

GOOD MORNING: 12/06/18 Farm Direction - Van Trump Report

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

Thu, Dec 6, 2018 at 6:57 AM



"When the really tough choices come . . . it's not about Democrats or Republicans. It's for our country that I fought for." - President George H.W. Bush

THURSDAY, DECEMBER 06, 2018
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock bears remain at bat as the market continues to face a caldron of concerns and uncertainty. The herds mentality has clearly shifted as most forward looking headlines are now being digested as neutral to negative, i.e. a tightening Fed (eight rate hikes since 2015), continued trade headwinds, weakening global growth, strong dollar, yield-curve starting to invert, Brexit uncertainty, surging Italian debt, complications in the Middle East, a new split Congress that's about to take office in 2019, political worries surrounding the ongoing Mueller investigation, etc. Bottom-line, investors and traders are now looking for headlines that confirm their negative bias and fears. I remember a seasoned trader who always quoted the famous line from the movie Point Break, a conversation between Bodhi (who was played by Patrick Swayze) and Johnny Utah (played by Keanu Reeves)... *"Fear causes hesitation, and hesitation, causes your worst fears to come true."* The trade clearly paused when all of the recent balls were thrown in the air, and that gave everyone time to start thinking and fears to start brewing. Obviously, uncertainty surrounding the trade conflict with China is still looming overhead. Talk remains extremely cheap and has been completely discounted. The market wants to see facts, details and action. The market is backpedaling more this morning, after finding out Huawei CFO Meng Wanzhou was arrested and detained in Canada. Huawei is a large Chinese tech company, which sells smartphones and telecommunications equipment around the world. The company has been facing increased scrutiny in the U.S. and other countries, where officials have warned of potential national security risks from using Huawei products. The U.S. is concerned that the Chinese government could be using Huawei's networking technology to spy on Americans. The Wall Street Journal reported in April that the U.S. Justice Department was investigating whether Huawei violated U.S. sanctions on Iran. The Chinese government has called for the immediate release of the detainee. Obviously this has the market worried that U.S. and Chinese tensions are again flaring. The trade is also closely monitoring the OPEC meeting scheduled to take place the next two days in Vienna, Austria. Insiders say the discussion will focus on crude output in the months ahead. OPEC leaders clearly underestimated how much crude oil Iran would be allowed to keep selling, and how much more crude oil U.S. companies would be pumping. Most inside the energy sector are thinking OPEC leaders will agree to cut production by 1.0 to 1.3 million barrels per day. President Trump has been tweeting that he wants OPEC production to remain "unchanged" so prices at the pump can remain low for American consumers. It will be interesting to see if they actually cut considering all of the current turmoil. As for today's economic data, we have the ADP Employment Report, International Trade, Jobless Claims, Productivity and Costs, PMI Services Index, Factory Orders and ISM Non-Mfg Index. Tomorrow, we will see the updated monthly Employment Report. Most sources are thinking we created around 205,000 new jobs in November. Let's also keep in mind that the U.S. House canceled roll call votes this week, so it will need to pass the budget extension by voice vote at some point in the next four days. Then the Senate will have to follow suit, by unanimous consent, which is expected to go smoothly, but it only takes one lawmaker to throw a monkey-wrench into things, so we need to pay attention. I'm also paying a lot of attention to the Brexit talks and negotiations. I'm hearing from some large traders that global money is more concerned than the media is currently talking about. If we were to see a so-called hard Brexit by the U.K., wherein no trade agreement is achieved before its deadline to exit the European Union, it could send a massive ripple across the global markets and perhaps create much greater banking fear than is currently being played out in the market. Keep your eye on these headlines!

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 DISCOVER NETWORK

A Son Delivers His Fathers Eulogy... *I did this for my father-in-law a few months back and it's never an easy task, especially when it's someone who has been such a big part of your life. I think we should all take the time to listen as President Bush takes a few moments to tell us about his father and a few off the great lessons he passed along. "There could be no definition of a successful life that does not include service to others. Find something to do. Get off the bench. Don't sit there whining, sucking your thumb, get in the game." These were the words spoken by President George H.W. Bush at a 2011 ceremony to honor former President Ronald Reagan. Click [HERE](#) to see this powerful eulogy.*

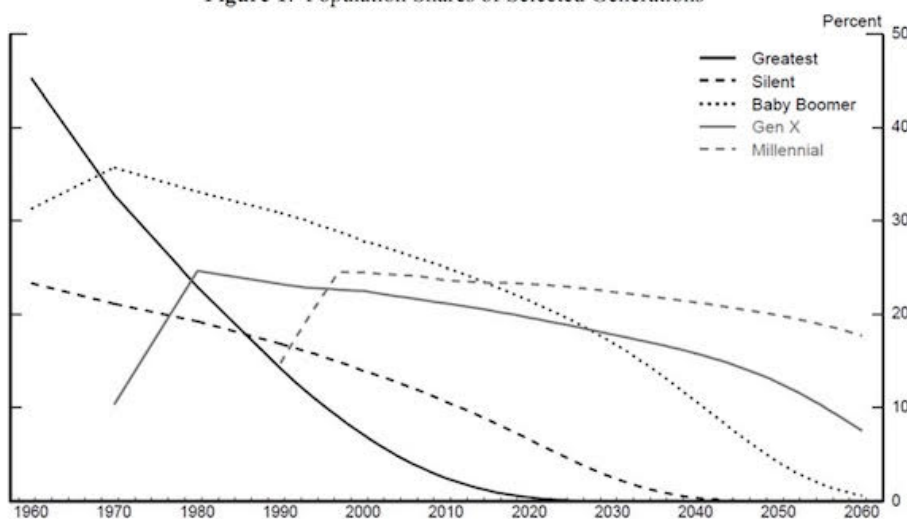
**If you have any troubles
ordering the DVD's online
please call our office at**

