

## GOOD MORNING: 10/01/18 Farm Direction - Van Trump Report

2 messages

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

Mon, Oct 1, 2018 at 6:26 AM



*"In life, God doesn't give you the people you want, he gives you the people you need. To help you, to hurt you, to leave you, to love you and to make you the person you were meant to be." - Unknown*

**MONDAY, OCTOBER 01, 2018**

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**Morning Summary:** Stocks are set to open aggressively higher as U.S. and Canada officials ink a trade deal late last night. From what I understand, the new agreement will officially be called the "U.S.-Mexico-Canada Agreement". As I've been writing for several weeks, the timing of the October 1st Quebec elections seemed to hold some significance to Prime Minister Justin Trudeau. As we start the 4th Quarter of 2018... Crude Oil is up +30% this year; Nasdaq up +19%; S&P 500 is up +9%; Cattle and Wheat up +5%; U.S. dollar up +4%; Cotton up +2%; Coffee and Sugar down -26%; Copper and Rice down -16%; Silver and Platinum down -15%; Lumber and Soybeans down -13%; Gold and Spring wheat down -10%; Hogs down -9%; Corn down -7%; Sugar down -6%. Looking forward, this will be a busy week for political and economic headlines. We start today with updated U.S. manufacturing numbers. Tuesday brings updated U.S. auto sales data and Fed Chair Powell speaking in Boston. Then on Friday the trade will be digesting the highly anticipated monthly jobs report. The following week, Q3 corporate earnings season will kickoff with reports from the big banks like Citi, JP Morgan, and Wells Fargo. Bulls argue the economic outlook continues to remain bright heading into earnings season with consumer confidence at an 18-year high and following one of the best third quarters in years. I heard an interesting fact over the weekend... dating back to 1950, during a mid-term election year, no month has been stronger for the S&P 500 than the month of October. In regards to the mid-terms, from what I understand, the Democrats need to flip at least 23 Republican seats in the House to retake the chamber. Keep in mind, the Democrats haven't held a majority in the House since 2010. Depending on who you read, there are thought to be about nine Republican-held seats that currently look as if they are flipping to Democrats, other seats and states clearly remain up in the air. States with multiple seats of uncertainty include: California (5), Illinois (2), Kansas (2), Michigan (2), Minnesota (2), New Jersey (2), New York (2), Texas (2), and Virginia (2). As for the Senate, of the 100 elected officials there are currently 51 Republicans and 49 Democrats. There are 35 seats up for election on November 6th, of which 26 are currently held by the Democrats. Democratic senators are facing serious challenges in Florida, Indiana, Missouri, North Dakota, Montana. Republican seats are said to be the most vulnerable in Arizona, Nevada, Tennessee and perhaps Texas. Most political insiders, polls and odds makers seem to believe the Democrats will win a majority of the seats in the House, but will not have enough votes to win a majority in the Senate. Just remember, polls and political odds makers had Hillary Clinton as a 3 to 1 favorite on Election Day two years ago. Below are a few other interesting thoughts about the mid-term:

**Current Numbers:** Currently, Democrats hold 193 of 435 seats, short of the 218 they need to regain control of the House. Republicans currently hold 236 seats. There are currently 6 vacancies. There are 35 first-term Republicans and 27 first-term Democrats. Keep in mind, there are 19 members of the House who served 15 terms or more. Two members of the House have actually served 20 terms or more, dating back to the 1970's.

**Perhaps Not As Easy As Many Forecast:** There are many who say even if the Democrats keep all of their existing seats and flipped every Clinton-GOP district, they could still fall short of gaining a majority.

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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,

**Retirement:** About twice as many Republicans than Democrats have announced that they will not be running for their House seats in 2018. 40 Republican incumbents are leaving while only 18 Democrats have announced their retirements.

**Women On The Rise:** More than 200 women will be running for the House and Senate, which will certainly help to change the makeup of Congress in the years ahead. Women currently represent less than 20% of the leadership in the House. There are 65 Democratic women leaders in the house and just 24 Republican women leaders.

**Mortgage Rates at Seven-and-a-Half Year Highs:** Rates for home loans jumped along with yields in the broader bond market, taking financing costs to a recent high and raising fresh questions about the effect of another headwind on a housing market. The 30-year fixed-rate mortgage averaged 4.72% in the September 27 week, up from 4.65%, mortgage liquidity provider Freddie Mac said Thursday. That marked the fifth straight weekly gain for the benchmark product, and took it to its highest point since April, 2011. Read more [HERE](#) on where rates may be headed.

**Wild Day of Baseball:** Today marks the first time in MLB history that two tiebreaker games will take place in the same season to determine a divisional winner. The Milwaukee Brewers and the Chicago Cubs tied in the NL Central with records of 95-67. The LA Dodgers and Colorado Rockies also tied for the division in the NL West with records of 91-71. The last time there was a Game 163 to determine the division was in 2009. The Cubs will host the Brewers today at 1 pm ET and the Dodgers will host the Rockies shortly after at 4 pm ET. Nothing better than a little extra playoff baseball!

**Adam Vinatieri Breaks NFL Record:** Colts kicker Adam Vinatieri passed Hall of Famer Morten Andersen for the most field goals in NFL history late in the first half of Sunday's game against the Houston Texans. Vinatieri should also pass Andersen for the NFL's all-time points lead (2,544) at some point later this season. Vinatieri, is in his 23rd season and will turn 46 in December. What an amazing career! (Source: ESPN)

## Tweets of the Day FarmTank & The Van Trump Report



**Brian Scott**    
@thefarmerslife

20 acre corn maze. \$21 for 5 of us to get in. Hundreds of people here this moment. It's open for several weeks. \$1 for 3 ears of corn to shoot from air powered corn cannon. Why am I not doing this at my farm?

4:23pm · 30 Sep 2018 · Twitter for Android

*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.

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Amazing Nature  
@amazingnature33

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Wheat field next to a lavender field...



6:21 PM - 28 Sep 2018

## Today In History



**1888, Music Radio** - In a novel called "Looking Backward: 2000-1887", author Edward Bellamy imagined a scene in which a time-traveler

from 1887 reacts to a technological advance from the early 21st century that he describes as, "An arrangement for providing everybody with music in their homes, perfect in quality, unlimited in quantity, suited to every mood, and beginning and ceasing at will." In Bellamy's imagination, this astonishing feat was accomplished by a vast network of wires connecting individual homes with centrally located concert halls staffed round-the-clock with live performers. As it turned out, this vision of the year 2000 would come to pass far sooner than Bellamy imagined, and without all the pesky wires. On this day in 1920, Scientific American magazine reported that the rapidly developing medium of radio would soon be used to broadcast music. A revolution in the role of music in everyday life was about to be born. Arguments about radio's origins persist to this day, but its basic workings had been understood for upwards of 20 years at the time of this announcement. It was only in the years immediately following World War I, however, that radio made the transition from scientific curiosity to practical technology. By late 1919, experiments had begun in Britain, the United States and elsewhere that would lead to the breakthrough use of radio not just as a replacement for the telegraph, but as a communications and entertainment medium. Some of those experiments were taking place in the laboratory of the National Bureau of Standards in Washington, D.C., where station WWV was established to test various means of radio transmission. Relying significantly on amateur radio operators in the local area for feedback on its experiments, the Bureau began successfully testing the transmission of music in late 1919 and early 1920. It was those experiments that led to the public announcement in Scientific American. "Music can be performed at any place, radiated into the air through an ordinary radio transmitting set and received at any other place, even though hundreds of miles away," the report continued, noting that "the music received can be made as loud as desired by suitable operation of the receiving apparatus." "Experimental concerts are at present being conducted every Friday evening from 8:30 to 11:00 by the Radio Laboratory of the Bureau of Standards....The possibilities of such centralized radio concerts are great and extremely interesting."



