

## GOOD MORNING: 10/22/18 Farm Direction - Van Trump Report

2 messages

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Mon, Oct 22, 2018 at 6:13 AM



*"It is not the strongest species that survive, nor the most intelligent, but the most responsive to change."* - **Charles Darwin**

**MONDAY, OCTOBER 22, 2018**

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

**Morning Summary:** Traders are heavily debating what will move the market this week... earnings and economic data or ongoing uncertainty surrounding geopolitical headlines. It will be an extremely heavy week for U.S. corporate earnings, with huge names like Amazon, Boeing, Caterpillar, Google, and McDonalds all reporting. The question isn't so much earnings from the current quarter, but the tone of forward looking guidance. Will higher interest rates, a strong dollar, rising inflation, tighter labor market, and ongoing trade disputes start to bring about thoughts of tighter margins and shrinking profits? Some inside the trade are saying investors have gotten complacent and that another -10 to -15% correction is necessary to bring sentiment back in check. Their belief is that in order for us to keep attracting new bullish money, the market needs to be at levels closer to 15 to 16 times trailing earnings. Many believe with such strong employment, we are at a tipping point in the U.S. economy, where just the slightest growth will work to push wages higher, in turn keeping the Fed hawkish and tilted towards raising interest rates. If corporate leaders can't continue to forecast strong growth in U.S. earnings and profits, the market might start to find the uncertainties surrounding the current geopolitical headlines much more interesting. Over the weekend President Trump announced that he will pull the United States out of a cold war-era nuclear arms treaty with Russia that was originally signed in December 1987 by former President Ronald Reagan and former USSR President Mikhail Gorbachev. President Trump says that Russia has been violating the agreement for many years. I suspect our European allies are a bit more uneasy this morning. U.S. National Security Adviser John Bolton is set to begin a series of visits to Russia, Azerbaijan, Armenia and Georgia to hopefully set the table for a second summit between Trump and Russia President Vladimir Putin, sometime in November. I will be keeping a close eye on this. There's also the continued debate surrounding Saudi Arabia and the death of reporter Jamal Khashoggi. The big question right now is Crown Prince Mohammed bin Salman's potential involvement in the killing? There's a lot of moving parts and pieces associated with the Saudi outcome, so we will continue to monitor closely. I'm also keeping an eye on the European Union. Not only do we have the recent problems involving Italy and their ongoing debt concerns, but now with Brexit becoming more of a reality and British citizens having a more clearer picture of all that's involved in pulling out of the European Union, more are starting to get cold feet. Most fears center around the uncertainty of how economic conditions will play out once the pullout is complete. From what I'm hearing, businesses are already suffering and letting go of employees as well as cutting back on inventory purchases in anticipation of dire conditions. There's also the major uncertainty still surrounding the Irish border? In response, hundred of thousands have taken to the streets of London to demand another vote. Many say it has become the biggest protest in London in almost two decades. Here at home, this week will be all about U.S. corporate earnings. There are 68 companies scheduled to report today, 128 will report on Tuesday, 195 on Wednesday, 270 on Thursday, and 40 on Friday. There's not a lot of big names scheduled for release today, but the excitement will really start ramping up tomorrow with names like Biogen, Caterpillar, Corning, Harley Davidson, Lockheed Martin, McDonalds, and Verizon. Wednesday we will be digesting big names like AT&T, Boeing, Ford, Microsoft, UPS, and Visa. Thursday is the big "tech" blitz with market behemoths like Alphabet (Google), Amazon, Intel, Snap, and Twitter all reporting. Thursday will also bring earnings reports from other big names like Cerner, Chipotle, CME Group, Comcast, ConocoPhillips, Dunkin', Gilead, Hershey, Raytheon, Merck, Southwest Airlines, and Union Pacific. Bottom-line, this is a huge week for U.S. earnings. If the tone is for weaker looking

forward guidance, I suspect we will continue to see the bulls backpedal and the market fall under additional pressure. I continue to remain extremely patient, preferring to hunt with a rifle rather than a shotgun, and looking to find bargains on algorithmic timed breaks in price.

**Mid-Terms Only 15-Days Away:** Polls and election surveys have been shifting as of late. Odds that Republicans hold the Senate has risen from 69% at the end of September, to now around 86%. Odds that Democrats will retake the House have fallen from around 72% down to 69%. Several sources as of late have showed Presidents Trump's approval rating on an upswing, which is making Wall street thinking the upcoming mid-term election could be closer than many political insiders had been forecasting. (Source: [PredictIt.org](http://PredictIt.org))

**Biggest Lottery Jackpot In History!** There was no winner in the recent Mega Millions drawing, so the projected jackpot for Tuesday is now just over \$1.6 billion. That's Billion with a B. What's even more crazy is that nobody won with the mega ball lucky number being 7 in the last drawing. Tuesday's jackpot is going to be a new record, surpassing the previous \$1.586 billion dollar prize in January 2016. That jackpot was shared by three winners in three different states. The estimated cash option for the jackpot is now thought to be around \$905 million. The top federal tax rate on income over \$500,000 (\$600,000 for married couples) is 37%, so the winner will owe almost \$335 million in federal taxes. Suffice it to say, if there's a single winner on Tuesday, they stand to take home, after taxes, a little more than half a billion dollars. Now that's a game changer!

**Great Advice For Any Entrepreneur or Investor:** I was reading an e-mail this weekend I received from Howard Lindzon the co-founder and chairman of StockTwits. It was such a simple and profound lesson, I wanted to share and pass along a portion of the e-mail. Certainly my best read of the weekend, and one I will keep in my file and pass along to my friends and family. you can visit Howard's site [HERE](#)

*Here's a lesson I learned in my early start-up days. It was told to me by a very successful entrepreneur and occasional angel investor, and I didn't believe it at the time. Now I know it's the Truth with a capital T.*

*"Ben," he said, "I've got a lot of money and I've got a lot of rich friends. We could probably fund this idea of yours for a long time with the 3 F's – family, fools and friends. But that would be a big mistake. You need to know if a professional VC will invest in this. You need to know if real customers will pay you money for this. You need to know if dogs will eat the dog food you're serving up. Because if dogs won't eat the dog food, you shouldn't do this, even if you've got funding secured for years, even if you can fund it all yourself."*

*Like I say, this didn't make me happy at all when I heard it. I thought this was the angel investor's way of blowing me off, and maybe it was. But he was absolutely right.*

*Entrepreneurs should fully expose their ideas to the steely gaze of real investors and real customers as soon as humanly possible.*

*And if your great idea dies under that steady stare, it dies.*

*Be grateful for that.*

*Why? Because the great tragedy for an entrepreneur is NOT a failed idea. You will have other ideas! No, the great tragedy for an entrepreneur is a zombie idea, a business that has no chance of growth and vibrancy, but is kept alive through some witch's brew of too much friendly capital and too much misplaced hope.*

*Stealth mode? 99 times out of 100 it's a crock, a smart sounding excuse for hiding behind a non-competitive curtain. Self-financing? Ditto. The courage of an entrepreneur isn't risking your own money. Of course you're doing that. That's the necessary condition, not the sufficient condition. The sufficient condition is risking your identity in the very public arena of competition and capital.*

*It's the Curse of Some Talent, when you've got an idea or a venture that seems great to you, but isn't quite great enough to make it in the cold cruel world. But you remain convinced it's SUCH a good idea, you remain convinced that you really really do have the talent to make it big, and you've got the resources to keep going. That's how one year turns into two. That's how two years turns into ten, a decade of meh, all because you didn't listen to what the world was telling you, all because you couldn't bring yourself to put down the merely good idea, all because you never forced yourself to dream the NEXT idea.*

## Dare to be Different

2018 Van Trump Conference



Strategy - Collaboration - Leadership

## 2018 VAN TRUMP CONFERENCE



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!

