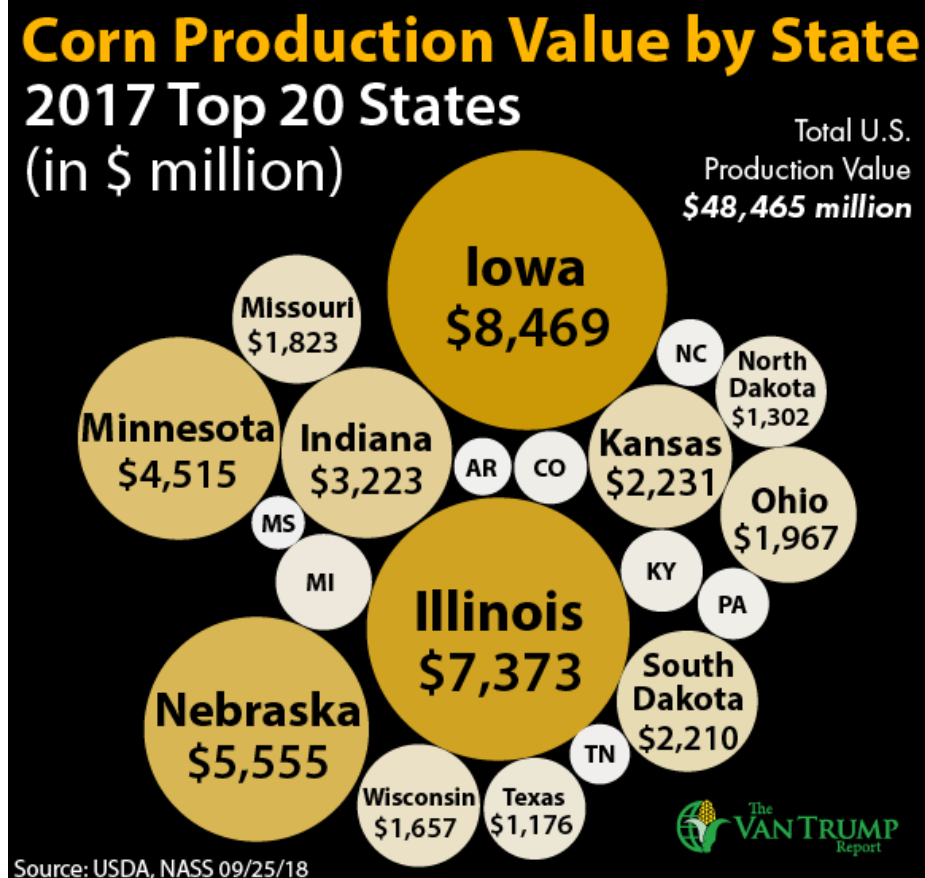
1945, Lt. Col. Peter Dewey -

U.S. Army officer Lt. Col. Peter Dewey with the Office of Strategic Services (OSS) in Vietnam, is shot and killed in Saigon. Dewey was the head of a seven-man team sent to Vietnam to search for missing American pilots and to gather information on the situation in the country after the surrender of the Japanese. According to the provisions of the Potsdam Conference, the British were assigned the responsibility of disarming Japanese soldiers south of the 16th parallel. However, with the surrender of the Japanese, Ho Chi Minh and the Viet Minh declared themselves the rightful government of Vietnam. This angered the French colonial officials and the remaining French soldiers who had been disarmed and imprisoned by the Japanese. They urged British Maj. Gen. Douglas D. Gracey to help them regain control. Gracey, not fond of the Viet Minh or their cause, rearmed 1,400 French soldiers to help his troops maintain order. The next day these forces ousted the Viet Minh from the offices that they had only recently occupied. Dewey's sympathies lay with the Viet Minh, many of whom were nationalists who did not want a return to French colonial rule. The American officer was an outspoken man who soon angered Gracey, eventually resulting in the British general ordering him to leave Indochina. On the way to the airport, accompanied by another OSS officer, Capt. Henry Bluechel, Dewey refused to stop at a roadblock manned by three Viet Minh soldiers. He yelled back at them in French and they opened fire, killing Dewey instantly. Bluechel was unhurt and escaped on foot. It was later determined that the Viet Minh had fired on Dewey thinking he was French. He would prove to be the first of nearly 59,000 Americans killed in Vietnam. Dewey is not listed on the Vietnam Veterans Memorial in Washington, D.C. because the United States Department of Defense has ruled that the war officially started, from a U.S. perspective, on November 1, 1955, after the U.S. took over following the French defeat at Dien Bien Phu.



1971, Baltimore Orioles -

Pitcher Jim Palmer wins his 20th game of the year, becoming the fourth Orioles pitcher to win 20 games in the 1971 season. This made the 1971 Orioles pitching staff the first since that of the 1920 Chicago White Sox to field four 20-game winners. The Orioles began the 1971 season as the two-time defending American League champions and the defending World Series champions. The team was led by two Robinsons: outfielder Frank, a two-time MVP and the 1966 winner of the "triple crown" (leading the American League in home runs, runs batted in and batting average), and Brooks, an excellent hitter and one of the



best defensive third basemen in baseball history. The team's impressive defense featured four eventual 1971 Gold Glove winners—shortstop Mark Belanger, second baseman Davey Johnson, center fielder Paul Blair and Brooks Robinson—as well as three pitching aces: Jim Palmer, Dave McNally and Mike Cuellar. To many in baseball, the team, with legendary manager Earl Weaver at the helm, was considered nothing short of unbeatable.

As it turned out, the team was even better than expected thanks to the stellar play of its fourth starting pitcher, the previously unremarkable Pat Dobson. Dobson played so well that he reached the 20-game plateau before Jim Palmer, the most celebrated of the team's aces and a future Hall of Famer. By the time Palmer took the mound on September 26 against the Cleveland Indians, the Orioles had already clinched the American League East and were readying themselves for a playoff showdown with the Oakland Athletics. Palmer dismantled the Cleveland offense with his typical pinpoint precision and control, giving up only three hits on the way to a 5-0 Oriole victory, for his 20th win of the season.