**1961, Roger Maris** - New York Yankee Roger Maris becomes the first-ever major-league baseball player to hit more than 60 home runs in a single season. The great Babe Ruth set the record in 1927; Maris and his



Have faith, something great is waiting for you on the other side of FEAR.



teammate Mickey Mantle spent 1961 trying to break it. After hitting 54 homers, Mantle injured his hip in September, leaving Maris to chase the record by himself. Finally, in the last game of the regular season, Maris hit his 61st home run against the Boston Red Sox. (The league-champion Yanks won the game 1-0.) Maris hit his famous homer on his second at-bat of the day. On his first, he popped out to left field. When he came to the plate again in the fourth, his team had one out and the bases were empty. Maris let two pitches from Boston rookie Tracy Stallard go—one high and outside, one low and inside—before swinging hard at a waist-high fastball. “An ear-splitting roar went up,” the New York Times reported, as “the crowd sensed that this was it.” The ball was gone, all right—Sal Durante, a 19-year-old Brooklyn truck driver, caught it about 10 rows back in the right-field stands. Maris trotted around the bases, stopping to shake hands with a young boy who’d managed to wriggle past security and onto the field and stepped on home plate. Then he tipped his cap to the crowd, took four bows and returned to his seat on the bench. He’d hit 61 homers, but his new record wasn’t official. In July, baseball commissioner Ford Frick had announced that he wouldn’t consider Ruth’s record broken unless the player who broke it had hit more than 60 home runs in fewer than 154 games—the number of games Ruth’s Yankees had played in the 1927 season. (By 1961, teams played 162 regular-season games.) Frick had more than a passing interest in the issue: He’d been a good friend of the Babe’s and thought it was his responsibility to guard his legacy as closely as possible. Moreover, he resented the changes he saw in baseball—bulky sluggers, shorter fences, longer seasons, livelier balls. And Frick, like many fans, didn’t quite know what to make of Maris, a Midwesterner of few words who once told a reporter “I was born surly, and I’m going to stay that way.” The ever-disdainful Rogers Hornsby summed up the feelings of many Ruth partisans and Mantle fans when he told anyone who would listen that the young Yankee “has no right to break Ruth’s record.” And so, as far as Major League Baseball was concerned, he didn’t. While there was never an official asterisk next to any record of Maris’—in fact, the league didn’t even have its own record book until 1995, and of course Frick had no real say over what anybody else put in their record books—the league simply considered Ruth’s and Maris’ to be two separate accomplishments. In 1991, an MLB committee on historical accuracy voted to remove the distinction and award the record fully to Maris, who had died of cancer six years earlier. In 1998, Mark McGwire of the St. Louis Cardinals and Sammy Sosa of the Chicago Cubs both broke Maris’ home-run record. Sosa finished the season with 66 and McGwire finished with 70. Barry Bonds now holds the record with 73.



*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.*

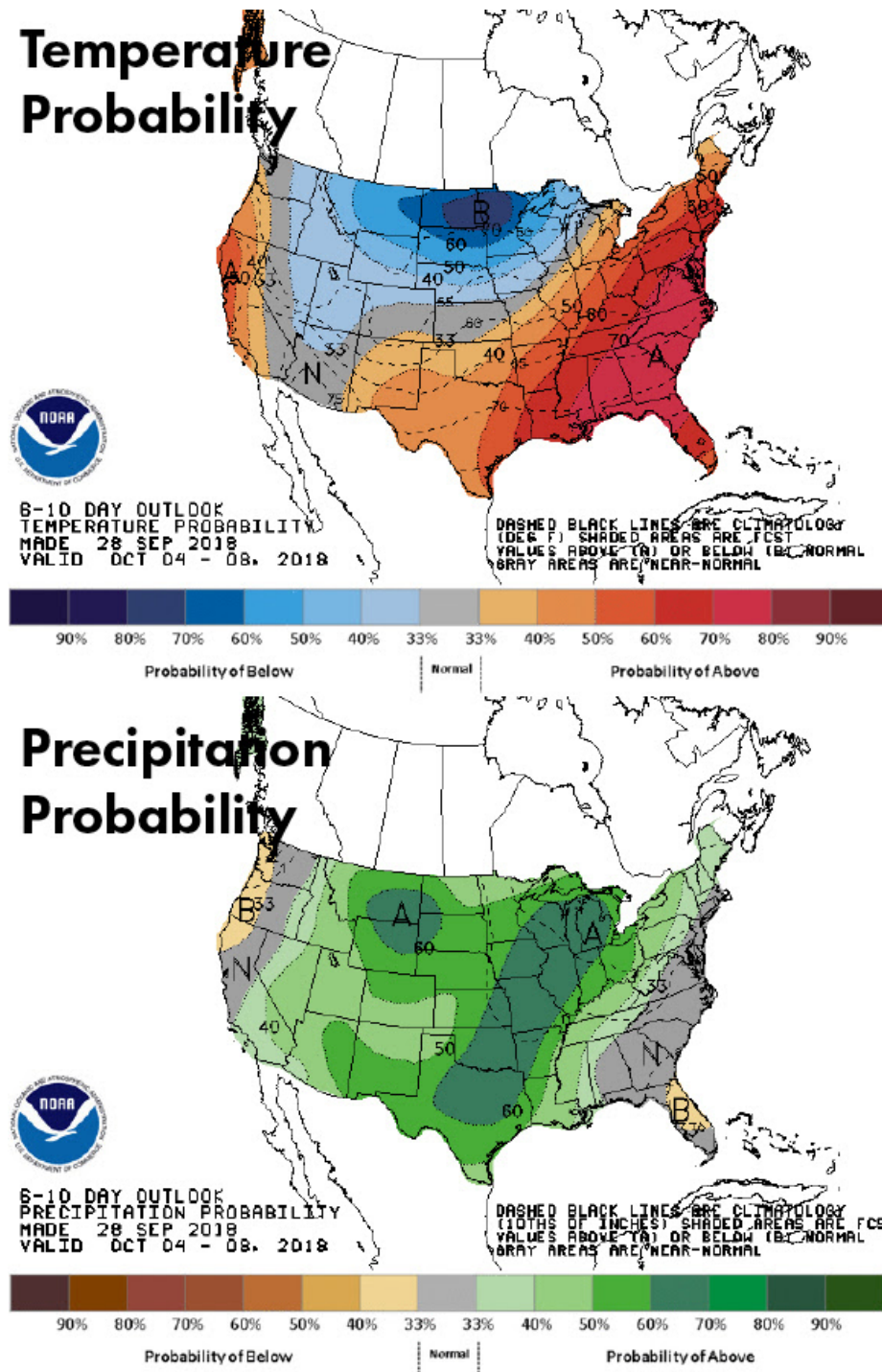
#### TODAY'S RIDDLE:

*Travel a mile and I will change, travel a million and I will end as I started, What am I?*

**Weather** late last week saw cold air from Canada push south into the northern tier of the U.S. first frost/freezes were seen all across the upper Midwest and northern Plains. The culprit for this early-fall chill can be traced back to Alaska, where a strong upper-level ridge of high pressure has locked itself in place over the state. This caused the jet



stream to dip southward downwind in the lower 48 states allowing an upper-level trough of low pressure to park itself over the northern Rockies, northern Plains and upper Midwest. This chill is expected to linger this week. In the longer-term, the 6 to 10 day outlook is calling for the likelihood of above normal precipitation across the nation, the exception being the Southeast, where drier conditions are expected. Unseasonably cool weather in the West and northern Plains will contrast with warmer than normal weather elsewhere.



