

## GOOD MORNING: 10/03/18 Farm Direction - Van Trump Report

2 messages

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Bcc: info@farmdirection.com

Wed, Oct 3, 2018 at 7:01 AM



"Why should we worry about what others think of us, do we have more confidence in their opinions than we do our own?" – Brigham Young

WEDNESDAY, OCTOBER 03, 2018

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

**Morning Summary:** Stock bulls are celebrating the Dow's 14th record close of 2018. Economic news has remained strong enough to fend off all negative geopolitical headlines and media rumors about Washington. Federal Reserve Chair Jerome Powell, confirmed the strength of the U.S. economy in a speech delivered yesterday in Boston. Powell reiterated that U.S. employment is extremely strong and inflation is running around the Fed's goal of 2%, which should help fuel hopes of an extended expansion. Powell went on to share that we are seeing the historically rare pairing of steady low inflation and very low unemployment, reflecting the extraordinary times we find ourselves in. As I reported yesterday, Amazon announced plans to raise its minimum U.S. hourly wage to \$15 per hour for more than 350,000 full-time and seasonal workers across the country. Other large retailers are acting like they might soon follow suit. It will be interesting to see if inflation starts creeping higher as wages are elevated? I continue to keep my eye on the oil market, which has once again climbed to another multi-year high. Keep in mind, the recent strength in the oil market is happening while the U.S. dollar pushes to new multi-week highs. Many inside the trade have been talking about supply shortages as the Iran sanctions move closer to reality. Larger traders however are also talking about a possible ticking time-bomb in Iraq. From what I understand, there are several balls in the air and dramatic shifts that could soon happen in Baghdad. There's a Kurdish election coming up this weekend that could ultimately influence who becomes the next president of Iraq and influence longer-term relations with Iran and Turkey. In a nutshell, the election this weekend could shift or change the delicate balance of power that has been keeping peace in the country as of late. There are some who believe newly elected officials in this area may have motives to form better relations with Iran and ultimately create some type of alliance. This would obviously upset the anti-Iranian crowd, which is the majority in many major regions, which could ultimately become a real threat to oil production in the Middle East. Let's put it this way, any destabilization or political shift inside Iraq will make the trade much more nervous about supply. Let's also keep in mind, production in Venezuela has dropped by over a million barrels per day, which is about 1% of global demand. Crude oil prices might backpedal a bit today as the Energy Information Administration (EIA) releases their weekly update, which some believe could show a sizable bump in U.S. domestic inventory. Overall however, it feels like crude oil prices still want to continue marching higher. I'm looking for prices at the pump to keep going up between now and yearend.

**NEW Apple Watch Could Have a Heart and Blood Pressure Monitor:** Apple introduced an EKG sensor or electrocardiogram for its Apple Watch series 4. The plan for this is to help users at risk for a medical condition known as atrial fibrillation. It seems like Apple has a much longer-term plan with these new features by possibly turning the Apple Watch into a blood pressure monitor, which could improve the health of millions. Apple is looking to disrupt the healthcare space in major ways.

**New York's Real Estate Market Continues To Slide:** Nearly 3,000 homes traded hands between July and the end of September, which is roughly -11% fewer than the same period last year, according to the report from Douglas Elliman Real Estate. And as prices and sales volume continue to decline, more homes hit the market. That pushed inventory to nearly 7,000 units, or about +13% more than 2017. The median Manhattan home sold for around \$1.1 million

THE  
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CONFERENCE**  
2018  
**NOVEMBER 28 -29, 2018**

**Full MARKET Outlook**



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

**SPECIAL "MASTER MIND" SESSION**



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

during the third quarter, according to a report released Tuesday, as prices took a -4.5% annual dip partially in response to changing policies in Washington. The number of sales fell for a fourth straight quarter, by -11%, during the July-September period on a year-over-year basis, as the lower end of the market has now started showing signs of softening. (Source: crainsnewyork)

**"Presidential Alert" Happening Today:** The Federal Emergency Management Agency plans its first test of a system for sending nationwide wireless messages to U.S. cellphones and some smartwatches. The drill is scheduled to start at 1:18 p.m. CST, followed two minutes later by a similar message sent through television and radio broadcasts. Some wireless alerts could be delayed by as much as 30 minutes. The "presidential alert" will look and sound similar to the severe weather and Amber alert notifications often sent by state and local officials. (Source: The Wall Street Journal)

**Rockies Win 13-Inning Battle Over Cubs:** Backup catcher Tony Wolters drilled a two-out, two-strike RBI single to center field to score Trevor Story with the eventual winning run in the 13th inning Tuesday night, and the Colorado Rockies outlasted the Chicago Cubs 2-1 in the National League wild-card game. By winning the longest "winner-take-all" playoff game in major league history, the Rockies earned the right to face top-seed Milwaukee Brewers in the best-of-five NL Division Series beginning tomorrow in Milwaukee. Read more [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.

