

GOOD MORNING: 11/01/18 Farm Direction - Van Trump Report

2 messages

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Thu, Nov 1, 2018 at 6:45 AM









"I follow three rules: Do the right thing; Do the best you can; and always show you care." - Lou Holtz

THURSDAY, NOVEMBER 01, 2018

Printable Copy or Audio Version

Morning Summary: Stocks are steady to slightly higher this morning. Despite gains the past couple of days, the S&P 500 still posted its worst month since February 2009, the Nasdaq 100 posted its worst month since October 2008. There was some talk circulating inside the trade, if we wouldn't have gotten yesterday's rally, it would have been the first October ever that the S&P 500 failed to put two consecutive days of gains together. The stabilization of Facebook seemed to help the overall market. Despite the heavy heat Facebook has been facing in Washington, the company still managed to report quarterly revenues that increased by a whopping +33% to \$13.73 billion. Bulls are hoping we will see another round of positive earnings from Apple this afternoon following the close. Analysts inside the trade are expecting Apple sales to be around \$61.5 billion for the quarter, which saw the release of the iPhone Xs, and the Apple Watch Series 4, both of which have been well-received. The "tech" sector has been our leader for several years, now there starting to be some questions moving forward about "growth". For the majority of this bull run, big-money was willing to pay premiums for "growth" now there's more talk about "value". Several large equity traders I know, say the market is becoming more fundamentally driven, and low rates are no longer a valuation tailwind and or reason to be betting big on "growth". Remember, rising interest rates tend to pressure high-multiple stocks. As for the overall U.S. economy, things still look strong. ADP released their monthly employment numbers yesterday which showed 227,000 private sector jobs added during the month of October. Keep in mind, we have the highly anticipated government employment report being released tomorrow morning. From what I'm hearing, most inside the trade are looking for around +200,000 new jobs created with an unemployment rated down near all-time historical lows of 3.7%. Bears still want to focus on rising inflation, strength of the U.S. dollar, the Chinese trade conflict, and Fed Chair Jerome Powell commenting that the Fed was still a long ways from "neutral". There's also the uncertainty around the U.S. midterm elections and how it will all play out? It's not just the election itself, but more importantly what happens longer-term if the Democrats take back any portion of Congress? Stay tuned, we will learn more following next Tuesdays election. Bulls simply believe the stock market has gotten oversold, as geopolitical uncertainty finally reached a level that overwhelmed risk-to-reward. In other words the stock market had rallied high enough, that it didn't take much for both bulls and bears to believe downside risk could be greater than upside reward. Perhaps now we are back at a level that makes that more debatable. Interestingly, several pieces of research has come across my desk as of late that argues the recent downdraft is more a function of seasonal volatility and geopolitical uncertainty colliding at the same time, rather than any major fear about the economy. I've also seen several references to the fact, when stock market corrections aren't followed by real recessions, the average S&P gain six months later is is between +15% and +20% dating back to 1957. As for today's economic news, traders will be digesting the latest in Construction Spending, ISM Manufacturing, and Auto and Truck Sales. Interesting fact, month to date, trucks and SUVs account for more than 70% of all retail vehicle sales, the first time the 70% threshold has been exceeded. Days to turn, which are the average number of days a new vehicle sits on a dealer lot before being sold to a retail customer, is now around 69 days, down about 5 days from last year. Overall vehicle sale for the month of October are thought to be around 1.35 million, which would be flat to slightly lower. We will also be digesting another massive day of earnings with 341 companies scheduled to report. Apple is obviously the biggest name in the entire market and will steal the spotlight. not only are they the worlds

most valuable company, but Apple also represents a huge portion of the Dow the Nasdag 100, and $S\&P\ 500$ indexes.

Waymo Launching Driverless Cars In California: California Department of Motor Vehicles has given Waymo a permit for up to 40 fully autonomous cars to drive both day and night on city streets, rural highways and highways with posted speeds up to 65 mph. In the Phoenix area, Waymo already gives rides to about 400 households that use an app to summon its robot cars for their everyday trips to school, work, nights out, etc. The company says Arizona is where it will first offer a commercial robot-taxi service.

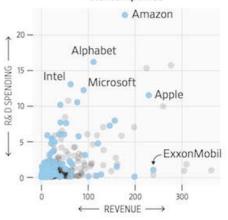
Sony Banks Billions In Profit On PlayStation Sales: The PlayStation division is always Sony's top performer and Q2 was no exception, seeing a +27% increase in gaming revenue last quarter, contributing to Sony's \$2.1 billion profit. The gamer god pulled in \$4.9 billion in Q2 sales and helped Sony's operating profit jump by +59% as revenue rose to \$19.6 billion. In raw sales, Sony has sold over 86 million PS4 consoles to date (up 6m from the last figure given for PS3 sales as of 2013). And, though demand for PS4s will eventually decline when the next big console drops -- the hunger for games will never be curbed. New Exclusive title "Spider-Man" sold over 3 million copies in its first 3-days of sale in September, boosting the gaming division's projected revenue for the full fiscal year 8% higher than expected. (Source: The Hustle)

FDA Recalls Another Heart Medicine: The US Food and Drug Administration is alerting patients of a recall of a high blood pressure medicine called "isbesartan". From what I understand, the med is being recalled for a potential cancer risk due to contamination. This time, SciGen is recalling certain lots of irbesartan.