**Corn** bulls are hoping talk of heavy rains and flooding across the Midwest later this week will prompt traders to add some additional risk-premium to the market. Several key growing regions have already been battling overly wet conditions, so this could really create some complications in several areas. I suspect several weather services and wires will be talking about flooding conditions and saturated soils slowing the harvest and creating quality concerns. The question is can it offset the overall bearish sentiment. The USDA's latest round of data showed a bit more corn than the trade was anticipating. Old crop corn stocks in all positions on September 1, 2018 were reported at 2.14 billion bushels, down -7% from last year, but higher than the trade was forecasting by about +130 million bushels. Of the total old-crop stocks, 620 million bushels are stored on farms, down -21% from a year earlier. Off-farm stocks, at 1.52 billion bushels, are up +1% from a year ago. Bulls are hoping President Trump might



**2013, Tom Clancy** - Espionage and military thriller author Tom Clancy, whose books include "The Hunt for Red October" and "Patriot Games," died in Baltimore died at age 66 this day in 2013 following a brief illness. During a career that spanned nearly 30 years, Clancy penned more than two dozen novels, a number of which were made into hit movies and popular video games. By the time of his death, more than 100 million copies of Clancy's books were in print and 17 of his novels had reached the top of The New York Times' best-seller list. Clancy was born on April 12, 1947, in Baltimore, where he grew up in a middle-class neighborhood. At Loyola College (now known as Loyola University Maryland), Clancy majored in English and participated in ROTC; however, he was unable to join the military due to severe nearsightedness. Instead, after graduating in 1969, he became an insurance agent. In his spare time, Clancy read military journals and eventually started writing what would become his debut novel, "The Hunt for Red October," about a renegade Soviet nuclear submarine pursued by both the Americans and the Soviets (the story was based loosely on the real-life attempted mutiny of a Soviet missile frigate in 1975). Purchased by a publisher for \$5,000 and released in 1984, "The Hunt for Red October" became a runaway best-seller, thanks in part to an endorsement from President Ronald Reagan, who labeled the book "my kind of yarn." The novel was full of authentic details about military technology, something that would become one of Clancy's trademarks and which would initially lead some U.S. military officials to suspect the author had gained access to classified information. In fact, he had no insider knowledge but instead did in-depth research. Clancy followed "The Hunt for Red October" with such novels as "Patriot Games" (1987), about a terrorist plot against the British royal family, "Clear and Present Danger" (1989), about a covert U.S. military campaign against a Colombian drug cartel, and "The Sum of All Fears" (1991), about terrorists who use a nuclear weapon to try to start a war between America and Russia. Other Clancy titles include "Executive Orders" (1996), "Rainbow Six" (1998), "Against All Enemies" (2011), "Threat Vector" (2012) and "Command Authority" (2013). Some of his work seemed to predict real-life events. For example, well before the September 11 terrorist attacks, Clancy wrote "Debt of Honor" (1994), in which a character flies a Boeing 747 into the U.S. Capitol. Clancy's most famous character, Jack Ryan, a CIA analyst who in later stories becomes U.S. president, was portrayed on the big screen by Alec Baldwin in 1990's "The Hunt for Red October"; Harrison Ford in 1992's "Patriot Games" and 1994's "Clear and Present Danger"; Ben Affleck in 2002's "The Sum of All Fears" and Chris Pine in 2014's "Jack Ryan: Shadow Recruit." In addition to his movies, novels and a number of

make an official announcement about year-round E15 on his trip to Iowa, next Tuesday, October 9th. Bears are pointing to recent negative comments by the American Petroleum Institute and thoughts they could try and block the move. From a technical perspective, it still seems like longer-term resistance is up between \$3.80 and \$3.90 per bushel. On the downside, nearby support is thought to be in the \$3.40 to \$3.50 range. Most sources seem to believe the lows are in place, but I'm not 100% sold on that bet. I hope I am wrong, but I still think we could test the \$3.25 to \$3.35 level before starting to slowly inch our way back higher. I continue to see weather and Washington as the nearby driving forces. As a producer, new-crop DEC18 prices are right about where they were last year at this time. I think ultimately there's a bullish story brewing, but as of right now the funds seem comfortable holding bearish bets. Global growth remains somewhat suspect and there's no real clear line of sight in regard to Chinese trade relations. I continue to look for a slow grinding trade. The trend has clearly been sideways to lower the past few months. In my opinion, we need a headline with enough horsepower to stop the slide and enough wide-spread implication to completely turn the momentum. I just don't see that at the moment. Perhaps the fears of flooding can push prices up towards the upper end of the range, \$3.80 to \$3.90, but beyond that we will need more of a story. As a producer, I'll be looking to reduce a bit more nearby price risk if we can actually push up towards the upper end. Pay close attention this week...

**Harvest Pace:** *With most of the talk now surrounding the U.S. harvest and weather that could complicate, I wanted to include some data about the pace. As you can see, there have been occasions where we have harvested 19% and 20% of the entire U.S. crop in one week, in late-October and or early-November. For reference, Week 43 this year is from October 22nd to October 28th.*

nonfiction books about the military, Clancy co-founded a video game company and became a part owner of the Baltimore Orioles. He famously had an Army tank on the lawn of his Maryland estate.

## Upcoming Events

**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

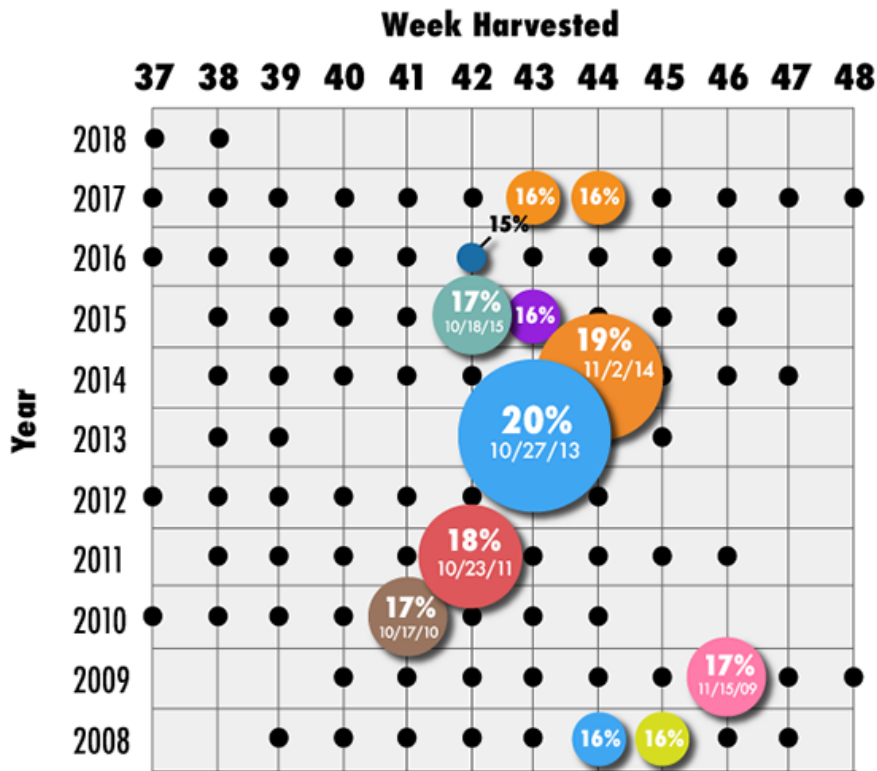
**Thur. 11/22** - Thanksgiving; US Markets Closed

**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](#)

# Biggest Weekly U.S. Corn Harvests



Rank	Value	Week	Date
1	20	Week #43	10/27/13
2	19	Week #44	11/2/14
3	18	Week #42	10/23/11
4	17	Week #42	10/18/15
5	17	Week #41	10/17/10
6	17	Week #46	11/15/09
7	16	Week #43	10/25/15
8	16	Week #44	11/2/08
9	16	Week #45	11/9/08
10	16	Week #43	10/29/17
10	16	Week #44	11/05/17