November 28 - 29, 2018

### SPECIAL "MASTER MIND" SESSION

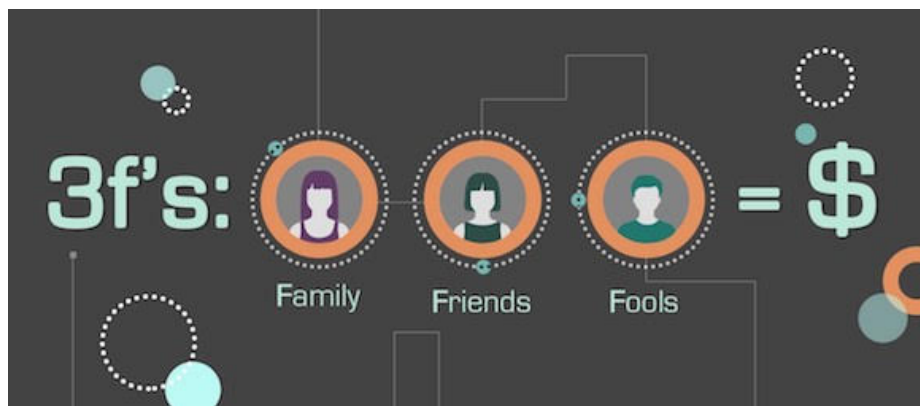


*Sit front row in the boardroom with some of the best and brightest! Join us for an exclusively look behind the scenes as several of the top CEO's and leaders openly discuss their next moves in the markets, their current investments, what they see at out on the horizon, along with heated debates about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





# FARM TANK

Tweets of the Day



**Anthony Isola**  
@ATeachMoment

Following

Irrational retirement behavior of the day. "I am maxing out my 401(k) but I smoke two packs of cigarettes a day and I am 50 pounds overweight."

8:09 AM - 19 Oct 2018

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!"

## REDEFINING THE IMPOSSIBLE: "IRON COWBOY"

Don't miss this tale of adventure as James Lawrence 'Redefines Impossible.'

*"Meeting the Iron Cowboy had a lasting affect on me. I spent the next few months ruminating about what should be my own personal challenge. James has that effect on you."*

*"It was like a pep talk for my head. I loved all the real, raw experiences but this also gave me something else that I wasn't expecting. It touched me deeply on a spiritual level and helped me reconnect to my strongest, truest self, someone who now chooses to keep going when life is hard."*

*"One of the grittiest stories on perseverance I've ever heard. His epiphany that the whole reason quitting is impossible to him is his love for his kids and his wife. That struck an important nerve for me."*

*"I think of this story every time something seems too hard or impossible. It has truly changed my life! So blessed to have heard it."*







Janice Person ✓  
@JPlovesCOTTON

Following

I am forever looking out the window of airplanes dreaming and imagining who is growing what & how they are doing it as I fly across farm country. [bit.ly/2ypR9j5](https://bit.ly/2ypR9j5)



10:42 AM - 19 Oct 2018



#### Weather Wild-Card!

Weather guru Dr. Simon Atkins will be presenting what he is calling one of the most important weather updates and forecasts in years. Join us as he reveals a possible game changer!

Network directly with some of the top CEO's and ag industry executives. Learn first hand how NEW technology and transparency is influencing today's decisions.

## Early Bird Special

# \$299

regular price \$500

*Remember we sold out early last year!*

**LEARN MORE**

#### WHAT'S HAPPENING IN WASHINGTON



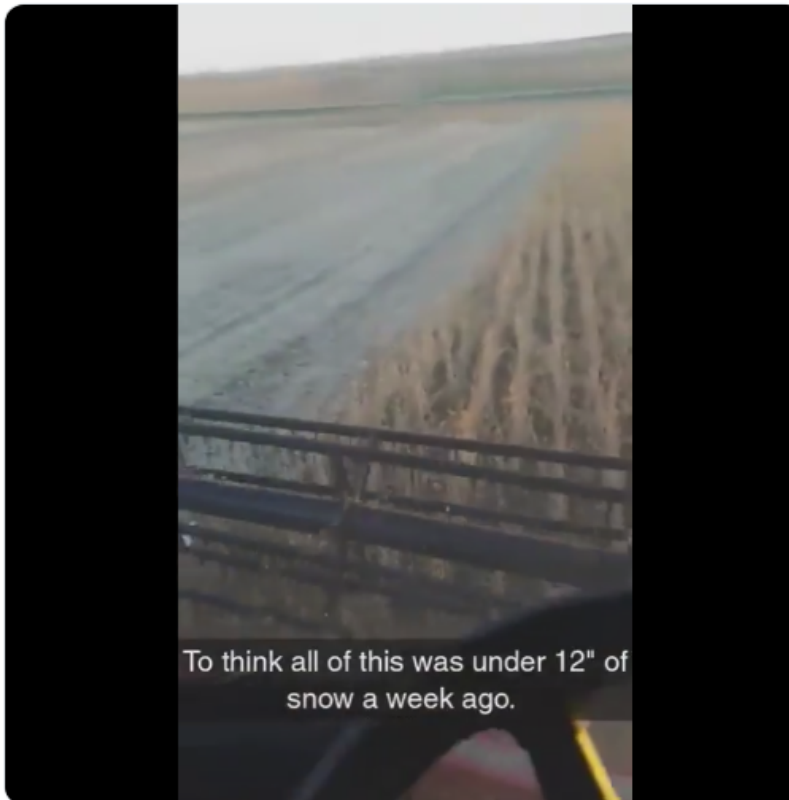
*With Washington's every move impacting our future, it's vitally important that we know the latest developments and better understand future direction. Come listen to our team of insiders provide their latest thoughts.*



Ag Adventures of Mandy and Brandy  
@Lilschochy

Following

Hard to think in a week you can go from +12" of snow to 70F and combining beans. There definitely is bent/broke off plants but its amazing it had little impact on top end yield. [#Harvest18](#)  
[#lifeinthenorth](#)