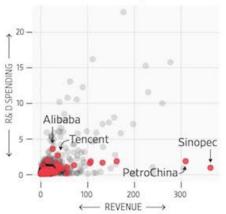
Innovation Isn't Cheap: Amazon, which spent the most of any publicly traded company, invested \$22.6 billion in R&D, up +40% from a year earlier. Google parent Alphabet spent \$16.2 billion. Among China's biggest R&D spenders, Alibaba spent \$3.6 billion and internet giant Tencent invested \$2.7 billion. China produced 4.7 million graduates in science, technology, engineering and mathematics in 2016—more than eight times the 568,000 in the U.S., according to the World Economic Forum. (Source: The Wall Street Journal)

R&D spending versus revenue in billions of dollars

U.S. companies



Chinese companies



Source: PwC's Global Innovation 1000 study

Tweets of the Day

Dare to be Different

2018 Van Trump Conference



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!

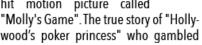
November 28 - 29, 2018



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







Check out how the US and Russia compare on key economic, military and social indicators in 2018, nearly three decades after the end of the Cold War



11:16 AM - 21 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."

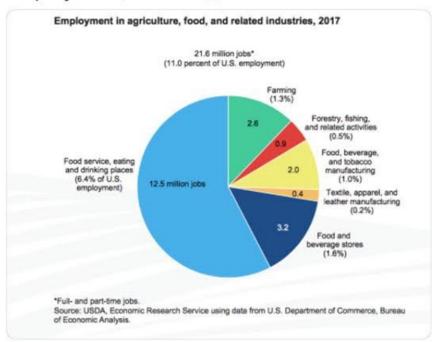
"I think of this story every time something seems too hard or impossible. It has truly changed my life! So blessed to have heard it."







#Agriculture and its related industries account for 11.0 percent of U S employment, @USDA_ERS



7:53 AM - 31 Oct 2018



Weather Wild-Card!

Weather guru Dr. Simon Atkins will be presenting what he is calling one of the most important weather up-

dates 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

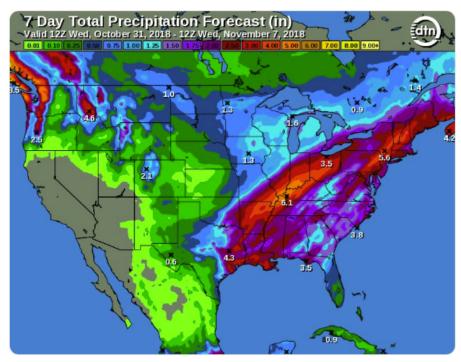


With Washington's every move impacting our future, it's vitally important that we know the latest developments and better understand future direction. Come listen to our team of insiders provide their latest thoughts.



Following

DTN 7-day precip forecast Wednesday is a soaker for the Eastern Midwest--Delta--Southeast--and Northeast U.S. Wrap-up to #harvest18 may be delayed. Lighter over Western Midwest.



3:21 AM - 31 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 Nellinger and Todd Gleason talk about the markets and strategies for reducing risk and improved pricing.













Today In History



1800, **President** John Adams - Adams in the last year of his only term as president, moved into the newly constructed President's

House, the original name for what is known today as the White House. Adams had been living in temporary digs at Tunnicliffe's City Hotel near the halffinished Capitol building since June 1800, when the federal government was moved from Philadelphia to the new capital city





Boss Man's Combine is turning into a kitchen. I told him he needs to make a Combine Crockpot Cookbook with cook times based off of acres harvested



10:29 AM - 30 Oct 2018

of Washington, D.C. In his biography of Adams, historian David McCullough recorded that when Adams first arrived in Washington, he wrote to his wife Abigail, at their home in Quincy, Massachusetts, that he was pleased with the new site for the federal government and had explored the soon-to-be President's House with satisfaction. Although workmen had rushed to finish plastering and painting walls before Adams returned to D.C. from a visit to Quincy in late October, construction remained unfinished when Adams rolled up in his carriage on November 1. However, the Adams' furniture from their Philadelphia home was in place and a portrait of George Washington was already hanging in one room. The next day, Adams sent a note Abigail, who would arrive in Washington later that month, saying that he hoped "none but honest and wise men [shall] ever rule under this roof." Although Adams was initially enthusiastic about the presidential mansion, he and Abigail soon found it to be cold and damp during the winter. Abigail, in a letter to a friend, wrote that the building was tolerable only so long as fires were lit in every room. She also noted that she had to hang their washing in an empty "audience room" (the current East Room). John and Abigail Adams lived in what she called "the great castle" for only five months. Shortly after they moved in, Thomas Jefferson defeated Adams in his bid for re-election. Abigail was happy to leave Washington and departed in February 1801 for Quincy. As Jefferson was being sworn in on March 4, 1801, John Adams was already on his way back to Massachusetts, where he and Abigail lived out the rest of their days at their family farm.