Source: USDA, NASS, Historical Crop Progress

**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

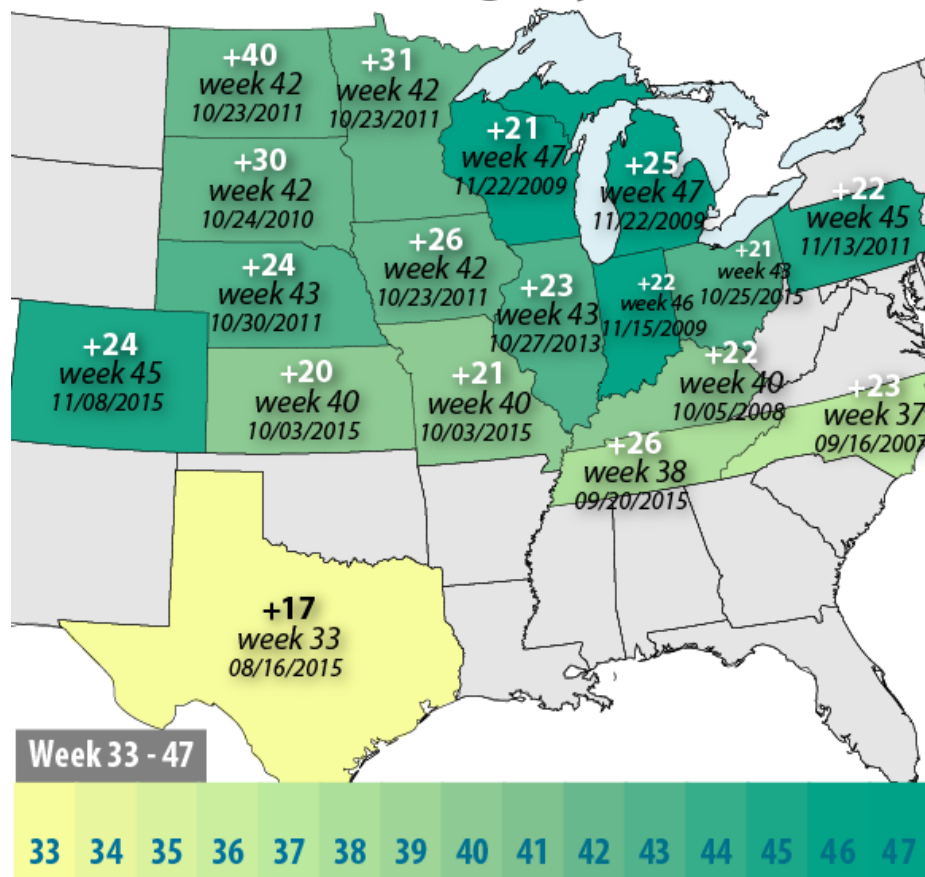
## Kevin's Song of the Week



## Kevin's Song of the Week



# Biggest Weekly Jump in U.S. Corn Harvested Percentage by State 2007 - 2017



## 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

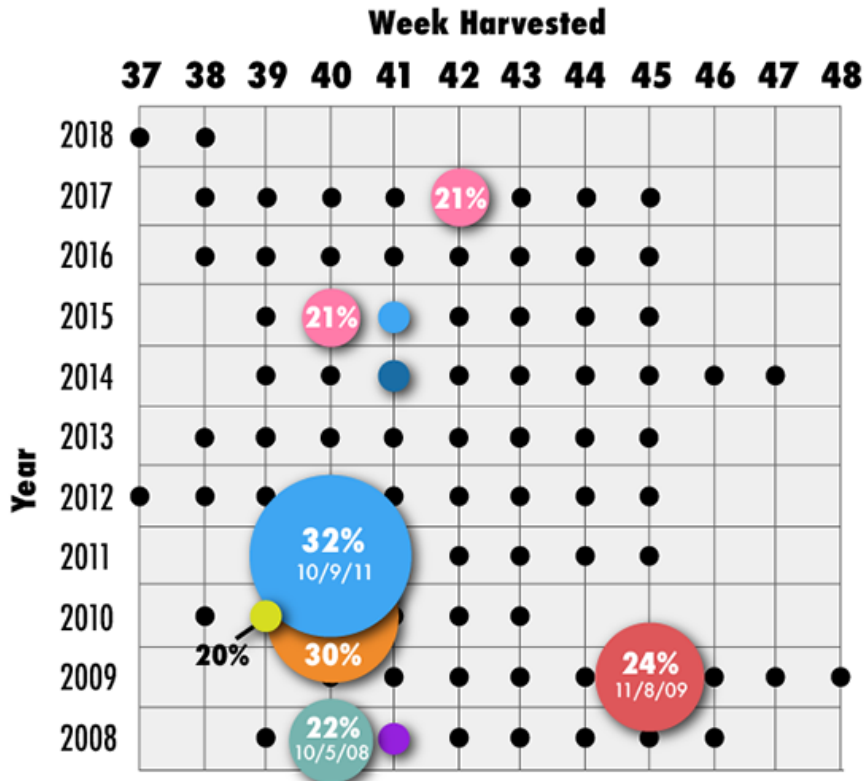
**Soybean** bulls were unable to hold last weeks momentum. The market continues to oscillate around the \$8.50 area as it awaits the next set of headlines. From my perspective, the two biggest unknowns currently in play are Chinese imports and upcoming South Americana weather. South American weather seems mostly cooperative, hence several sources inside the trade have started gradually inching their early production estimates higher. China remains a large unknown. Bulls argue that soymeal prices inside China are going to explode higher at some point during the next three to six months. Bears argue that a campaign to lower protein rations, along with fallout from "African Swine Fever", could reduce soymeal demand by -15 MMTs and ultimately soybean import demand by -10 MMTs in the coming months. Somewhat interesting, I heard the Chinese government raised their subsidy payment to farmers for culled pigs from \$800 yuan to \$1200 yuan per head, which is a jump from about \$115 to \$175 per head. Chinese officials are obviously trying to contain the virus. From what I know, there have been about 20 official cases of African Swine Fever reported across eight provinces. In addition eighteen provinces have suspended cross-province pig transportation. Bears are also pointing to the fact Chinese officials have recently approved imports of rapemeal and soymeal coming from India. Bottom-line, it looks like Chinese soy demand will be tapered to some degree, the question is by how much? At this juncture, nobody is looking for any nearby solution or compromise in regards to U.S. - Chinese trade negotiations. Most sources seem think both sides are currently digging in for a longer-term battle. Hence, probably no major nearby uptick in China's purchasing of U.S. soybeans even though Brazil is nearly sold out of old-crop supply. It feels like China is content on searching for alternatives from Argentina, Canada, India, Russia and Ukraine, at least for the time being. Don't forget, China begins their "Golden Week" holiday today and headlines will be limited all week. I should note, there was an early frost that recently hit some key regions of soy production inside China, the extent of damage is not fully known, but certainly some of the crop has been negatively impacted. Here at home, the USDA's latest data showed old crop soybeans stored in all positions on September 1, 2018 at 438 million bushels, up +45% from last year. Soybean stocks stored on farms totaled 101 million bushels, up +15% from a year ago. Off-farm stocks, at 337 million bushels, are up +58% from last September. Indicated disappearance for June - August 2018 totaled 781 million bushels, up +18% from the same period a year earlier. Planted area is unchanged at 90.1 million acres, and harvested area is unchanged at 89.5 million acres. The 2017 yield, at 49.3 bushels per acre, is up +0.2 bushel from the previous estimate. Total 2017 crop was raised from 4.392 billion to 4.411 billion bushels. As a spec, I would like to eventually establish a



longer-term bullish position. I'm just in no real hurry! I still believe the market is somewhat rangebound, and could easily retest the lows. As a producer, I like the thought of reducing nearby risk on rallies towards the upper end of the range.

**Harvest Pace:** As you can see, historically, this week tends to be our biggest week of soybean harvest. "Week 40" this year is from October 1st to October 7th. With this much rain in the forecast, I can't imagine we will be harvesting anywhere near the numbers below.

## Biggest Weekly U.S. Soybean Harvests



Source: USDA, NASS, Historical Crop Progress

*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..."*

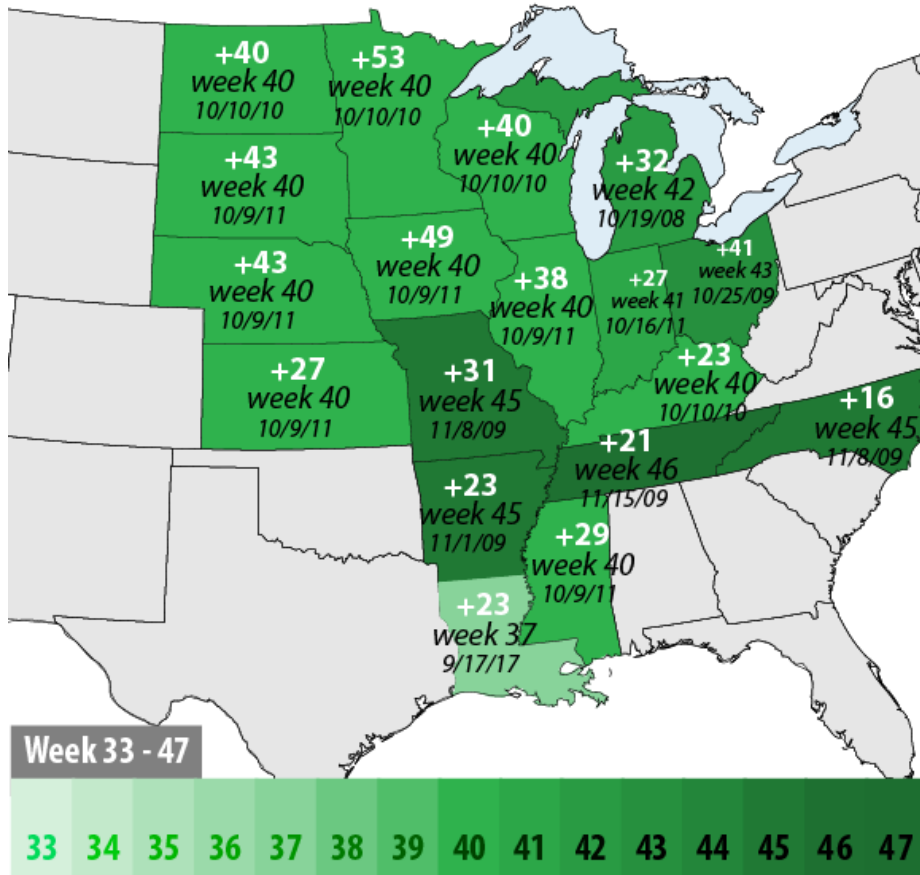
*"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."*