2008, Paul Newman - One of the leading movie stars of the 20th century, Paul Newman dies at the age of 83 from cancer at his home in

Westport, Connecticut. In a career spanning more than five decades, Newman made over 65 movies, including the classics "Cool Hand Luke," "Butch Cassidy and the Sundance Kid," "The Sting" and "The Verdict." As reported in The New York Times, Newman's talent as an actor was drawn from his "physical grace, unassuming intelligence and good humor that made it all seem effortless." Paul Leonard Newman was born on January 26, 1925, in Cleveland, Ohio, and raised in the nearby suburb of Shaker Heights. In high school, he acted in school drama performances and played football. At age 18, Newman joined the U.S. Navy and served as a radioman/gunner on a torpedo plane during World War II. After the war, Newman attended Kenyon College on a football scholarship and continued to act. He graduated in 1949 and began performing with small theater companies. Following the 1950 death of his father, Newman briefly moved back to Cleveland to help manage his family's sporting goods store. After a stint at the Yale Drama School, Newman made his Broadway debut in "Picnic" in 1953. His silver-screen debut came a year later in "The Silver Chalice," which he later labeled the worst film ever made. Newman's first starring movie role was in 1956's "Somebody Up There Likes Me," in which he portrayed real-life boxer Rocky Graziano. The famously blue-eyed Newman earned his first Academy Award nomination, for best actor, with his performance in the 1959 big-screen version of Tennessee Williams' "Cat on a Hat Tin Roof." He went on to collect lead-actor Oscar nominations for his work in

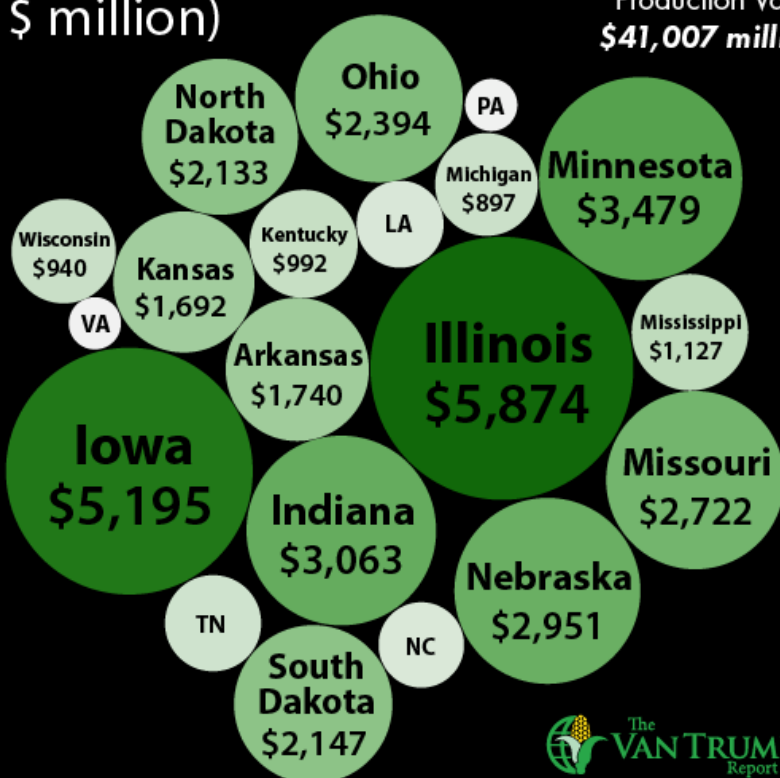
Soybean bulls continue to point towards Argentine crushers buying more U.S. soybeans and some rumors of Brazilian buyers sniffing around a bit in the U.S. market. There's also talk of "unknown" buyers currently stepping in and buying small doses of U.S. soy, perhaps the Chinese? As I mentioned earlier this week, there's talk that U.S. soybeans out of the PNW pencil into China even with the current 25% tariffs. All of the nontraditional moving parts in the export space has the trade a bit confused and desperately trying to figure out total demand. Some are saying the recent rally is due to short-covering ahead of Friday's September 1st Quarterly Stocks report, which most are estimating in a range of between 380 and 480 million bushels. Most in the trade show the average estimate somewhere just north of 400 million bushels. Bears continue to see rallies as being somewhat limited by several important ingredients: Ongoing trade battle with the worlds #1 buyer of soybeans, hence fewer U.S. exports; Record setting U.S. harvest currently in motion; Record setting soybean acres currently being planted in Brazil; Shrinking Chinese hog herd and spreading African Swine Fever, which could work to decrease Chinese demand. The bears could also talk about the current record setting U.S. ending stock number, strength of the U.S. dollar, macro fear surrounding a global slowdown, etc... Tough market to call with both sides posting legitimate arguments. I'm personally in the camp that as long as the U.S. and Chinese are in a trade battle, extended rallies are going to be tough to come by. This sets up a negative or bearish tilt to the underlying landscape and keeps me thinking lower-highs and lower-lows. If we could throw in a more substantial bullish weather story or some type of wide-spread logistical complication in either Argentina or Brazil, then my opinion would respectfully change and the upside would open up a bit. There are some talks of strikes in Argentina, but they seem short lived. Perhaps we will see some fireworks out of Brazil in October as their presidential election play out. Nearby however, I just feel like the big-ticket items remain mostly bearish which keeps us range-bound in a sideways to lower market. Yes, there are going to be some bullish bounces along the way, but until headlines pop up that are larger or more important in nature than the current dark headline clouds hanging overhead, it's going to be extremely difficult to change the trend. I've seen a lot of traders through the years try to pick bottoms. It's a tough way to make money... As a producer, I hope I'm wrong and we've seen the worst of it, I just don't want to bet the farm on it!