5:24 AM - 19 Oct 2018

## NETWORKING COCKTAIL EVENT Wednesday, November 28th

*Collaboration is the Name  
of the Game*

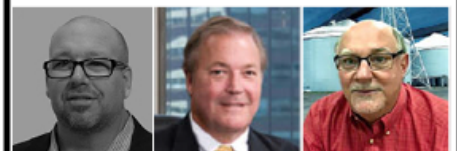
*I recently watched comedian Dusty Slay on the Jimmy Fallon Show, then I saw him again on Jimmy Kimmel. I thought he was funny, so we called him up and booked him for the conference. Come kick back and enjoy the show and some good conversation with friends.*

*Extend your Network by attending!*



### MARKETING ROUNDTABLE

*Kevin Van Trump, Andy Daniels, Mike Mock, Matt Bennett, Chip Nelling and Todd Gleason talk about the markets and strategies for reducing risk and improved pricing.*



### Today In History



**1934, Charles "Pretty Boy" Floyd** - The Outlaw is shot this day in 1934 by FBI agents in a cornfield in East Liverpool, Ohio. Floyd, who had been a

hotly pursued fugitive for four years, used his last breath to deny his involvement in the infamous Kansas City Massacre, in which four officers were shot to death at a train station. He died shortly thereafter. Charles Floyd grew up in a small town in Oklahoma. When it became impossible to





**Mike Pasztor**  
@Pasztor79

Following

There's just something about those old red barns. 🍂 #harvest18 #ontag



5:45 AM - 19 Oct 2018 from [Norfolk County, Ontario](#)

operate a small farm in the drought conditions of the late 1920s, Floyd tried his hand at bank robbery. He soon found himself in a Missouri prison for robbing a St. Louis payroll delivery. After being paroled in 1929, he learned that Jim Mills had shot his father to death. Since Mills, who had been acquitted of the charges, was never heard from or seen again, Floyd was believed to have killed him. Moving on to Kansas City, Floyd got mixed up with the city's burgeoning criminal community. A local prostitute gave Floyd the nickname "Pretty Boy," which he hated. Along with a couple of friends he had met in prison, he robbed several banks in Missouri and Ohio, but was eventually caught in Ohio and sentenced to 12-15 years. On the way to prison, Floyd kicked out a window and jumped from the speeding train. He made it to Toledo, where he hooked up with Bill "The Killer" Miller. The two went on a crime spree across several states until Miller was killed in a spectacular firefight in Bowling Green, Ohio, in 1931. Once he was back in Kansas City, Floyd killed a federal agent during a raid and became a nationally known criminal figure. This time he escaped to the backwoods of Oklahoma. The locals there, reeling from the Depression, were not about to turn in an Oklahoma native for robbing banks. Floyd became a Robin Hood-type figure, staying one step ahead of the law. Even the Joads, characters in John Steinbeck's *The Grapes of Wrath*, spoke well of Floyd. However, not everyone was so enamored with "Pretty Boy." Oklahoma's governor put out a \$6,000 bounty on his head. On June 17, 1933, when law enforcement officials were ambushed by a machine-gun attack in a Kansas City train station while transporting criminal Frank Nash to prison, Floyd's notoriety grew even more. Although it was not clear whether or not Floyd was responsible, both the FBI and the nation's press pegged the crime on him nevertheless. Subsequently, pressure was stepped up to capture the illustrious fugitive, and the FBI finally got their man in October 1934.



**1964, Jean-Paul Sartre** was a French philosopher, playwright, novelist, political activist, biographer, and literary critic. He was one of

the key figures in the philosophy of existentialism and phenomenology, and one of the leading figures in 20th-century French philosophy and Marxism. His work has also influenced sociology, critical theory, post-colonial theory, and literary studies, and continues to influence these disciplines. Sartre was also noted for his open relationship with prominent feminist and fellow existentialist philosopher and writer Simone de Beauvoir. Together, Sartre and de Beauvoir challenged the cultural and social assumptions and expectations of their upbringings, which they considered bourgeois, in both lifestyle and thought. The conflict between oppressive, spiritually destructive conformity (*mauvaise foi*, literally, "bad faith") and an "authentic"



Texas Farm Bureau  
@TexasFarmBureau

Following

We've all been there... #AmIRight?!



9:54 AM - 19 Oct 2018

way of "being" became the dominant theme of Sartre's early work, a theme embodied in his principal philosophical work *Being and Nothingness*. He was awarded the 1964 Nobel Prize in Literature despite attempting to refuse it, saying that he always declined official honours and that "a writer should not allow himself to be turned into an institution". In his novels, essays, and plays, Sartre advanced the philosophy of existentialism, arguing that each individual must create meaning for his or her own life, because life itself had no innate meaning. Sartre studied at the elite *École Normale Supérieure* between 1924 and 1929. In 1939, he was drafted into World War II, taken prisoner, and held for about a year; he later fought with the French Resistance. In 1943, he published one of his key works, *Being and Nothingness*, where he argued that man is condemned to freedom and has a social responsibility. Sartre and Beauvoir engaged in social movements, supporting communism and the radical student uprisings in Paris in 1968. Also in 1943, he wrote one of his best-known plays, *The Flies*, followed by *Huis Clos* (*No Exit*) in 1945. In 1945, he began a four-volume novel called *The Roads to Freedom* but gave up the novel form after finishing the third volume in 1949. In 1946, he continued to develop his philosophy in *Existentialism and Humanism*. In the 1950s and 60s, he devoted himself to studies of literary figures like Baudelaire, Jean Genet, and Flaubert. *The Family Idiot*, his work on Flaubert, was massive, but only three of four volumes were published. Sartre's health and vision declined in his later years, and he died in 1980. I'd say he definitely left a mark in the world.



*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:

*I am long and cylindrical, I live in a house that can make you fall down, but I can also easily be crushed in the palm of your hand. What am I?*



**1965, President Lyndon B. Johnson** signs the Highway Beautification Act, which attempts to limit billboards and other forms of outdoor

advertising, as well as junkyards and other unsightly roadside messes, along America's interstate highways. The act also encouraged "scenic enhancement" by funding local efforts to clean up and landscape the green spaces on either side of the roadways. "This bill will enrich our spirits and restore a small measure of our national greatness," Johnson said at the bill's signing ceremony. "Beauty belongs to all the people. And so long as I am President, what has been divinely given to nature will not be taken recklessly away by man." The Highway Beautification Act was actually the pet project of the first lady, Lady Bird Johnson. Beauty, she believed, had real social utility: Cleaning up city parks, getting rid of ugly advertisements, planting flowers and screening junkyards from view, she thought, would make the nation a better place not only to look at but to live. "The subject of Beautification is like a tangled skein of wool," she wrote in her diary. "All the threads are interwoven—recreation and pollution and mental health and the crime rate and rapid transit and highway

**Weather** saw another surge of cool air overspread the Midwest and Northeast over the weekend, with below normal temperatures expanding into the eastern half of the country. Showers will precede and accompany the surge of cool air, with rain lingering into the weekend across the South and East. Early this week, a new storm system will

begin to form across the South with heavy rain possibly returning to Texas and environs. In contrast, dry weather will prevail during the next few days in much of California and across northern sections of the Rockies and Plains. The 6 to 10 day is calling for cooler than normal conditions across much of the eastern half of the U.S., while near to above normal temperatures will prevail in the western half of the country and along and near the Gulf Coast. Meanwhile, wetter than normal weather across most of the nation should contrast near to below normal precipitation in the Southwest and form the upper Great Lakes region into New England.