## Early Bird Special

**\$299**

regular price \$500

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# FARM TANK

Tweets of the Day



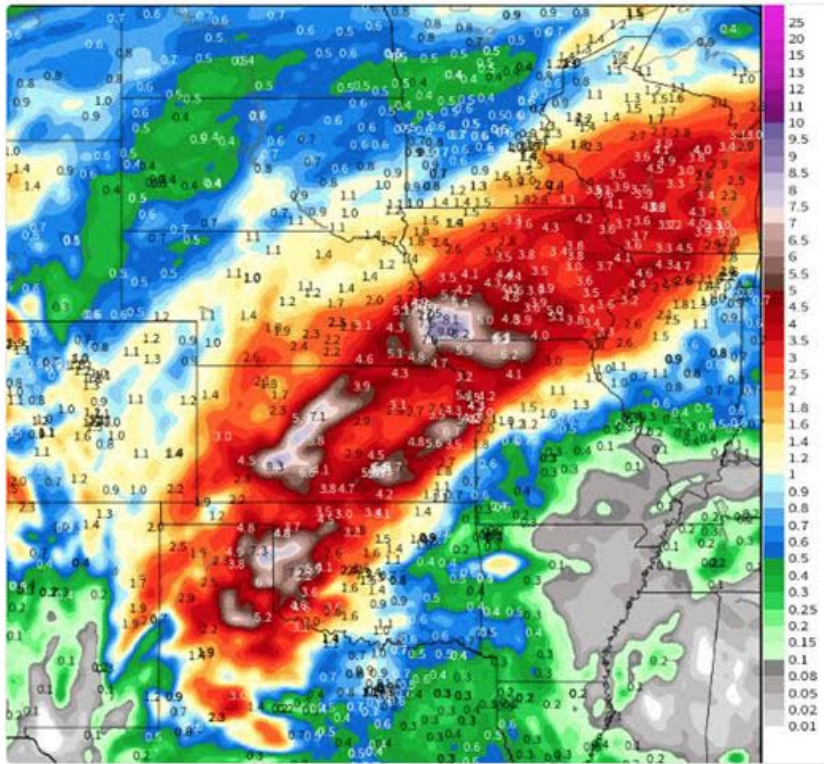




**S.E. Woollen**  
@WeatherTower

Following

Projected 7-day rainfall totals=  
#harvest18



10:00 AM - 2 Oct 2018

## Today In History



### 1932, Iraq Independence -

With the admission of Iraq into the League of Nations, Britain terminates its mandate over the Arab nation, making Iraq independent after 17 years of British rule and centuries of Ottoman rule. The territory of Iraq was under Ottoman dominance until the end of World War I, becoming an occupied territory under British military from 1918. The new Anglo-Iraqi Treaty was signed in June 1930. It provided for a "close alliance," for "full and frank consultations between the two countries in all matters of foreign policy," and for mutual assistance in case of war. Iraq granted the British the use of air bases near Basra and at Al Habbaniyah and the right to move troops across the country. The treaty, of twenty-five years' duration, was to come into force upon Iraq's admission to the League of Nations. This occurred on October 3, 1932. With the signing of the Anglo-Iraqi Treaty and the settling of the Mosul Question, Iraqi politics took on a new dynamic. The emerging class of Sunni and Shia landowning tribal sheikhs vied for positions of power with wealthy and prestigious urban-based Sunni families and with Ottoman-trained army officers and bureaucrats. Because Iraq's newly established political institutions were the creation of a foreign power, and because the concept of democratic government had no precedent in Iraqi history, the politicians in Baghdad lacked legitimacy and never developed deeply rooted constituencies. Thus, despite a constitution and an elected assembly, Iraqi politics was more a shifting alliance of important personalities and cliques than a democracy in the Western sense. The absence of broadly based political institutions inhibited the early nationalist movement's ability to make deep inroads into Iraq's diverse social structure. In order to transform the region to civil rule, Mandatory Mesopotamia was proposed as a League of Nations Class A mandate under Article 22 and entrusted to Britain, when the former territories Ottoman Empire were divided in August 1920 by the Treaty of Sèvres. However, the 1920 Iraqi revolt resulted in the scrapping of the original mandate plan in favor of British administered semi-independent kingdom, under the Hashemite allies of Britain, via the Anglo-Iraqi Treaty. Faisal ibn Husayn, who had previously been proclaimed King of Syria by a Syrian National Congress in Damascus in March 1920, was ejected by the French in July of the same year. Faisal was then granted the territory of Iraq, to rule it as a protected kingdom, with the British RAF retaining certain military control, though de facto, the territory remained under British administration until 1932. The Iraqi government maintained close economic and military ties with Britain, leading to several anti-British revolts. A pro-Axis revolt in 1941 led to a British military intervention, and the Iraqi



NACHURS Grower Corbe of Arkansas standing in his beautiful corn field. #BioK #RhyzoLink #harvest18



9:36 AM - 2 Oct 2018



Denny Vittetoe  
@DV959

Following

Found this on NAT, would you combine that close?

#harvest18



8:54 PM - 28 Sep 2018

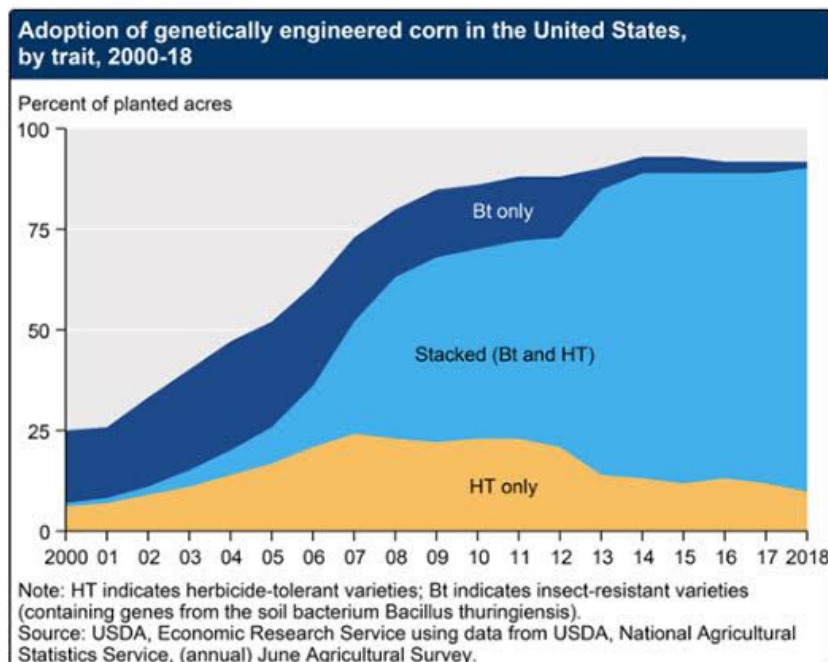
government agreed to support the Allied war effort. In 1958, the monarchy was overthrown, and for the next two decades Iraq was ruled by a series of military and civilian governments. In 1979, General Saddam Hussein became Iraqi dictator; he held onto power with an iron fist, until disappearing in the face of an American-led coalition's invasion of Iraq in 2003.



**1951, Bobby Thomson** - New

York Giant's third baseman Bobby Thompson hits a one-out, three-run home run in the bottom of the ninth inning to win the National League pennant for the New York Giants. Thomson's homer wrapped up an amazing come-from-behind run for the Giants and knocked the Brooklyn Dodgers, the Giants' hated inter-borough rivals, out of their spot in the World Series. The Giants went on to lose the Series to the Yankees, but Thomson's miraculous homer remains one of the most memorable moments in sports history. The Giants weren't even supposed to be in the pennant race—they were 13 1/2 games behind the legendary Dodgers by the middle of August, and everyone thought they were finished. But then they won 16 games in a row. By October, they'd won 37 of their last 44 games and had tied Brooklyn for the lead. It was time for a playoff, the first ever in the National League. New York won the first game; in the second, the Dodgers crushed them 10-0. The third game, before 34,320 people at the Polo Grounds in Washington Heights, was crucial, and by the ninth inning, it seemed like a lost cause. The Dodgers were winning 4-1. People in the stands were gathering their belongings and heading for the subway. But then the Giants came to life. Al Dark and Don Mueller hit respectable singles to right field. Then, after a Monte Irvin pop-up, Whitey Lockman doubled to left and sent Dark safely home. Now the score was 4-2, with runners on second and third. While Bobby Thomson waited to bat, the Dodgers sent in relief pitcher Ralph Branca. Thomson was a reliable hitter, and since first base was open and the new rookie Willie Mays waited on deck, many thought that Branca would throw a deliberate walk. He didn't. The first pitch was a called strike. Thomson drilled the second into the left-field stands. "The Giants win the pennant!" radio announcer Russ Hodges howled. "The Giants win the pennant! The Giants win the pennant!" He kept screaming until he lost his voice. Meanwhile, inside the Polo Grounds, pandemonium reigned. Fans flooded the field. Thomson took curtain call after curtain call. People in Manhattan and Brooklyn made so many phone calls in the half-hour after Thomson's homer that New York Telephone nearly lost service in the two boroughs. The next day, the momentum continued: The Giants beat the Yankees 5-1 in the first game of the World Series. Then the Yanks came back, winning the next three games and the series. In 1954 the underdog Giants swept the World Series in four straight games, thanks in

## Adoption of genetically engineered #corn in the United States, by trait, 2000-18, @USDA\_ERS



10:08 AM - 2 Oct 2018

part to Willie Mays' stupendous first-game over-the-shoulder catch in center field. But by the end of the 1950s, both the Giants and the Dodgers had moved to California, and an incredible era in New York baseball history was over.