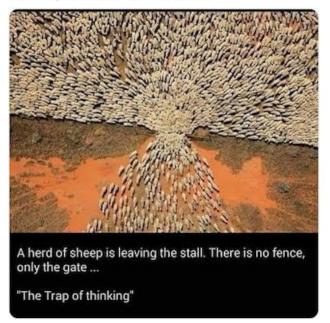
1952, Hydrogen Bomb
Tested - The United States
detonates the world's first
thermonuclear weapon, the
hydrogen bomb, on Eniwetok

atoll in the Pacific. The test gave the United States a short-lived advantage in the nuclear arms race with the Soviet Union. Following the successful Soviet detonation of an atomic device in September 1949, the United States accelerated its program to develop the next stage in atomic weaponry, a thermonuclear bomb. A thermonuclear weapon is a second-generation nuclear weapon design using a secondary nuclear fusion stage consisting of implosion tamper, fusion fuel, and spark plug which is bombarded by the energy released by the detonation of a primary fission bomb within, compressing the fuel material (tritium, deuterium or lithium deuteride) and causing a fusion reaction. Some advanced designs use fast neutrons produced by this second stage to ignite a third fast fission or fusion stage. The fission bomb and fusion fuel are placed near each other in a special radiationreflecting container called a radiation case that is designed to contain the energy of the primary charge for as long as possible. The ability of the design to





Discipline or fear ...!!!



3:46 AM - 31 Oct 2018

ignite fusion leads to a greatly increased explosive power when compared to first generation single-stage fission weapons ("atomic" bombs). T his new weapon was approximately 1,000 times more powerful than conventional nuclear devices. Opponents of development of hydrogen bomb included J. Robert Oppenheimer, one of the fathers of the atomic bomb. He and others argued that little would be accomplished except the speeding up of the arms race, since it was assumed that the Soviets would quickly follow suit. The opponents were correct in their assumptions. The Soviet Union exploded a thermonuclear device the following year and by the late 1970s, seven nations had constructed hydrogen bombs. The nuclear arms race had taken a fearful step forward.



1967, Cool Hand Luke - Starring Paul Newman, as a tough, anti-authoritarian, poker-playing prisoner, debuts in theaters. Newman received

a Best Actor Oscar nomination for his portrayal of the jail-breaking Luke whom the American Film Institute in 2003 named one of the top 50 greatest movie heroes in history. For his role as the chain-gang boss, Dragline, costar George Jackson collected a Best Supporting Actor Oscar. Directed by Stuart Rosenberg (Voyage of Damned, The Amityville Horror, The Pope of Greenwich Village), Cool Hand Luke contained the now-famous lines: "What we have here is a failure to communicate" and "I don't care if it rains or freezes, long as I have my plastic Jesus, right here on the dashboard of my car..." At the time of Cool Hand Luke's debut, Paul Newman was already on the path to becoming one of Hollywood's greatest leading men. The actor, who was born January 26, 1925, in Cleveland and raised in Shaker Heights, Ohio, served in the U.S. Navy during World War II and later graduated from Kenyon College. He acted on Broadway in the early 1950s and made his big-screen debut in 1954's The Silver Chalice. Newman received his first Best Actor Oscar nomination for his performance as Brick Pollitt in 1958's Cat on a Hot Tin Roof, based on the Tennessee Williams play and co-starring Elizabeth Taylor. Newman's next two Best Actor Oscar nominations came for The Hustler (1961) and Hud (1963). In 1969, the famously blue-eyed actor teamed up with Robert Redford to play a pair of Old West bank robbers in the hit Butch Cassidy and the Sundance Kid, which earned seven Academy Award nominations, including Best Picture. The two handsome screen icons collaborated again in 1973's The Sting, which collected seven Oscars, including Best Picture. Newman went on to star in such movies as Absence of Malice (1981) and The Verdict (1982), both of which earned him Best Actor Oscar nominations, and The Color of Money (1986), for which he took home his first Best Actor Oscar. In the film, directed by Martin Scorsese, Newman plays Fast Eddie Felson, a pool hustler





Linda Ronstadt and Mick Jagger backstage, 1978



2:30 PM - 30 Oct 2018



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:

Holes in the bottom, the left and the right. Yet it still holds water with all its might. What is it?

Weather forecasts continue to call for moderate to heavy rain during the next week

who finds a protege in a young player portrayed by Tom Cruise. In the later years of his acting career, Newman also received Oscar nominations for his performances in Nobody's Fool (1994) and Road to Perdition (2002), with Tom Hanks. Newman, who outside of acting was known for his avid interest in racecar driving and his Newman's Own line of foods (the profits of which go to charity), also stepped behind the camera to direct such movies as Rachel, Rachel (1968), which starred his second wife, Joanne Woodward (the couple married in 1958 and starred in 10 movies together) and earned a Best Picture Oscar nomination, and The Glass Menagerie (1987), which featured Woodward and John Malkovich. Paul Newman died at his home in Westport, Connecticut, on September 26, 2008, at the age of 83.