(816) 322-5300



New Fed Study Shows Why Millennials Are Not Spending: *Since millennials first started entering the workforce, their spending habits have been blamed for killing off industries ranging from fast-food dining to starter houses. However, a new study by the Federal Reserve suggests it might be less about how they are spending their money and more about not having any to spend. A study published this month by Christopher Kurz, Geng Li, and Daniel J. Vine found millennials are less financially well-off than members of earlier generations when they were the same ages, with "lower earnings, fewer assets and less wealth." Their finances were compared with Generation X (born between 1965 and 1980 ages 38 to 53 in 2018), Baby Boomers (born between 1946 and 1964 ages 54 to 72 in 2018), the Silent generation (born between 1928 and 1945 ages 73 to 90 in 2018) and the Greatest generation (born between 1915 and 1928 ages 90 to 103 in 2018). Millennials are individuals born between 1981 and 1997, with ages ranging from 21 to 37 in 2018. Relative to members of earlier generations, millennials are more racially diverse, more educated, and more likely to have deferred marriage; these comparisons are continuations of longer-run trends in the population. The researchers examined spending, income, debt, net worth and demographic factors among the generations to determine "it primarily is the differences in average age and then differences in average income that explain a large and important portion of the consumption wedge between millennials and other cohorts." I encourage everyone to check out the full study [HERE](#)*

Figure 1. Population Shares of Selected Generations



Source. U.S. Census Bureau, Population Division. 2014 National Population Projections.

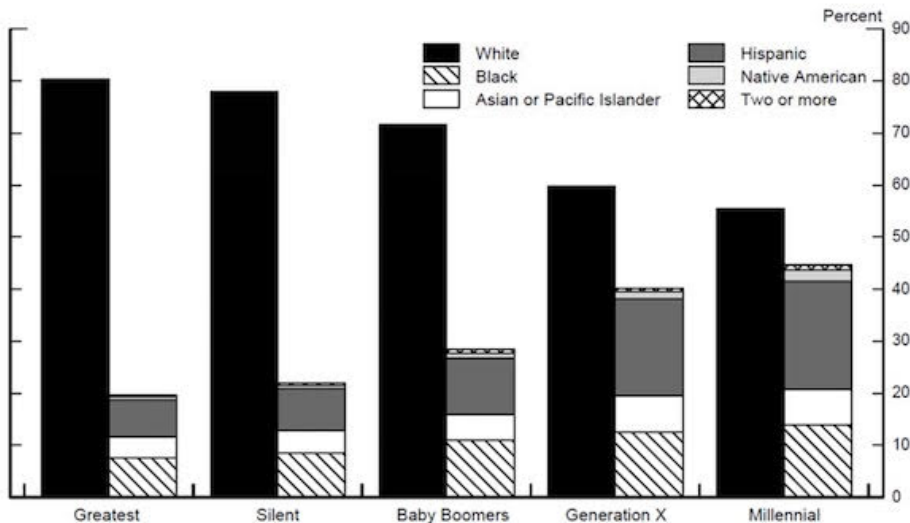
Today In History



1921, Irish Free State Declared

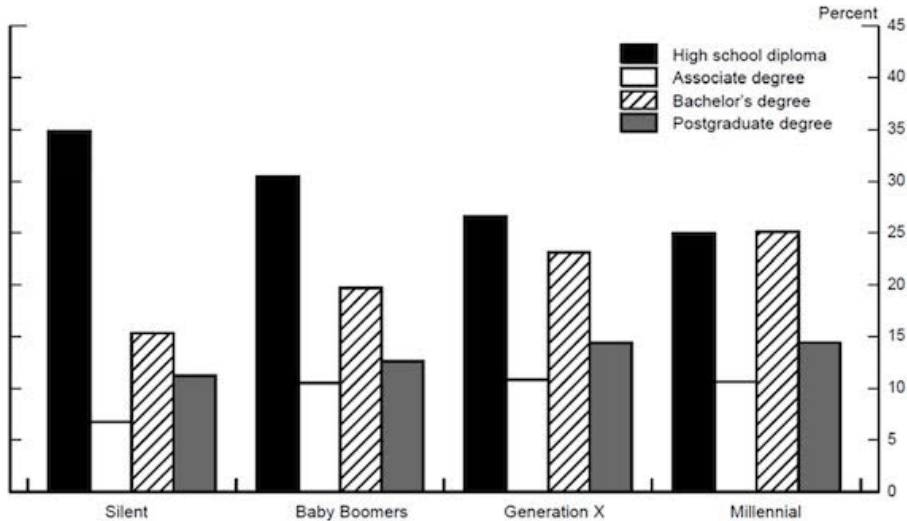
The Irish Free State, comprising four-fifths of Ireland, is declared, ending a five-year Irish struggle for independence from Britain. Like other autonomous nations of the former British Empire, Ireland was to remain part of the British Commonwealth, symbolically subject to the king. The Irish Free State later severed ties with Britain and was renamed Eire, and is now called the Republic of Ireland. English rule over the island of Ireland dates back to the 12th century, and Queen Elizabeth I of England encouraged the large-scale immigration of Scottish Protestants in the 16th century. During ensuing centuries, a series of rebellions by Irish Catholics were put down as the Anglo-Irish minority extended their domination over the Catholic majority. Under absentee landlords, the Irish population was reduced to a subsistence diet based on potatoes, and when the Potato Famine struck the country in the 1840s, one million people starved to death while nearly two million more fled to the United States. A movement for Irish home rule gained momentum in the late 19th century, and in 1916 Irish nationalists launched the Easter Rising against British rule in Dublin. The rebellion was crushed, but widespread agitation for independence continued. In 1919, the Irish Republican Army (IRA) launched a widespread and effective guerrilla campaign against British forces. In 1921, a cease-fire was declared, and in January 1922 a faction of Irish nationalists signed a peace treaty with Britain, calling for the partition of Ireland, with the south becoming autonomous and the six northern counties of the island remaining in the United Kingdom. Civil war broke out even before the declaration of the Irish Free State on December 6, 1922, and ended with the victory of the Irish Free State over the Irish Republican forces in 1923. A constitution adopted by the Irish people in 1937 declared Ireland to be "a sovereign, independent, democratic state," and the Irish Free State was renamed Eire. Eire remained neutral during World War II, and in 1949 the Republic of Ireland Act severed the last remaining link with the Commonwealth. Conflicts persisted over Northern Ireland, however, and the IRA, outlawed in the south, went underground to try to regain the northern counties still ruled by Britain. Violence between Protestants and Catholics in Northern Ireland escalated in the early 1970s, and

