

GOOD MORNING: 11/26/18 Farm Direction - Van Trump Report

1 message

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"There is good in everything, if only we look for it." —Laura Ingalls Wilder

MONDAY, NOVEMBER 26, 2018

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

Morning Summary: Stocks are stronger this morning on thoughts that crude oil has perhaps bottomed, while European banks are catching a bid on talk that Italy is going to make some type of concession and compromise regarding their budget. Many bulls however are reeling after watching the Nasdaq and Dow tumble more than -4% last week. Which was the worst week for the Dow and Nasdaq in 8-months, with the S&P 500 now officially slipping into correction territory. Over the weekend, market historians were circulating reports that showed last week was the worst Thanksgiving week for the stock market since 1939, when President Franklin D. Roosevelt moved the holiday to the third Thursday of November. Looking ahead, traders are clearly focusing in on the upcoming G20 meeting in Argentina and the scheduled talks between President Trump and Chinese President Xi. How it goes, so will go the market! There's a ton of U.S. economic data scheduled for release this week, but the spotlight and media interest will clearly be on the headlines leading into the G20 meeting and how the market will digest the talks between U.S. and Chinese leaders following the event. Tuesday we will see updated U.S. Housing and Consumer Confidence numbers; Wednesday we have the updated Q3 GDP numbers, New home Sales data, and the latest "minutes" from the FOMC meeting; Thursday we have Personal Income and Spending data; Friday is Pending Home Sales and an updated Chicago PMI. Normal these would be considered some important number, but this week is a bird of a different color. We start off on Tuesday with Fed Vice Chairman Rich Clarida speaking at a conference. Then on Wednesday, we have Fed Chair Jerome Powell speaking at the Economic Club of New York. Then on Thursday, the highly anticipated G20 meeting is scheduled to be in Buenos Aires, Argentina. From what I understand, topics of discussion are climate change and trade, with the official meeting scheduled to end on Saturday, December 1. The biggest concerns in the market as of late have been the Fed hiking rates too aggressively and the ongoing trade conflict with the Chinese. We are going to see a massive wave of headlines involving both major macro concerns this week. There are some who argue the recent evidence of a global slowdown and weakening U.S. economy could be enough for the Fed to start walking back their hawkish comments. Personally, I'm not holding my breath. I believe the Fed has been extremely transparent, was wanting to slow the economy and the stock market to some degree, and will hike again in December. Looking ahead, 2019 is obviously still anyone's guess and depending on the data will probably bring a couple more rate hikes. Bottom-line, traders will be paying close attention to both Powell and Clarida's language this week. U.S. corporate debt has nearly doubled from \$4.7 trillion in 2007 to \$9.1 trillion today. This is starting to put a lot more pressure on investment grade bonds, bringing along some downgrades, and eating into corporate cash-flow. What happens with U.S. interest rates is quickly becoming of greater importance. This is also making larger investors nervous about future valuations and the fact many stocks probably need to be repriced. As investors, we have to figure out what babies might be getting thrown out with the bath water? As I've said for several months, we have to be building a portfolio of stocks and investments, that when we pop back out on the other side and have adjusted to higher rates, are still relevant and of interest to the bulls. Oil prices are also drawing a ton of attention as crude is on pace to post its worst monthly price decline in 10-years. Experts in the oil markets are saying the real OPEC meeting will take place on the sidelines of the G20, ahead of the cartels scheduled meeting in Vienna on December 6. Both Saudi Crown Prince Mohammed bin Salman and Russian President Vladimir Putin will attend the Summit and most likely meet before heading to the OPEC gathering. Keep in mind, the two have met before at a G20 meeting in China in 2016,

where they emerged hours later and appeared at a press conference announcing a production cut. President Trump on the other hand is trying to keep a lid on oil prices in order to help U.S. consumers. The million dollar question is, will the Saudi Crown Prince continue to keep the spigots open in response to President Trump's handling of the Khashoggi murder or will he revert back to a more "Saudi First" attitude as he seeks to properly maintain funding of social and military spending. Most in the trade suspect we will see some type of production cut announced coming out of the Vienna meeting next week, which would allow the Crown Prince to pass the buck to the full cartel. Taking a look at Brexit, I'm told EU leaders approved an agreement over the weekend on the UK's withdrawal and future relations insisting it is the "best and only deal possible". The next hurdle will be for Prime Minister Theresa May to get the agreement approved by Parliament, which is expected to meet on December 11 or 12th to vote. It's worth noting, approval is far from guaranteed. Lots of macro movement this week... I remain defensive in nature. There's a chance we could see some bullish rhetoric this week from the Fed and the President, that's obviously what most are wanting to hear. But talk is cheap, meaning optimism could quickly fade. I don't see a "V" shaped bottom happening in the stock market, as the sell-off has been too methodical in nature. Hence, I remain in no real hurry to put more capital to work or to try and pick a bottom. Stay focused on preserving wealth!

Russia Fires at Ukrainian Ships: *Details are still a bit unclear as both sides have different stories, but from what I understand, Russian special forces opened fire on Ukrainian ships and captured three vessels in a major escalation of tensions off the coast of Crimea. The Ukrainian Air Force has supposedly been placed into full combat readiness. Ukrainian ground troops near Odessa, Donetsk and the Crimea border are said to be on high-alert. Russia, which claims the waters off Crimea after annexing the peninsula in 2014, accused Ukraine of illegally entering the area and deliberately provoking a conflict. A 2003 treaty designates the Kerch Strait and Sea of Azov as shared territorial waters but Russia has been asserting greater control over the area since 2015. In return, Ukraine has increased the number of navy ships and border guard patrols in the Sea of Azov, which is reached via the Kerch Strait between Crimea and Russia. Reports say a huge Russian cargo ship was placed beneath the Russian-controlled Kerch Strait Bridge to block Ukrainian boats from access to the sea. Russia's Federal Security Service (FSB) said it used weapons after the Ukrainian ships ignored demands to stop and that it impounded three vessels which had illegally crossed the border. There were reports earlier on Sunday of Ukraine accusing a Russian coastguard vessel, named the Don, of ramming one of its tugboats, damaging its engine, hull and side railing. Regardless of who's to blame or at fault, we can clearly conclude that tensions in this area have been escalating and need to be on our radar. Read more [HERE](#)*

What Bear Markets Can look Like: *It's been so long since we've actually had to navigate and trade through a bear market many of our younger readers might have never experienced such a thing. I'm also curious if our younger traders and investors have the patience to weather the storm. Here's a bit of history I was reminded of this weekend... Amazon peaked in the Internet bubble in late-1999 at around \$90/share. Almost two years later, at the trough, you could briefly buy Amazon at \$6/share. And then it took until late 2007 for Amazon to trade above the highs it reached in 1999. But of course, all of this is ancient history and if you look at Amazon's chart today, all of that turbulence is hardly even visible. Bottom-line, Amazon was down -80% a year into the post-bubble bear market and it got cut in half again before it made a bottom almost two years after it peaked. (Source: Venture Capitalist, Fred Wilson)*

The Climate Report Everyone Is Talking About: The National Climate Assessment (NCA), a 1,600 page report, released by the Trump administration, assesses the science of climate change and variability and its impacts across the United States, now and throughout this century. The text summary most in the ag space are focused on reads like this, "Rising temperatures, extreme heat, drought, wildfire on rangelands, and heavy downpours are expected to increasingly disrupt agricultural productivity in the United States. Expected increases in challenges to livestock health, declines in crop yields and quality, and changes in extreme events in the United States and abroad threaten rural livelihoods, sustainable food security, and price stability." Those words are followed by, "Climate change presents numerous challenges to sustaining and enhancing crop productivity, livestock health, and the economic vitality of rural communities. While some regions (such as the Northern Great Plains) may see conditions conducive to expanded or alternative crop productivity over the next few decades, overall, yields from major U.S. crops are expected to decline as a consequence of increases in temperatures and possibly changes in water availability, soil erosion, and disease and pest outbreaks. Increases in temperatures during the growing season in the Midwest are projected to be the largest contributing factor to declines in the productivity of U.S. agriculture. Projected increases in extreme heat conditions are expected to lead to further heat stress for livestock, which can result in large economic losses for producers. Climate change is also expected to lead to large-scale shifts in the availability and

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



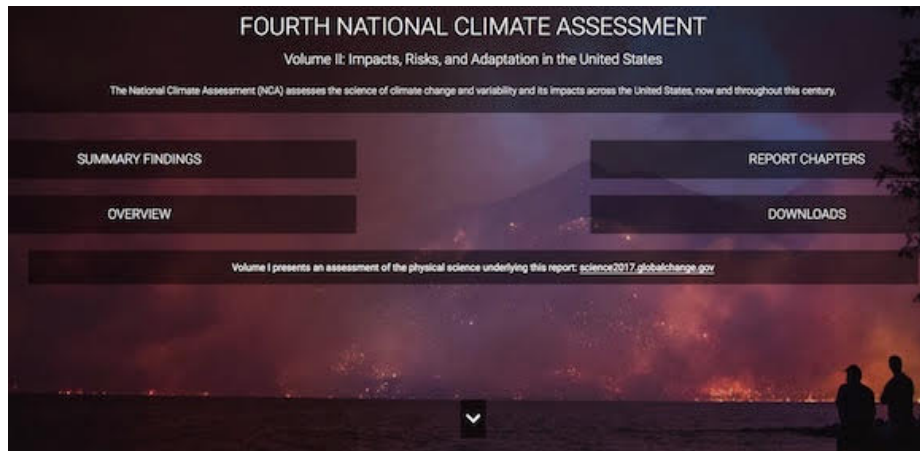
Sit front row in the boardroom with some of the best and brightest! Join us for an exclusively look behind the scenes as several of the top CEO's and leaders openly discuss their next moves in the markets, their current investments, what they see at out on the horizon, along with heated debates about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



prices of many agricultural products across the world, with corresponding impacts on U.S. agricultural producers and the U.S. economy. These changes threaten future gains in commodity crop production and put rural livelihoods at risk. Numerous adaptation strategies are available to cope with adverse impacts of climate variability and change on agricultural production. These include altering what is produced, modifying the inputs used for production, adopting new technologies, and adjusting management strategies. However, these strategies have limits under severe climate change impacts and would require sufficient long- and short-term investment in changing practices." I encourage you to read more [HERE](#)