Soybean Production Value by State

2017 Top 20 States

(in \$ million)

Total U.S.
Production Value
\$41,007 million



Source: USDA, NASS 09/25/18

Wheat bulls are pointing to increasing tensions between Ukraine and Russia. From what I'm hearing, Russia as of late has delayed and stopped many commercial vessels attempting to reach Ukrainian ports via the Sea of Azov. Russia has reportedly redeployed at least 10 warships and up to 40 patrol boats from the Caspian Sea to the Sea of Azov in recent months. I read a report yesterday, that showed the U.S. government has now transferred ownership of two armed Coast Guard cutters to Ukraine. Supposedly the cutters are armed with a 25 mm machine gun mount and four .50-caliber machine guns. Bulls, including myself, are thinking military buildup could lead to growing economic disruption or larger headlines about shipping concerns in and out of the Sea of Azov. From my perspective, the escalating tensions in eastern Ukraine have been brewing for several months and I continue to view the headlines as a bullish "wild-card". If tensions continue to flare and the card gets turned over on the table at just the right time, it could make an extremely strong hand for the bulls. Here at home there's not a lot of fresh news. Bears are pointing to improved moisture profiles, a quicker than anticipated pace to planting, and more winter wheat acres than some anticipated currently being planted in the U.S. The USDA will be out on Friday with their September Quarterly Stocks report, the range of estimates seem to be between 2.15 and 2.45 billion bushels, with most looking for a number around 2.35 billion bushels vs. 2.226 billion bushels last year at this time. Bottom-line, global weather has become a bit less bullish, but I could argue geopolitical uncertainties are more bullish. As both a producer and a spec I remain a longer-term bull.

seven other films: "The Hustler" (1961), "Hud" (1963), "Cool Hand Luke" (1967), "Absence of Malice" (1981), "The Verdict" (1982), "The Color of Money" (1986) and "Nobody's Fool" (1994). Of those nominations, he took home only a golden statuette for "The Color of Money." Additionally, he garnered an Academy Award nomination for best-supporting actor for 2002's "Road to Perdition." Newman also earned an Oscar nomination for best picture with 1968's "Rachel, Rachel," in which he directed his wife, the actress Joanne Woodward (1930-). In addition to acting, Newman was known for his love of auto racing. After playing a professional race car driver in 1969's "Winning," he became passionate about the sport and competed in a number of races, including the prestigious 24 Hours of Le Mans, at which he took second place in 1979. In 1983, he co-founded a racing team with Carl Haas, Newman/Haas Racing (now Newman/Haas/Lanigan Racing). Newman was also a noted philanthropist who launched a series of summer camps for sick children and founded a multi-million-dollar food business, Newman's Own, the profits of which go to charity.

Upcoming Events

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

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

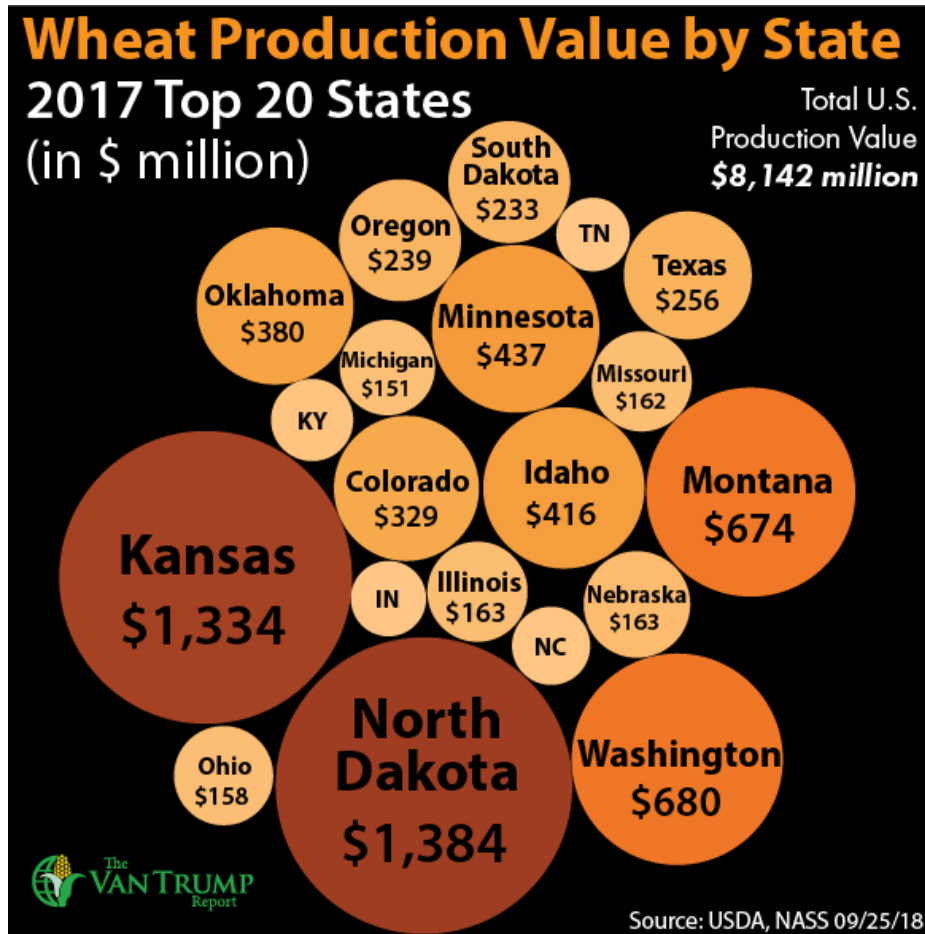
Wed. 10/31 - Halloween

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

> Nationwide Argentina Protest Shuts Down Grain Port: The country's largest union called a 24 hour strike on Tuesday to protest President Macri's handling of the economy, which has been racked by runaway inflation. Argentina's main agricultural port of Rosario was closed by the strike. No loading or unloading of cargoes at all. Add to this, the head of Argentina's central bank unexpectedly resigned on Tuesday, citing personal reasons. (Source: Nasdaq)

> Ethanol Exports Set New Records: Nearly 1.4 billion gallons of the biofuel valued at \$2.37 billion were exported worldwide. Top customers included Brazil, Canada, India, the Philippines and China. This export figure beats the previous record of nearly 1.1 billion gallons exported in marketing year 2011/2012, before USGC developed an ethanol program. Additionally, the U.S. market share of total global ethanol exports jumped from 50 percent in 2016 to nearly 65 percent in 2017.