Figure 2. Racial Composition of the Population by Generation



Source. U.S. Census Bureau, Population Division. June 2017 Monthly Population Estimates.

Figure 3. Educational Attainment for Individuals Older than 30 by Generation



Source. Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles, and J. Robert Warren. Integrated Public Use Microdata Series, Current Population Survey: Version 6.0 [2017]. Minneapolis, MN: IPUMS, 2018.

to date the fighting has claimed more than 3,000 lives.



1961, Operation Farm Gate

- U.S. Joint Chiefs of Staff authorize combat missions by Operation Farm Gate pilots. With this order, U.S. Air Force pilots were given the go-ahead to undertake combat missions against the Viet Cong as long as at least one Vietnamese national was carried on board the strike aircraft for training purposes. The program had initially been designed to provide advisory support to assist the South Vietnamese Air Force in increasing its capability. The gradual but dramatic expansion of Operation Farm Gate reflected the increasing involvement of the United States in Vietnam. President John F. Kennedy originally ordered the Air Force to send a combat detachment to South Vietnam to assist the Saigon government in developing its own counterinsurgency capability. The Air Force formed the 4400th Combat Crew Training Squadron, which arrived at Bien Hoa Airfield in November 1961. Under Operation Farm Gate, the 4400th used older, propeller-driven aircraft to train South Vietnamese Air Force personnel. With the new order from the Joint Chiefs, the 4400th mission was expanded to include limited combat missions in support of South Vietnamese ground forces. Farm Gate pilots began flying reconnaissance missions and providing logistical support to U.S. Army Special Forces units. The rules of engagement for combat missions dictated that American pilots only fly missions that the South Vietnamese were unable to undertake. The first Operation Farm Gate mission was flown on December 16, 1961. However, by late 1962, the communist activity and combat intensity had increased so much that President John F. Kennedy ordered a further expansion of Farm Gate. In early 1963, additional aircraft arrived and new detachments were established at Pleiku and Soc Trang. In early 1964, Farm Gate was upgraded again with the arrival of more modern aircraft. By March 1965, Washington had altogether dropped the requirement that a South Vietnamese national be carried on combat missions. In October 1965, another squadron of A-1E aircraft was established at Bien Hoa. Secretary of Defense Robert McNamara approved the replacement of South Vietnamese markings on Farm Gate aircraft with regular U.S. Air Force markings. By this point in the war, the Farm Gate squadrons were flying 80 percent of all missions in support of the Army of the Republic of Vietnam (ARVN). With the buildup of U.S. combat forces in South Vietnam and the increase in U.S. Air Force presence there, the role of the Farm Gate program gradually decreased in significance. The Farm Gate squadrons were moved to Thailand in 1967, where they launched missions against the North Vietnamese forces in Laos.

FARM TANK

Tweets of the Day





Charlie Bilello ✓
@charliebilello

Following

The S&P 500's 3% decline today was the 5th 3% move of the year. Last year there were none. In 2008 there were 42. Some perspective on volatility...

S&P 500: Number of Large Up and Down Days (1928 - 2018)											
Year	1% Days	2% Days	3% Days	Year	1% Days	2% Days	3% Days	Year	1% Days	2% Days	3% Days
1928	67	6	2	1958	18	1	0	1988	68	16	4
1929	114	47	29	1959	22	1	0	1989	40	4	1
1930	128	50	23	1960	31	1	0	1990	75	13	2
1931	166	90	47	1961	14	1	0	1991	59	9	2
1932	181	132	94	1962	58	13	5	1992	28	0	0
1933	162	94	61	1963	6	2	1	1993	17	1	0
1934	120	53	14	1964	3	0	0	1994	27	2	0
1935	91	24	3	1965	8	1	0	1995	13	0	0
1936	88	19	5	1966	41	5	0	1996	38	3	1
1937	117	53	24	1967	19	1	0	1997	81	15	3
1938	141	71	34	1968	19	1	0	1998	79	23	9
1939	104	41	11	1969	25	2	0	1999	92	23	1
1940	71	20	11	1970	63	12	1	2000	102	37	11
1941	54	11	4	1971	32	1	1	2001	105	25	8
1942	59	7	0	1972	10	0	0	2002	125	52	17
1943	42	7	3	1973	78	15	2	2003	82	15	4
1944	16	2	0	1974	114	32	9	2004	41	0	0
1945	46	9	0	1975	80	11	1	2005	30	0	0
1946	76	28	15	1976	39	0	0	2006	29	2	0
1947	60	7	2	1977	17	0	0	2007	65	17	1
1948	54	10	6	1978	43	4	1	2008	134	72	42
1949	32	4	0	1979	30	3	0	2009	117	55	23
1950	55	9	4	1980	80	11	2	2010	76	22	8
1951	36	1	0	1981	54	7	0	2011	96	35	12
1952	13	0	0	1982	82	16	7	2012	50	6	0
1953	24	3	2	1983	55	4	0	2013	38	4	0
1954	15	2	0	1984	41	7	0	2014	38	6	0
1955	42	11	2	1985	29	1	0	2015	72	10	3
1956	44	2	0	1986	60	9	2	2016	48	9	1
1957	42	8	1	1987	95	40	9	2017	8	0	0
Pension Partners				@CharlieBilello				2018	56	15	5