Upcoming Events

Thur. 11/1 - Export Sales

Fri. 11/2 - Monthly Unemployment

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

Mon. 11/5 - Crop Progress

Tues. 11/6 - Midterm Election

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

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

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

Tues. 11/13 - Crop Progress

Thur. 11/15 - NOPA Crush

Fri. 11/16 - Export Sales

Mon. 11/19 - Crop Progress, Milk Production

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

Thur. 11/22 - Thanksgiving; US Markets Closed

Fri. 11/23 - Export Sales, Black Friday

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

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

Thur. 12/6 - Export Sales

Fri. 12/7 - Monthly Unemployment

Tues. 12/11 - USDA Supply and Demand, Crop Production

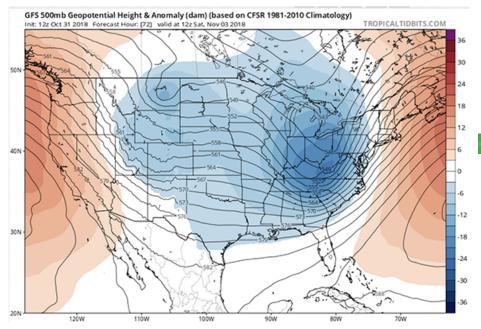
Thur. 12/13 - Export Sales

Mon. 12/17 - NOPA Crush

Thur. 12/20 - Export Sales

over the north-central through eastern and southern Midwest. The rain will disrupt corn and soybean harvest and other fall fieldwork. On October 28, topsoil moisture was rated 27% surplus in Minnesota, along with 21% in Iowa, Michigan, and Wisconsin. The remainder of the region will have lighter precipitation, with favorable conditions for crop progress. In the southern Plains, soil moisture supplies are ample for winter wheat development. Showers at midweek have occurred in southern sectors of the region, where recent rainfall was lighter. In Texas, the peanut harvest was only 35% complete on October 28, well behind the 5 year average of 50%. On the same date, the Kansas sorghum harvest was just 32% complete, compared to 55% on average. In the northern Plains, a mix of rain and snow will produce minor harvest disruption. TThe heaviest precipitation is forecast for Saturday. Meanwhile, a slow-moving cold front will focus heavy rainfall during the next few days. Five-day rainfall totals could reach 1 to 4 inches or more from eastern Texas into the Northeast, including the Ohio Valley. Heavy rain will also spread across the Gulf Coast States as far east as western Florida. Farther west, periods of precipitation will continue to spread inland. During the coming weekend, some snow may develop across the northern Plains and upper Midwest.

Cooler Temperatures For This Weekend: Forecasts are calling for an upperatmosphere, low-pressure trough over the central U.S. in the coming week or so, suggesting a cool and wetter trend focusing over the eastern Midwest. Below we have a GFS model temperature anomaly map showing temperatures at Noon Saturday. Map provided by TropicalTidbits.com



Corn continues to trade mostly sideways. Technical bulls argue there's very little downside risk in the DEC18 contract sub-\$3.50. In fact, the DEC18 contract hasn't closed sub-\$3.60 in over a month. Bulls would like to believe we've ratcheted up support and perhaps \$3.60 can hold. I'm personally not that optimistic. I fully understand the bullish fundamental argument and that domestic Chinese and global supply has shrunk, but if weather cooperates moving forward we could see sizable production gains. There's also perhaps stiffer competition from Ukraine and South America than many had anticipated. The strength of the U.S. dollar and overall negative attitude in the macro space creates some intangible headwinds. As a producer, I'm like most and continue to hope for better pricing opportunities in the weeks or months ahead. In my opinion, an improved macro environment or renewed strength in global growth would go a long ways to help improve our situation. Obviously, a widespread weather hiccup in South America would also help build a more bullish argument. I'm keeping my hedges in place just incase the above mentioned do not come to fruition and we slowly grind lower. It's my opinion, markets that slowly grind lower can be some of the most difficult. They tend to lull us to sleep, time ticks off the clock, then the next thing you know we are -20 cents lower. I often have to remind myself that most all of my big problems in life started simply small problems that I didn't fully address. As a spec, I'm still waiting for more time to expire before getting long. I just don't want to chew up equity by being impatient with the market and oversteering as the trade tries find direction. Keeping a close eye on this mornings weekly export sales data. Another weak set of numbers could create some upside doubt nearby. The next monthly USDA "Supply and Demand" report is scheduled to be released next Thursday, November 8th. The trade will be eager to see if the USDA adjust the yield lower based on late weather complications?

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

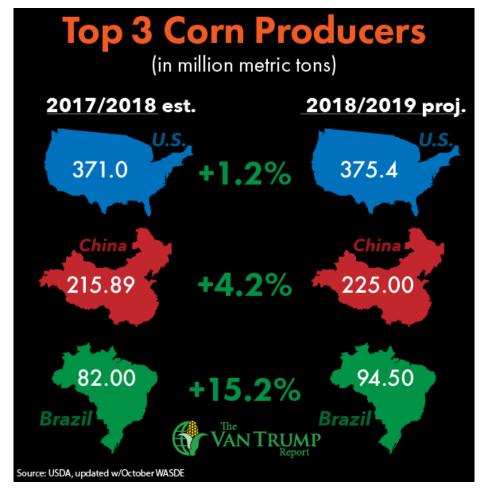
Tues. 12/25 - Christmas Day; US Markets Closed

Fri. 12/28 - Export Sales

Kevin's Song of the Week



Kevin's Song of the Week



Soybean traders have very little fresh or new to debate. Bulls want to continue talking about U.S. soybeans that are still in the fields and the fact some my not get harvested. There's also the talk of some late-harvested beans experiencing quality issues and yield drag in getting the crop out of the field. Bears continue to have a number of cards they can play... Lack of Chinese buying; Chinese rationing soy demand; Chinese trade relations may get worse before they get better; Brazil planting a record number of acres and getting it in the ground at a record pace; Argentine production expected to rebound aggressively compared to last year; Cooperative weather across most all of South America; U.S. ending stocks perhaps pushing north of 900 million bushels. I could list more bearish cards, but why... That's obviously why prices are at a decade low. The big question is how long will it take for the bulls to accumulate enough cards to either bluff the bears or call their bets. Right now I just can't see the bulls with enough strength in their hand to call or raise any of the bearish bets. Perhaps the bulls can bluff a bit, but eventually you have show your cards and have a hand of some sort if your called out. I continue to believe, until the relations with Washington and Beijing swing back towards a more favorable landscape and or the weather in South America brings into question 2019 production, the bears are going to call most all bets. From my perspective this keeps the upside fairly limited. As a producer, I desperately want prices to rally. But as a spec, I'm still in no hurry to make big bullish bets.