> Louis Dreyfus Rocked by Sudden Resignations of Top Executives: The privately owned trading house said on Tuesday that chief executive Gonzalo Ramirez Martiarena had resigned after three years in the post to "pursue other opportunities, and chief financial officer Armand Lumens had quit for "personal reasons". Their departures are likely to fuel speculation of a disagreement over strategy and investment plans with Margarita Louis-Dreyfus, the widow of Robert Louis-Dreyfus, whose family founded the company in 1851. Ms. Louis-Dreyfus has been quietly increasing her grip on the Dutch-registered company since the death of her husband in 2009, increasing her stake in Louis Dreyfus Holding — LDC's parent company — to 80 per cent from 65 per cent. That will rise to 96.6 per cent once a buyout of the family shareholders is completed. Read more at [Financial Times](#)

> Drought-Related Production Losses In Germany Will Boost Imports: The drought has heavily affected grain, rapeseed and forage production in Germany. As a result, Germany is expected to strongly increase imports of soybeans/soybean meal and to become a net grain importer. The U.S is set to become top source of soybeans to Germany. The drought was officially declared "a weather incident of national extent" enabling the government to award financial support for over 10,000 farms in Germany. (Source: USDA, FAS)

> Amazon Enters the Housing Market: Amazon's Alexa Fund invested in Plant Prefab, a Southern California company that says it uses sustainable construction processes and materials to build prefabricated custom single and multifamily houses. The start-up is aiming to use automation to build

Kevin's Song of the Week



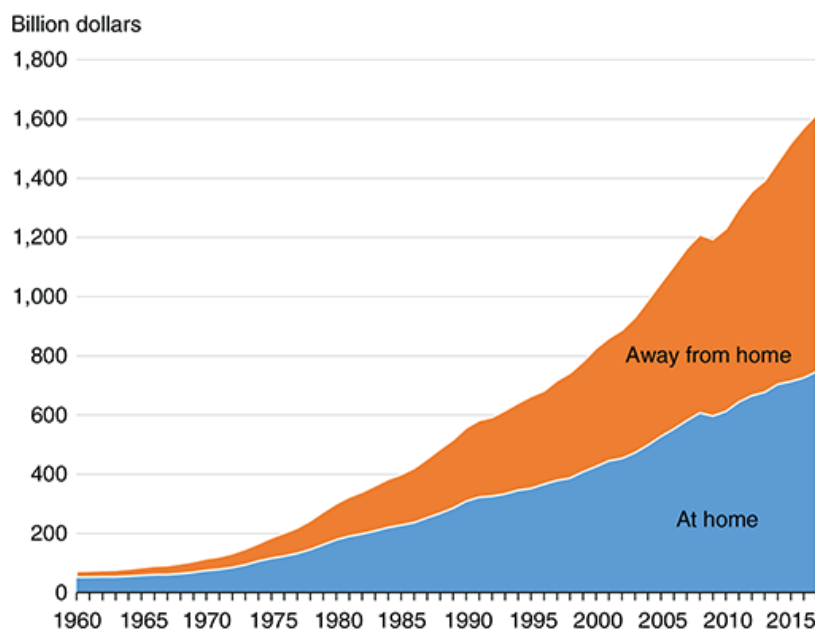
homes faster and bring down costs. I'm told they are trying to corner their chunk of the smart home business, which is expected to grow into a \$53 billion industry by 2022.

> **Bill Cosby Begins Serving at Least Three Years:** Just less than two hours after being designated a sexually violent predator, Bill Cosby has been sentenced to 3 to 10 years in prison by a Pennsylvania judge after being convicted for the 2004 rape of former Temple University employee Andrea Constand. Cosby must serve at least three years in state prison before he can hope to petition for some form of supervised release. However, under Pennsylvania law, having the ability to seek supervised release is no assurance he will get it.

> **Will New Tariffs Impact U.S. Shopping?** The Office of the United States Trade Representative issued a comprehensive list of Chinese products that the U.S. plans to target. The list includes everything from vegetables and seafood to chemical elements and construction materials. I'm told these latest additions will cost the average American family \$127 per year. The effect on you will vary based on what you buy, and the extra amount you'll pay could increase significantly if you make more substantial purchases. Many American companies have already announced that tariffs could force them to raise prices, including Walmart, Gap, Coca-Cola and General Motors. Macy's also expects to be affected, and some Apple products are expected to get more expensive as well, although not its new smartwatch or wireless headphones. Read [HERE](#) to see what goods may start costing you more money.

> **U.S. Spending On Food Away From Home:** U.S. consumers, businesses and government entities spent \$1.62 trillion on food and beverages in 2017. Spending at food-away-from-home establishments — restaurants, school cafeterias, sports venues, and other eating places — accounted for 53.8% of these expenditures, and the remaining 46.2% took place at grocery stores, super centers, convenience stores, and other retailers. The away-from-home market, which accounted for about one-third of total food expenditures 50 years ago, saw its share grow through the decades, except in some recession years. (Source: USDA, ERS)

U.S. at-home and away-from-home food expenditures, 1960-2017



Source: USDA, Economic Research Service, Food Expenditure Series.