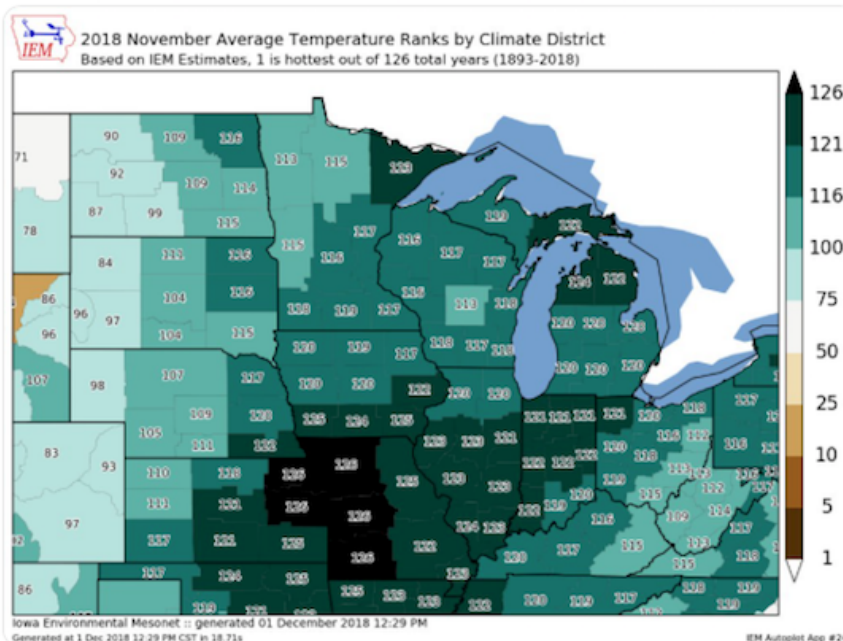


1976, Deaf Stuntwoman Kitty O'Neil - On December 6, 1976, the professional stuntwoman Kitty O'Neil sets the land-speed record for female drivers at the Alvord Desert in southeastern Oregon. The record hovered around 400 mph; O'Neil's two-way average speed was 512.710 mph. (The rules that govern land-speed records require that a driver make two passes across a measured course, one out and one back; officials then average the two speeds.) Observers reported that O'Neil's car actually reached a top speed of more than 618 miles per hour on her first pass, but she ran out of fuel and had to coast to the end of the course. O'Neil's bravery was wide-ranging: She was born deaf; became a champion three-meter and platform diver whose Olympic aspirations were dashed by a bout of spinal meningitis that doctors said would permanently paralyze her; and survived two grueling sets of cancer treatment, all before her 28th birthday. In 1976, she became a Hollywood stuntwoman and was featured in TV shows like "Quincy," "Baretta" and "The Bionic Woman" and movies like "Smokey and the Bandit," "The Blues Brothers" and "Airport '77." When she took her shot at the land-speed record, she already held the record for the highest stunt fall by a woman (105 feet). Through her husband, a stunt performer himself, O'Neil met Bill Fredrick, a jet-car builder who had just put the finishing touches on a hydrogen-peroxide-fueled machine called the "Motivator" and was looking for a driver who could make it famous. So, in early December 1976, O'Neil found herself squeezed into the tiny three-wheeled rocket car on Oregon's alkali flats. (Alkali flats, or salt flats, are dry lakebeds whose smooth, hard surfaces are perfect for driving low-slung cars very, very fast. For this reason, people pursuing land-speed records often travel to places like Alvord, the Bonneville Salt Flats in Utah and Nevada's Black Rock Desert.) On each of her practice runs, O'Neil pushed the car up to speed with ease, and when she officially broke the record, she was still only using 60 percent of the Motivator's power. "There is no doubt," Sports Illustrated reported, "that by dialing in more power...Kitty would have gone still faster"—past the overall land-speed record (638.388 mph, set by Californian Gary Gabelich in 1970) and maybe even past the sonic barrier. But dialing in more power was not an option for O'Neil: under her contract, she was only permitted to drive the "Motivator" to a new women's record. The movie director Hal Needham had paid \$25,000 for the chance to steer the car to a new overall world record, and he was determined not to lose that chance to a woman. So, after O'Neil set her record, Needham rather unceremoniously demanded that she be pulled from the drivers' seat. (His spokesman even told reporters that it would be "degrading" for a woman to hold the "man's" record.) While the lawyers squabbled, it began to snow, and Alvord

A stealthy anti-ship missile could help the U.S. turn the table on the Chinese Navy
on.forbes.com/6010EG8f4



#Harvest18: Out of 126 years, November ended as the coldest on record in NE KS and western MO, top 25 coldest across a good deal of the Midwest. **#oatt #corn #soybeans**



was closed for the season. Needham never even got behind the wheel. O'Neil retired in 1982. In all, she has held 22 speed records on land and water.