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!

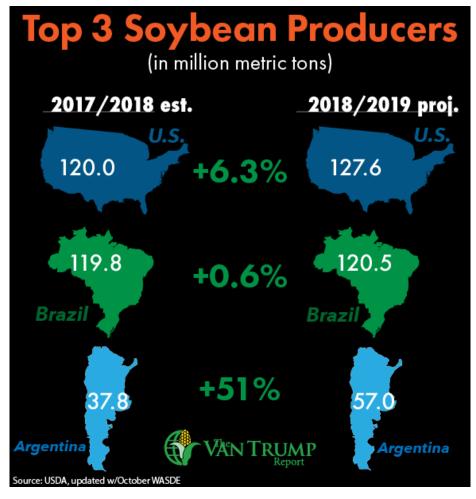
Kevin Van Trump

What Others Are Saying

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



Wheat bulls continue to battle a few nearby significant headwinds. The strength of the U.S. dollar and overall lack of strength in the global economy keeps many of the funds on the sideline or with a bearish tilt. I'm hoping that landscape or demeanor will shift as we move into early-2019. I'm also thinking we could see some cross-hedging by the funds and shifts in allocations towards the end of 2018 or beginning of 2019 that will ultimately provide some upside momentum. Bears continue to point towards available supply from low-cost providers in Russia, the Black Sea Region and parts of the European Union, and the continued lack of overall interest in U.S. exports. Bulls believe its only a matter of time before U.S. export demand starts to find momentum. Bulls are also pointing to significantly larger problems with production in Australia. One of our friends from Down Under, sent me an update yesterday that read as follows... As I've been saying, I think the USDA ultimately has to trim Aussie production even further. I remain a longer-term bull. But believe this market is going to take some time to play out. Staying patient!

Kevin,

Australian winter cereal harvest is under way, with extremely disappointing results coming in.

Western Australia, which had a good growing season is showing the effects of late season frost damage reducing yields.

Eastern Australia is a disaster, or near total basket case, drought, then frosts have just decimated the wheat and canola crops. Any farmer that tried to complete a crop has either grazed it off with livestock or baled it into hay.

Expect another big write down of the Australian wheat crop, a further 3.5 to 4.5 million tonnes is still to come off the 18.5 million tonne forecast.

The sleeping giant is our domestic consumption, and the fact it's going through the roof. With red meat proteins as high as they are, all farmers are feeding record amounts of livestock, pushing domestic consumption to record levels (expecting an increase of 1.1 million tonnes of domestic consumption).

Australia will have a substantial effect on world ending stocks come December.

Will not make your conference this year with the effects of the above and a 70c exchange rate. I like most Aussies will enjoy the beach this summer and avoid

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..."

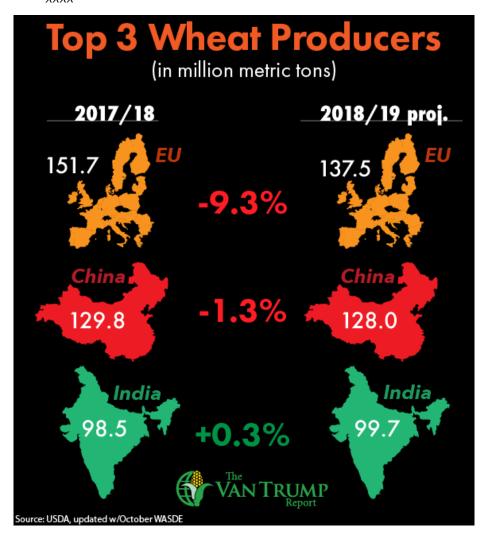
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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. Cheers,