*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.*

## Biggest Weekly Jump in U.S. Soybeans Harvested Percentage by State 2007 - 2017



*Farm Direction*  
RECIPES

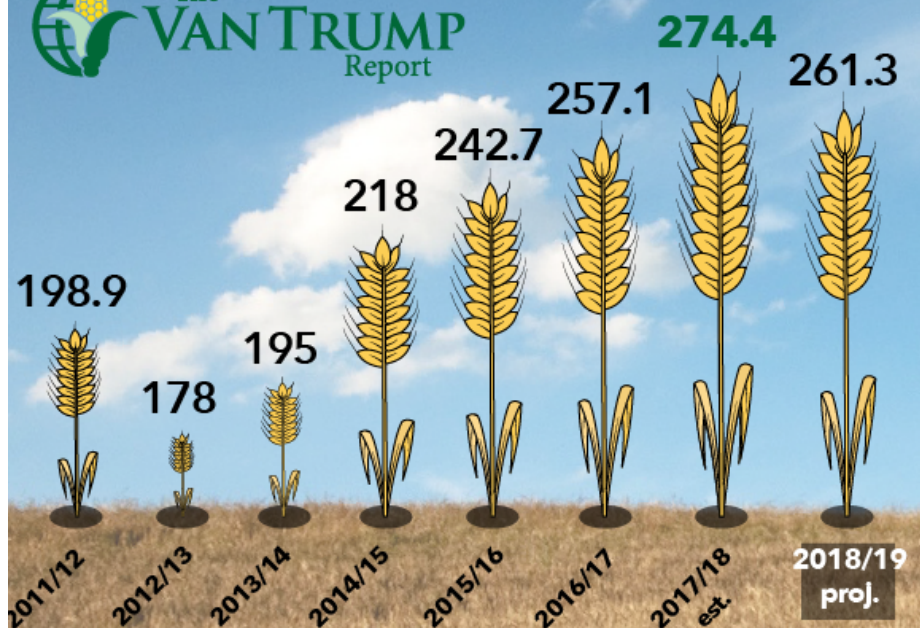
★ **FAMILY FAVORITES** ★  
-SENT IN BY OUR READERS-

**Cinnamon Baked Doughnuts**

[CLICK TO SEE RECIPE](#)

**Wheat** bulls didn't have much to cheer about last week. The USDA's latest numbers showed wheat stored in all positions on September 1, 2018 at 2.38 billion bushels, up +5% from a year ago. On-farm stocks are estimated at 631 million bushels, up +28% from last year. The all-wheat yield was bumped higher by +0.2 bushels per acre to 47.6. In the process, the USDA increased its final 2018 wheat crop estimate by +7 million bushels compared to last month to 1.884 billion. Within the details, the USDA actually lowered their winter wheat crop estimate by -5 million bushels. The biggest reduction coming to the SRW crop estimate. On the flip side, spring wheat production was raised higher by +9 million bushels. The USDA also increased its spring wheat yield estimate by +0.7 bushels per acre compared to last month. The durum crop was increased by +4.0 million bushels compared to last month on a +126,000 acre increase in harvested acres and a slightly lower yield estimate. There's was a bit of bullish news coming out of Australia over the weekend, with some freezing temps reported out of southeastern Australia. There's also some continued concerns about dryness in significant portion of Europe. The northern part of Russia appeared to get some rains, but the southeastern portion still remains very dry. I'm also keeping an eye on some small problem areas in South America. As both a spec and a producer, I remain a longer-term bull. Any substantial breaks in price, may prompt me to add some additional length. Staying patient nearby...

# World Ending Stocks Wheat (in million metric tons)



Source: USDA, Wasde September 12, 2018



> **U.S. - Chinese Soybean Data:** 2018-19 U.S. soybean sales to China have so far totaled about 1.4 MMTs vs. just over 10.5 MMTs last year at this stage. China actually imported just over 16.6 MMTs of U.S. soybeans during October and January of last year and another 6.5 MMTs during February and March. (Source: USDA; JCI)

> **H5N6 Bird Flu Cases Hit China:** China has reported a case of H5N6 avian bird flu on a poultry farm in southwestern Guizhou province, the nation's agriculture ministry said on Saturday. Local authorities culled 32,352 birds at the farm following the outbreak, according to a statement published on the website of the Ministry of Agriculture and Rural Affairs. (Source: Reuters)

> **Saudi Arabia to Allow Private Sector to Import Feed Barley:** Saudi Arabia, the world's largest importer of feed barley, will once again allow the private sector a role in the trade after two years during which it was handled solely by the state. I'm told the private sector will have to adhere to the same specifications as Saudi Grains Organization when handling imports, but no further details were provided.

> **Taiwan Inks Deal to Buy \$1.56 Billion in Soybeans from Iowa & Minnesota:** A delegation of Taiwanese traders signed a letter of intent to purchase as much as 3.9 million metric tons of soybeans from farmers in Minnesota and Iowa over the next two years. The purchases are valued at up to \$1.56 billion. If the sales go through, it could be a big boost for U.S. soybean exports to Taiwan, the sixth largest U.S. soybean export market last year (2017 U.S. soybean imports to Taiwan were 1.4 mmt). (Source: Reuters)

> **Is Dicamba Damaging Trees Across the Midwest?** We all know the estimated two million acres of crops that have been damaged across the Midwest by dicamba in the last few years. While the EPA continues to consider whether or not they are going to reauthorize dicamba for use, there are new reports that prized trees such as sycamore and cypress are being damaged across parts of the Midwest and the Mid-South by unintended drifting of the herbicide. Understand, Dicamba affects various plant species very differently. Based what scientists have observed this past year, the tree species that seem most sensitive to dicamba include sycamore, cypress, Bradford pear and white oak. (Source: NPR)



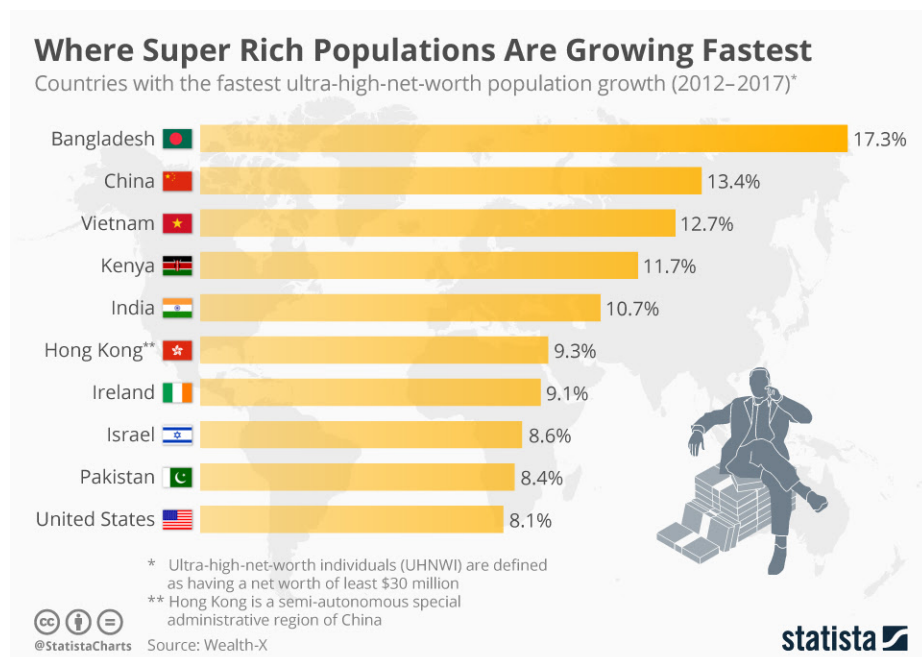
> **McDonald's Is Doing Away with Artificial Additives:** *The fast food giant announced that it is removing artificial preservatives and flavors from more of its food. McDonalds will change its cheese, Big Mac sauce and buns to make its classic burger menu free from artificial preservatives, flavors and colors. Pickles will still contain an artificial preservative, however, as will one-third of the McDonald's menu. (Source: CNN)*