**CPC's November Outlook Continues the Trend of Warmer Fall Forecasts:**

*The Climate Prediction Center's November outlook indicates a warmer than normal forecast for the fall month. This would be a welcome turn of events after the recent coolness of the past few weeks. However, we get no clear indication of rain particularly for the Midwest. Along with warmer weather, producers would be happy to see some dry, beneficial conditions to allow them back in the fields after a historically wet past couple of weeks in some areas.*

beautification and the war on poverty and parks ... everything leads to something else." Many urban activists, along with a number of other people who were beginning to think seriously about the consequences of the nation's poor environmental stewardship, supported Mrs. Johnson's efforts. Business groups, polluters and advertisers, on the other hand, were not so thrilled. Lobbyists for the Outdoor Advertising Association of America and their Republican allies managed to water down the highway-beautification bill significantly: Companies who had to take down their billboards were compensated handsomely by the government, for example, and the law's enforcement provisions were weak. Still, Johnson's bill was important: It declared that nature, even just the strips of nature along the country's roadsides, was fragile and worth preserving, an idea that still holds great power today.

### Upcoming Events

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

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

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

**Wed. 10/31** - Halloween

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



# November Outlook

**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

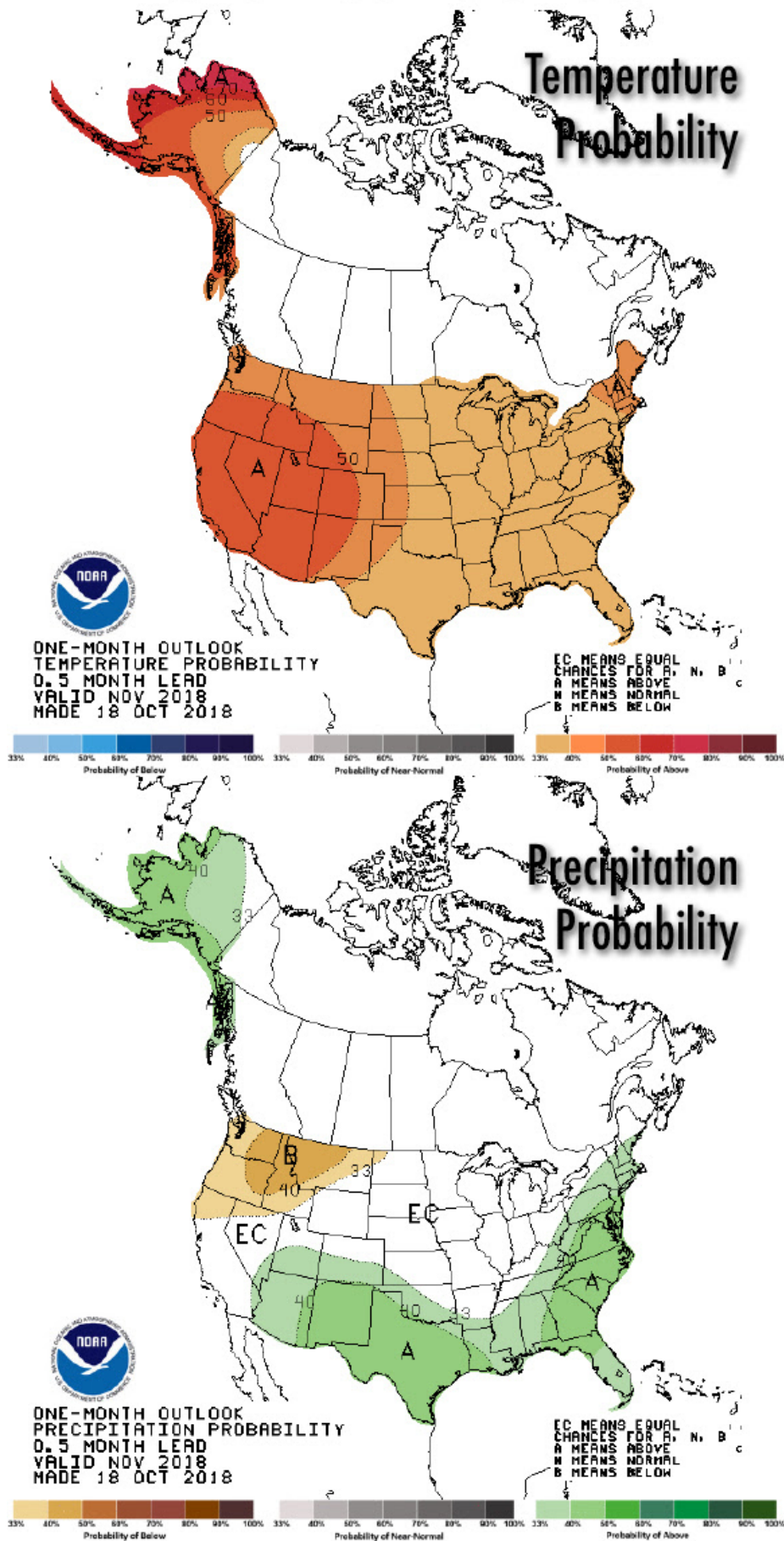
**Tues. 12/25** - Christmas Day; US Markets Closed