XXXX





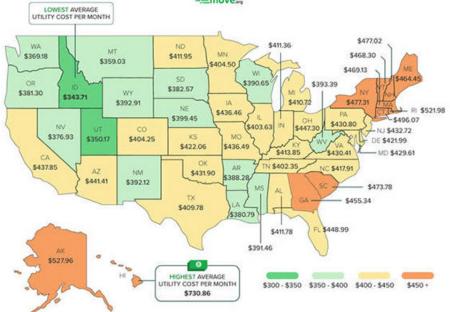


- > EPA's 2019 Biofuel Proposal Seeks Approval: The U.S. Environmental Protection Agency has sent its proposal for 2019 blending volumes under the Renewable Fuel Standard (RFS) to the White House for final review, a filing with the Office of Management and Budget showed on Wednesday. The deadline to issue the finalized rule is Nov. 30. The agency had earlier proposed setting a blending mandate of 19.88 billion gallons for 2019, 3 percent higher from 2018 and in line with industry expectations. Under that initial proposal, the EPA left the target for conventional biofuel volumes, mostly corn-based ethanol, at 15 billion gallons, the agency had said. (Source: Reuters)
- > TPP Moves Forward Without the U.S.: Australia and Canada have filed official ratification documents for the agreement for Trans-Pacific Partnership, the 11 nation deal that was struck after Trump pulled the U.S. out of the Trans-Pacific Partnership. Now that six countries have ratified the deal, a 60 day countdown begins until the first round of tariff cuts, capping a decade of work on the Asia-Pacific pact.
- > U.S. Biodiesel Hits Record Production in August: 169 million gallons of biodiesel, a record level of production, were produced in August. That is an increase of 5 million gallons from the month prior. The majority of the feedstock came from soybean oil, at 705 million lbs., which was also a record number.
- > Brazil Resumes Exports to Russia: Beef and pork exports to Russia from nine plants in Brazil will begin this week. From what I understand, this will end an 11-month

ban which began after concerns arose about the safety of their meat products. Bans were imposed after Brazil was accused of adding the feed additive ractopamine to the beef. Keep in mind that Ractopamine is permitted in Brazil but banned in Russia. I'm told that Russia used to receive over 40% of Brazil's pork exports.

- > Russian Harvest Nearly Complete: Russian producers have harvested nearly 70 million acres of wheat to this point. With over 99% harvested, farmers have brought in a crop of 73.2 MMT to date. From what I understand, that number is well above USDA's October production peg of 70.0 MMT. Keep in mind, the USDA does not include Crimean production in its grain estimates for the country, whereas Russia does.
- > Brazil's Ag Minister Doubts Merger of Ministries: Brazilian Agriculture Minister Blairo Maggi is against President-elect Jair Bolsonaro's proposed merger of the agriculture and the environment ministries. He believes the the move would cause losses to the country's farm trade as European countries key importers of Brazilian agricultural products have pushed Brazil to protect the environment, he said. Earlier in the day, Environment Minister Edson Duarte said in a statement that the move would hurt both the country's environmental and agricultural agendas.
- > Redefining "Healthy": The federal standards for use of the word "healthy" on labels was established in 1994 and set limits on total fat and cholesterol. Today, the U.S. FDA is revamping its definition of healthy to reflect our changing understanding of nutrition science. The push is fueling debate about eating habits and what the new standard should be. Makers of pizza bagels, chewing gum and bottled water argue they should no longer be shut out from using the term just because their products don't provide nutrients. The next step is for the FDA to propose a new definition which would then be subject to a round of public comment. No time table for when the agency expects to establish a final rule. (Source:AP)
- > Stock Market Loses \$2 trillion in October: U.S. markets lost more than \$2.5 trillion in October coming into the month's final day of trading, according to S&P Dow Jones Indices analyst Howard Silverblatt. Losses were spread widely across industry sectors. October is set to be the worst month for the S&P 500 since August 2011, Silverblatt noted. (Source: CNBC)
- > India Unveils World's Tallest Statue: To celebrate India gaining independence from Britain in 1947, officials unveiled a bronze statue of Sardar Vallabhbhai Patel. After independence, Patel became India's first deputy prime minister and was instrumental in bringing together India's disparate parts. At 597 feet tall, the statue is almost twice the height of the Statute of Liberty, including the pedestal. (Source: USAToday)
- > Want Dieting Advice? Don't Eat Too Much: In an interview coinciding with the release of her new book, nutrition professor and food author Marion Nestle condenses the debate over diet to: "Don't eat too much. Make sure you have vegetables and don't eat too much junk food." Easier said than done, but I like the simplicity. (Source: Healthyish)
- > New Map Reveals the Average Cost of Monthly Utilities In Every State: Researchers at Move.org did some digging in order to determine the average monthly cost for electricity, natural gas, internet, cable and water in every state and came up with some interesting findings. They looked at data form the U.S. Energy Information Administration for intel on electricity and natural gas, as well as stats form cost of living sit eNumbeo. Since state by set information as unavailable for cable and water, they instead factored in the national averages for those (\$100 and \$40 per month, respectively). Nationally, the average is \$422.08. Here's how the list of the 10 priciest and 10 cheapest states shakes out. Follow the link for a larger view of the graphic below. (Source: Move.org)







Southeast Missouri – The weatherman is calling for 3 inches of rain overnight starting late in the evening and running into mid-morning the next day. We are hoping for less, but the trend has been more this year. Over the next 7 days I would bet we might have 2 days that don't have at least some chance of rain. If the rain isn't too extreme overnight, then guys won't be back in the field until Saturday at the earliest. If we get the 3 inches, guys are going to be cutting ruts. Each rain takes a little more money out of everyone's pocket but lucky for everyone around here we are cutting and picking some of the best yields we have seen in a good number of years, maybe ever for some guys. The thing with soybeans and cotton in this area is we are generally done by now, but most guys are only about 60-70% done. I'm worried we might be fighting this weather all the way into Thanksgiving.

Central Illinois – We have had the best year that I can remember in my 30 years of farming. I don't have all my numbers in yet because we just finished soybean harvest yesterday and corn harvest was finished on the 23rd. I'm just making rough estimates based on what I added up as we went but I think by corn made about 260-270 across 450 acres and my soybeans made 75 or just a touch under across 300 acres. I'm just a small hobby farmer and I have all my harvest done by a neighbor. I have had crops close to this but never have I had both corn and soybeans be excellent. It seems like we have great corn and average beans or vice versa. This is the first year that we have had both. It's a good feeling to be done with everything after all the delay and problems we seem to run into this year with mud.