### 1990, German Unification -



Less than one year after the destruction of the Berlin Wall, East and West Germany come together on what is known as "Unity Day." Since 1945, when Soviet forces occupied eastern Germany, and the United States and other Allied forces occupied the western half of the nation at the close of World War II, divided Germany had come to serve as one of the most enduring symbols of the Cold War. Some of the most dramatic episodes of the Cold War took place there. The Berlin Blockade (June 1948–May 1949), during which the Soviet Union blocked all ground travel into West Berlin, and the construction of the Berlin Wall in 1961 were perhaps the most famous. With the gradual waning of Soviet power in the late 1980s, the Communist Party in East Germany began to lose its grip on power. Tens of thousands of East Germans began to flee the nation, and by late 1989 the Berlin Wall started to come down. On 28 November 1989—two weeks after the fall of the Berlin Wall—West German Chancellor Helmut Kohl announced a 10-point program calling for the two Germanys to expand their cooperation with a view toward eventual reunification. Initially, no timetable was proposed. However, events rapidly came to a head in early 1990. First, in March, the Party of Democratic Socialism—the former Socialist Unity Party of Germany—was heavily defeated in East Germany's first free elections. A grand coalition was formed under Lothar de Maizière, leader of the East German wing of Kohl's Christian Democratic Union, on a platform of speedy reunification. Second, East Germany's economy and infrastructure underwent a swift and near-total collapse. While East Germany was long reckoned as having the most robust economy in the Soviet bloc, the removal of Communist hegemony revealed the ramshackle foundations of that system. The East German mark had been almost worthless outside East Germany for some time before the events of 1989–90, and the collapse of the East German economy further magnified the problem. Shortly thereafter, talks between East and West German officials, joined by officials from the United States, Great Britain, France, and the USSR, began to explore the possibility of reunification. Two months following reunification, all-German elections took place and Helmut Kohl became the first chancellor of the reunified Germany. Although this action came more than a year before the dissolution of the Soviet Union, for many observers the reunification of Germany effectively marked the end of the Cold War. The end of the unification process is officially referred to as German unity (German: *Deutsche Einheit*), celebrated





**Andrew Focht**  
@focht25

Following

Our Superhero's were out checking the @PioneerSeeds #YieldHero #Corn & #Soybeans today. Gary Olson @olsong1967 and @PioneerIowa are our Pioneer Superheroes

Focht Family Farms Villisca, Iowa



2:59 PM - 30 Sep 2018 from Iowa, USA

on 3 October (German Unity Day) (German: Tag der deutschen Einheit). Following German reunification, Berlin was once again designated as the capital of united Germany.

#### Upcoming Events

**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

## neuro mining



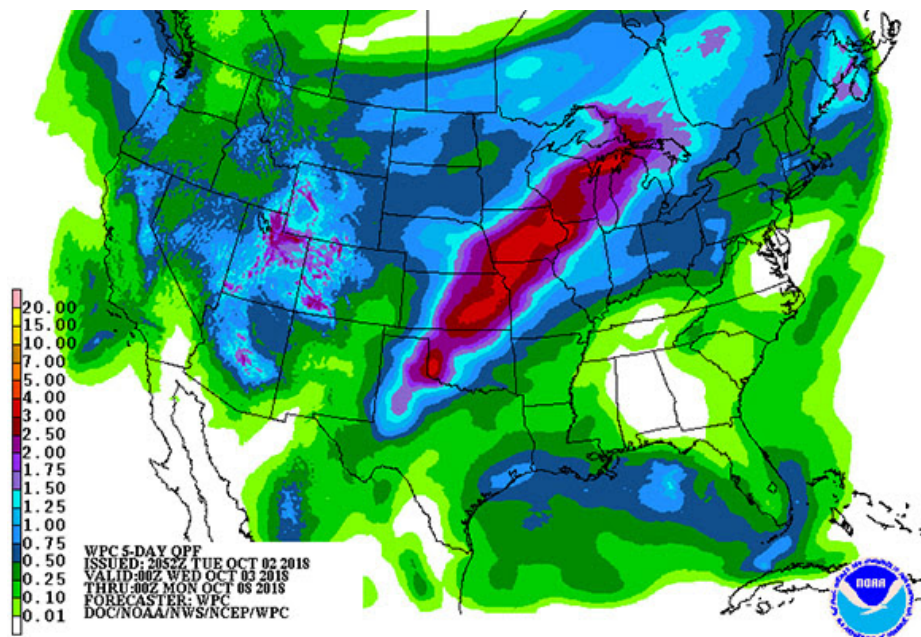
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we 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:

Your mother's brother's only brother-in-law is asleep on your couch. Who is asleep on your couch?

**Weather** on the Plains is seeing the coolest conditions confined to northern Montana. Elsewhere, warm, mostly dry weather is favoring summer crop maturation and

harvesting as well as winter wheat planting. At the end of September, Nebraska led the nation with 72% of its winter wheat acreage planted. At least one-fifth of the intended winter wheat acreage was planted during the week ending September 30 in Colorado, Kansas and Montana. In the Corn Belt, mostly dry weather generally favors corn and soybean maturation and harvesting. However, warm weather in the southern Corn Belt contrasts with cool conditions in the Great Lakes region and the upper Midwest. The cool weather is slowing evaporation rates and limiting fieldwork in areas that received heavy September rainfall. On September 30, Iowa led the Midwest with topsoil moisture rated 27% surplus. In the South, pockets of wetness persist following last week's heavy rain from the western and central Gulf Coast States to the Appalachians. On September 30 topsoil moisture was rated at least one third surplus Tennessee (53% surplus), Virginia (43%), Arkansas (39%), Kentucky (35%), and Louisiana (34%). Looking ahead, moisture from the tropical depression Rosa will be absorbed by a cold front, leading to mid to late week downpours in parts of the Plains and Midwest. Meanwhile, cool, showery weather will develop across much of the West, as a pair of Pacific cold front move ashore. Cool weather will also lurk across the North. Elsewhere, late season warmth will dominate the South, East and lower Midwest. Below we have the latest rainfall outlook for this coming weekend and early next week. Rain looks to saturate much of the Midwest, keeping farmers out of the fields for a few days.



**Corn** bulls are happy to see the market push beyond some of its short-term technical moving averages. The heavy rains in the forecast has the market talking about harvest delays and late-inning disease and quality concerns. The question everyone is now asking is how much more "risk-premium" needs to be added, considering we are still more than likely going to harvest a record average yield? I continue to argue that the trade is mostly range bound until more certainty is known regarding Chinese trade negotiations and South American weather. Demand remains extremely strong and the fundamental balance sheets are definitely less bearish than the previous few years. As a producer, I should note, the DEC19 contract has closed back above \$4.00 per bushel and is worth having on our radar. My only concern is that inputs and fuel costs are climbing higher, hence our breakevens becoming a more difficult hurdle to clear. From a technical perspective, most all sources are wanting to see if the DEC18 contract can muster enough momentum to close back above \$3.80 per bushel. A bigger what if for me is the \$3.90 level? I continue to look for positive comments or remarks from President Trump regarding E15 in the next couple of weeks, which might actually provide our next leg higher. Unfortunately, I doubt it will be enough to push us north of resistance on the charts. As a producer, I'm looking to reduce a bit more nearby risk if we can push towards the upper-limits of the range i.e. between \$3.80 and \$3.90 per bushel. As a spec, I want to be a longer-term bull, but have no desire to chase prices higher at this juncture. I still believe there could be a retesting of the lows. From my perspective, we still haven't broken the trend of lower-highs and lower-lows. Staying patient and not wanting to get chewed up as the market cycles.