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

Kevin's Song of the Week

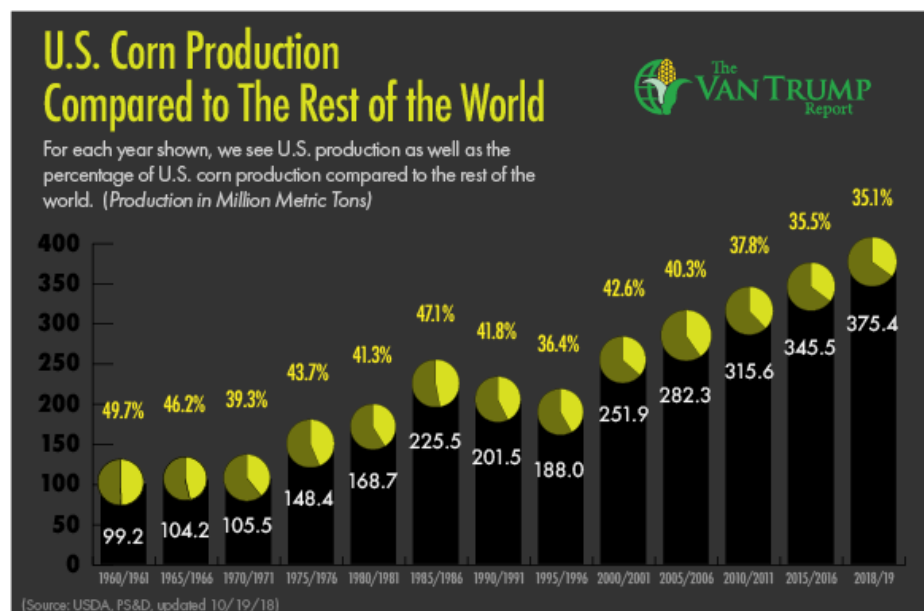


Kevin's Song of the Week



**Corn** bulls are trying to stop the recent slow bleeding. The market is coming off four down days in a row to end last week. Prices are down over -10 cents from last Monday's high, but for the moment seem to be comfortable trading in a sideways channel between \$3.60 and \$3.80 per bushel. Technical bulls are hoping to see the \$3.60 level hold as nearby support in the DEC18 contract. A close below that level, would certainly open up further downside and perhaps bring the \$3.50 level back into focus. The current weather forecast here in the U.S. is offering enough of an opportunity to harvest the crop that most in the trade see no reason for additional risk-premium. Perhaps the USDA makes a slight adjustment lower to the yield, but most doubt it will be enough to make that big of a difference. It's also tough to forecast a major dent will be placed in the current corn carryout if U.S. producers actually follow through and plant +3 to +4 million more corn acres next year like many are already forecasting. Hence, the reason the market seems content trading in the same price range we've seen the past few years, essentially \$3.30 to \$4.30, perhaps +10 to +15 cents higher or lower based on the mood of the macro funds. I could argue a slightly higher range based on a tighter corn carryout both globally and inside China. As a producer, I continue to believe best-of-practice is to take advantage of the carry, re-ownership remains tough in this type of environment.

**2018 Fall Harvest Price: Corn \$3.69^2**



**Soybean** bears are again pointing to ongoing trade complications with the Chinese and fear of more "cancelations" circulating. Even though, with the 25% tariff, U.S. soybeans are competitive in price with those out of Brazil, Chinese importers simply don't want to take the chance on seeing the government kick their cargoes on arrival. Hence, the world's top buyer continues to show very little interest in U.S. soybeans. Bears are also pointing to an improved window of opportunity for U.S. producers to get a record setting crop out of the field without a massive amount of damage. Weather in South America is also very cooperative. Brazil appears to be off to one of their fastest starts (close to 40% planted) and look as if they will follow through on planting a record number of acres. As I passed along last week, there's been more talk out of China, that they believe they have enough supply to easily make out into late-February. It sounds like March and April are where things start to get much more dicey. If weather cooperates in South America, they will easily be able to meet those delivery dates. In fact with planting this early, I would suspect to see a small amount of new-crop supply available out of Brazil by late-December or early-January. Keep in mind, the USDA is currently forecasting + 7 MMTs more being produced here in the U.S. compared to last year and +20 MMTs more out of South America. It's just tough to get a lot of continued upside momentum with these headlines hanging overhead. Selling rallies continues to look like the play, at least until more bullish news is delivered regarding Chinese trade relations and or South American weather. Here at home, some producers will find themselves in a race to the end of October. There's more and more talk that producers who can't get the crop out of the fields by the end of October might have to throw in the towel as the early-November forecast forward looks difficult. The problem is there's not a ton of acres that fall into this category so the trade is not overly concerned, with most still forecasting an all-time record crop will be harvested. As a spec, I still remain on the sideline, wanting to ultimately be a bull, but only wanting to be a buyer on deeper break. Still see no reason to be in a hurry as a bull... With very limited nearby supply in South America, global meal prices need to be closely monitored.

**2018 Fall Harvest Price: Soybeans \$8.67^6**

## 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

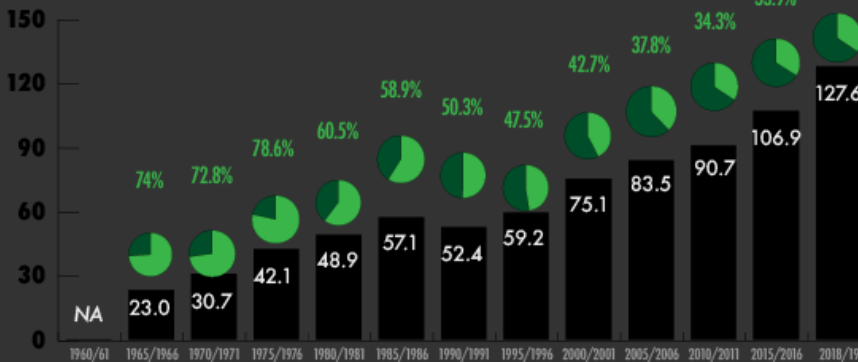
*"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis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

## U.S. Soybean Production Compared to The Rest of the World

For each year shown, we see U.S. production as well as the percentage of U.S. soybean production compared to the rest of the world. (Production in Million Metric Tons)

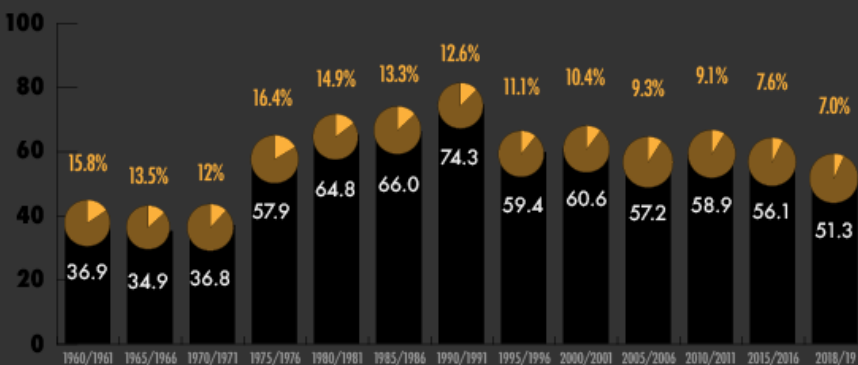


(Source: USDA, PS&D, updated 10/19/18)

**Wheat** traders continue to debate Russian exports and overall conditions in parts of the European Union and Australia. Russian prices continue to creep higher and there's more talk that the current USDA production estimate is a bit too optimistic, probably needs to be trimmed a bit in the coming report. The bulls are also pointing to increasing complications inside Europe. Currently there's a lot of talk about France and the extremely dry conditions that have been developing and becoming more widespread. Some bulls are keeping a closer eye on Argentina, as logistical concerns and tensions start to flare a bit. The major portion of the wheat harvest is still a little ways away, but there's some fear that complications inside Argentina could eventually impede wheat exports. Both France and Argentina are worth keeping on the radar. Here at home, U.S. exporters are certainly getting more competitive in regards to global wheat prices, but the trade is yet to see that translate to stronger U.S. demand. The USDA will be updating their estimated planting pace for U.S. winter wheat. Last week, it was estimated that 65% of the crop had been planted, which was slightly behind our 5-year average pace of 67%. The two states running the furthest behind were Michigan and Montana.

## U.S. Wheat Production Compared to The Rest of the World

For each year shown, we see U.S. production as well as the percentage of U.S. corn production compared to the rest of the world. (Production in Million Metric Tons)



(Source: USDA, PS&D, updated 10/19/18)

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.