Central Kentucky – Double crop wheat then soybeans is something that most guys do around here. It's almost less common to see guys have more full season soybeans then double crop. We run about 40% full season and 60% wheat and soybean combination. The only reason we don't run the entire the farm in double crop is because we don't have the equipment to handle planting, harvesting, tillage and then planting behind the wheat, nor do we have the man power. The one thing that I'm looking into for next year is how to run 100% of my farm in double crop. I have a buddy's son that's old enough to help next season and we are going to see about hiring 2 more guys. We just can't make single season soybeans work at this price but when you throw 40-bushel

wheat or better in the mix we breakeven even with bringing on 3 more guys. I also have a neighbor that is thinking the same thing and we are talking about helping each other so the equipment side of the equation works.



How Scientists are Using Solar Power to Create Clean Hydrogen Energy: A team of Israeli researchers says it has taken an important step toward the creation of environmentally friendly hydrogen-fueled cars. The extraction of energy from hydrogen gas is a carbon-neutral, and thus environmentally friendly, process, but there's a catch: pure hydrogen gas is almost impossible to find on Earth. To this day, the main means for producing hydrogen gas at industrial scales are inefficient and produce the greenhouse gases carbon dioxide and carbon monoxide. One of the most abundant potential sources for hydrogen is water. If scientists are able to efficiently split the water molecule H_2O into its component parts, it could force hydrogen molecules, H_2 , to interact with oxygen molecules, O_2 , in a process that would release a large amount of energy, and whose waste product is harmless water vapor. Read more HERE.

Uber Introduces Monthly Subscription Service: Uber has a new plan to lock customers into its transportation ecosystem while also expanding the list of services it offers ahead of an expected public offering in 2019. It's called Ride Pass, and it's Uber's attempt at an Amazon Prime-style subscription service. Ride Pass is available today in five cities: Los Angeles, Austin, Orlando, Denver, and Miami. For \$14.99 a month — or \$24.99 a month in LA (sorry, Angelenos) — riders can lock in flat rates on all the UberX and UberPool trips they take over the course of that month. The rates, based on historical data, will be heavily discounted, saving riders up to 15 percent on their overall monthly travel, Uber says. Ride Pass fares won't be subject to typical external events like weather, traffic, or surge pricing. And there's no limit to the number of rides customers can take each month. Read more HERE on the innovations coming to the transportation space.

70-Year-Old Study Has Simple Insights for Parenting: Known as the British cohort studies, the research has been going on since 1946, with researchers collecting enormous amounts of data. To summarize the key findings for those of us who don't have time to sift through endless spreadsheets, mom and author Helen Pearson gave a TED Talk on the topic last year in April. The study found that the biggest factor in a child's success was how warm and engaged the parents were. The more the parents were interested in the child and the more quality time they spent together, the more likely that child was to be happy and successful later on. Read more on the details HERE.

The Doctor Will See You Now... Online: Even in countries with good welfare systems, getting to see a doctor at a convenient time can be a struggle. A recent study by the Danish general practitioners' association showed that 67% of clinics in Denmark had had to refuse new patients from their own areas. These patients had to travel elsewhere to register with a doctor. Through Hejdoktor.dk, via an app, web or mobile phone, Danes can reach a general practitioner for an online consultation. Hejdoktor has been up and running since 2015, and has moved from text consultations with photos to video consultations. I'm told subscription contracts were introduced last year and earlier this year, it won its first Business To Government (B2G) SaaS contract. I suspect we will soon see adoption of these innovations in the states. Read more HERE how the medical field is using technology to better serve its clients.

Pizza Hut May be Coming to Your Home in This Tricked-Out Tundra: Pizza Hut may be taking its pie-making show on the road. A new automated pizza-making robot prototype that cooks pizzas on the way to customers' homes is set to be unveiled Tuesday at the Specialty Equipment Market Association's annual automotive specialty products show in Las Vegas. The mobile pizza factory, residing in the bed of a zero-emission Toyota Tundra pickup, will get its debut during Toyota's presentation at the SEMA show. Called "The Kitchen," the automated pizza maker takes six to seven minutes to cook a pizza after an order is placed. The first robotic arm opens the refrigerator, removes the proper pizza and places it on the oven conveyor, which sends it through a high-speed ventless oven. Read more HERE.