FROM THE FIELD

Northeast North Dakota — We opened a few head lands and picked some corner that were dried down on our irrigated ground. The worst of it's making 180 bushels with some of the better spots hitting close to 250 bushels per acre. The very best spots, and I'm talking just a few irrigated spots are reading 300+ so we are not worried about \$7.00 soybeans now. This corn has more than made up for it. We had to pull off the irrigated because the moisture jumped up to 27% but we should be

Kevin's Song of the Week

NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

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

back at its next week. We have plenty to do with edibles, regular soybeans, and corn all basically coming on at the same time, so we are nosing around this corn on gloomy days like today. Our beans are falling over because we have a touch of lodging mixed with heavily podded plants that are not able to stay standing. We only really have one field that has good drainage that is falling.

Northern Iowa – We live about dead center of the state about 3 miles off the Minnesota/Iowa border. I wanted to follow up and give you a quick update to last weeks storm. We have tons of down trees on the edge of fields which has been a nightmare to clean up. I just decided to throw a chainsaw in the combine cab and deal with it when we open fields later this week or next. I just don't feel like hitting a tree I don't see and chewing up a snout. We had just under a foot of rain in about 36 hours and winds that hit 80 miles per hour at times. The corn is completely down in several fields and partially down in the rest. When it dries out I think we are going to spend most of harvest picking one direction. Anyone who has ever done that knows how frustrating that will be.

Central Illinois – We have had chances of rain over the last few days but really have not seen anything. Last night the slight chance of rain hit, and we got hammered with 4 inches of rain, so we are shut down for at least the rest of the week. I think we might be able to get back out there by the weekend if the sun comes back out. So far, we are happy with the production. We are about 20 bushels better on corn than our APH but slightly worst then last year. Beans were within days of starting but this rain will shut that down. The rain came so fast that we saw most pods drop to the ground on the beans, but it shouldn't be anything to severe. I think this might be the biggest bean crop we have ever seen in my area.



Solar Energy Projects Pick Up Since January's Tariffs: When President Trump first announced in January that his administration would impose levies on solar panel imports, leaders in the industry predicted doom and gloom. Many critics offered fiery public condemnation of the move. However, around eight months later and the solar energy sector not only seems to be unfazed by the tariffs, it appears to be thriving. Eight and a half gigawatts of utility photovoltaic projects have been announced in the first half of 2018, according to a quarterly report by Wood Mackenzie Power and Renewables. The 2018 year is still three months away from completion and there already have been more utility photovoltaic project announcements than what came online in 2015 and 2014 combined. The pipeline of utility photovoltaic development now stands at its highest point in U.S. solar history. Read more [HERE](#) on the direction of solar energy.

Set Intentions Instead of Goals: Setting goals without setting intentions is a waste of time. While setting goals is fixated on the future, setting intentions keeps you grounded and present in the moment. In order to achieve optimal success and stay in alignment with your values, your goals should be accompanied by daily intentions. Setting a goal is black and white - you either achieve it, or you don't. Intentions, however, come from a growth mindset, and they set the standard for how you live and act, regardless of whether or not you achieve a set goal. The big difference here is that intentions are rooted in values, not external outcomes, and they keep your attention in the present, not the future. Learn how successful people use intentions to keep the big picture in focus [HERE](#).

Paralyzed Patients are Walking Again Thanks to New Therapy: A new study from the University of Louisville describes exciting progress in a groundbreaking technique that is helping paraplegic and quadriplegic patients walk again. The experimental process, involving electrically stimulating the spinal cord, is proving increasingly promising as ongoing research works to improve the design of the treatment. The latest study documents four patients with motor complete spinal cord injury undergoing the new treatment process. The technique involves two elements. An epidural stimulator is first surgically implanted into specific areas of the spinal cord corresponding with the neural networks that control hip, knee and ankle movement. Then, the subject undergoes repetitive locomotor training, designed to help the spinal cord remember how to stand, step and walk. Read more how the therapy is changing lives [HERE](#).

Most Counterfeited Items to Cross our Borders: U.S. Customs and Border Protection processes over 278 million cargo and parcel shipments from overseas each year. While the majority of these contain legal goods, a small percentage contain counterfeit items. Customs and border officers seized and destroyed some 34,143 shipments containing counterfeit items in the 2017 fiscal year. Thousands more shipments of counterfeit goods likely went undetected and made it into the United States. The CBP seized 8.2 percent more shipments of counterfeit goods in 2017 compared to the year before, when it seized 31,560 shipments. However, the value of the counterfeit items seized was considerably less, dropping from \$1.38 billion in 2016 to \$1.21 billion in 2017. Read more [HERE](#).

You Might Check Mom's Attic for One of These: Hopefully, your parents didn't throw away any of these baseball cards. From humble beginnings, some of the earliest baseball cards were cigarette package inserts, used both to promote the brand and prevent the star of the package, the cigarettes, from being crushed. Baseball cards are now a billion-dollar industry and I suspect some of you have some valuable ones sitting around in storage. It's worth mentioning that people are still finding valuable baseball cards hiding around the house fairly regularly. Maybe you'll discover one of these treasures. The 1909 T206 Honus Wagner pictured below sold for an industry-record \$3.12 million in 2016. In April 2018, recently-retired NFL offensive guard Evan Mathis fetched a pretty penny by

several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

**L.T., Assistant Deputy Administrator
for Farm Programs USDA**

My Own Personal Truisms

"Not To Trade, is often considered a good trading decision..."

"First Rule of HOLES: When you are in one stop digging..."

"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."

"Bulls make money, Bears make money, but pigs get slaughtered..."