**Harvest Crop Revenue Insurance Guarantees:** Remember these prices will update daily during the month of October as the price average is determined.

**2018 Fall Harvest Price: Corn \$3.65<sup>^</sup>6**

2018 - Spring price \$3.96; Harvest price ???  
 2017 - Spring price \$3.97; Harvest price \$3.49  
 2016 - Spring price \$3.86; Harvest price \$3.49

**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

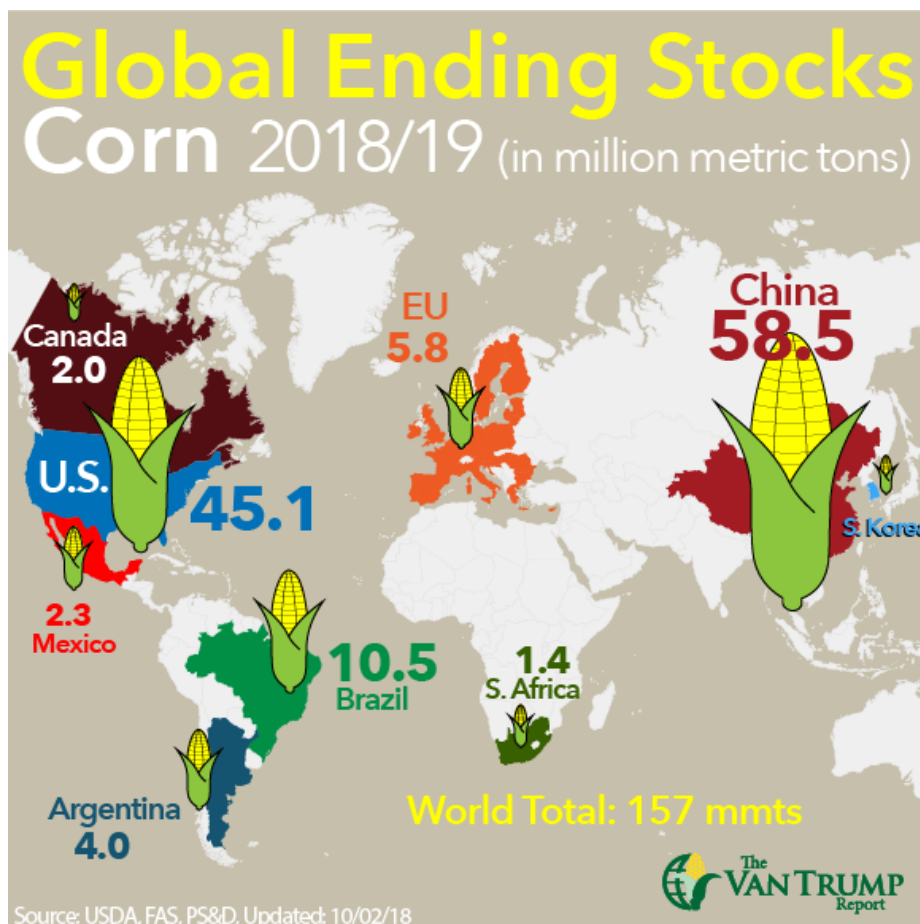
#### Kevin's Song of the Week



#### Kevin's Song of the Week



2015 - Spring price \$4.15; Harvest price \$3.83  
 2014 - Spring price \$4.62; Harvest price \$3.49  
 2013 - Spring price \$5.65; Harvest price \$4.39  
 2012 - Spring price \$5.68; Harvest price \$7.50  
 2011 - Spring price \$6.01; Harvest price \$6.32  
 2010 - Spring price \$3.99; Harvest price \$5.52  
 2009 - Spring price \$4.04; Harvest price \$3.90  
 2008 - Spring price \$5.40; Harvest price \$3.74



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 continue to look at more and more rain in the U.S. forecast. The question now is how long will some producers see their harvest delayed? Bulls argue that a few weather guru's are now forecasting flooding and delays for a few areas that could extend for multiple days and perhaps a couple of weeks, mostly in the upper Midwest, which could ultimately put some fields at risk of a cold snap. Bears point to the fact the forecast actually seems to be improving for producers to the South. The basis has actually firmed up a bit in several locations as the harvest starts to hit some delays on the heavy rains. I still haven't heard anything new in regard to Chinese trade negotiations. Several traders are saying the new deals recently made with Canada and Mexico are perhaps providing a little psychological support. There's also talk and encouragement coming from proposed trade talks improving with Japan. In South America, bears continue to point towards another record soybean crop going in the ground. Several inside sources are thinking the number of Brazilian soybean acres will easily exceed that of the U.S. in 2019. In fact, Brazilian soybean acres this year might be close to the all-time record number planted here in the U.S. In other words, without a major weather hiccup or complication Brazil is going to producer yet another all-time record soybean crop. Technically, this is the highest close we've seen in the NOV18 contract since August 22nd. We are actually back above our 50-Day Moving Average for the first time in weeks. I should note, there's some seasonal and historical trades circulating that show strong bullish tendencies for the market between now and month-end. I'm not holding my breath. I still think we are range-bound and simply oscillating back towards the upper end of the range. As I mentioned several week ago, I still think there will be more bad news to digest in regard to Chinese trade negotiations. I think it's going to take more time than most are currently wanting to acknowledge. I hope I'm wrong or that U.S. soybeans can continue to find strong demand elsewhere. As producer, I will be looking to reduce a bit more nearby price risk if we can push north of \$9.00 per bushel. As a spec, I would only be a buyer on another leg lower. The headline risk associated with the Chinese unknowns keep me from buying breakouts.

**Harvest Crop Revenue Insurance Guarantees:** Remember these prices will update daily during the month of October as the price average is determined.