VAN TRUMP CONFERENCE 2018
IN THE SPOTLIGHT

Biovante... Pushing Yields Higer

I was recently introduced to Chris Masters and the Biovante team through a friend of mine and we are excited to have them partnering with us at this years conference in Kansas City. Biovante is often named in association with producers who are harvesting record setting yields, i.e. beans yield north of +120 bushels per acre, corn yields north of +300 bushels per acre. Before the spotlight began to shine on soil health, Biovante had already been focused on bringing innovative products to all types of growers. Not only does Biovante offer soil amendment applications but they also provide their growers the nutritional needs for the seed and growing plant as well. Chris has been around agriculture for many years and has seen the value and necessity of educating producers on biologics. Recognizing the challenge, Chris embraces the opportunity to show the power of microbes applied in the right manner, taking into consideration the plants environment, equipment and crop. Most are aware that not all biologics are created equal, meaning the learning curve can be steep and Chris believes it is worth every minute he spends with growers in the educational process. A driving force for the Biovante team is setting goals for themselves and their clients each season. Understanding that with those goals comes unexpected challenges, Chris shared with me a solid quote he picked up along the way to deal with those challenges... "There's a problem when you're the smartest guy in the room." For this reason, Chris and the Biovante team surround themselves with people who can help them and their customers achieve maximum results while facing the challenges head-on. It's worth noting that through Biovantes assistance and knowledge, they have placed some of the most cutting-edge technology our industry has to offer in the hands of many professionals and producers around the globe. There is no handbook to success, Chris says, just the journey of what it took to get you there. Biovante has demonstrated success surrounding lowering seed populations and getting better than average yields that I'm sure Chris will share with us at his sponsor's speech during lunch on Thursday. You can stop by their booth as well or go to the Biovante website to learn more. I also wanted to share a cool short video, it features Soybean World Champion, Kip Cullers. Click HFRF



Facebook Joins With MTV To Bring Back "The Real World"

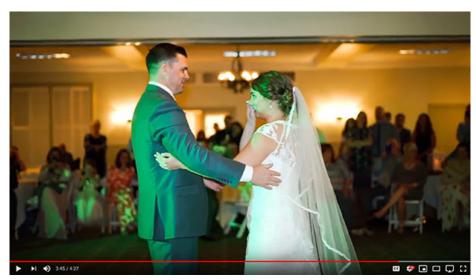
The last time anyone saw The Real World was when it was aired on MTV. I'm now hearing that Facebook and MTV will be partnering up to bring back what many call the first reality TV show. Facebook will be running the reality hit, The Real World, through Facebook Watch, which has yet to gain much traction since its launch last summer. Facebook Watch says the show will have three location-specific seasons centered on casts in the US, Mexico, and Thailand. Facebook will also bring something new to The Real World this year with an interactive aspect that allows fans to vote on which housemate they want to appear on the show before it airs through Facebook Watch Party's viewing and chat platform. There will also be unique opportunities for fans to connect with the cast through Facebook Live. Each weekly episode of The Real World

will be 30 minutes long and the show will premiere in Spring of 2019. Watch will also be rolling out new shows like Queen America and You Kiddin' Me with the Kardashians, Confetti, and The World's Most Amazing Dog in 2019. I've also heard Facebook is releasing a TV set-top box called Ripley that will help users stream Watch shows on their television. MTV believes by partnering with Facebook Watch they have an opportunity to impact culture and create a new genre of TV all over again. Facebook is clearly taking steps to go against streaming giants like Netflix and Hulu with their new content.



Father and Daughters Never Say Goodbye

My wife showed me this awesome video of a "Father-Daughter Dance". The brides name is Kaley and her father is David. The crazy part, the brides father passed away suddenly from heart disease and didn't live to see the wedding. Kaley and her father had a very special bond and had always looked forward to the day that he would walk her down the aisle and dance with her at her wedding. She was his little princess. The brides five brothers wanted her to still have that opportunity, so they surprised her with this song that paid tribute to their Father. All five of her brothers took turns dancing with her to the song "Fathers & Daughters," which had clips of her dad's voice from home movies edited into it. It brought a tear to my eye and definitely reminds me of the special bond between Fathers and Daughters. I also love the song so I included the lyrics. My baby girl is away at college and I miss her everyday! Click HERE to watch this awesome video.



If I could catch a star for you I swear I'd steal them all tonight To make your every wish come true and every dream for all your life

But that's not how the story goes The world is full of perfect plans If there's a promise that I broke, I know one day you will understand When times are hard I know you'll be strong
I'll be there in you heart when you'll carry on
Like moonlight on the water, and sunlight in the sky
Fathers and daughters never say goodbye

An Angel I will read to sleep, gave me one dream of my own So learn to love and spread your wings, and find the one to call your home

When times are hard I know you'll be strong I'll be there in you heart when you'll carry on Like moonlight on the water, and sunlight in the sky Fathers and daughters never say goodbye

When times are hard I know you'll be strong I'll be there in you heart when you'll carry on Like moonlight on the water, and sunlight in the sky

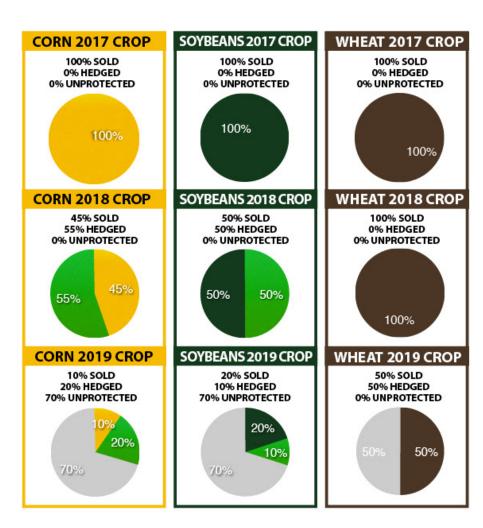
Fathers and daughters never say goodbye Fathers and daughters never say goodbye

ANSWER to riddle:

A sponge

CASH SALES & HEDGING TOTALS

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