Upcoming Events

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



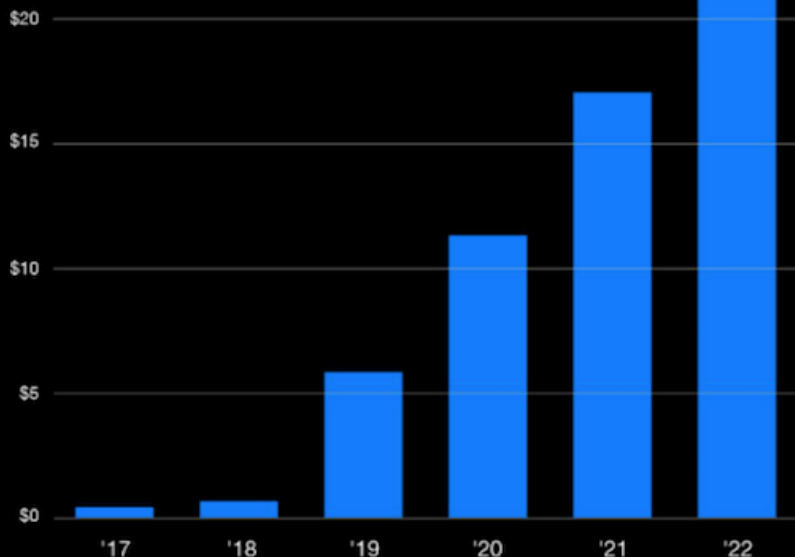
Yahoo Finance ✓
@YahooFinance

Following

Why the Farm Bill could make 2019 the year of CBD yhoo.it/2RA15hE by @zguz

Hemp CBD market predicted to grow nearly 40 times current size by 2022

MARKET SIZE IN BILLIONS OF \$



SOURCE: Brightfield Group

YAHOO!
FINANCE

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



Stephen Sexton
@AGRICENLIFER

Following



What's in your **#corn #field** ?



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.



Brad Duncan
@duncanbrad

Following


Post #Harvest18 stress reliever. I totally recommend. Family vacation 18.



Farm Direction
RECIPES

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

Gnocchi Mac and Cheese



CLICK TO SEE RECIPE

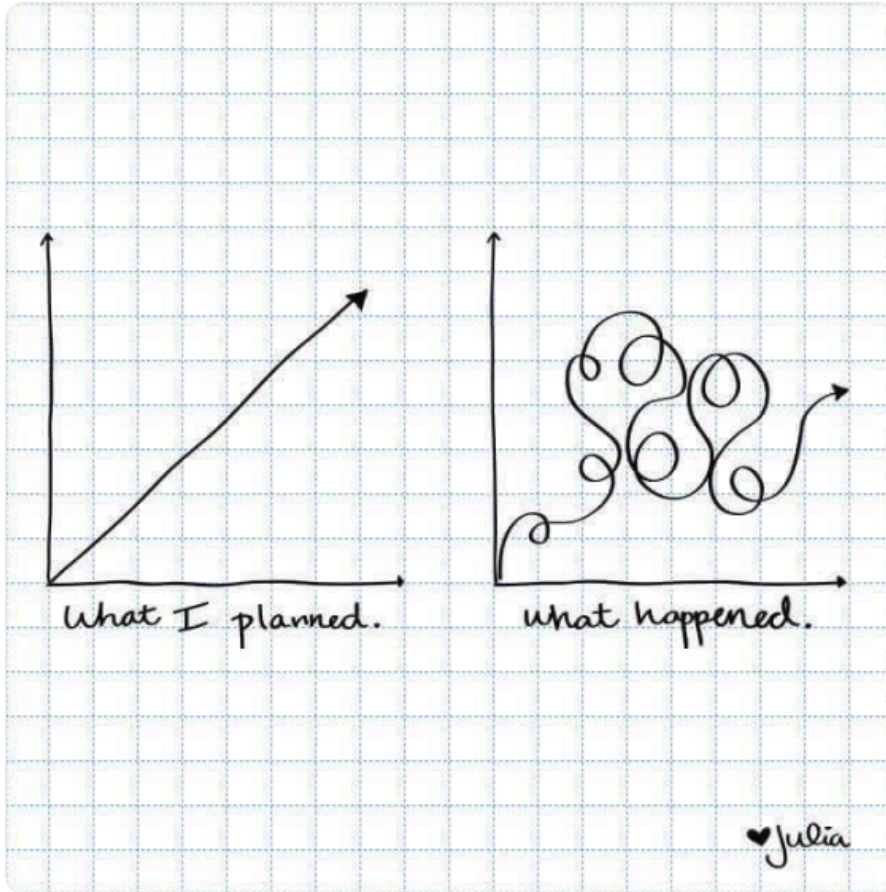


John Forman
@JF4430

Following



#plant18 #harvest18



neuro mining



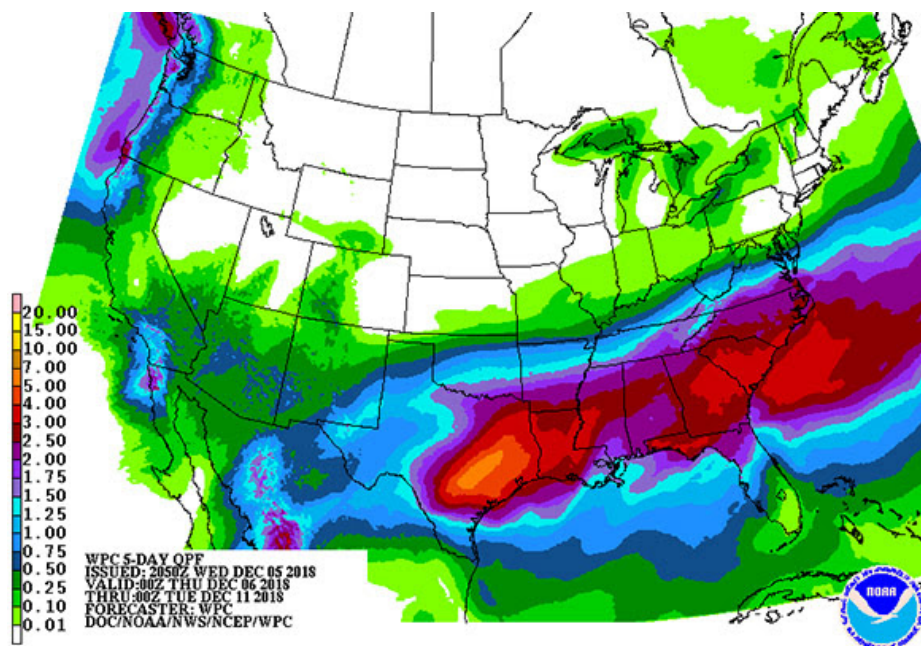
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