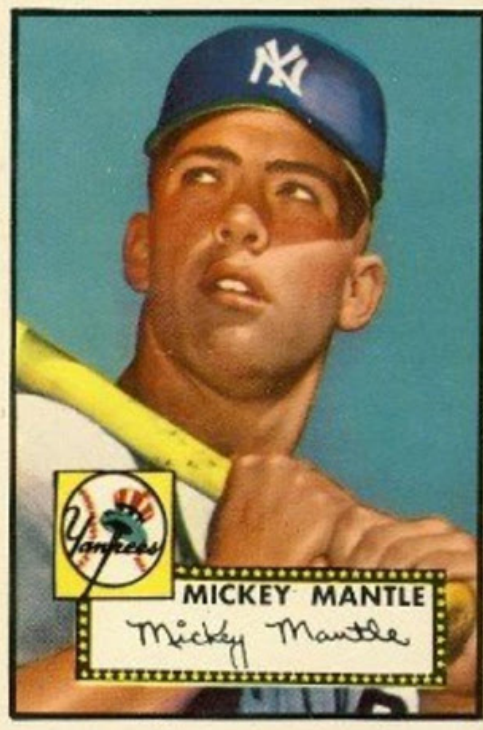
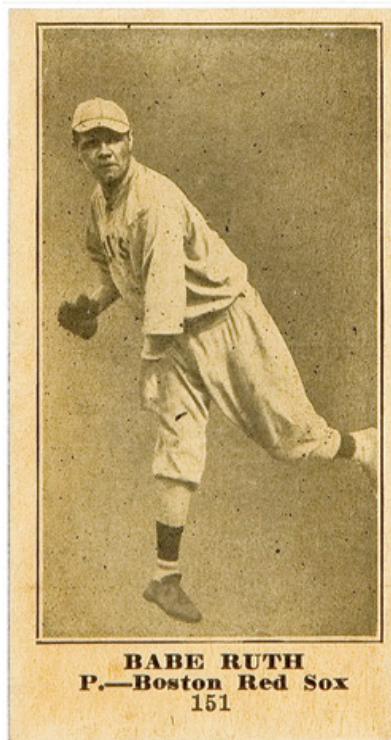
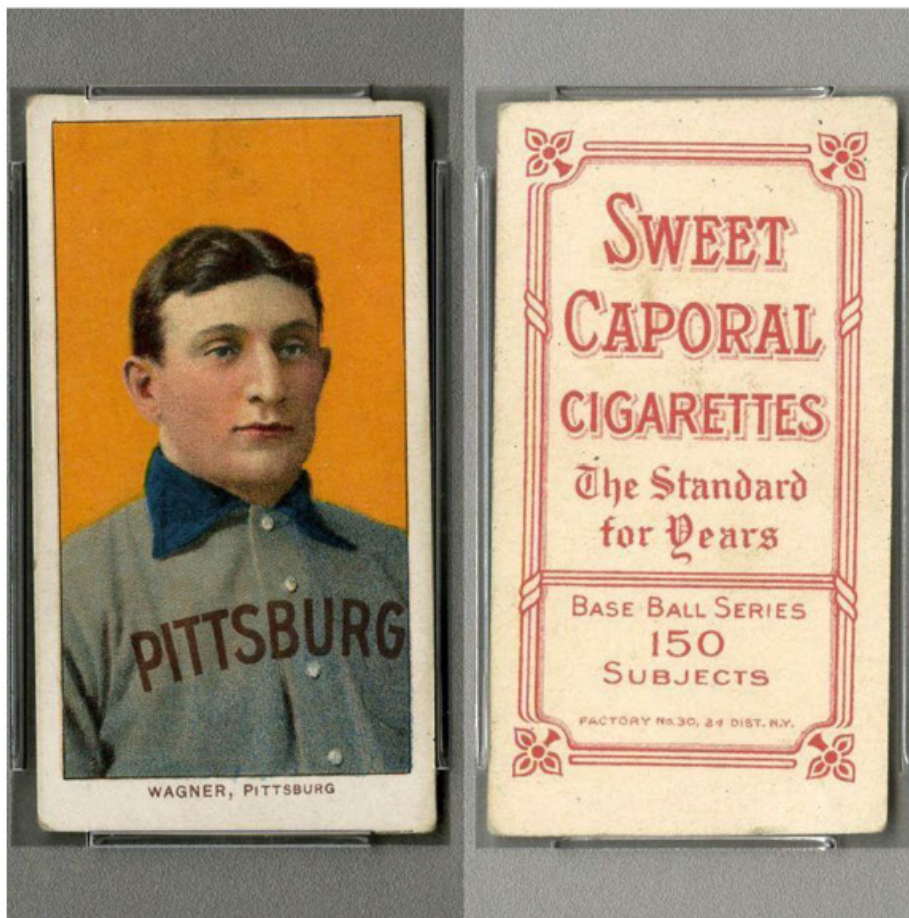
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

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

I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.

selling a PSA 9 1952 Topps Mickey Mantle for \$2.88 million. Check out the other most cherished cards [HERE](#).





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

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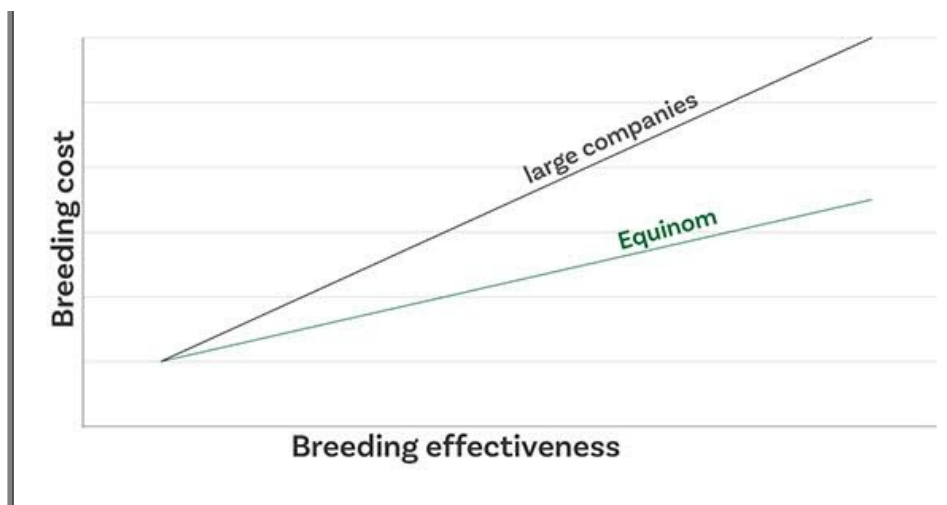
Learn More About "Equinom"