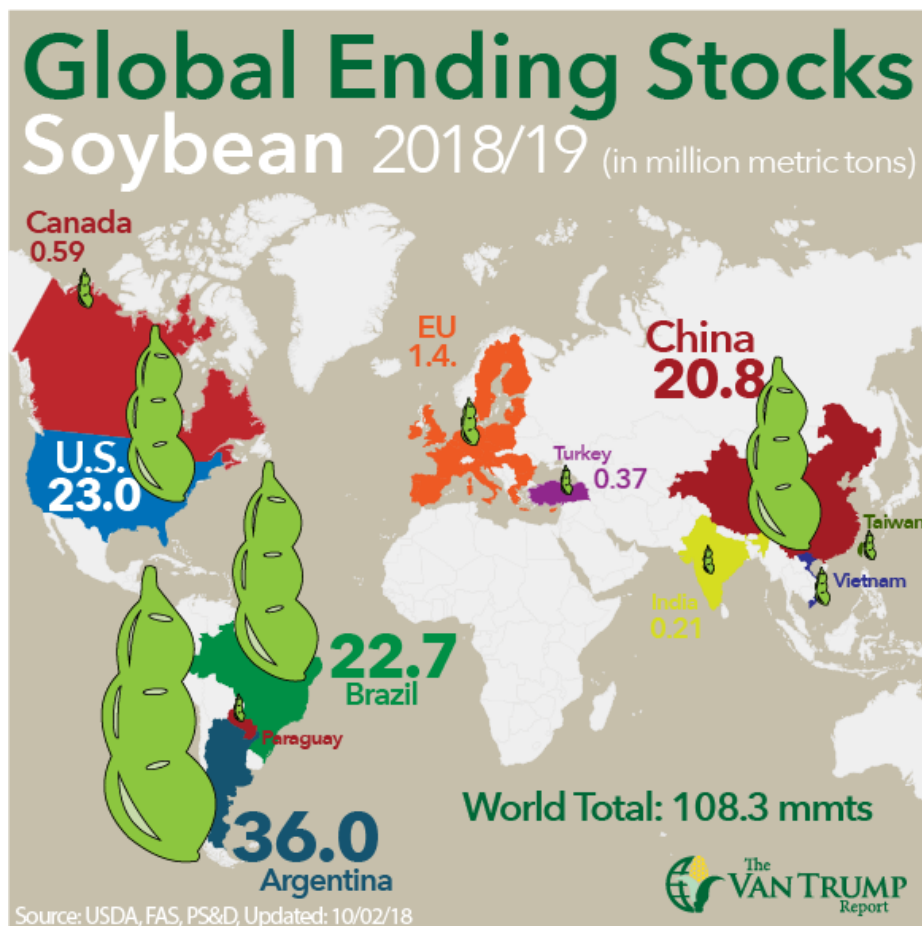


## 2018 Fall Harvest Price: Soybeans \$8.57<sup>^</sup>6

2018 - Spring price \$10.16; Harvest price ???  
2017 - Spring price \$10.19; Harvest price \$9.75  
2016 - Spring price \$8.85; Harvest price \$9.74  
2015 - Spring price \$9.73; Harvest price \$8.91  
2014 - Spring price \$11.36; Harvest price \$9.65  
2013 - Spring price \$12.87; Harvest price \$12.87  
2012 - Spring price \$12.55; Harvest price \$15.39  
2011 - Spring price \$13.49; Harvest price \$12.14  
2010 - Spring price \$9.23; Harvest price \$11.63  
2009 - Spring price \$8.80; Harvest price \$9.66  
2008 - Spring price \$13.36; Harvest price \$9.22

*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..."*

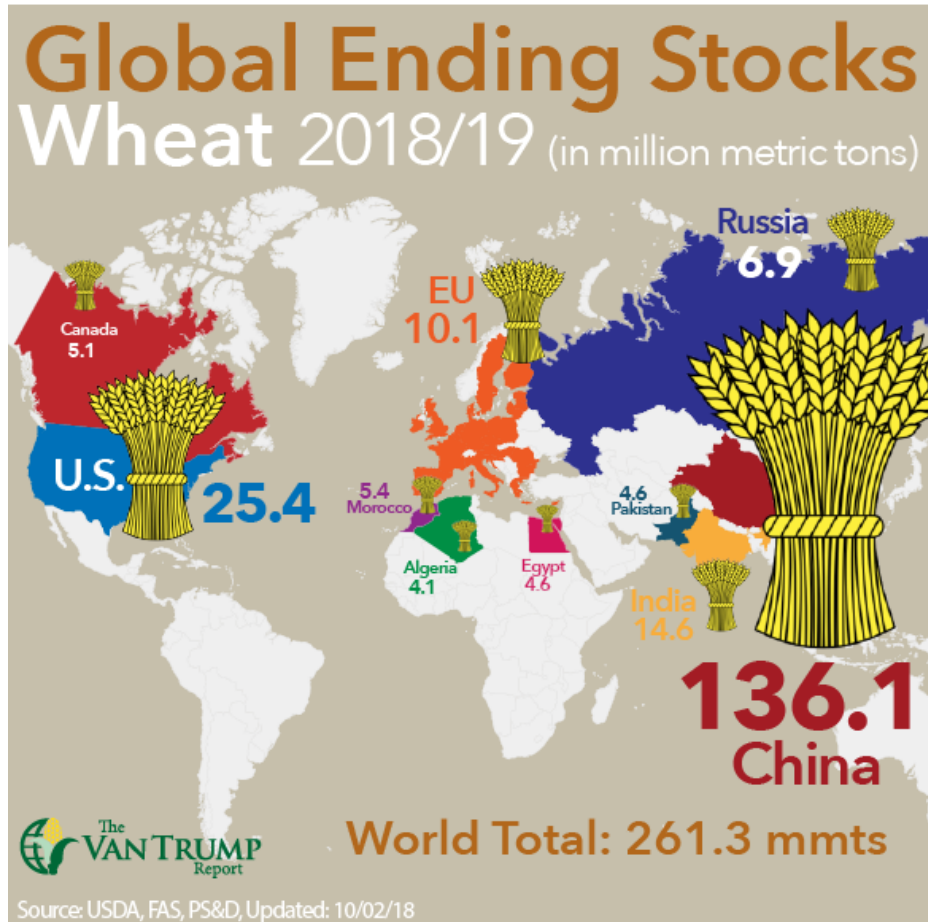
*"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."*

*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.*

**Wheat** bulls are excited about the announced trade resolution with Canada and proposed talks with the Japanese. From what I understand, U.S. wheat now gains better access into Canada as quality grading becomes more standardized. This is something leaders in the U.S. wheat industry have been trying to make happen for years. Bulls are also pointing to some rumors and headlines out of Russia, that several grain loading facilities in two key exporting regions could be suspended or temporarily closed for a few days or up to several weeks depending on the penalties for their current violations. Bulls argue, perhaps its an alternative way for the Russian government to limit exports. As a bull, I am also keeping a close eye on continued weather complications in Australia and portions of the European Union and Black Sea region. Bears continue to point to ample supply, a strong U.S. dollar, weak U.S. export demand, and more U.S. wheat acres being planted. Technically, it feels like nearby resistance in the DEC18 SRW contract is up between \$5.30 and \$5.40 per bushel. Nearby support seems to be in the \$4.95 to \$5.05 range.



**> USMCA.... Wheat, Dairy, and GMO's:** Food producers are hopeful that USMCA will provide some relief from declining prices, as it could create changes in the current supply chains. I'm told a more science-based framework for food safety could alter the process for how food is produced and delivered, leaving room for food to cross borders more easily. Some trade experts say it's unclear whether new access to the Canadian market for U.S. dairy and wheat along with products like chicken, eggs and turkey will be enough to cancel out the effects of retaliatory tariffs on U.S. exports. "New dairy access is important. But the period of uncertainty has reduced our market share in Mexico," said Darci Vetter, who served as the USTR's chief agricultural negotiator in the Obama administration, when TPP was negotiated. "I don't think we ever get that market share back." (Source: Politico)

**> Soybean Planting In Brazil at 29%:** Soybean planting in Brazil's Parana state, the country's number 2 soy producers, reached 29% of the expected area this week compared to 16% a year ago, the states ag statistics agency Deral said. Planting of first crop corn was at 70% of projected area also well ahead of last year when at this time farmers had planted only 33%. (Source: Reuters)

**> Cotton to Take Away Corn and Bean Acres:** From what I'm hearing, strong domestic prices for cotton in Brazil will lead producers to increase their cotton acres. According to Brazil's ag ministry we could see a hike of up to 22% as 3.5 million acres could be planted. If true it would mean Brazil's cotton production will have doubled over the last three years. I'm told this could raise the country's production totals up 400,000 and making exports reach 1.2 MMT, moving them into second place in cotton exports behind the U.S.