> **Food Group Wants to Ban "Non-GMO" Claims on Labels:** *The Information Technology and Innovation Foundation has filed a citizen petition with the Food and Drug Administration that seeks to prohibit the term "non-GMO" on consumer foods and goods. the petition said such claims, particularly the butterfly log from the Non-GMO Project are "false or misleading" in that they imply non-bioengineered/non-GMO products are healthier than bioengineered/GMO products. (Source: ITIF)*

> **World's First Human Case of Rat Hepatitis E:** *A 56-year-old man from Hong Kong has developed the world's first human case of rat hepatitis E, Chinese scientists announced Friday. I'm told the case was discovered after testing showed abnormal liver function following a liver transplant. Doctors later found that he had a strain of hepatitis that was "highly divergent" from other strains found in humans, the BBC reports. Authorities are closely monitoring. (Source: CBS)*

> **Elon Musk Must Step Down:** *On Saturday, the SEC announced that it had reached a settlement with Tesla (TSLA) CEO Elon Musk over his infamous "funding secured" tweet. As part of the settlement, both Musk and the company will pay \$20 million fines and Musk will step down as chairman of the company's board without the possibility of being re-elected for three years. He will be replaced by an independent chair. Musk will remain CEO of the company. (Source: YahooBusiness)*

> **Where the Super Rich Are Growing the Fastest:** *A new report found that the U.S. has the largest population of ultra-high-net-worth individuals (UHNWIs) worldwide. Defined as being worth \$30 million or more, the U.S. has 80,000 such individuals higher than Japan, China, Germany, Canada and France Combined. However, the U.S. lags behind in UHNWI population growth. An economic boom in Asia has seen the region churn out increasing numbers of billionaires in recent years. For example, China saw its UHNWI population grow 19% between 2016 and 2017, twice the growth rate of North America. Bangladesh saw its ultra-rich club expand by 17.3% between 2012 and 2017. (Statista, Wealth-X)*



**Northcentral South Dakota** – *I read all the reports about these guys making record yields and wanted to shed a little light on our pocket. We have 500-600 acres of corn west of our farm that our insurance agent believes won't make over 20 bushels. It's about waist high now but at one point it was at least shoulder high if not a little taller. The drought that we went through made the corn cannibalize itself and the cobs are about 3-4 inches long. We have an offer to run livestock on a portion of it as an alternative to harvesting which we are considering just to help a neighbor out. We have heard that guys 50 miles south of us are hitting their APH or higher. We are looking a little better around our house, but we haven't been able to get out there yet because we are still*

harvesting soybeans. Soybeans should make between 20-30 bushels with a few fields on either side of that range. We usually shoot for 140-bushel corn and 35-bushel beans if we have a few rains in July and August. I would think we are 50-80 bushels on our better corn, but we really won't know until we get out there.

**Southern Minnesota** - We won't be helping out the Minnesota average on yield this year. We are at least 40 bushel below last year. I'm not the only one saying this either, I'm hearing many of my neighbors saying the same thing. Everyone thinks we are better than we really are, we were supposedly the garden spot which is far from the truth. I may have to lower my Minnesota average down from 175 to 170. I'm hearing that west of here is really bad and hearing bad yields just 20 miles north of us too. A believe that a 192 yield for Minnesota is simply a pipe dream based on what I'm hearing and seeing. This part of the state makes up for northern Minnesota were they are lucky to make 160 on the very best years.

**Western Mississippi** – We are very happy with our production that we have been able to harvest. The only problem we are facing right now is the 4-inch rain we just received. We are going to take the weekend off because it just flat out to muddy. The biggest problem we are facing is our crop was so large that we are way undersold. We are going to sit on our grain for 6 months or more until this market comes back a little. We are a little over half done with soybeans right now and should be done in the next few weeks.



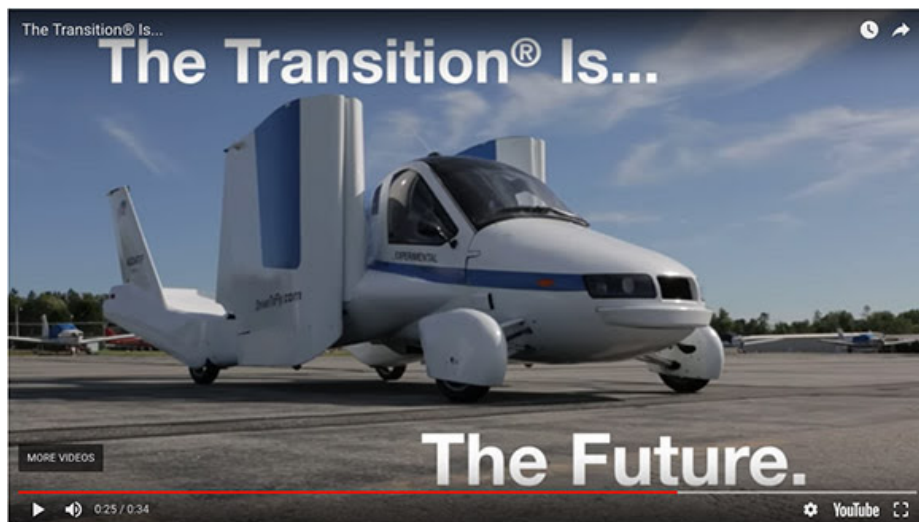
**Land O' Lake's New Tool Measures Profitability of Sustainable Farming Practices:** Farmer cooperative Land 'O Lakes has launched a new digital tool to help its farmer members implement sustainable management practices and increase their profitability. The data analyzed by the tool will also be available to food companies to measure and monitor the sustainability credentials of their supply chains. Truterra Insights Engine, launched under Land O' Lakes SUSTAIN, uses data from a variety of sources to quantify the economic and environmental benefits of certain practices and strategies to enable farmers to identify and select farm management options. Read more [HERE](#) the new tool integrates your information for more profitability.

**Blue Origin's Main Engine Chosen For Vulcan:** The military's primary launch provider, the United Launch Alliance, has selected the main engine for its next-generation rocket, a vehicle called the Vulcan. The company — a joint venture between Boeing and Lockheed Martin — will use an engine manufactured by Blue Origin, an aerospace company helmed by Amazon founder Jeff Bezos, ULA announced today. Known as the BE-4, the rocket engine has been under development since 2011. It runs on liquid oxygen and liquid methane, making it the first engine to use such propellants. And when complete, each engine will supposedly generate 550,000 pounds of thrust at liftoff. Read more about the program [HERE](#).

**Indestructible Zircon Cubes Offer Insights to Early Days of Earth:** Zircon crystals are almost indestructible; some still around today are nearly 4.4 billion years old. They're like tiny time capsules that retain the chemical fingerprints of this extremely early time. "This is basically our only window into the formative stages of our planet," says Dustin Trail of the University of Rochester. By decoding these chemical clues, scientists are slowly teasing out the environments that fostered the earliest glimmers of life. See what they are thinking [HERE](#).

**Researchers May Be Able To Prevent Cybersickness:** Virtual Reality or VR has made its way into medicine, education, and even law enforcement training. However, this incredible tool is not without its negative side effects. Cybersickness might sound like a disease from a sci-fi b-movie, but it's actually the technical term for VR motion sickness. Nausea can last for hours, and it's a problem that's prevented many people from being able to participate in VR for more than few minutes. Some companies have attempted to minimize the problem, but kinesiologists at the University of Waterloo are making strides to prevent it entirely. Find out their solution [HERE](#).