Title: Breeding the Plant Proteins of Tomorrow

Time: Thursday, September 27 @ 3:00 pm CT

According to the United Nations, the global population is on track to reach 9.5 billion by 2050, up nearly 50% from 2000. That's a lot of new mouths to feed, and in addition to this increased demand for food increased incomes and urbanization mean that the types of food are changing as well. Demand for protein, for instance, is set to double for 2050, raising concerns over the sustainability of animal protein as it is produced today. Equinom is using computational breeding technology to add value to the agriculture value chain at its most fundamental level... the seed. This is allowing it to maximize productivity, cut production cost and increase profitability for a range of different high-protein crops by improving the right traits and increasing product resolution in existing crops. Learn how one company is working to address this demand in a sustainable way at "Breeding the Plant Proteins of Tomorrow," a webinar to be held at 3 pm CT on September 27 featuring Gil Shalev, Ph.D., CEO of Equinom.

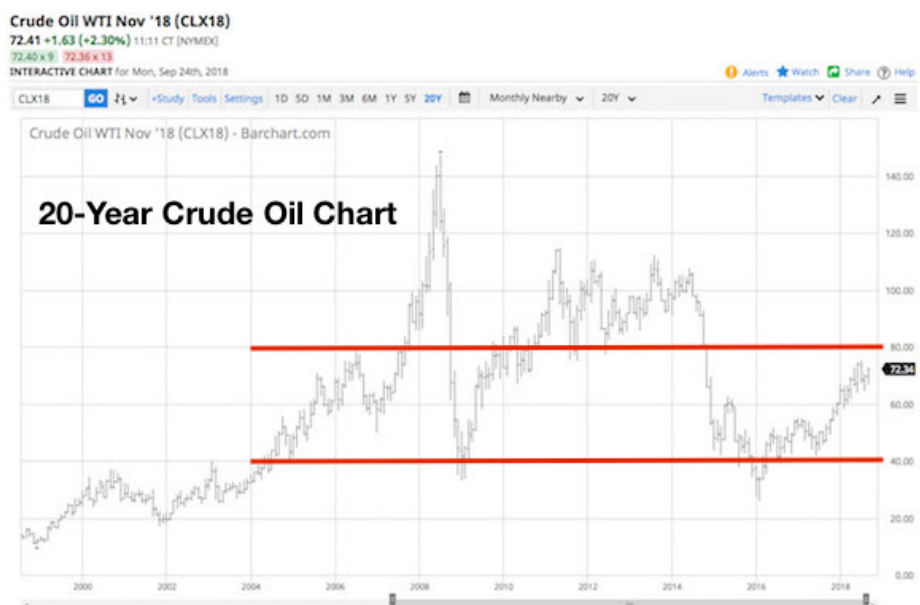




What About Gold?

I personally own a bit of physical gold and have the GLD gold ETF on my radar. Historically, I've never been a gold bug, and only a few occasions have invested in the precious metal. I've been paying a bit more attention as of late and wondering if I should be adding more gold exposure to my portfolio? It currently takes about 2.42 ounces of gold to buy one unit of the S&P 500. From a historical standpoint, during the past two or three decades, that's a fairly reasonable Gold to Stock market ratio. If I'm forced to pick a side I would argue gold is bit cheap in comparison to stocks. If you use just a 10-year comparison then gold is considered extremely cheap in comparison to the stock market. If we compare the gold to crude oil ratio, we see one ounce of gold currently buys just over 15 barrels of crude oil. The historically averages tend to show one-ounce of gold generally buys between 15 and 18 barrels of crude oil. In other words, gold is currently in fairly good relationship with crude oil. Bottom-line, I'm not all that sure golds current value and or price is overly cheap in comparison to other asset classes. I'm also wondering if Bitcoin and some of the other crypto currencies haven't taken a little luster off of golds ability to act as a safe haven alternative? Moral of the story, I have a hunch gold prices could soon work themselves higher, but I'm having a difficult time finding the unbiased facts and figures to back up my gut feeling. I'm thinking if the Fed takes a more hawkish stance today, gold prices could get pressured lower and I might step in as a small buyer. This past weekend Barron's ran a cover story titled, "[Gold Is Cheap. Inflation Is Coming. You Do the Math](#)". I encourage everyone to read it in full detail as it's getting a lot of circulation inside the trade. Below are a few interesting statistics and facts from the article: (Source: Barron's, Kitco, MarketWatch)

- **Depreciated Asset Class?** Bulls point to the fact gold prices are off more than -35% from its high of \$1,900 set back in 2011, Bears however, argue gold prices were way over-inflated at that time and are now back in more proper ratio.
- **Available Supply:** There are an estimated six billion ounces of gold in the world, worth more than \$7 trillion, about 30% of the value of the S&P 500. Annual new mined supply adds less than 2% to the global totals.
- **Is Inflation Good or Bad for Gold?** Most insiders look back historically at how well gold did during the high inflationary period of the 1970's. Some sources now argue that inflationary periods of higher interest rates might be a bit negative for gold because it increases the allure of holding cash and earning interest. Many analyst argue, if the Fed keeps raising interest rates as being more hawkish it will keep a lid on gold prices. However, others argue it is only a matter of time before monetary policy and higher interest rates raise the risk of a recession and gold prices start to climb higher. Long-term a growing government deficit and higher interest rates could be a toxic formula for the economy and prove to be a tailwind for gold.
- **Will The U.S. Dollar Stay Strong?** Many gold bulls are worried that if the U.S. dollar continues to strengthen it will create even greater headwinds for gold price appreciation. When the dollar is strong, there is just really no major bullish buzz for gold. Historically, gold and the dollar have a negative correlation of 80% to 85%.
- **Hedging Against A Crisis:** Gold has been a traditional hedge against financial and economic crises. I argue that the crypto currency space has taken some of these investment dollars away from gold. Bulls argue that if a "real" geopolitical or financial crisis were to arise gold prices would rapidly respond to the upside.
- **Watching the Money:** Famed investor and CEO of Double-Line Capital, Jeffrey Gundlach, announced he had become bullish gold in a big way a couple of months ago. On the flip side, just this past week, Goldman Sachs in a client note on outlook for commodities revised their 12-month forecast for Gold to \$1325 per ounce down from the previous \$1450 per ounce. At the same time, Bank of America Merrill Lynch has become a longer-term bull, saying that effects of the stronger dollar were likely to dominate the bullion market in the short term, but a U.S. government budget deficit could become a positive for the sector in the long term. They are also saying, corporate tax reforms could worsen U.S. fiscal balance making gold more bullish. Many analysts have said the gold market, which has dropped almost 12% from April, has fully priced in the Federal Reserve's current monetary policy trajectory and is now primed to see a relief rally.