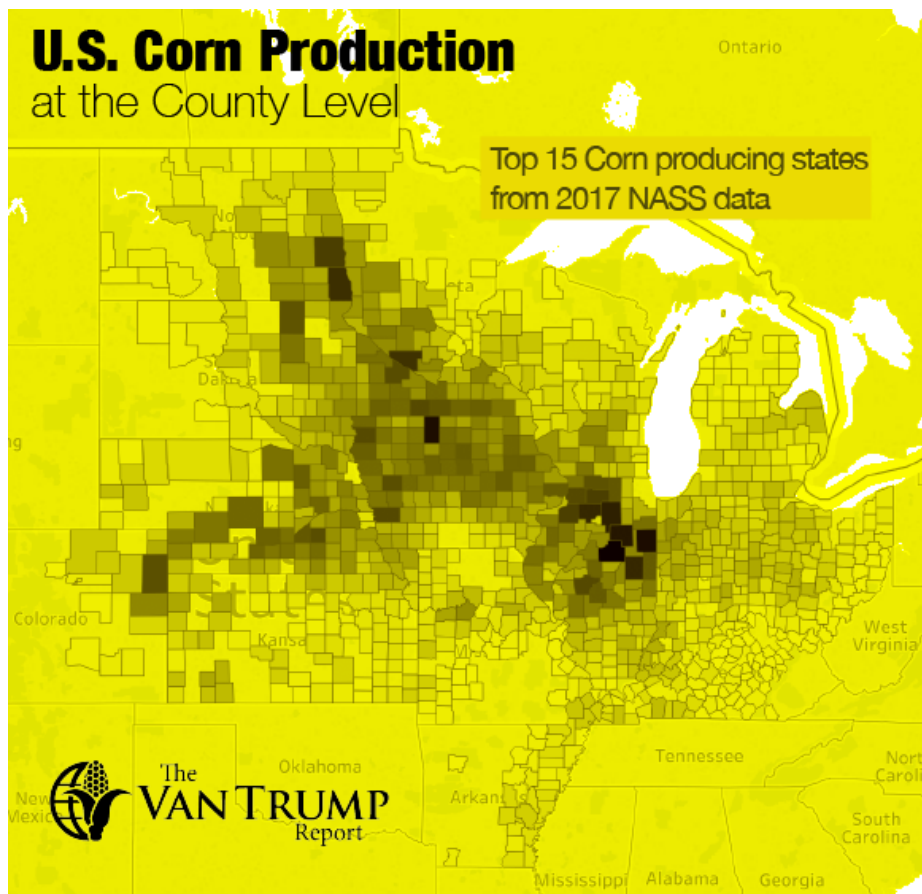
Different lights make me strange, for each one my size will change. What am I?

Weather forecasters are calling for a drier trend in the Midwest over the next five to seven days. This should bring beneficial conditions for final harvest work. Recent lower temperatures have helped to firm the ground which is allowing heavier equipment to get in the fields. However, there is a risk for snow in the Southeast Midwest over the weekend. The southern Plains are seeing favorable conditions for winter wheat with adequate soil moisture in areas. Colder weather this week will slow crop development.

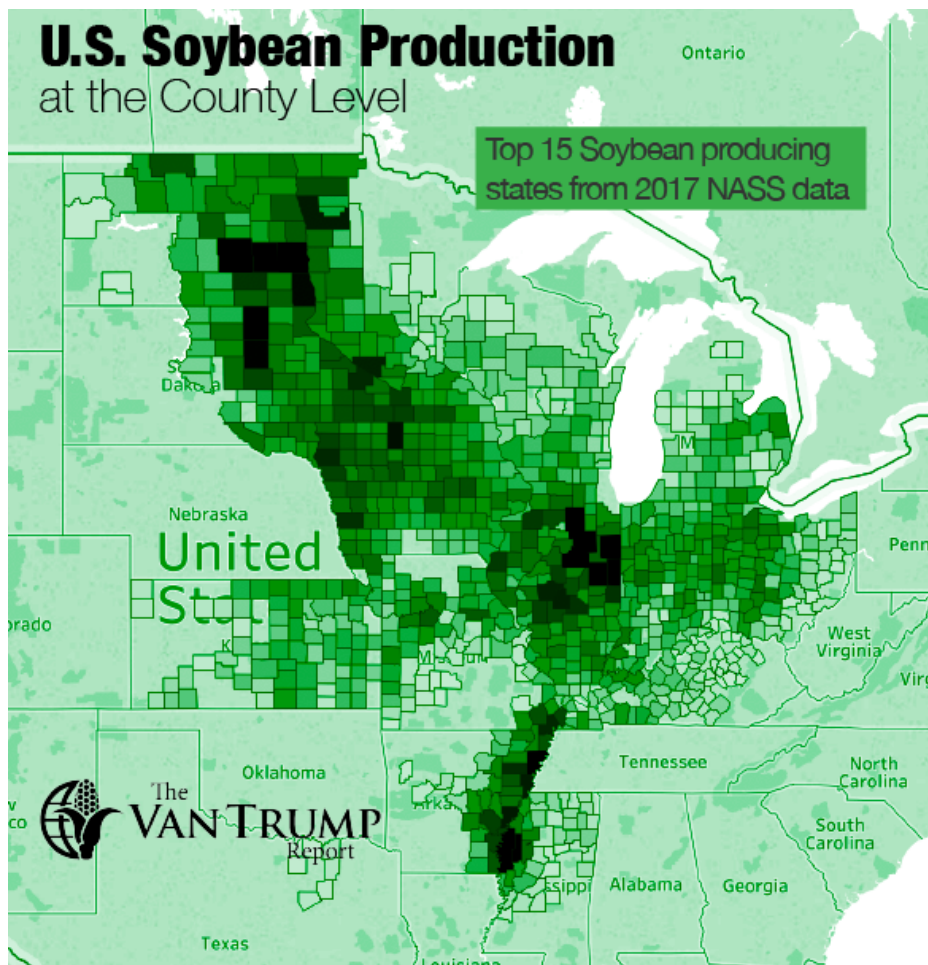
Moderate to heavy rain is forecast through Texas and Oklahoma later this week will help add to soil moisture. We are getting weather reports out of Brazil calling for concern over recent wet conditions increasing disease pressure to developing soybeans in central regions. Definitely something to keep our eyes on. This week has seen favorably dry weather for planting and developing corn and soybeans across much of central Argentina. Again, a coming warmer trend is expected to be beneficial for developing crops across Argentina. Below is an updated 5 day precipitation forecast. The majority of the activity is found in this weekend's coming storm set to move across the south of the nation.