Connecting the Dots



> **Cattle on Feed:** A record feedlot inventory number for October hit 11.4 million, up +5.4% from last year. Even so, expectations were 100,000 head lower for the month. Placements for the month of September saw a -4.6% decrease from last year, with an expected +0.1% increase. As far as September marketings, those were lower by -3.6% from a year ago.

> **November Meeting Still on With China:** There is a tentative agreement between Chinese President Xi Jinping and President Trump to meet ahead of the G20 summit in Buenos Aires on November 29. From what I understand, the goal there is to come out of it with a framework going forward. Hopefully, there is light at the end of the tunnel!

> **U.S. Hog Farmers Priced out of China Markets:** Tariffs on U.S. pork headed to China are taking seeing prices increase by as much as 70%. It seems as Chinese meat consumption has exploded, meat processors there are widening their supplier base now to guard against shortages as U.S. prices have skyrocketed. Keep in mind the African swine flu outbreak which is threatening domestic supply for China and could change the landscape quickly.

> **USDA Standing Against Food Waste:** The USDA, FDA and EPA signed a non-binding agreement Thursday to improve coordination on educating the public about the importance of reducing food waste. The agencies hope to cut food waste by 50% before 2030 through public-private partnerships. (Source: USDA)

> **China Turning to Europe and South America for Pork:** An outbreak of African swine fever in China has pork buyers looking to Europe and South American countries to fill orders. U.S. imports are more expensive, with upward of 70% tariffs as a result of the Trump administration's trade tensions with Beijing. The Wall Street Journal dives in to the recent trend. (Source: Wall Street Journal)

> **Existing Home Sales Drop to 2015 Levels:** Sales of previously owned U.S. homes eased in September to the weakest pace in almost three years, a sign rising prices and mortgage costs are keeping potential buyers on the sidelines, National Association of Realtors data showed Friday. The sixth-straight monthly drop in sales, the longest streak since 2014, underscores what's now a challenging time in the real estate market for buyers. The average mortgage rate for a 30-year fixed term has advanced nearly 1 percentage point this year, compared to a decline in 2017, according to Bloomberg calculations of Bankrate.com data. The drag from higher mortgage rates is "likely to weigh on the existing home sales data in upcoming reports over the next several months," Daniel Silver, an economist at JPMorgan Chase & Co., said in a note.

> **New York City Went A Whole Weekend Without A Shooting:** For the first time in 25 years, New York City had a weekend with no shootings. Last month, the number of shootings in the city was down 11.4% compared to September of last year. Chief Terence Monahan credits the NYPD's focus on preventing retaliatory violence as part of the reason shootings have decreased.

> **Shakespeare Is the Most Instagrammed Writer Ever:** A new study from McGowan Transcriptions sites Williams Shakespeare as the most instagrammed writer of all time. The company crunched the numbers to see which authors were most popular on the social media site, and Shakespeare emerge victorious, with 2,010,059 name hashtags and 1,516,950 title hashtags. Romeo & Juliet was his most referenced title. Other top writers include JRR Tolkien, Edgar Allan Poe, and Maya Angelou.

> **Uber Eats getting into drone delivery?** A job ad titled "flight standards and training" spotted over the weekend suggested the meal-delivery service hopes to drop off its first drone-delivered dinners as early as 2021. However, in response to a WSJ inquiry, an unnamed spokesperson at UBER said the posting "does not fully reflect our program, which is still in its very early days." (Source: SeekingAlpha)

> **The Most Competitive Economies in the World:** The World Economic Forum released its [annual study](#) on the competitiveness of the global economy and you are probably not surprised to see the U.S. is on top. National competitiveness is defined as the set of institutions, policies and factors that determine the level of productivity of a country. The United States came first for national competitiveness, scoring 85.6 out of 100. This is primarily due to its good performance in the Business Dynamism, Financial System and the Labor Market categories. (World Economic Forum, Statista)



## The World's Most Competitive Economies

Countries ranked by national economic competitiveness in 2018 (100=most competitive)\*



\* The index assesses the microeconomic and macroeconomic foundations of national competitiveness, which is defined as the set of institutions, policies, and factors that determine the level of productivity of a country.



@StatistaCharts Source: World Economic Forum

statista



**Eastcentral Nebraska** - We have a good two week window forecasted and there isn't a combine sitting on a lot anywhere. Everyone is going 24/7 right now in order to finish and avoid any damage issues others are facing. We have a nice haze settled in the area as guys are getting things done. North of us 30 miles I heard they were completely hailed out but will actually fair financially well, with insurance booked at prices over \$10. From what I understand most of the guys around here have very little corn or beans sold. It looks like most got fixated on a price and not risk management. It's going to be tight for those who have been caught doing the same thing the last few years. I know folks in the corn belt have been talking about planting more of it but around here it going to be more beans as we believe the trade war will end soon and prices will rebound... time will tell. There are a couple of saving graces for some guys - our wet summer allowed certain operations to keep pivots off until July 4, which will produced a \$100,000 savings. Also, a lot of folks have outproduced their APH's leaving room for \$8 beans to be acceptable. Even dryland ground produced 240bpa corn and 70bpa beans.

**Southern Maryland** - Harvest is just starting here as weather has held everyone up and everyone is talking about pretty serious quality issues. Reports are anything over 10% damage is being rejected by our local elevator. I just checked some of mine am seeing some moldy shriveled up beans in the top pods. I won't know how bad the crop really is until we start harvesting. I have heard regions in Pennsylvania and Virginia as well as other parts of Maryland still have it much worse than us. Some are not even going to harvest unless the insurance man makes them. If you get into the 10% damage range or more then your dock is so bad it's honestly not even worst selling until you can attempt to blend it off.

**Northcentral Ohio** - We had a wet initial harvest like much of the country and I think we are a lot better off then many of the other area across the "I" states. We are seeing excellent soybeans, maybe 10-15% better than last year where we average close to 65 bushels across 1800 acres. I think we are be well over 75 bushels per acre, but we have a few fields that we have to get harvested. I would say we are done with soybeans in the next few days at the latest unless the weatherman is wildly inaccurate. I have several guys I know that farm South of me and they are not so fortunate because the soybeans have a little damage and guys are getting knock on the price for that. Overall the corn is better than expected for us and the soybeans are way better, so I can't complain to much because we are in a blessed pocket.

# CROSSING WIRES

A place to share intelligent thoughts...