Faith, Fight, Finish

ESPN recently spotlighted Quarterback Dak Prescott's unique bond and friendship with Kendrell

Daniels, who's an 18-year old born without arms but has learned to express himself by painting with his toes. Kendrell recently graduated high school and now participates in a program for students with disabilities at Mississippi State. This friendship started when Kendrell sent Prescott a painting of a Cowboys star including "Dak" and "#4," which Prescott now keeps near one of the entrances to his home. Prescott tells the media Kendrell really inspires him and they have actually become great friends. Prescott says, "I just think about him and his inspiration, to see him and to see what he does and his talents and doing it through his adversity. It inspires me to be better each and every day. One of my biggest deals is 'mind over matter' and turning my adversity and weaknesses into strengths. He's just the prime example of that." The most recent picture Kendrell painted for Dak is a canvas with the words "Fight, Faith, and Finish." In my opinion and perspective, three extremely powerful words! It has been reported that Dak Prescott's late mother, Peggy, instilled in him the moral compass that continues to guide him today. Dak's mom taught him to always put mind over matter and do the best you can with the cards you're dealt. Trying to find strength through adversity and weaknesses is the key to success. She often spoke of these three powerful words: Fight. Faith. Finish. In fact, before she passed away, she gave each of her three sons one of the words on a necklace. She gave Tad the word "fight" because he was always willing to fight for the family. She gave Jace the word "finish," because when he commits to something he always finishes. "Faith" was given to Dak, because "he's the one that just believes." Her thoughts were when the words were combined, it would always remind the three brothers to think of her. As you can see in the picture below Dak always has the word "faith" written on his wristband, the words "fight" and "finish" are tattooed on his body. Click [HERE](#) to watch a great story about Dak Prescott.



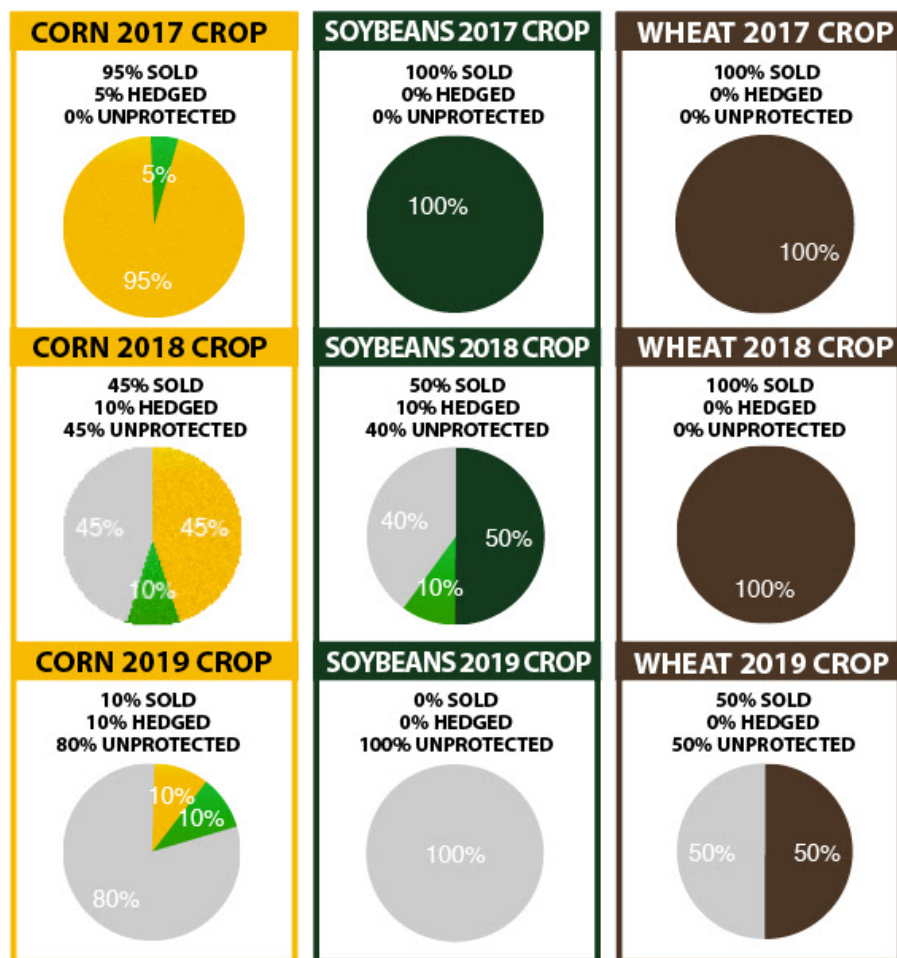


ANSWER to riddle:

Successfully and Unsuccessfully

CASH SALES & HEDGING TOTALS

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