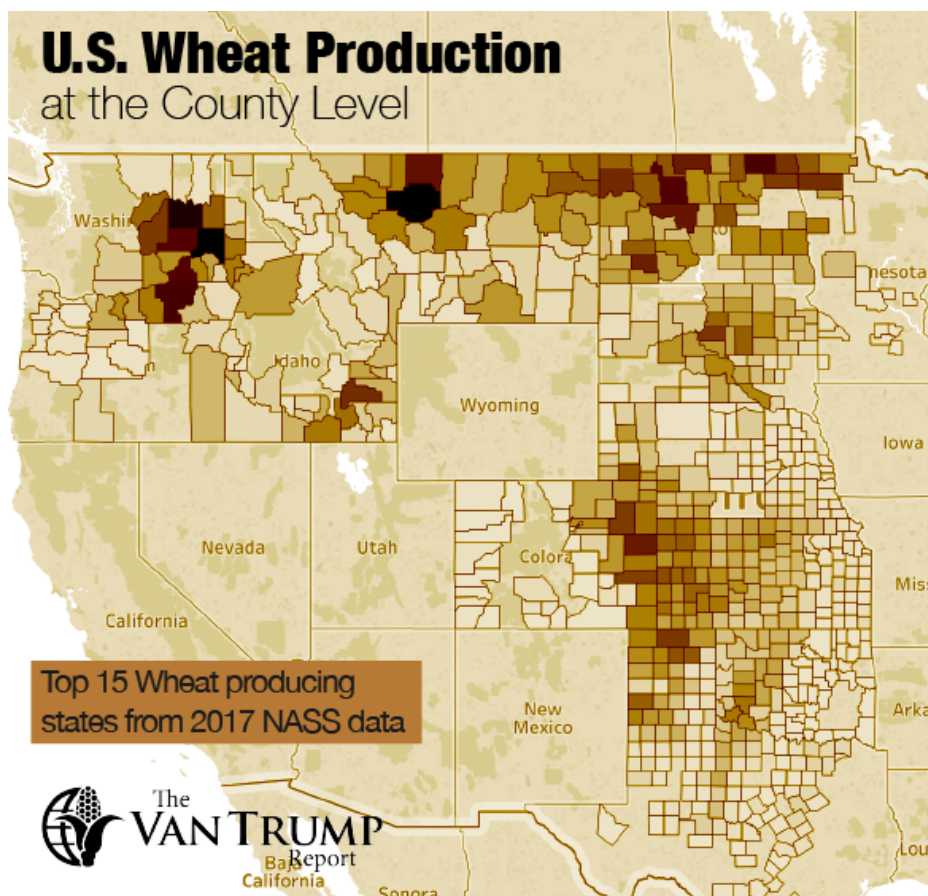
Corn bears are pointing to improved weather in many parts of Argentina and northern Brazil. Some insiders are starting to work their South American crop estimates higher. Keep in mind, the USDA is already forecasting much larger production than the previous year. Argentina is currently forecast to produce 42.5 MMTs vs. just 32.0 MMTs last year. Brazil is currently forecast to produce 94.5 MMTs vs. 82.0 MMTs last year. This increased production out of South America obviously fuels debates about increasing U.S. export competition. We also have Ukraine in the mix and battling for marketshare. Bulls on the other hand, see a U.S. crop that should continue to get smaller as late weather extremes complicate the harvest and create some last minute problems. Bulls are also betting on rumors that China is going to make a substantial purchase of U.S. corn and ethanol. As both a producer and a spec, I'm betting with the bulls and think prices can continue to work themselves higher. I'm a bit concerned about the macro markets and the continued selloff in the stock market, along with the overall weakness in crude oil and strength of the U.S. dollar, so I'm not getting overly or wildly bullish. Just thinking there could be higher prices in the next 90-days, probably not a massive jump higher, but perhaps +15 to +30 cents higher. I want to stay patient and see a few more cards flipped over. From a technical perspective, the \$3.90 to \$4.00 area in the MAR19 contract remains stiff nearby resistance. Remember this contract hasn't closed above \$4.00 since back on June 13th. On the downside, the nearby gap left on the chart between \$3.78 and \$3.80 is catching some attention, but longer-term it feels like \$3.65 to \$3.75 is fairly strong support. Don't forget, because of President George H.W. Bush's passing, the U.S. Export Sales report scheduled for release today at 7:30 a.m. CST will instead be released tomorrow. Also keep in mind, the USDA is scheduled to release their updated monthly supply and demand report next Tuesday, December 11th. Bottom-line, there's a lot of moving parts in play right now. Make sure you have a well thought out plan and can execute quickly if a major headline, good or bad, is dropped on the market. *(click graphic below for larger view)*