**Veterans Stepping in to Fill Farming Vacancies:** *As the number of working farms declines in the United States, government and industry leaders are turning to a new place to find new farmers -- the military. Michael O'Gorman, a lifelong farmer and founder and director of the Farmer Veteran Coalition, stumbled into the issue in the early 2000s. After a successful 40-year career in agriculture, he wanted to give back. So in 2007 he brought together a group of farmers to discuss offering jobs to veterans. At that time, there were few organizations connecting veterans to farming, O'Gorman said. He had a hunch it would be a good fit. That hunch turned out to be so correct that within a decade it was a national movement. Veterans, O'Gorman discovered, are uniquely qualified to farm. Their training has made them task-oriented, they are accustomed to long hours and hard labor, and adapt to overcome unforeseen obstacles -- all pillars of farm life. Read more [HERE](#) on the benefits for both veterans and the farming industry.*

**Do Sport Rituals Really Work?** *Athletes and adventurers use rituals to get ready for big moments—whether it's wearing a new pair of socks on summit day or bouncing the tennis ball exactly seven times before bashing a serve. Does it work? Scientists have been trying to answer these questions for over half a century, and they haven't had an easy time of it. Part of the problem lies in defining what they're studying. To understand ritualized behavior, start with the fact that the brain is a meaning-making machine continually trying to link cause and effect. This is evolution at work and Steven Kotler explores the cutting edge of neuroscience, plus a little bit of black magic, to find out some answers. Read more [HERE](#) on his findings.*

**Some of the Best Overcame Dyslexia:** *Long before he was a billionaire businessman or had "Sir" attached to his name, Richard Branson was made to feel "stupid." As a kid, he was actually beaten regularly – by the headmaster. The reason: his dyslexia. According to Branson, people were either assumed to be stupid in school or bright in school, and he says he was definitely put into the former class. An impressive list of noteworthy people have suffered from the disease, including Steve Jobs, Winston Churchill, Albert Einstein, Thomas Edison, Alexander Graham Bell, Henry Ford, Mohammad Ali, Steven Spielberg and Keira Knightley. Believe it or not, 40% of the world's self-made millionaires are dyslexic. Read more [HERE](#) how Microsoft is providing educators tools to use in dealing with the disease.*

**Gillette Brings 3D Printed Razors to Market:** *Gillette customers will now be able to order personalized 3D printed razors in a pilot program from parent company Procter & Gamble. Razor handles will be printed using stereolithography, a type of 3D printing technology from Boston-based Formlabs and people will be able to choose from 48 designs and seven colors, priced between \$19 and \$45, including one razor blade. A pack of four extra blades will cost \$15 and orders will ship in two to three weeks from the company's new Razor Maker website. We are in the early stages of mass customization using 3D printing and it is finally becoming a reality for consumers to experience end-use printed products. I suspect this is the future production method for many products going forward. Read more [HERE](#).*

**Check Out the World's First Entirely Robot-Made Burger:** *Through a glass case in a new restaurant in San Francisco, you can watch the chef make lunch. That chef is a Rube Goldberg-like machine, slicing buns, adding condiments, grilling meat, and spitting out a fully prepared hamburger—all without any human intervention. I'm told your wait is only five-minutes and word from those that tried it say the burger tastes good. Using the machine makes it possible to improve the quality of a burger while keeping costs low; the burgers start at \$6 (a Big Mac costs \$5.79 in San Francisco), but the robot is so cheap to run that the restaurant can afford higher-quality ingredients, like pasture-raised beef. Rather than using cheap, pre-sliced hamburger buns, it can use fresh rolls with no preservatives. Learn more [HERE](#) about the newest kitchen utensil and see it in action.*





# VAN TRUMP CONFERENCE 2018 IN THE SPOTLIGHT

## Come See What They Are Doing At The 2018 Van Trump Conference #VTC18

In this section, I will feature a few of the companies that will be attending this year's conference in Kansas City on November 28th and 29th. There will be many ag executives and leaders in the space attending this event. I've tried to invite and include a wide array of influencers and leaders so we can better understand the rapid consolidation, change, and transparency that is now upon your doorstep. This is an event you will not want to miss! To learn more Click [HERE](#).

### "Holganix"... Putting the Power of Microorganisms to Work

I had the pleasure of meeting Barrett Eserk, CEO and founder of Holganix during our "Davos on the Delta" conference in Memphis a couple years ago. You may have heard my son Jordan's podcast on Farm Tank featuring Barrett Eserk, where they touched on many interesting life experiences and leadership skills. Barrett is the founder and CEO of Holganix, which is a manufacturer of plant probiotics that

harness the power of soil microbes to optimize soils and grow healthier, more sustainable crops. One of their leading products is Bio 800+, a 100% organic plant probiotic containing over 800 species of beneficial soil microbes, microbe food, and nutrient enhancers. It is changing the soil at a fundamental level and building a support system for plants that provide huge improvements in crop quality. Initially, the company which was founded in 2010, was focused on serving the turf community. Today the product is used in dozens of professional and college stadiums, top golf courses, homes and businesses across the country. In 2016, David Stark, Ph.D. molecular biologist, and former Monsanto executive joined the Holganix team as the President of Agriculture to build research and a business around the use of Holganix products on crops. To date, research on annual crops like corn, soy, potato, tomato, pepper, watermelon and strawberry shows significantly higher yields and the potential to achieve these high yields using less fertilizer. Interestingly, lab, greenhouse and field studies have also found that Bio 800+ protects against economic loss from a wide range of nematodes, including those common in corn, soy, produce crops, and turf. I've been told by Barrett that for growers planting corn, soy and wheat, the increase in yield and reduction in nematodes, combined with the economic cost of the product, often provides a 3X to 4X ROI. If you would like to learn more about Holganix or how you can become an exclusive agricultural distributor Click [HERE](#).

\*Holganix will be hosting a special "invite only" meeting at our conference in KC on Wednesday November 28th for those who are interested in the product or would like to learn more about becoming a distributor and building their own direct revenue channel. If you would like to learn more or attend this special event visit the link above or call the office at 816-322-5300.



With a focus on **BIOLOGY** as the solution to plant health, Holganix manufactures plant probiotics to:

- ↑ Increase Plant Resilience
- ↑ Increase Root Development
- ↑ Increase Soil Health
- ↓ Reduce the Need for Fertilizers, Pesticides and Water

### **Robots Are Mixing Drinks At A New Bar In Vegas**

If you hate having to tip at the bar, then you should go to a new joint called "Tipsy Robot". From what I've heard, Tipsy Robot, a new bar in Las Vegas is currently using automated robot arms to handle all the shaking, stirring, and garnishing of making drinks. Tipsy Robot is a small themed lounge located along the Strip. Customers order any signature and or classic cocktails provided by Tipsy Robot. In addition customers can invent or try different kinds of drinks, as they can fill a cup with up to 14 ingredients of their choosing. Once the customer orders a drink, the robotic arms go to work. The robots running these bars can make up to 120 cocktails an hour. Each drink takes 60 to 90 seconds to make and costs somewhere in the range of \$12 to \$16. Even though some of these robot bartenders are efficient they come with a price. The 10-foot-long Makr Shakr 3.0, the robot used by Tipsy Robot, costs somewhere around \$115,000. As many smaller companies get introduced to less expensive models, I suspect to see these robot mixologists start popping up everywhere, causing some serious disruption in the bar business. I've owned or invested in a few restaurants and bars in my lifetime. I always said the best bartenders only stole about 20%. I can't imagine having a bar where the workers always show up on time, the drinks are mixed exactly as they should be, and all of the money makes it's way into the register. All they need now is a robot telling jokes and a robot that listens to everyones problems and provide counseling. I might soon be putting some of my money back to work in the bar business:) To watch these robots at work Click [HERE](#).