Black Friday Online Sales Jump +23% From 2017: Black Friday pulled in \$6.22 billion in online sales, up 23.6 percent from a year ago and setting a new high, according to Adobe Analytics, which tracks transactions for 80 of the top 100 internet retailers in the U.S. like Walmart and Amazon. Those figures arrived as many retailers have pushed big digital deals, days in advance of the holiday weekend. I'm told the Friday after Thanksgiving this year was also the first day in history to see more than \$2 billion in sales stemming from smartphones. From what I understand, the group found 33.5 percent of e-commerce sales Friday came from mobile devices, compared with 29.1 percent in 2017. Helping the cause was the fact retailers created better mobile experiences for consumers, turning nearly 10% more smartphone visitors into buyers versus last year. Read more [HERE](#).

New "Yanny vs. Laurel" Dog Version: Remember the "Yanny vs. Laurel" sound debate that went viral? Well... here's the latest one to go viral that was sent my direction. The video is originally from a sketch comedy TV series called "Wonder Showzen," which aired from 2005 to 2006. This one might be a little more complicated, though. It seems like this sound is more than just a 2 answer debate. When I listened to the video I thought the kid was saying "don't break it" while others in the office thought the kid was saying "dad's braces," "stop working," and "I don't like it." Other responses I've read are dogs raise it, that's racist, Tom's crazy, thanks Kanye, just break it, stop raging, and dad's raisins. Click [HERE](#) to see what you're hearing.

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"

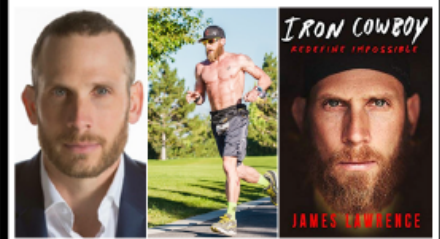
Don't miss this tale of adventure as James Lawrence 'Redevelops Impossible.'

"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."





WHAT DO YOU HEAR?

Dogs raise it	Divergent
Dads braces	That person
Dogs version	Last person
Toms a virgin	Outrageous
Dads prancing	Toms crazy
Dad where is it	Dads version

FARM TANK

Tweets of the Day



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.



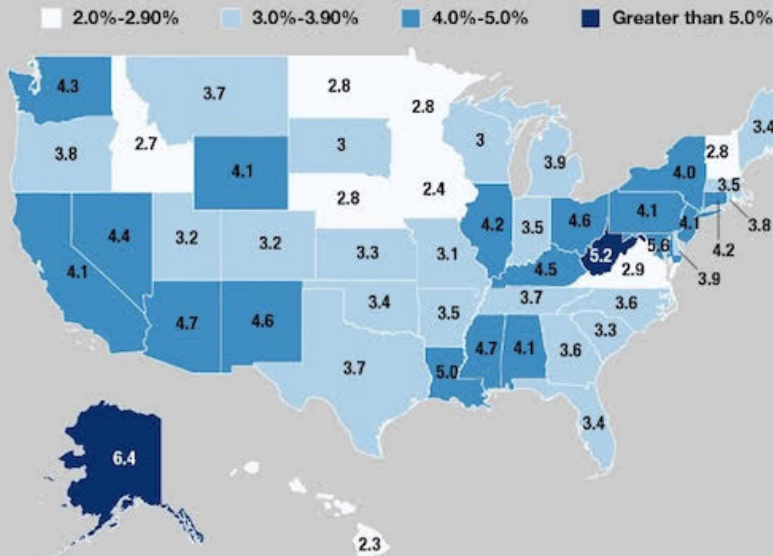
Yahoo Finance

@YahooFinance

Following

Map: The United States of unemployment rates yhoo.it/2QXqGkq by @adrianambells

U.S. unemployment rates by state, October 2018



Source: U.S. Department of Labor

YAHOO! FINANCE



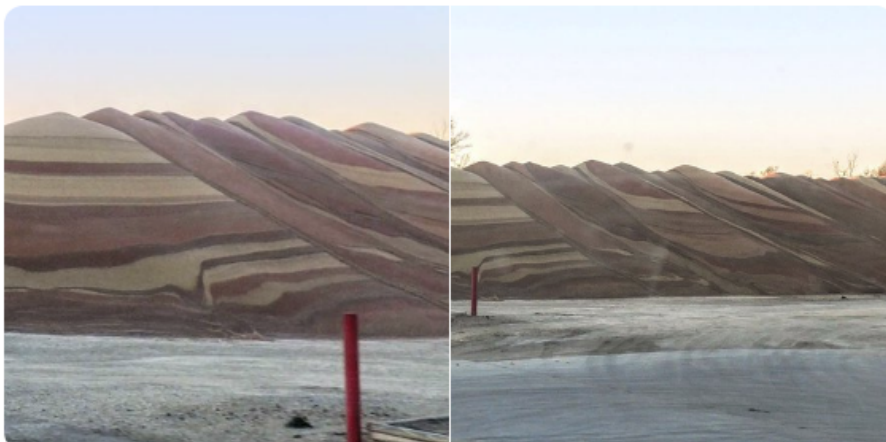
Doug Lafuze

@Gleaner_Man

Following

I love this milo pile in Stockton Kansas. It looks like a giant work of sand art. 😊

#Harvest18 #art



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



1862, Alice in Wonderland Manuscript

- On this day in 1862, Oxford mathematician Charles Lutwidge Dodgson sends a handwritten manuscript called Alice's Adventures Under Ground to 10-year-old Alice Liddell. The 30-year-old Dodgson, better known by his nom de plume Lewis Carroll, made up the story one day on a picnic with young Alice and her two sisters, the children of one of Dodgson's colleagues.



Chris Dahlgaard

@chrisdahlgaard

Following

Getting better every day! #Motivation

THE ONLY
PERSON YOU
SHOULD COMPARE
YOURSELF
TO IS WHO YOU
USED TO BE.

Dodgson, the son of a country parson, had been brilliant at both mathematics and wordplay since childhood, when he enjoyed making up games. However, he suffered from a severe stammer, except when he spoke with children. He had many young friends who enjoyed his fantastic stories: The Liddell children thought his tale of a girl who falls down a rabbit hole was one of his best efforts, and Alice insisted he write it down. During a visit to the Liddells, English novelist Henry Kingsley happened to notice the manuscript. After reading it, he suggested to Mrs. Liddell that it be published. Dodgson published the book at his own expense, under the name Lewis Carroll, in 1865. The story is one of the earliest children's books written simply to amuse children, not to teach them. The book's sequel, *Through the Looking Glass*, was published in 1871. Dodgson's other works, including a poetry collection called *Phantasmagoria and Other Poems*, and another children's book, *Sylvia and Bruno*, did not gain the same enduring popularity as the Alice books. Dodgson died in 1898.