**Terrafugia Transition... From Highway to Skyway:** Those flying cars we've been waiting for since "The Jetsons" first aired are right around the corner. Most describe the Terrafugia Transition as an airplane that can be driven on the road. Chinese news agency Xinhua reported earlier this week that Terrafugia is likely to open pre-sales by October. Company CEO Chris Jaran also told Xinhua that they will be revealing another concept car TF-2 in October. I'm told the Terrafugia will range in cost between \$300K and \$400K. The future of transportation is upon us... check the Transition in flight [HERE](#).



### Fall Colors Are Upon Our Doorstep

Every year the USDA Forest service hosts a Fall Colors webpage chocked full of information about where and when to see fall colors in your part of the country. Along with sharing this, I wanted to include some interesting facts about how and why leaves turn colors. While fall colors are brilliant, they are even more spectacular when you consider that the incredible collection of reds and golds depends in part on the timing of weather conditions reaching all the way back to leaf emergence in the spring. While it seems like sheer art, fall color is really a function of chemistry. Pigments are the chemicals in leaves that produce the colors we see. Some of these pigments, such as chlorophyll that appear green and carotenoids that appear yellow, are a natural component of healthy leaves during the growing season. Chlorophyll is instrumental in photosynthesis, the process by which energy from sunlight splits water and carbon dioxide to make the sugar that fuels plant growth. The health of a tree drives the production and function of these chemicals. If a midsummer drought causes a tree to lose leaves to reduce water loss, that leaf is not likely to develop such a brilliant coloration. Too much or too little moisture is not the only factors affecting trees. Particularly for urban and community trees, de-icing salts can result in injury that stresses a tree and causes it to not have a timely display of fall color. For more information on how leaves turn colors, you can check out U.S. Forest Service's [Kevin T. Smith](#) who does a good job at not getting too deep into the woods explaining the details. Below I also wanted to include what are widely regarded as the top places to view amazing fall trees around the U.S. and the best times to view them. (Source: USDA, U.S. Forest Service)

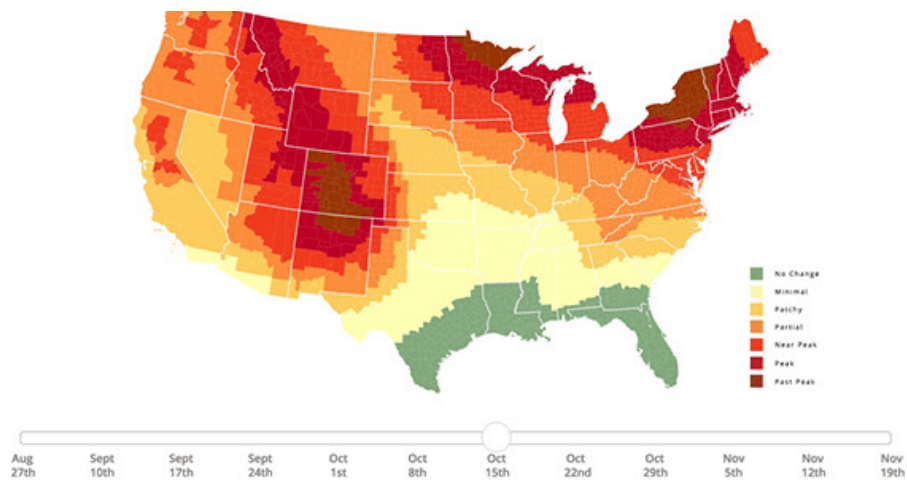
- **Aspen, Colorado:** *Aspen season is short. It kicks in during mid-September and peaks at the end of the month. You may get lucky and have some pretty trees the first week of October.*
- **The Catskills, New York:** *The last two week in September through mid to late October are prime time for fall foliage in the Catskills*
- **Columbia River Gorge, Oregon:** *Mid-September to mid-October is the best time for fall foliage in the Columbia River Gorge.*
- **Green Mountain Byway, Vermont:** *The northern Vermont leaf observation season begins the second week of September and peaks the first week in October.*
- **Great Smoky Mountains, North Carolina and Tennessee:** *Great Smoky Mountains National Park is ablaze in fall color from early October through early November.*
- **Upper Peninsula, Michigan:** *The best time is mid-September to mid-October with the peak happening in October.*
- **Lake of the Ozarks, Missouri:** *The last two weeks of October are the indisputable prime time for leaf peeping at the Lake of the Ozarks.*

THE 2018

## Fall Foliage Prediction Map





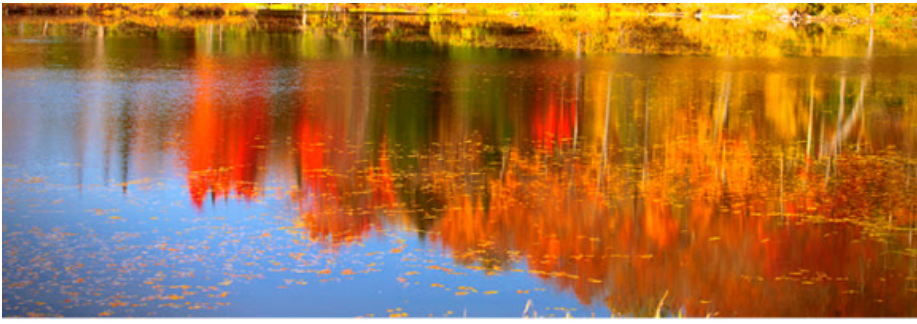


The 2018 Fall Foliage Map is the ultimate visual planning guide to the annual progressive changing of the leaves. While no tool can be 100% accurate, this tool is meant to help travelers better time their trips to have the best opportunity of catching peak color each year.



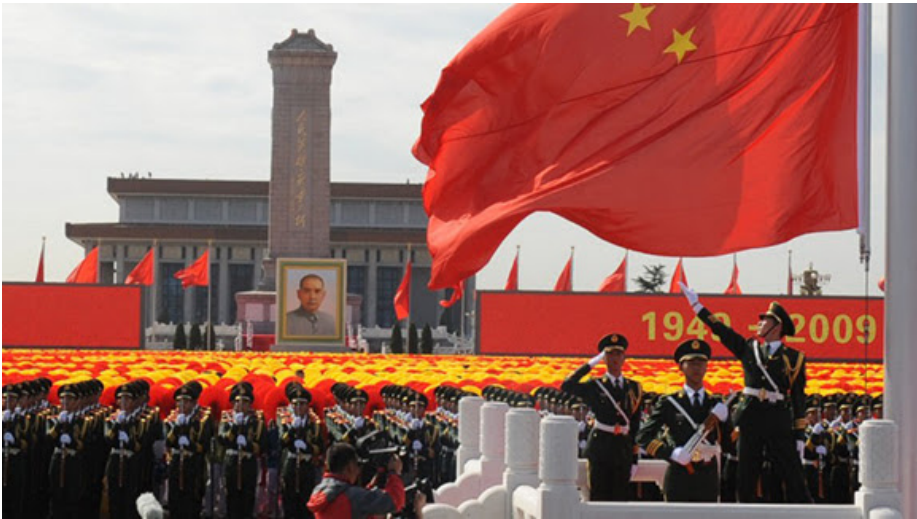






### China's "Golden Week" Holiday Kicks Off

Chinese National Day is celebrated annually on October 1st. It kicks off a 7 day long celebration known as "Golden Week". Many say it's the equivalent of the United States' 4th of July, only many in China take the whole week off! Before the establishment of the PRC, the country was ruled by royal families, known as Dynasties, going back over six millennium. The Republic of China overthrew the last Dynasty in 1911 and controlled the country until 1949, when the Communist Party overthrew the country's national party. Mao Zedong, aka Chairman Mao and considered the founding father of the PRC, started the National Day tradition when he raised the first Communist flag in Tiananmen Square on October 1, 1949. Every October 1st since, the ritual has been repeated. At exactly sunrise, uniformed military troops march out on the square to start the ceremony, which surprisingly lasts less than 5 minutes. The "real" entertainment is found in elaborate parades and fireworks shows. The government sponsors a main show in Tiananmen Square, but hundreds of patriots across the capital of Beijing and other main cities put on their own shows that also include fireworks and parades, as well as dancing and singing routines, art exhibitions and calligraphy displays. The holiday week also brings an increase in travel, both within the country and abroad. The country's Tourism Academy is forecasting that around 700,000 million travel over the week. Interestingly, there are no long-standing traditions around National Day as it is relatively new compared to say the 5,000-year history of Chinese New Year! The Chinese mostly just use the holiday week to travel and relax. Some Chinese companies and organizations offer to give workers a 10-day break by adding three extra days off to the official 7-day holiday, though government agencies are only closed October 1-7. Remember, most Chinese markets will also be closed and will not reopen until October 8. (Sources: The Straits Times, South China Morning Post, Wikipedia)