**> Testing For Glyphosate In Food:** The FDA has detected minimal amounts of glyphosate residue in corn and soybean samples, and found no trace of the herbicide in more than half the commodities it tested. They analyzed for glyphosate and glufosinate residue levels in 274 grain corn, 267 soybean, 113 milk, and 106 egg samples. No



*samples contained violative levels of glyphosate or glufosinate; and no residues were found in the milk and egg samples. commissioner Scott Gottlieb said the FDA test result for human and animal foods are good news for the public. (Source: FoodSafetyNews)*

**> Poor Quality Grain Has Russia Threatening Restricting Loadings:** *Russia's safety watchdog is considering suspending operations at 30 loading points. I'm told the locations are in Krasnodar and Rostov, two of the country's top grain exporting regions. From what I understand, the problem is poor grain quality, as major buyers are becoming impatient with the occurrences. I've heard some suggest that it could be another way officials are slowing the exports of grain in order to maintain domestic supplies.*

**> Alberta Cattle Need More Feed Grain:** *Drought conditions on the Canadian prairie have reduced harvest yields and caused more yearling cattle to move into feedlots earlier. The U.S. is well positioned to fill this domestic grain shortfall due to proximity, including northern U.S. ethanol plants that offer U.S. DDGS for local feed rations. Overall, Canada has purchased 1.44 million metric tons (56.7 million bushels) of U.S. corn thus far in the 2017/18 marketing year (Sept. 2018 - July 2018), more than double the previous marketing year, in addition to 605,000 tons of U.S. DDGS. (Source: USGC)*

**> Kroger and Walgreens Form Alliance:** *The Kroger Co. has begun testing a new buy online, pick up in-store cross-selling partnership with Walgreens, which will allow customers to order groceries from Kroger's website and have those orders delivered for pickup at Walgreens stores. I'm told the test program will be deployed to 13 Northern Kentucky Walgreens stores over the next several months. The companies will be monitoring the results of the pilot with customer feedback to evaluate for a national rollout. The partnership is intended to bring convenience to shoppers through one-stop shopping and "redefine the way America shops for food," said Kroger CEO and Chairman Rodney McMullen.*

**> Tesla Production Numbers Up:** *Tesla announced that it produced 80,142 vehicles in the 3rd quarter, which marks a +50% increase from the last quarter. This total includes 53,239 Model 3's, which nearly doubles the number Tesla made last quarter. These numbers imply that Tesla is averaging over 4,000 Model 3's a week. I think the main question moving forward is if Tesla can keep this pace up?*

**> Blue Apron is Now Available on Grubhub:** *Blue Apron is testing selling its kits through the food delivery service, Grubhub, in select areas in New York. Blue Apron plans to deliver their products in 30-minutes or less and the cost is anywhere between \$19 and \$38 for 2 to 4 serving meals. Blue Apron is really trying to push customers to try this new delivery method by offering coupons giving 40% off any first order. Since the food still needs to be cooked, delivery will only be available between 4:00 pm and 8:45 pm. Looks like Blue Apron is trying to provide even more convenience. Unfortunately, their share price has tumbled to a record low sub-\$1.50 per share.*

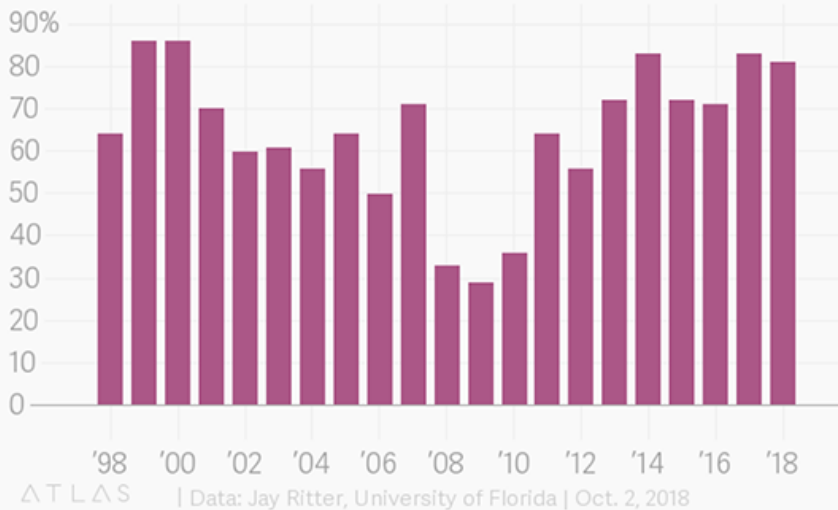
**> Pentagon Receives Two Suspicious Envelopes:** *Authorities at a Pentagon mail screening facility found two envelopes suspected of containing ricin, a poison made from castor beans, and turned them over to the FBI for further analysis, officials said Tuesday. One envelope was addressed to Defense Secretary Jim Mattis, who is traveling in Europe this week, and the other to the Navy's top officer, Adm. John Richardson, a defense official said. The official spoke on condition of anonymity because the official wasn't authorized to speak publicly ahead of FBI release of its findings. Neither envelope entered the Pentagon and it's worth noting the mail screening facility is on the Pentagon grounds but separate from the main building. (Source: AP)*

**> The Carolinas Are Dealing With Huge Mosquitoes After Florence:** *Governor Roy Cooper dedicated \$4 million in relief funds to combat the outbreak of massive mosquitoes in more than two dozen counties in the wake of Hurricane Florence. Psorophora ciliata or gallinipper as it's commonly called is quite aggressive and has a painful bit. There is no widespread intervention on tap yet as these activate only during times of flooding and rarely carry disease. But they are quite a nuisance. (Source: Pop.Sci.)*

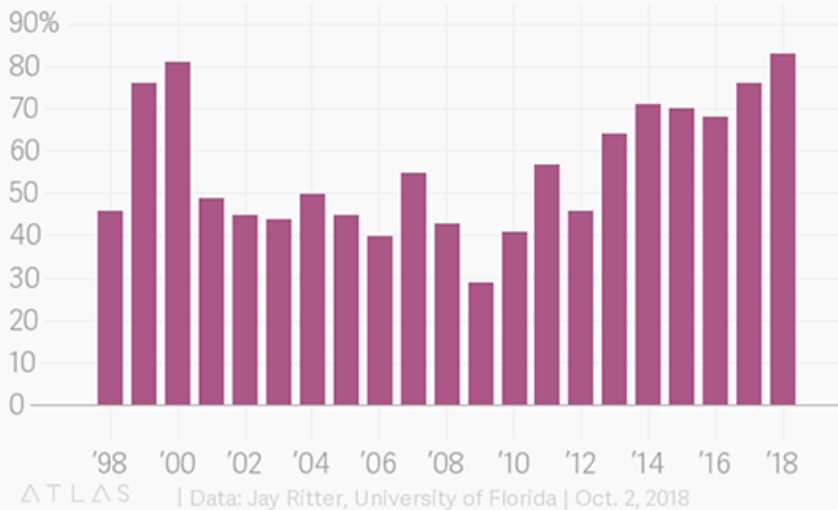
**> China's biggest streaming-music service files for a U.S. IPO:** *Tencent Music, the streaming-music service backed by the tech giant Tencent, could fetch a valuation of more than \$25 billion — making it one of the biggest tech IPOs ever. (Source: the Wall Street Journal)*

**> Investors Are Giving Money To Unprofitable IPOs At A Record Pace:** *Investors have never been more receptive to initial public offerings (IPOs) from companies that don't make any money. This year, 83% of all new U.S. public listings have been from unprofitable enterprises, the most on record going back to 1980 according to research by University of Florida. Understand, investors loaded up on money-losing tech IPOs during the dot-com bubble and got crushed when the euphorias fizzled. Some 81% of tech IPOs have been unprofitable this year according to U of F data, compared with 83% in 2017, and 86% when the last tech boom peaked in 2000. (Source: UofFlorida)*