1863, Mine Run Campaign -

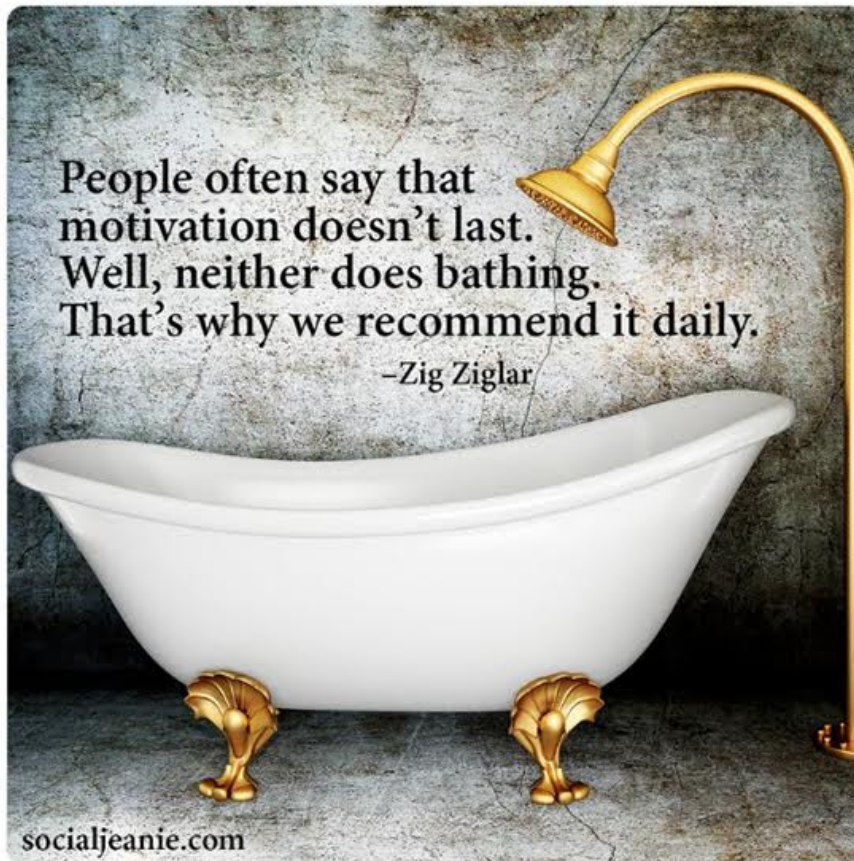
On this day in 1863, around a small valley called Mine Run in Virginia, Union General George Meade moves against Confederate General Robert E. Lee's Army of Northern Virginia after months of inaction following the Battle of Gettysburg, Pennsylvania, in July of that year. Meade's troops found no weaknesses in Lee's lines, and the offensive was abandoned after five days. Meade was under pressure from President Abraham Lincoln's administration to act before the end of 1863. For months after Gettysburg, the two battered armies nursed their wounds and gazed warily at one another across the Rappahannock River. In October 1863, Lee attempted to move his army between the Union force and Washington, D.C., but his offensive failed at Bristoe Station, Virginia. Now, Meade hoped to attack part of Lee's army. On November 26, Meade sent three corps against Lee's right flank near Mine Run. Unfortunately for the Union, William French's Third Corps took the wrong road and did not cross the Rapidan River (just south of the Rappahannock) on time. Lee moved part of his army east to meet the threat. While French's corps wandered in the Virginia wilderness, Confederate General Edward Johnson moved to block their advance. French's men fought Johnson's at Payne's Farm, suffering some 950 men killed and wounded to Johnson's 545. The blunder cost the Union heavily. Lee's men took up strong positions along Mine Run, and Meade realized that to attack head-on would be foolish. By December 1, Meade began pulling his men back across the Rappahannock and into winter quarters. There would be no further activity between the two great armies until spring.



Joanie Stewart
@thejojostewart

Following

Choose your dreams not your doubts.
#motivational #motivation #belief #goals



1931, First U.S. "Cloverleaf" Appears



The first cloverleaf interchange to be built in the United States, at the junction of NJ Rt. 25 (now U.S. Rt. 1) and NJ Rt. 4 (now NJ Rt. 35) in Woodbridge, New Jersey, is featured on the cover of this week's issue of the Engineering News-Record. By contrast, a piece on the under-construction Hoover Dam was relegated to the journal's back pages. With their four circular ramps, cloverleaf interchanges were designed to let motorists merge from one road to another without braking. They worked well enough—and became so ubiquitous as a result—that writer Lewis Mumford once declared that "our national flower is the concrete cloverleaf." But many of the older cloverleaves were not built to handle the volume and speed of traffic they now receive, and many have been demolished and rebuilt. Many people associate cloverleaf interchanges first of all with Southern California, which is famous for its loops and tangles of freeways. But it was an engineer from Maryland, Arthur Hall, who patented the cloverleaf in 1916, and it was an engineer from New Jersey, Edward Delano, who—inspired by a picture he saw in a magazine of a cloverleaf in Argentina—built the U.S.'s first one in Woodbridge. The intersection was a tricky one, since both highways were so heavily traveled: Rt. 25 carried Philadelphia traffic from Camden to Jersey City and Rt. 4 ran from New York City all the way down the Jersey Shore. About 60,000 cars used the interchange each day. Turning from one busy road onto the other was usually difficult and frequently disastrous. The cloverleaf solved this problem: Drivers could merge by looping to the right under an overpass, joining the traffic stream without stopping or making a left-hand turn into oncoming traffic. These circular ramps move cars from one road to the other fairly efficiently, as long as the roads aren't too busy—but once traffic speed and volume increases, cloverleaves can be just as dangerous as the intersections they replaced. The Woodbridge interchange, for instance, had no merge lanes, so it forced motorists to stop without warning or to plunge directly into highway traffic. Many thousands of fender-benders were the result. It was "the Model T of cloverleaves," said a spokesman for the New Jersey Department of Transportation (NJDOT). "It worked well at one time, but it's beginning to reach the end of its usefulness." As a result, it's getting a facelift: the NJDOT plans to replace the sprawling cloverleaf with a more compact, diamond-style interchange that will eliminate both the dangerous merges and the associated gridlock.

neuro mining



As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

TODAY'S RIDDLE:

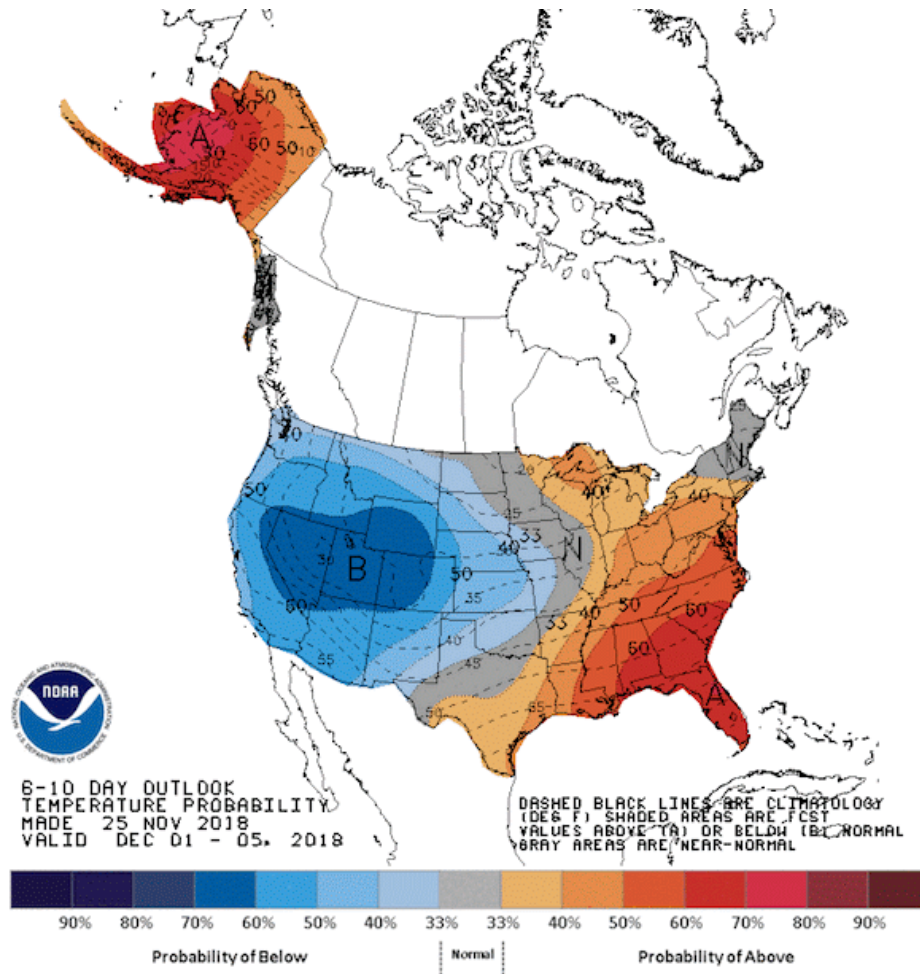
The more you take away, the larger it becomes? What is it?

Weather traders have been talking about heavy blizzard like conditions moving across areas of Nebraska, Kansas, Missouri, and parts of Iowa and Illinois the past 24-hours. This will obviously further slow late corn and soybean harvest efforts. There's also been some areas down South that are battling overly wet conditions, which could further delay winter wheat planting. South American weather is becoming of greater interest.

Upcoming Events

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

Parts of Argentina have been extremely wet, but seem to be improving. The trade now seems most concerned about areas in northern Brazil, where it has started to become way too wet, which elevates complications with the crop, i.e. rust, and also starts to create logistical complications as roads become muddy and more difficult to travel. Forecasters are saying the rains in northern Brazil should soon subside and conditions improve, but we want to keep this on our radar. Southern Brazil could arguably be a bit too dry. We are also monitoring areas of South Africa that could be a bit too dry, and portions of Russia that could soon face winter kill concerns. The 6-10 day forecast here in the U.S. is calling for warmer than normal temperatures east of Mississippi River, cooler than normal to the West, with above normal precipitation for most of the crop producing areas of the U.S.