### October Is Breast Cancer Awareness Month

Breast cancer is the second most common type of cancer. About 1 in 8 U.S. women (about 12.4%) will develop invasive breast cancer over the course of her lifetime. Though it mainly affects women, men can and are being diagnosed with the cancer. It is expected that left undetected and untreated, the disease can spread to other areas of the body. Often identified as "Stage 4", is when breast cancer cells have spread far away from the breast and lymph nodes right around it. The most common sites are the bones, lungs, liver, and brain. This stage is described as "metastatic," meaning it has spread beyond the region of the body where it was first found. The prognosis for stage 4 breast cancer is not good; but has improved thought the years, with the 5-year survival rate rising to 22 percent. In 2018, an estimated +330,00 new cases of breast cancer will be diagnosed in women with nearly 80% being invasive. I've read that the death rate for women has been dropping since 1989, yet 41,000 women will still die this year from the disease. Given the high incidence and destructive nature of the disease, early prevention and treatment is a high priority. National Breast Cancer Awareness Month is October and is also used to raise funds for research and patient support programs. Below are a few more facts about the disease and some of the things you can do to help.

**Extremely Common Disease** - Besides skin cancer, breast cancer is the most commonly diagnosed cancer among American women. In 2018, it's estimated that about 30% of newly diagnosed cancers in women will be breast cancers. In the 1970s, breast cancer lifetime risk was only 1 in 11 - today, the odds have increased to 1 in 8. The good news is part of the reason is due to longer life expectancy and more detection through screening. Other factors include menopausal hormone use, changes in reproductive patterns and the increased

prevalence of obesity. Every two minutes a new case of breast cancer is diagnosed in women.

**Getting Older Increases Odds, But Younger Not Good Either** - 79 percent of new cases and 88 percent of deaths occurred in women age 50 and older, according to the American Cancer Society. Just fewer than 11,000 invasive cases occurred in women younger than 40, and just under 49,000 in women under 50. In women ages 50 to 64, invasive breast cancer was even more prevalent with more than 84,000 cases. Women over age 65 accounted for more than 99,000 cases last year. On the flip side however, women who are diagnosed with cancer before age 40 have a nearly 4.5-fold increased risk of developing another round of breast cancer.

**Your Family Tree Matters, But...** - A woman's risk of breast cancer nearly doubles if she has a first-degree relative (mother, sister, daughter) who has been diagnosed with breast cancer. However, less than 15% of women who get breast cancer actually have a family member diagnosed with it. About 85% of breast cancers occur in women who have no family history of breast cancer. These occur due to genetic mutations that happen as a result of the aging process and life in general, rather than inherited mutations. It's believed that 5 to 10 percent of breast cancers can be traced to specific, inherited gene mutations, such as the BRCA1 and BRCA2 gene mutations. However, not everyone needs genetic screening for breast cancer. Only about 2 percent of women meet the guidelines for screening. Fewer than 1 percent of the general population have a BRCA mutation.

**Pregnant Women** are also at risk of getting breast cancer. Pregnancy-associated breast cancer (PABC) is defined as breast cancer diagnosed during pregnancy or in the first postpartum year. Breast cancer affects approximately 1 in 3000 pregnant women and is the second most common malignancy affecting pregnancy. The average age of women with PABC is 32 to 38 years.

**Men** - About 2,550 new cases of invasive breast cancer are expected to be diagnosed in men in 2018. A man's lifetime risk of breast cancer is about 1 in 1,000.

**Symptoms:** Signs of breast cancer may include a lump in the breast, a change in breast shape, dimpling of the skin, fluid coming from the nipple, a newly inverted nipple, or a red or scaly patch of skin. Breast cancer most commonly develops in cells from the lining of milk ducts and the lobules that supply the ducts with milk. Cancers developing from the ducts are known as ductal carcinomas, while those developing from lobules are known as lobular carcinomas. The diagnosis of breast cancer is confirmed by taking a biopsy of the concerning lump. Once the diagnosis is made, further tests are done to determine if the cancer has spread beyond the breast and which treatments are most likely to be effective.

**Survivors:** The American Cancer Society estimates there are more than 3.1 million breast cancer survivors in the United States.

**Help can be given and received** by visiting the following sites:

[National Breast Cancer Foundation](#)

[Susan G Komen Organization](#)

[Pink Ribbon Organization](#)

[The American Cancer Society](#)

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**WOMEN**

WILL BE DIAGNOSED WITH

***Breast Cancer***

IN THEIR LIFETIME



**BREAST  
CANCER  
AWARENESS  
MONTH**



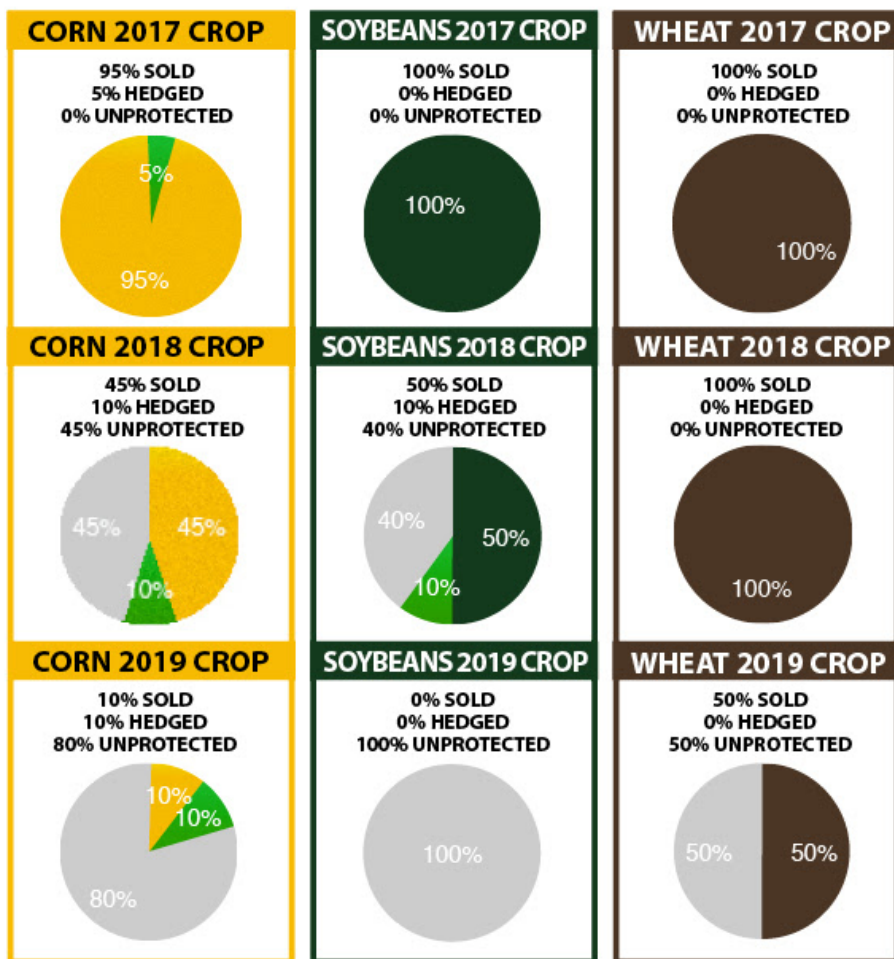


ANSWER to riddle:

Odometer

## CASH SALES & HEDGING TOTALS

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

Mon, Oct 1, 2018 at 6:26 AM

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