### US tech company initial public offerings (IPOs) with negative earnings



### US initial public offerings (IPOs) with negative earnings



**Northern Minnesota** – It seems to rain or drizzle nearly each day since the second week of August and if it's not raining, it's gloomy. We are going to see at least 1 more rain this week if not two, so we are waiting on the last field of soybeans to dry down. A few guys have opened up corn fields, but they are all telling me it's still in the 20's on moisture. The good news, it's going to be a decent year on yield based on the early samples. A buddy of mine told me his headlands were showing 150-160 bushels per acre on the yield monitor. We have started to turn the corner into the colder weather, most days are between 40's and 50's on the higher side. We have slowly gotten soybeans harvested, but it's been a challenge here this year because of the rain. The ground has stayed hard, so we are not dealing with tracking up the fields like guys south of us. We didn't get any rain for 6 weeks starting July 4th, which caused the plant to shut down and start dying. When we finally started getting rain mid-August soybeans started to grow again which did us no good besides putting green leaves on the plant that made harvest more difficult. We finally got our first freeze about a week ago which dropped those leaves, so we have been able to harvest more easily. The rains in August generally don't help us like guys think. We should be in the mid-30's which is better than we initially expected. I still have my doubts on corn still but I'm hoping for the best. We should be starting corn in the next 7-10 days depending on rain.

**Northcentral Missouri** – We farm corn and soybeans in about a 30-mile circle. We started cutting soybeans recently and we are surprised how much they are producing with little too no rain in most



areas. We have only harvested a few fields so I'm just estimating but I think we will make 40 bushels per acre. We have a few fields that I believe will be on the extreme end of yield, some will make 15 bushels per acre while other will make 60. I believe it would be better if we didn't make any soybeans and got paid on the insurance price rather than trying to sell soybeans at this price level. We had our soybeans tested and they are coming back at 14-15% damage due to smaller or misshaped seeds, it has very little to do with broken or damaged seeds. The acceptable level for us is less than 3%, so we will see how the rest of harvest goes and this will be another obstacle we will have to get over.

**Westcentral Wisconsin** – It's a muddy mess here to say the least. We did not get done planting until the end of May. It was wet in June and the crops looked good but then it got hot and dry in July and half of August. We got just enough rain to keep the crop coming along. Mid-August the rains really cut loose and hasn't stopped since. I think we have a record crop standing out in the field, but I can't get the combine out there to prove it. We expect harvest rains and wet river bottom ground, so we buy our equipment around that expectation, but we need sunshine to get the plants to dry down. The stocks all look healthy and are holding up in these conditions so I'm not worried. We have learned a long time ago not to worry about things we can't change.



**Crisper is Trying to put the Ground Cherry in Supermarkets:** Before corn was corn, it was a skinny grass that produced only a single row of kernels on each stalk. Long centuries of breeding turned it into a fast-growing plant with big, sweet, kernel-dense ears. In fact, most of the produce we're familiar with now took hundreds of generations to become what they are today. But now scientists, armed with powerful CRISPR-Cas9 gene editing technology, are whittling down the domestication process to just a few years. Their first experiment is the ground cherry — a formerly wild, now-delicious fruit that has everything it takes to become the next strawberry. Read more [HERE](#).

**Apple is Hoping Students Will Ditch Their Wallets:** Starting yesterday, students wearing Apple Watch's at Duke University, and the University of Alabama and University of Oklahoma, can transform their techie timepieces into their student IDs. Students can use the watch (in conjunction with Apple Pay) to securely buy books, grab a meal, do laundry or, even in some cases, access dorms, the gym or college library. The IDs, though, are not limited to watch wearers. Students who don't wear the Apple Watch but carry an iPhone can store their IDs in the Wallet app on the handset, and similarly use their phones to transact or to access campus facilities. In both instances, of course, the idea is that students can leave physical wallets behind. Read more [HERE](#) how they intend to do just that.

**How AI Will Make Sure You are Paying Attention to the Road:** In the world of advanced driver-assistance systems, only Cadillac's Super Cruise actively measures a driver's attention when it's engaged, allowing for truly hands-free driving in limited situations. BMW must have gotten a little jealous because it's implementing a similar system on its 2019 X5 SUV shortly after it goes on sale, according to Automotive News. The system is called Extended Traffic Jam Assistant System (ETJAS) and will be available as a \$1,700 option on 2019 X5 models starting in December. The driver-monitoring cameras live at the top of the instrument cluster, and while they actively monitor driver attention, they don't under any circumstance record and store footage. See where the future of driving is headed [HERE](#).

**Overcoming an Aging Work-Force and Low Birth-Rates with Robotics:** It is expected that many industries such as construction will fall into serious manual labor shortages in the future, and researchers believe they have a solution using robot technology. The HRP-5P is a humanoid robot from Japan's Advanced Industrial Science and Technology Institute that can perform common construction tasks including installing drywall. Researchers see the robot as a solution to future workforce shortages, hoping they will fill the gap at work sites assembling very large structures such as building sites and assembling of aircraft/ships. Check out the video of HRP-5P putting up a sheet of drywall [HERE](#).

**Check out the Army's Latest Acquisition:** The U.S. Army has ordered a prototype of a weapon designed in a garage in Colorado Springs. The weapon is electrically fired, has four barrels and can fire all four rounds at once in a single devastating salvo. The weapon was developed by inventor Martin Grier and sports four vertically stacked barrels encased in a single block of steel, an electric actuator firing system, four-round blocks of ammunition, according to the Colorado Springs Gazette. None of these three features are incorporated into current small arms, although heavier weapons such as the M61 Vulcan 20-millimeter Gatling gun and M134 Gatling gun are both electrically fired. Grier has poured \$500,000 into his invention. It will be interesting to see what the Army makes of it. Check out a quick video with the weapon [HERE](#)



### **Breeding Pigs to Their Limit...**

Increasing death rates of sows over the last three years has led researchers to collaborate to get a fix on the problem. Industry numbers show the rise in the sow death rate has increased to 10.2% from 5.8% three years ago. Mortality rates are becoming a concern for the industry at a time it is experiencing rapid growth. Data shows there were approximately 73 million hogs being raised on U.S. farms in June, which happens to be the highest number recorded since the USDA began keeping records in 1964. Interestingly, most consumers are unaware of the growth as nearly 97% of hogs are raised in closed barns or confined feeding operations. Keep in mind, for years hogs have been dying for a multitude of reasons, ranging from accidents to disease as well as heart problems, but experts believe the recent rise in numbers may be caused by prolapse, or the collapse of the animal's rectums, vaginas and uteruses. While researchers are seeking data and solutions, there are some who are wondering whether the trend towards engineering farm animals for profit is somewhat to blame, meaning there is an argument that confinement hog operations just aren't designed to be humane or sustainable over the long haul. While prolapse has many causes, it is believed that the strict confinement within feeding operations are a contributing factor as sows are often stuck in the same position for most of their adult lives. There are also groups who believe the industry has bred sows to have less back fat in response to consumers eating less fat, but at the same time, the animals were pushed to produce more and more babies. Biologically, that creates some concerns as the sows bones are thought to be weaker and they don't have enough fat to support the reproductive process. In a nutshell, a few groups are arguing that new-age sows may have been bred to their biological limits and they are trying to tell us that. I should note, producers are on board and definitely wanting to find the answer and a solution so death rates can hopefully stop their ascent, especially as U.S. pork exports are forecast to see continued growth. (Source: Civileats, vetmedISU)