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

Thur. 12/6 - Export Sales

Fri. 12/7 - Monthly Unemployment

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

Thur. 12/13 - Export Sales

Mon. 12/17 - NOPA Crush

Thur. 12/20 - Export Sales

Fri. 12/21 - Quarterly Cold Storage, Hogs and Pigs, Monthly Cattle on Feed, Personal Income

Mon. 12/24 - Christmas Eve; Market Closes at Noon CST

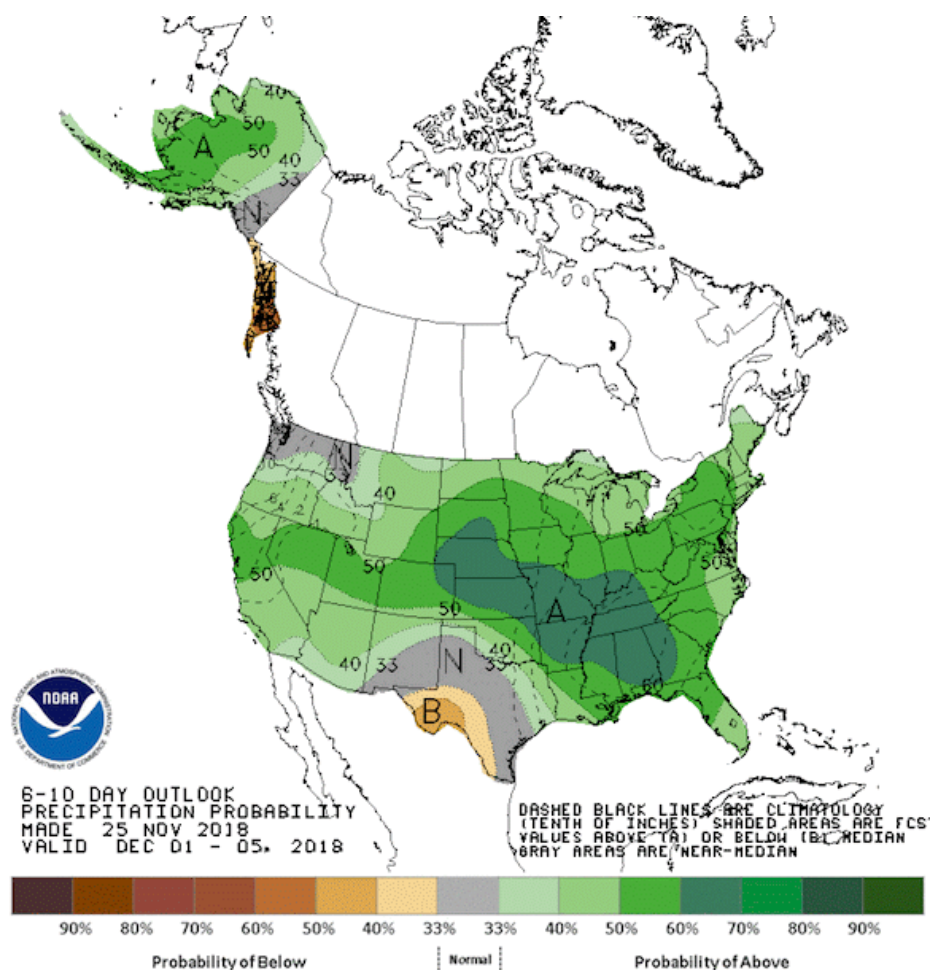
Tues. 12/25 - Christmas Day; US Markets Closed

Fri. 12/28 - Export Sales

Kevin's Song of the Week



Kevin's Song of the Week



NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really

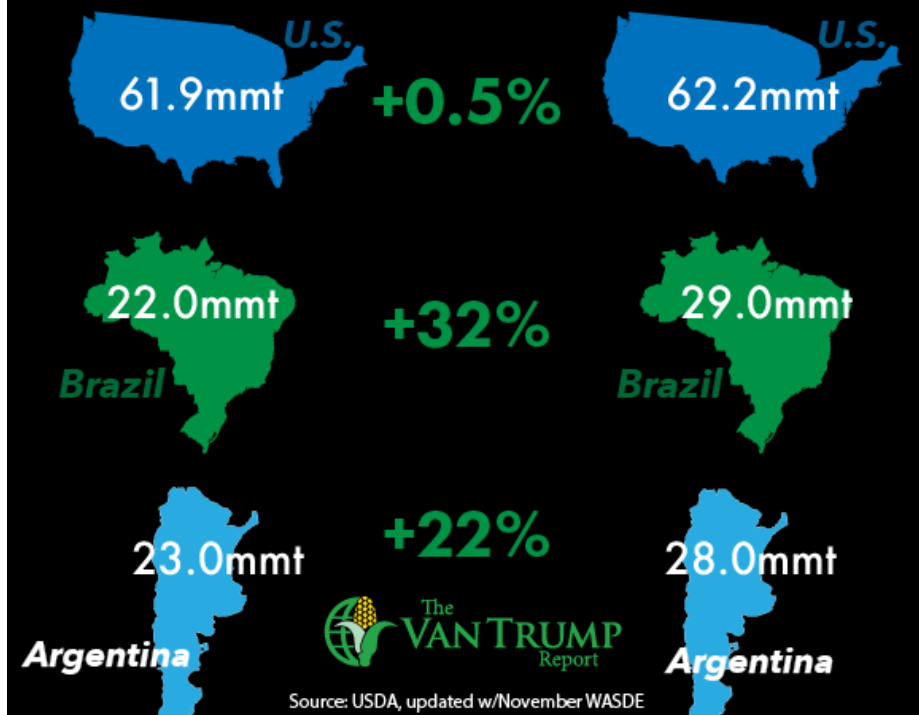
Corn prices are trading near the lower-end of their recent trading range. The MAR19 corn contract has essentially traded between \$3.70 and \$3.90 per bushel since late-September. Bulls are pointing to lower U.S. production estimates as U.S. weather continues to complicate harvest. Bears are pointing to much larger production coming out of South America this year. The Argentine crop is currently forecast at 42.5 MMTs vs. just 32.0 MMTs last year. The Brazilian production estimate is currently at 94.5 MMTs vs. just 82.0 MMTs last year. There's actually starting to be more talk that both numbers could be inching higher. Bears are also pointing to perhaps more holes being shot in the U.S. demand story. There's increasing competition in the global export space and shrinking U.S. ethanol margins continue to create headwinds for plants in many locations. Additionally, the trade is very interested in the upcoming meeting between President Trump and Chinese President Xi. Most suspect the reaction by the soybean market will immediately influence corn prices. There's really not a lot fresh or new in the headlines. The macro space continues to have a negative tone. I could argue the tension between Russia and Ukraine could ultimately be bullish for the corn and wheat market as exporting logistics could become much more complicated. But at the moment that's a bit of a stretch and a long shot. I think the market is simply going to continue to chop around ahead of the highly anticipated Trump/Xi meeting. How that goes, will determine the next leg in the row crop markets. If the meeting falls flat, we trade lower and challenge the recent lows. If the meeting has a more positive twist, we trade back towards the higher end of the range and perhaps with a few more bullish headlines challenge \$4.00. I'm a spec buyer on a big break. As a producer, I'm keeping my hedges in place to protect further deterioration.

Top 3 Corn Exporters

(in million metric tons)

2017/2018 est.

2018/2019 proj.



Soybean traders will have all eyes on headlines surrounding the upcoming meeting between President Trump and Chinese President Xi, scheduled for the end of this week in Argentina. Most sources see little chance of a deal being worked out, but perhaps some groundwork laid that will support future and further talks. I'm holding out hope that perhaps something can be carved out between the two leaders that can help U.S. agriculture and those in China that need access to American supply. Best-of-practice remains, "preparing for the worst, while hoping for the best". For me, that means keeping my floor in place to help eliminate additional downside risk, but keeping some of my upside potential in play just in case something positive comes from the meeting. I should note, there's starting to be more talk that African Swine Flu is perhaps worse than being reported inside China. I've heard arguments over the weekend, that more realistically between 500,000 and 1 million pigs have been killed in China during the past four months. As fear of the virus spreads across the country, falling pork demand and rising feed costs, are massively squeezing Chinese pork producers and creating self-fulfilling demand destruction. At the same time, I'm hearing more reports out of Brazil that their soybean crop could be much larger than the current USDA estimate of 120.5 MMTs. In fact, some are tossing around early estimates north of 125.0 MMTs. Obviously, there's still a ton of weather risk ahead, but the current story is they have a record number of acres planted and are off to arguably their best start in modern history. We are closely monitoring South American weather conditions. I could argue that northern Brazil is perhaps a bit too wet and that southern Brazil perhaps a bit too dry. the overly wet conditions in Argentina are said to be improving. Most sources are still forecasting a +20 MMTs jump in Argentine production compared to last year. Bottom-line, we need to see positive headlines from the scheduled meeting at the end of the week between President Trump and Xi. I'm afraid if the meeting is digested as a "wash" or no real step in the right direction, prices could soon retest the previous lows down near \$8.10 to \$8.20 per bushel. Stay tuned...

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.

Top 3 Soybean Exporters

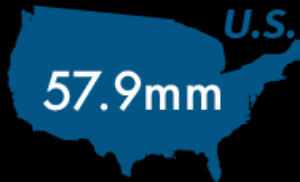
(in million metric tons)

2017/2018 est.

2018/2019 proj.