### **Why People Make Bad Decisions...**

An American professor, Richard Thaler, from the University of Chicago was awarded the Nobel Prize in economics last year for his groundbreaking research into "why people make bad decisions". Thaler says that predictions and forecasts are generally wrong because they are built on the assumption that people make rational decisions based on the desire to increase their well-being. His theory explains "how people simplify decision-making by creating separate accounts in their minds, focusing on the narrow impact of each individual decision rather than its overall effect and longer-term implications." The path to good decision making is narrow, and it's far from straight. But keeping in mind the pitfalls and failures are what make us more effective decision makers. Waiting too long for others' input. Failing to get the right input at the right time. Failing to understand that input through insufficient skills. Failing to understand when something that worked in the past will not work now or in the future. Failing to know when to make a decision without all the right information and when to wait for more advice. Below are some thoughts from Jack Zenger and Joseph Folkman that were posted on the [Harvard Business Review](#) regarding what most often leads to bad decisions. I have also included Richard Thaler's Nobel Prize lecture titled, "[From Cashews to Nudges: The Evolution of Behavioral Economics](#)". (Source: The Nobel Prize)

**Laziness** - Many times bad decisions can be attributed to sheer laziness. Basically, people rely on past experience and expect results simply to be an extrapolation of the past. Unfortunately this can lead to some of the worst decisions. Linear progression of thoughts that worked in the past, might seem logical to most, but it's actually just being lazy and not providing effort and skill.

**Not Expecting the Unexpected** - People don't like to think about the difficulties or discouraging aspects that always accompany growth and change. Therefore



many people make their decisions solely based on the highs and never want to consider all of the lows that will accompany. Most people assume the worst will not happen. Unfortunately, bad things happen fairly often. This is when many people fold up shop and a bad decision becomes even worse. As my grandfather always said, "Plan for the worst and hope for the best..."

**Lack of Action** - When faced with a complex decision that will be based on constantly changing data or many "unknowns", without previous experience or ability to rely on the past, people continually want to seek more data and input or perform yet one more analysis before a decision gets made. This indecisiveness will often lead to missed opportunities and continued feeling of being stuck in a rut.

**Trapped in the Past** - Many people make poor decisions because they're using the same old data or processes they always have. Such people get used to approaches that worked in the past and tend not to look for approaches that will work better. Hence, better the devil they know, than the one they don't. Too often when a decision is destined to go wrong, it's because the old process is based on assumptions that are no longer true. Albert Einstein once said, "we cannot solve our problems with the same thinking we used when we created them."

**Having No Strategic Alignment** - Bad decisions sometimes stem from a failure to connect the problem to the overall strategy. In the absence of a clear strategy that provides context, many solutions appear to make sense but are truly bad decisions.

**Over Dependence** - Some decisions are never made because one person is waiting for another, who in turn is waiting to collect more data and input. Effective decision makers find a way to act independently when necessary. My grandmother always told me, "You can't get anything done if there are too many Chiefs and not enough Indians."

**Isolationist** - Often times bad decisions could be easily avoided by drawing on other people's experiences or expertise. Involving others that have actual knowledge, experience, and expertise improves the quality of the decision. This is not news. So the question is why? Sometimes people lack the necessary networking skills to access the right information or attract the right help. Other times, and most often, people do not involve others because they want the full "credit" for a decision. Unfortunately these types of people rarely want to take the blame for the bad decisions when they occur.

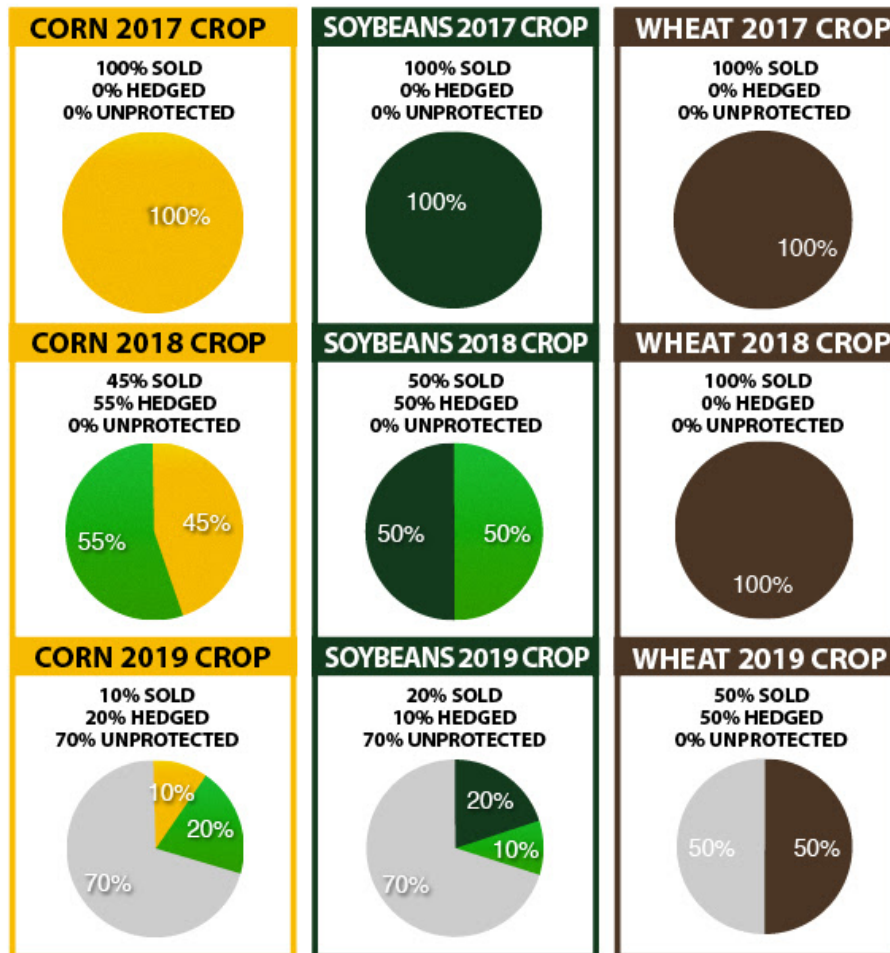
**Lack of Technical Depth and Perspective** - Many decisions today are very complex, and even the best leaders do not have enough technical depth to fully understand multifaceted issues. With the ease of the internet often times we do research and make decisions based on the advice of others without any true perspective of our own. This process makes it extremely difficult to integrate that information into effective decision making. When we lack real knowledge and expertise on subject, we really have no way to tell if a decision is brilliant or terrible until it starts to play itself out. Research finds the best executives have deep expertise. And when they still don't have the technical depth to understand the implications of the decisions they face, they make it their business to find the talent they need to help them.



**ANSWER to riddle: A banana**

# CASH SALES & HEDGING TOTALS

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



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