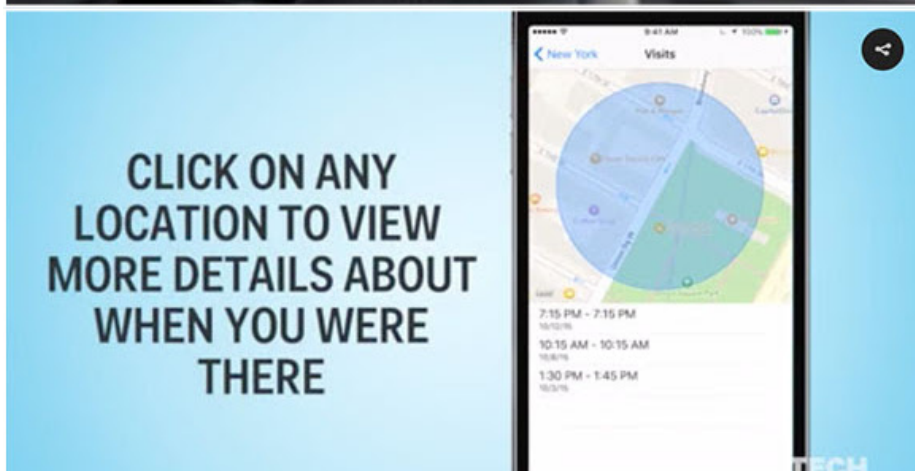




### **Hidden Maps On Your Cell Phone Can Tell Where You Have Been...**

There's a feature on your iPhone that tracks your frequent locations on a map and logs the times you arrived and departed. Here's how you can see it for yourself and how you can turn it off, in case it freaks you out. There's actually a hidden map inside your phone that plots your frequent locations and what time of day or night you were there. Apple says the data is only kept on your phone and used for personal services like traffic routing. Below is how you can find it on your phone: (Source: Chris Snyder and Alex Heath with [BusinessInsider](#))

1. Go to "Settings" and click on "Privacy"
2. Click on "Location Services" and scroll down to "System Preferences or Services"
3. Scroll down again and click on "Frequent or Significant Locations". You will see your location are grouped by city here.
4. Click on a city to open the map which lists all of your frequent locations.
5. Click on any individual location to view more details about specifically when you were there.

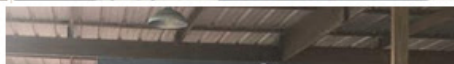


### **In Case Your Rained Out And Looking To Take The Wife Somewhere**

The Original Round Top Antiques Fair is celebrating its 50 year anniversary. Michelle and I have traveled to the small town of Round Top Texas on more than one occasion and may take a trip down this weekend as we are scheduled for a ton of rain the next several days. If you like picking and authentic antique shopping it's definitely worth the trip. I personally think it's changed over the past several years. There's definitely a lot more vendors and it seems like more attendees. Many say the bargains are harder to find than in years past because the economy has rebounded aggressively. I should note, the oil money from down in Texas also works to dictate price. If the oil business is doing well, money seems to be flowing more easily in and around Round Top. If you have never had the pleasure of visiting, you will find it on 16-mile stretch of highway 237, where more than 200,000 visitors enter the hundreds of pitched tents in open fields. It's really not nearly as crowded as you might think. I'm not a big fan of large crowds and or big hassles, but this wasn't that bad. I recommend you do some scouting online [HERE](#) prior to leaving town as you most likely won't make it to every vendor unless you're planning an extended stay. A few spots you definitely want to put on your itinerary are the iconic "Big Red Barn" and "Marburger Farm". If antiques are not your thing or the budget is limited, there are over 50 other venues showcasing everything



from flea market finds to boutique clothing and interior décor. The Fall show dates this year are October 1-6. If you are looking to ship something back home from the event, we've had our best luck using a company called [Distinguished Transport](#). It seems there's nothing they won't tackle or guarantee. On the trip, my wife also makes me drive her by Chip and JoAnne Gains place in Waco, Texas. In case you didn't know, this is the couple from the highly popular TV series "Fixer Upper" which airs on HGTV. Their shop is located at the "Magnolia Market". Below are a few fun pics from recent trips. We always seem to have fun and find something with a story to bring back home...















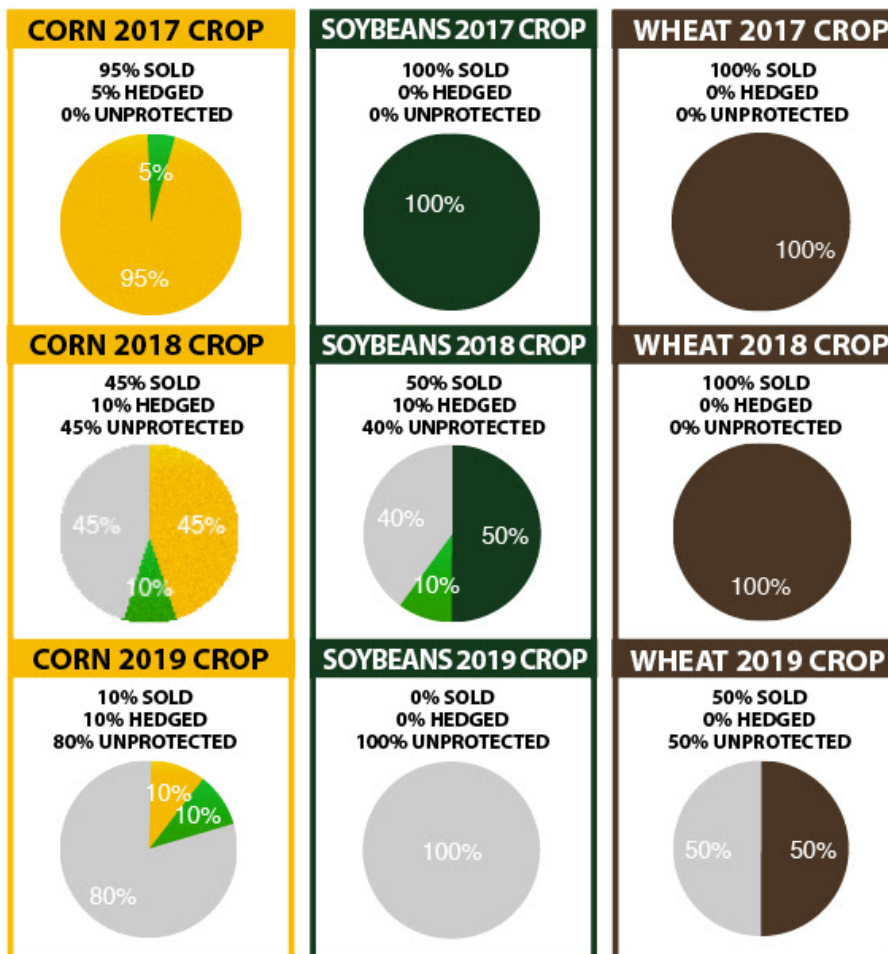
**ANSWER to riddle:**

*Your dad.*



# CASH SALES & HEDGING TOTALS

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