+1%



-11%



+279%



The
VAN TRUMP
Report

Source: USDA, updated w/November WASDE

Farm Direction
RECIPES

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

Garlic Prime Rib

CLICK TO SEE RECIPE

Wheat bulls are pointing to the fact the worlds largest buyer of wheat, Egypt, recently stepped in and purchased 120,000 tons of U.S. SRW, at the same time just 60,000 tons of Russian and 60,000 tons of Romanian wheat. Meaning U.S. wheat is clearly becoming more competitive. Bulls are also pointing to escalating tension between Russia and Ukraine. Whereas a military escalation would certainly make export logistics more complicated. Bears point to continue weakness in the global macro space, a fairly strong U.S. dollar, and continued trade complications. Headlines over the weekend showed France loading a cargo of wheat headed to China, their first sale to the Chinese in five years. The International Grains Council is also now estimating a +1% jump in global wheat acres. Here at home, bulls continue to question just how many winter wheat acres will actually get planted. The extreme weather has created some planting complications in several parts of the U.S. and there's continued talk that some of the acres simply won't get in the ground. There's also some bullish talk that a late or delayed crop is reason enough to argue a weak stand and perhaps more difficult holding up to winter weather stress. I remain a longer-term bull and seem to be talking my position. As a producer I want to remain patient. As a spec, I'm not ruling out the possibility of another leg lower, especially is the soybean market gets hit again on disappointing trade headlines involving the Chinese. If this market were to see a knee-jerk to the downside, I'm probably adding a bit to my overall longer-term bullish position. I still believe there's more upside potential than downside risk in the next 120-days. Staying patiently optimistic...

Top 3 Wheat Exporters

(in million metric tons)

2017/18 est.

Russia

41.1mmt

2018/19 proj.

Russia

35.0mmt

-15.5%

U.S.

24.5mmt

+13.7%

U.S.

27.9mmt

Canada

22.0mmt

+9.3%

Canada

24.0mmt



The VAN TRUM
Report

Source: USDA, updated w/November WASDE

Connecting the Dots

> **China Looks to France for Wheat...First Time in 5 Years:** Political tensions with Australia and an ongoing trade war with the US has pushed China to buy wheat from France in a move that has not been seen for nearly five years. I'm told that a vessel will arrive at the northern port of Dunkirk on Friday to load 63,000 mt of milling wheat bound for China, for the first time since January 2014. (Source: Agricensus)

> **The Last Colder-Than-Average Month Occurred in February 1985:** New NOAA is backing up NASA findings that say the earth is warming up. Earth just had its second-warmest October on record, according to NOAA data released Tuesday, with NASA reporting the same findings last week. The finding extends the planet's hot streak to 406 straight months with temperatures above the 20th century average. Meanwhile, the last colder-than-average month occurred in February 1985. This means that no one under the age of 32 has ever experienced a cooler-than-average month on this planet.

> **Corn Growers Asking for More Trade Aid:** According to reports, the National Corn Growers Association has written a letter to Ag Secretary Sonny Perdue this past week asking for the second round of trade aid to include more money for the corn sector. NCGA wants USDA to include ethanol and distillers grains in its calculation of damages this time. Corn growers got \$96,000 out of a total \$4.7 billion in direct payments in the first round. (Source: NCGA)

> **Low Crude Prices Help Russia Expand Market Share:** Successful marketing campaigns in Iraq, Saudi Arabia and Algeria would cement Russia's leading position in the wheat markets of the Middle East and North Africa. Cheaper oil is playing to Russia's advantage in grain, keeping prices for Russian wheat relatively low in dollar terms due to lower fuel costs and a weaker local currency. (Source: Blackseagrains)

> Permian Could See Another Wave of Supply in 2019: The inauguration of new oil pipelines in 2019 could unlock another wave of supply from the Permian basin. "The Permian will continue to grow and OPEC needs to learn to live with it," said Mike Loya, the head of Vitol Group's unit in the Americas, according to Bloomberg. The U.S. shale industry proved that it could weather pipeline bottlenecks this year, and even grow production at an incredible rate, which suggests that even more growth is forthcoming (Source: oilprice)

> Illegal Logging and Agriculture Taking Toll On Amazon Rainforest: Satellite images from July 2018 and dating back one year, show 3,050 square miles of Brazilian Amazon forest were cleared. From what I understand, illegal logging and agriculture are the leading causes, and have led to a +13.7% increase from the previous year.

> Show Rooming... You know when you go to the store to check something out, then go home to buy it online? That's called "showrooming" and Amazon wants you to do it. They're offering discounts for those who take pictures of items in stores then buy them on the website, on top of their Black Friday deals.

> Crypto Meltdown Continues: Bitcoin and other crypto currencies continue to suffer heavy losses. Over seven days, bitcoin has now lost more than -35% of its value, according to CoinDesk. From what I'm told, this marks its biggest one-week drop since April 2013, when the cryptocurrency fell more than 44 percent. Keep in mind the recent downturn started in mid-November, when bitcoin was trading well above \$6,000. Since then, the world's largest cryptocurrency continues to find new lows and bulls have struggled to find any traction.

> Mickelson Beats Woods to Win \$9 Million: Phil Mickelson overcame Tiger Woods in their \$9 million match in Las Vegas on Friday, in what was seen as a test for golf's pay-per-view potential. Mickelson won it in overtime on the 22nd hole under floodlights, making a four-foot birdie putt on a specially set up 93-yard, par three. "Just know I will never let you live that down. It's not the Masters or the U.S. Open, but it is nice to have a little something on you," Mickelson said to Woods afterward, claiming the \$9 million winner-takes-all prize. From what I hear, the match was back and forth and very competitive on a golf course that was playing on the tricky side. Unfortunately for promoters, the match at Shadow Creek Golf Club was billed as golf's first pay-per-view broadcast but ended up free for many viewers because of technical problems. Some viewers were unable to view it on their televisions after paying \$19.95, according to The Associated Press. It's hard to say if this will springboard more events like this, some viewers were expecting more fireworks from to guys playing for \$9 million... read more [HERE](#).



Northcentral Kansas – We are finally wrapping up harvest here. It's been a long, aggravating harvest. The only thing that guys are still whacking away on is sorghum.

We have seen some of the sorghum starting to fall down due to excessive rains, so guys are just dropping their header and picking it up that way. The interesting part about cutting the sorghum that low is it actually reduces the amount of time guys can turn cattle lose on the ground. There're just not the stocks out there to eat for the cattle. Another thing that we haven't seen before is the test weight is extremely low. A good field should have test weight around 55-60 pounds per bushel, but we are seeing test weight in the 40's. This is taking 120-bushel sorghum to 70 bushels. We believe the culprit for lower test weight is heat at the wrong time. It's been an interesting year to say the least.

Eastcentral Illinois - *We have been done with harvest for a bit and when asked, I've used the word mediocre in regard to the year we had. It did not rain in August and it was a very dry July as well. Yields were around the 210 bushels per acre level but was planning for more like 250 bushels. Averages in our area run around 190-195 bushels per acre and we needed all our bushels to squeak by with break-even numbers. I'm excited to have my son join me farming here next year as well as run a few of his own acres. We are seeing land rent for \$225 up to \$275 with crazy acres going for a little over \$300. We are starting to see some organic acres going in, but we have no plans to jump on that wagon at this time. We have been increasing the acres for no-till, strip-till and cover crops. We are seeing benefits from all those management practices.*

Northeast North Dakota – *We have finally finished soybeans, lodging was a problem. Several snows that covered half the crop up at a clip were a problem. If you added all the snow, we received before the soybeans were harvested you would not see our tallest soybean plant. We had a two 5-inch snows and one 11-inch snow along with several 1-2-inch snows before our last field of soybeans were harvested. I believe that the snow didn't help the crop but if I'm being honest with myself it didn't kill the crop either. We are still picking corn. We have about 30% of our crop left which will get done because we have little to no chance of snow or rain and it's going to be so cold that the ground is frozen deep enough that the combine or grain carts have no problem running over the ground.*

Field of Dreams... The World Ploughing Championships: *Some compare it to snooker, others to figure skating. But for those who have given their lives to competitive ploughing, it's more than a sport, it's a way of life. Competitors mount their tractors, ploughs rigged to the back, and spend four hours inverting the soil on a plot of land to create a sequence of furrows, burying the old crop and making a seed bed for the new. Nothing would happen very quickly, the event closer to test cricket than a sprint. But, if ploughing somehow lacks as a sport in terms of speed or jeopardy, it also exceeds other sports' parameters. Like archery, say, it's an ancient skill, but where archery has lapsed into hobby, ploughing remains a real-life job, one that has been performed for millennia. It's the oldest profession in the world – second oldest, ploughmen like to say, if you count prostitution. Read more [HERE](#)*



CROSSING WIRES

A place to share intelligent thoughts...

How Deepwater Farms Stumbled Across Their Idea: *It looks like any nondescript industrial park warehouse, but the new Deepwater Farms facility in southeast Calgary*

produces fresh, local food daily using technology that some believe could be the future of agriculture. This urban farm, located in a 10,000-square-foot building, is the city's first commercial-scale aquaponics facility — meaning it combines hydroponics and aquaculture to raise both leafy greens and fish. Giant tanks house as many as 10,000 fish of varying ages and sizes, currently Deepwater is raising sea bass, and the waste from the fish is then broken down into nitrates that are used to fertilize the racks upon racks of lettuce, herbs and other greens growing under giant LED lights. The unconventional technology has given Deepwater the capacity to harvest about 1,000 pounds a week of organic, locally grown produce. The company expects to triple that output once it is fully ramped up in late 2019. It can also harvest about 2,000 pounds of fish a month — fresh, sustainable seafood that can go straight to the plates of landlocked Calgarians. From what I understand, company founder Paul Shumlich literally stumbled across the concept of aquaponics one day on the internet. What really spoke to him was the closed-loop symbiotic system between the fish and the plants, and that it was organic. Might be food for thought... could your area use something like this for local markets? Read more [HERE](#).

Race to Build a Commercial Supersonic Airliner: Lockheed Martin and NASA are poised to bring supersonic travel back to the commercial aviation industry. Earlier this year, the manufacturing juggernaut was awarded a \$250 million contract to develop tech for NASA's Low-Flight Boom program. Now, Lockheed has committed to a timeline for the maiden test flight of its X-59 Quiet Supersonic Technology (QueSST) aircraft, a demonstration plane that aims to reduce the noise generated when an aircraft breaks the sound barrier. Faster-than-sound flight has been possible for decades. But supersonic planes like the Concorde were more or less limited to flying over oceans because of the loud sonic booms they make. Current laws prohibit supersonic planes from breaking the sound barrier over land. The X-59, by contrast, emits a faint "thud" when reaching its apex speed of 940 mph, which the company says is no louder than the slamming of a car door. The aircraft has a cruising altitude of 55,000 feet—about 25,000 feet higher than your standard commercial airbus. Read more [HERE](#) on the future of air travel.

Algorithms... Truth or Opinions: It can be easy to simply accept algorithms as indisputable mathematic truths. After all, who wants to spend their spare time deconstructing complex equations? But make no mistake: algorithms are limited tools for understanding the world, frequently as flawed and biased as the humans who create and interpret them. In this brief animation, which was adapted from a 2017 presentation at the Royal Society of Arts in London, the US data scientist Cathy O'Neil, author of *Weapons of Math Destruction*, argues that algorithms can be useful tools when thoughtfully deployed. Watch the short video [HERE](#) for some thoughtful insights on algorithms.

What Gets Lost in a Culture That Prizes Instantaneous Communication: In the late 1700s, after the Revolutionary War, it typically took about 40 days for letters sent within the U.S. to arrive at their destination. A hundred years later, it regularly took less than half that time, and by about 1920, with the advent of air mail, many letters arrived within a few days. Phones, email, and texting have reduced these wait times to almost zero, but delays are still instrumental to understanding how people communicate, argues Jason Farman, a media scholar at the University of Maryland. "Waiting is seen as an antiquated practice that needs to be eliminated," he writes in his new book, *Delayed Response: The Art of Waiting From the Ancient to the Instant World*. Read more of Farman's insights [HERE](#) from studying the history of our communications. Interesting research...

Antique Car Buyers At Mecum Spend \$25 Million: Economy and stock market jitters didn't faze buyers of classic cars in Las Vegas recently, where deep-pocketed collectors dolled out \$25.2 million to scoop up 667 models at the Mecum Auctions show at the Las Vegas Convention Center. A single family from New Zealand snapped up eight of the cars, including a 1930 Duesenberg Model J for \$770,000, said David Morton, manager of event marketing and communication for Mecum. The most expensive car sold was a 1930 Bugatti for \$1.01 million. I'm told auction sales were up 7% compared to last year with roughly 75% of all cars on the block sold, Mecum said in a statement Tuesday. Check out some of the highlights [HERE](#).

Fascinating pics from nearly 100 years of Macy's Thanksgiving Day Parade: For nearly 100 Years, Macy's Thanksgiving Day Parade has been a children's pilgrimage of wonder. Below is a pic of Mighty Mouse in the 1951 parade, it was the largest balloon in the parade that year. I also liked the pic of the kids sitting on phone booths back in 1969. Don't see phone booths much anymore:) ... You can see a few more [HERE](#)



Trace Genomics Brings Soil DNA Sequencing to the Farm

Soil testing at the DNA level is no longer just for the lab. In 2015, Diane Wu and Poornima Parameswaran changed that, and brought soil DNA sequencing to every farmer with their startup Trace Genomics. Using machine learning to analyze soil samples, the company can determine what microbes are present in the soil, enabling them to provide a report to farmers about what crop varieties they need to grow and what types of inputs would be ideal to use during the growing season. It's worth noting that just last week Trace closed a Series A funding round for \$13 million, bringing the company's total venture funding to over \$19 million. Up to this point, Trace has worked to help improve yields and also provide insight into disease management for crops like lettuce, berries, almonds and more. From what I understand, by this time next year, Trace should be ready to be used on corn and bean acres as well. At that point, the company expects to process over a thousand soil samples a week across multiple types. An important factor moving forward for corn and bean producers is the growing use of biological fertilizers, and the tests from Trace that will be able to guide farmers into what inputs make the most sense for what you are growing. Interestingly, you can use the process throughout the entire season beginning with pre-planting, where you can determine planting dates, seed variety, inputs and practices for planting. In season, tests can detect or confirm disease pressure, while at the same time determining why

some acres are more productive than others. I'm told you can also use Trace to determine your optimal harvest date as well as creating post-harvest tests act as the source of traceability at the soil level for your crops. Trace believes they will provide a new tool in the fight against sudden death syndrome in beans. The problem with the disease is, plants affected by this fungal disease don't appear until late in the growing cycle, when there isn't time to treat the plants and save the crop. Wu says that her company's product can detect the presence of the disease early, giving farmers better insight about what to do. Sounds like something to consider for your toolbox! (Source: Forbes, genomeweb, tracegenomics)



What Makes for a Happy Life???

With Thanksgiving fresh in all of our minds, I thought it would be good to look at consider an interesting study on "happiness". We've talked about this in our office numerous times and have in fact discussed in the report on prior occasions. Aristotle has said, as humans we all ultimately strive for "happiness". Unfortunately, many of us focus on the wrong goals, thinking money and or material possessions will bring us happiness. Yes, we must each find and have our own definition of "happiness". Hence the reason many consider Aristotle's greatest quote, "Knowing yourself is the beginning of all wisdom. It is the mark of an educated mind to be able to entertain a thought without accepting it." You have to really dig deep and figure out what ultimately brings you happiness. For me it's my family! I know that sounds too simple or too obvious, but that's truly what makes me tick. I challenge everyone to dig deep and define what really makes you happy. This 75 year old Harvard study, attempts to find what it takes to live a "happy life". The project is called the "[Grant Study](#)" and is one of the longest-running longitudinal studies of human development. The project began in 1938, and followed 268 Harvard undergraduate men for over 75 years, measuring an astonishing range of psychological, anthropological, and physical traits -- everything from personality type, to IQ., drinking habits, family relationships to even the "hanging length of their scrotum" -- all in an effort to determine what factors contribute most strongly to human males flourishing. George Vaillant, who directed the study for more than 30 years, recently published his insights on what the study yielded in his *Triumphs of Experience*. From their days of college to their active duty in World War II, through marriages and divorces, professional advancement and collapse...some of the more interesting findings from the study are below You can read more at [The Harvard Gazette](#):
*Sources "What Makes Us Happy?" by Joshua Wolf Shenk, The Atlantic; Joshua Wolf Shenk, is also the director of the Rose O'Neill Literary House at Washington College

Our Relationships: *Robert Waldinger, director of the study, says, "The surprising finding is that our relationships and how happy we are in our relationships has a powerful influence on our health." Close relationships, more than money or fame, are what keep people happy throughout their lives, the study revealed. That finding proved true across the board among both the Harvard men and the inner-city participants. Several additional studies have found that people's level of satisfaction with their relationships at age 50 was a much better predictor of physical health and longevity than their cholesterol levels were. "When we gathered together everything we knew about them about at age 50, it wasn't their middle-age cholesterol levels that predicted how they were going to grow old," said Waldinger in a popular TED Talk. "It was how satisfied they were in their relationships. The people who were the most satisfied in their relationships at age 50 were the healthiest at age 80."*

Alcoholism *was a disorder of much greater destructive power than ever imagined. Alcoholism was the main cause of divorce between the Grant Study men and their wives; it was strongly correlated with neurosis and depression; and -- together with associated cigarette smoking -- it was the single greatest contributor to early death among all our participants.*

Mental Illness - *By age 50, almost a third of the men had at one time or another met Vaillant's criteria for mental illness, primarily due to work related stress or a troubling relationship. Men put themselves under much more stress than any of us have ever thought.*

I.Q. *showed no significant difference in maximum income earned. Basically those with IQs in the 110-115 range vs. men with IQs higher than 150 showed no difference.*

Political ideology *had no bearing on life satisfaction—but the most-conservative men ceased sexual relations at an average age of 68, while the most-liberal men had active sex lives well into their 80s.*

Wounds Take Their Toll - *Going forth into the breach of life does not only deepen meaning, but also tends to deepen wounds. Yes you have become more worldly, but at what price did you have to pay for it is the magic question. Lost a loved one, filed for bankruptcy, etc...*

Perhaps the most profound finding of the study was the powerful correlation between the warmth of your relationships and your overall health and happiness in old age. Vaillant was convinced that the study clearly and unequivocally upheld that what matters most in life are our "relationships." Not only your relationship with our spouse but also the warmth of our relationships with your "mother" and "father" often matters long into adulthood.

In his own words: "The seventy-five years and twenty million dollars expended on the Grant Study points to a straightforward five-word conclusion: 'Happiness is love. Full stop.' " He continues, "It is social aptitude, not intellectual brilliance or social class that leads to successful aging."

I would have to agree with him, life's true happiness is found in relationships with the important people in our lives. Hope you have found that someone special to share it with...

I was so intrigued by the "Grant Study" I wanted to include a few of the case summaries that I have seen published. Its amazing to think that a team of doctors and psychologist were studying your every move throughout life. Supposedly all of the details on each participant are located in individual bound books the size of massive dictionaries. Surprisingly the Grant Study men remain anonymous. (Even the numbers on the case studies have been changed.) A handful have publicly identified themselves—including Ben Bradlee, the longtime editor of The Washington Post, who opened his memoir, *A Good Life*, with his first trip to the study office. What many may not know is that John F. Kennedy was a Grant Study man, though his files were long ago withdrawn from the study office and sealed until at least 2040.

Case No. 218 How's this for the good life?

You're rich, and you made the dough yourself. You're well into your 80s, and have spent hardly a day in the hospital. Your wife had a cancer scare, but she's recovered and by your side, just as she's been for more than 60 years. Asked to rate the marriage on a scale of 1 to 9, where 1 is perfectly miserable and 9 is perfectly happy, you circle the highest number. You've got two good kids, grandkids too. A survey asks you: "If you had your life to live over again, what problem, if any, would you have sought help for and to whom would you have gone?" "Probably I am fooling myself," you write, "but I don't think I would want to change anything." If only we could take what you've done, reduce it to a set of rules, and apply it systematically to our own lives we would all be better off.

Case No. 47

You are the study's antihero, its jester, its subversive philosopher. From the first pages of your file, you practically explode with personality. In the social worker's office, you laughed uproariously, slapping your arm against your chair. He "seems to be thoroughly delighted with the family idiosyncrasies," Lewis Gregory, the original staff social worker, wrote. "He has a delightful, spontaneous sense of humor ... [a] bubbling, effervescent quality." "My family considers it a great joke that I am a 'normal boy,'" you wrote. "'Good God!'"

You ducked the war, as a conscientious objector. "I've answered a great many questions," you wrote in your 1946 survey. "Now I'd like to ask you people a couple of questions. By what standards of reason are you calling people 'adjusted' these days? Happy? Contented? Hopeful? If people have adjusted to a society that seems hell-bent on destroying itself in the next couple of decades, just what does that prove about the people?"

You got married young, and did odd jobs—including a stint as a guinea pig in a hospital study on shipwreck survival. You said that you were fascinated by the "nuts" on the psychiatric ward, and you wondered whether you could escape the "WASP cocoon." You worked in public relations and had three kids.

You said you wanted to be a writer, but that looked like a distant dream. You started drinking. In college, you had said you were the life of the party without alcohol. By 1948, you were drinking sherry. In 1951, you reported that you regularly took a few drinks. By 1964, you wrote, "Really tie one on about twice a week," and you continued, "Well, I eat too much, smoke too much, drink too much liquor and coffee, get too little exercise, and I've got to do something about all these things. "On the other hand," you wrote, "I've never been more productive, and I'm a little wary of rocking the boat right now by going on a clean living kick ... I'm about as adjusted and effective as the average Fine Upstanding Neurotic can hope to be."

After a divorce, and a move across the country, and a second marriage—you left her for a mistress who later left you—you came out of the closet. And you began to publish and write full-time. The Grant Study got some of your best work. When a questionnaire asked what ideas carried you through rough spots, you wrote, "It's important to care and to try, even tho the effects of one's caring and trying may be absurd, futile, or so woven into the future as to be undetectable." Asked what effect the Grant Study had on you, you wrote, "Just one more little token that I am God's Elect. And I really don't need any such tokens, thank you."

*In the early 1970s, Dr. Vaillant came to see you in your small apartment, with an old couch, an old-fashioned typewriter, a sink full of dishes, and a Harvard-insignia chair in the corner. Ever the conscientious objector, you asked for his definition of "normality." You said you loved *The Sorrow and the Pity* and that, in the movie, the sort of men the Grant Study prized fought on the side of the Nazis, "whereas the kooks and the homosexuals were all in the resistance." You told Dr. Vaillant he should read Joseph Heller on the unrelieved tragedy of conventionally successful businessmen.*

Your "mental status was paradoxical," Dr. Vaillant wrote in his notes. You were clearly depressed, he observed, and yet full of joy and vitality. "He could have been a resistance leader," Dr. Vaillant wrote. "He really did seem free about himself." Intrigued, and puzzled, he sent you a portion of his manuscript-in-progress, wanting your thoughts. "The data's fantastic," you replied. "The methodology you are using is highly sophisticated. But the end judgments, the final assessments, seem simplistic."

"I mean, I can imagine some poor bastard who's fulfilled all your criteria for successful adaptation to life, ... upon retirement to some aged enclave near Tampa just staring out over the ocean waiting for the next attack of chest pain, and wondering what he's missed all his life. What's the difference between a guy who at his final conscious moments before death has a nostalgic grin on his face as if to say, 'Boy, I sure squeezed that lemon' and the other man who fights for every last breath in an effort to turn back time to some nagging unfinished business?"

You went on to a very productive career, and became an important figure in the gay-rights movement. You softened toward your parents and children, and made peace with your ex-wife. You took long walks. And you kept drinking. After a day in your "collar," you said, you let the dog loose.

"If you had your life to live over again," the study asked you in 1981, "what problem, if any, would you have sought help for and to whom would you have gone?" "I've come to believe that 'help' is for the most part useless and destructive," you answered. "Can you imagine Arlie Bock—God bless his soul—trying to help me work out my problems? ... Or Clark Heath? The poor old boys would have headed for the hills! The 'helping professions' are in general camp-followers of the dominant culture, just like the clergy, and the psychiatrists. (I except Freud and Vaillant.)"

Around this time, Dr. Vaillant wrote about you: "The debate continues in my mind, whether he is going to be the exception and be able to break all the rules of mental health and alcoholism or whether the Greek fates will destroy him. Only time will tell." Dr. Vaillant urged you to go to AA. You died at age 64, when you fell down the stairs of your apartment building. The autopsy found high levels of alcohol in your blood.

Case No. 211

On first glance, you are the study's exemplar. In Dr. Vaillant's "decathlon" of mental health—10 measures, taken at various points between ages 18 and 80, including personality stability at ages 21 and 29, and social supports at 70—you have ranked in the top 10 of the Grant Study men the entire way through, one of only three men to have done so.

What's your secret? Is it your steely resolve? After a major accident in college, you returned to campus in a back brace, but you looked healthy. You had a kind of emotional steel, too. When you were 13, your mother ran off with your father's best friend. And though your parents reunited two years later, a pall of disquiet hung over your three-room apartment when the social worker came for her visit. But you said your parents' divorce was "just like in the movies," and that you someday "would like to have some marital difficulties" of your own.

After the war—during which you worked on a major weapons system—and graduate school, you married, and your bond with your wife only deepened over time. Indeed, while your mother remains a haunting presence in your surveys—eventually diagnosed with manic depression, she was often hospitalized and received many courses of shock therapy—the warmth of your relationship with your wife and kids, and fond memories of your maternal grandfather, seemed to sustain you.

Yet your file shows a quiet, but persistent, questioning about a path not taken. As a sophomore in college, you emphasized how much money you wanted to make, but also wondered whether you'd be better off in medicine. After the war, you said you were "too tense & high strung" and had less interest in money than before. At 33, you said, "If I had to do it all over again I am positive I would have gone into medicine—but it's a little late." At 44, you sold your business and talked about teaching high school. You regretted that (according to a study staff member's notes) you'd "made no real contribution to humanity." At 74, you said again that if you could do it over again, you would go into medicine. In fact, you said, your father had urged you to do it, to avoid the Army. "That annoyed me," you said, and so you went another way.

There is something unreachable in your file. "Probably I am fooling myself," you wrote in 1987, at age 63, "but I don't think I would want to change anything." How can we know if you're fooling yourself? How can even you know? According to Dr. Vaillant's model of adaptations, the very way we deal with reality is by

distorting it—and we do this unconsciously. When we start pulling at this thread, an awfully big spool of thoughts and questions begins to unravel onto the floor.

You never seemed to pull the thread. When the study asked you to indicate "some of the fundamental beliefs, concepts, philosophy of life or articles of faith which help carry you along or tide you over rough spots," you wrote: "Hard to answer since I am really not too introspective. However, I have an overriding sense (or philosophy) that it's all a big nothing—or 'chasing after wind' as it says in Ecclesiastes & therefore, at least up to the present, nothing has caused me too much grief."

Case No. 141 What happened to you?

You grew up in a kind of fairy tale, in a big-city brownstone with 11 rooms and three baths. Your father practiced medicine and made a mint. When you were a college sophomore, you described him as thoughtful, funny, and patient. "Once in awhile his children get his goat," you wrote, "but he never gets sore without a cause." Your mother painted and served on prominent boards. You called her "artistic" and civic-minded.

As a child, you played all the sports, were good to your two sisters, and loved church. You and some other boys from Sunday school—it met at your house—used to study the families in your neighborhood, choosing one every year to present with Christmas baskets. When the garbageman's wife found out you had polio, she cried. But you recovered fully, that was your way. "I could discover no problems of importance," the study's social worker concluded after seeing your family. "The atmosphere of the home is one of happiness and harmony."

At Harvard, you continued to shine. "Perhaps more than any other boy who has been in the Grant Study," the staff noted about you, "the following participant exemplifies the qualities of a superior personality: stability, intelligence, good judgment, health, high purpose, and ideals." Basically, they were in a swoon. They described you as especially likely to achieve "both external and internal satisfactions." And you seemed well on your way. After a stint in the Air Force—"the whole thing was like a game," you said—you studied for work in a helping profession. "Our lives are like the talents in the parable of the three stewards," you wrote. "It is something that has been given to us for the time being and we have the opportunity and privilege of doing our best with this precious gift."

And then what happened? You married, and took a posting overseas. You started smoking and drinking. In 1951—you were 31—you wrote, "I think the most important element that has emerged in my own psychic picture is a fuller realization of my own hostilities. In early years I used to pride myself on not having any. This was probably because they were too deeply buried and I unwilling and afraid to face them." By your mid-30s, you had basically dropped out of sight. You stopped returning questionnaires. "Please, please ... let us hear from you," Dr. Vaillant wrote you in 1967. You wrote to say you'd come see him in Cambridge, and that you'd return the last survey, but the next thing the study heard of you, you had died of a sudden disease.

Dr. Vaillant tracked down your therapist. You seemed unable to grow up, the therapist said. You had an affair with a girl he considered psychotic. You looked steadily more disheveled. You had come to see your father as overpowering and distant, your mother as overbearing. She made you feel like a black sheep in your illustrious family. Your parents had split up, it turns out.

In your last days, you "could not settle down," a friend told Dr. Vaillant. You "just sort of wandered," sometimes offering ad hoc therapy groups, often sitting in peace protests. You broke out spontaneously into Greek and Latin poetry. You lived on a houseboat. You smoked dope. But you still had a beautiful sense of humor. "One of the most perplexing and charming people I have ever met in my life," your friend said. Your obituary made you sound like a hell of a man—a war hero, a peace activist, a baseball fan.

By the time the Grant Study men had entered retirement, Vaillant, who had then been following them for a quarter century, had identified seven major factors that predict healthy aging, both physically and psychologically. Employing mature adaptations was one. The others were education, stable marriage, not smoking, not abusing alcohol, some exercise, and healthy weight. Of the 106 Harvard men who had five or six of these factors in their favor at age 50, half ended up at 80 as what Vaillant called "happy-well" and only 7.5 percent as "sad-sick." Meanwhile, of the men who had three or fewer of the health factors at age 50, none ended up "happy-well" at 80. Even if they had been in adequate physical shape at 50, the men who had three or fewer protective factors were three times as likely to be dead at 80 as those with four or more factors.

What factors don't matter? Vaillant identified some surprises. Cholesterol levels at age 50 have nothing to do with health in old age. While social ease correlates highly with good psychosocial adjustment in college and early adulthood, its significance diminishes over time. The predictive importance of childhood temperament also

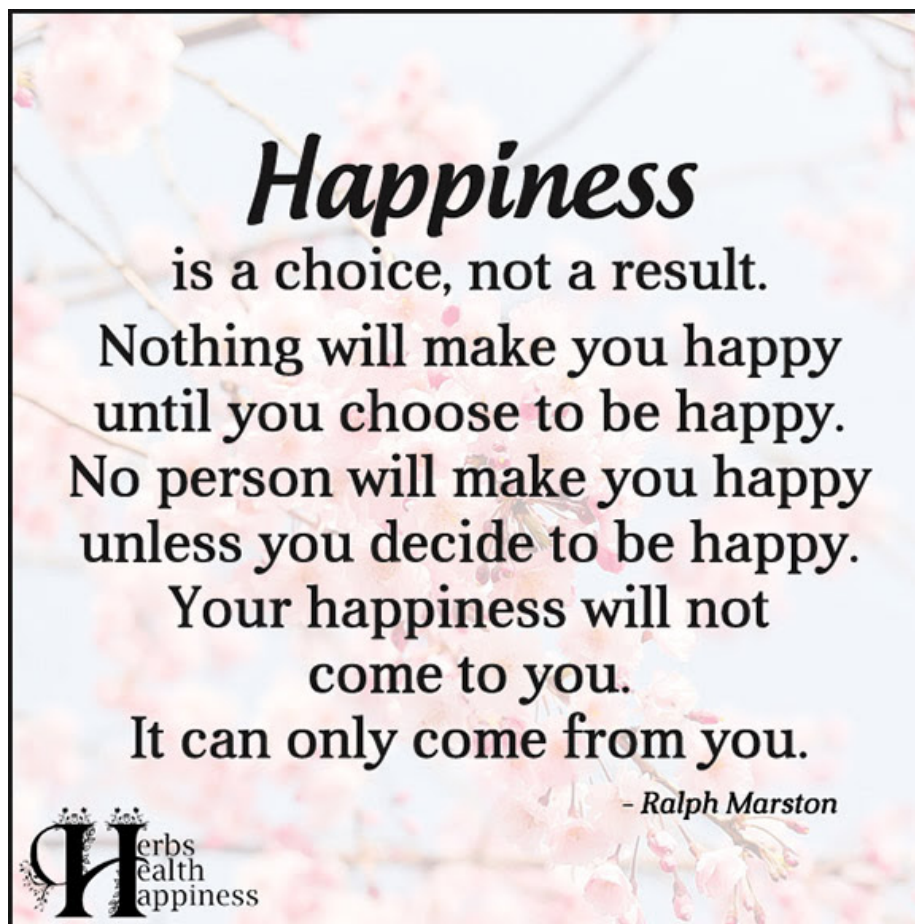
diminishes over time: shy, anxious kids tend to do poorly in young adulthood, but by age 70, are just as likely as the outgoing kids to be "happy-well." Vaillant sums up: "If you follow lives long enough, the risk factors for healthy life adjustment change. There is an age to watch your cholesterol and an age to ignore it."

The study has yielded some additional subtle surprises. Regular exercise in college predicted late-life mental health better than it did physical health. And depression turned out to be a major drain on physical health: of the men who were diagnosed with depression by age 50, more than 70 percent had died or were chronically ill by 63. More broadly, pessimists seemed to suffer physically in comparison with optimists, perhaps because they're less likely to connect with others or care for themselves.

I thought it was interesting that in the end Vaillant wrote, "Lives seem to be too human for science, too beautiful for numbers, too sad for diagnosis and too immortal for bound journals." Indeed, the lives themselves—however dramatic, pathetic, inspiring, exhausting—resonate on a frequency that no data set can tune.

With age you acquire more understanding, the things you once felt so passionate about when you are young, seem to fade. You realize that all those things you thought you were going to be, you are not.

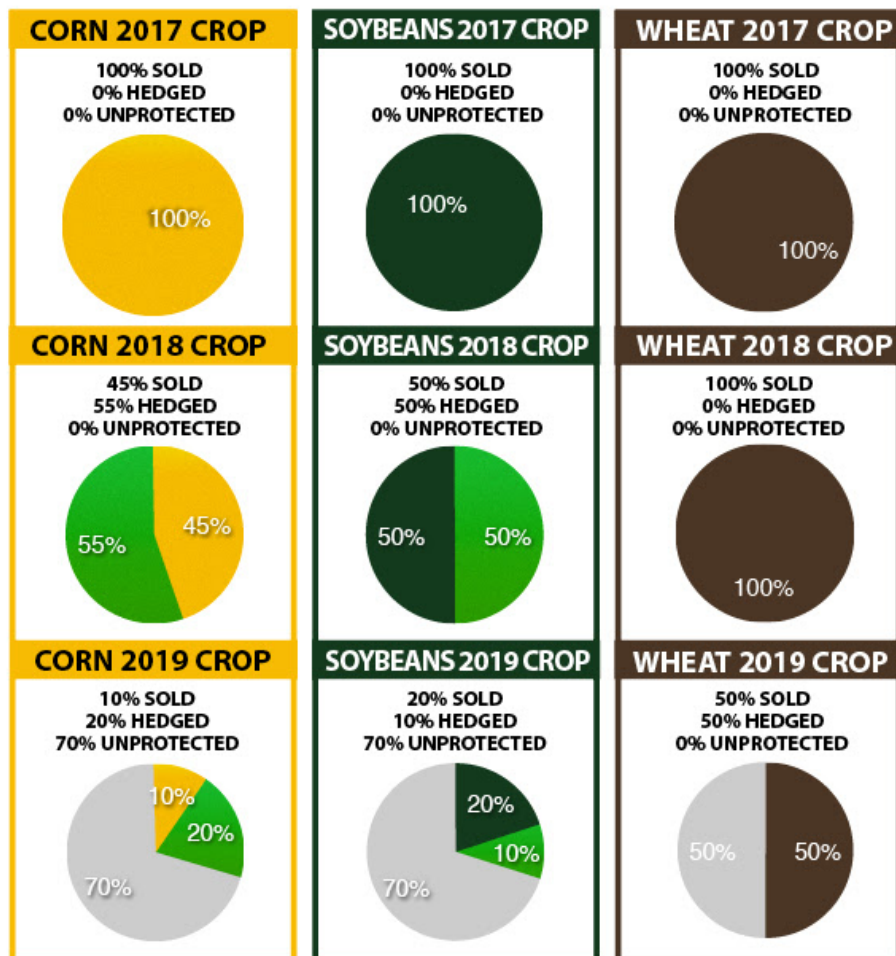
I have learned from my elders, at this stage in life it's not about what you've accomplished or status you have attained, but rather who you are, the relationships you have made, and the lives you have touched. **Remember there are no do over's...we only get one shot at this thing so make it count!** I have also found an interesting video on "Happiness." I encourage everyone to watch it when they get the time. [Dan Gilbert: The surprising science of happiness.](#)



ANSWER to riddle: *A hole*

CASH SALES & HEDGING TOTALS

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