Soybean traders continue to debate if, when, and how many U.S. bushels the Chinese will purchase? Bulls believe the number could be sizable and include not only new-crop commitments but also more direct and nearby old-crop purchases. Bulls are also excited to learn that Chinese leaders have recently backed away from talks to purchase Argentine soymeal. This might mean they are in fact more serious about U.S. soybeans and may soon have a portion of U.S. supply available for their own crushing facilities. Perhaps we will learn a lot more now that President Xi is back in China. Bears continue to doubt the talk of a trade compromise and believe the trade war is going to take longer to sort out, therefore creating headwinds and complications for U.S. soybean producers for several more months. Bears are also pointing to Brazilian new-crop estimates that continue to work themselves higher. The USDA has most recently forecast the Brazilian soybean crop at a record 120.5 MMTs, but many others are starting to move their estimates higher, some extremely high, up between 125 and 130 MMTs. Bearish argument is the fact we are sitting on a record number of U.S. bushels, still not selling to the world's top buyer, and our biggest competitor is moving closer to harvesting their largest crop ever. Other than that everything looks great... Bottom-line, this market is going to have to see some Chinese buying or learn more about the details of the new deal if we want to keep pushing prices higher. From a technical perspective, the JAN19 contract continues to see nearby support somewhere down between \$8.95 and \$9.05, resistance is up between \$9.25 and \$9.35 per bushel. I just don't see how we push through those levels without getting some type of confirmation from the Chinese. I remain optimistic, but keeping a close eye on the clock as the Brazilian crop appears to be getting larger and larger. *(click graphic below for larger view)*



Wheat bears are talking about improved field conditions both here in the U.S. and in parts of the European Union. Bears are also pointing to continued stiff competition in the global export space. Egypt is back in the market looking for supply but there's talk they are having some payment issues. There were some headlines circulating again yesterday that indicated the world's largest wheat buyer, has not been able to pay or issue letters of credit for 16 off the recently purchased cargoes of wheat, effectively delaying payment and creating some head-scratching among suppliers. From what I'm recalling, we've seen this happen before, as Egypt's net foreign reserves get a bit tight in the final weeks of the year. I think it has to do with foreign currency valuations shifting and changing and what was originally projected in their annual budget. I personally don't see it as a major nearby concern for the market, as I suspect it clears itself up as we turn the page into 2019, but since Egypt is the worlds top buyer of wheat we have to pay attention. Bulls continue to wait on more details regarding China and rumored future purchases of U.S. wheat. I still have no idea if or when it will happen, but I think China is going to step in as a fairly significant buyer of U.S. wheat if we can agree on some type of trade compromise. As both a producer and a spec I remain patiently optimistic about higher prices during the first-half of 2019. StatsCan is scheduled to release updated Canadian estimates today. *(click graphic below for larger view)*



> **Brazil Could Open Up 100+ Million Acres of New Ag Land:** Brazil has potential to expand agricultural production on an estimated 106 million acres of land in the Cerrado region according to executive from Brazilian grain producer SLC Agricola SA. Speaking at an industry, the exec said this area could be used to increase grain and sugarcane production. (Source: Reuters)

> **EU Wheat Production Estimate Up:** EU has their wheat crop estimate raised to 129.2 MMT by the European Commission. Previous estimates stood at 127.4 MMT by the commission and despite the raise, exports remain unchanged. Looking at the 2018-19 barley production, estimates were lowered by to 55.9 MMT from 56.8 MMT.

> **China Preparing To Buy U.S. Soybeans and LNG:** Sources are telling me that Chinese officials have begun preparing to restart imports of U.S. soybeans and liquified natural gas. According to two officials with knowledge of the discussions, Chinese officials have been told to take necessary steps for the purchases. This is the first confirmation that claims from President Trump and the White House that China had agreed to start buying some U.S. products "immediately" may be coming true. No word on whether they are dropping the retaliatory tariffs they imposed on those products yet.

> **Update On Trade Aid:** Ag Secretary Perdue said he will meet with President tTrump this week to discuss the next round of trade aid, which USDA is expected to release by early next week.

> **USDA Taps \$1.2 Billion for Water Projects:** The money is expected to go toward rural water infrastructure needs in 46 states. USDA will provide funding for some 234 water infrastructure projects including drinking water, storm water drainage and waste disposal systems for rural communities with 10,000 or fewer residents. (Source: USDA)

> **Hog Farming Hoping for Better 2019:** Record production and trade turmoil contributed to an estimated \$12-per-head decline in prices this year, per ag economists at Purdue and Illinois universities. But futures traders are predicting higher hog prices by spring and summer 2019. An improved outlook could stem from easing of trade

tensions and imports from China, which is battling a severe African Swine Fever outbreak.

> **Get Your Groceries and Prescriptions At One Place:** Kroger will begin selling groceries at 13 Walgreen's location next year, as both companies seek to compete in the merger-happy retail grocery economy. Grocers are looking for any edge that make the more competitive against Amazon's Whole Foods. (Source: CNBC)

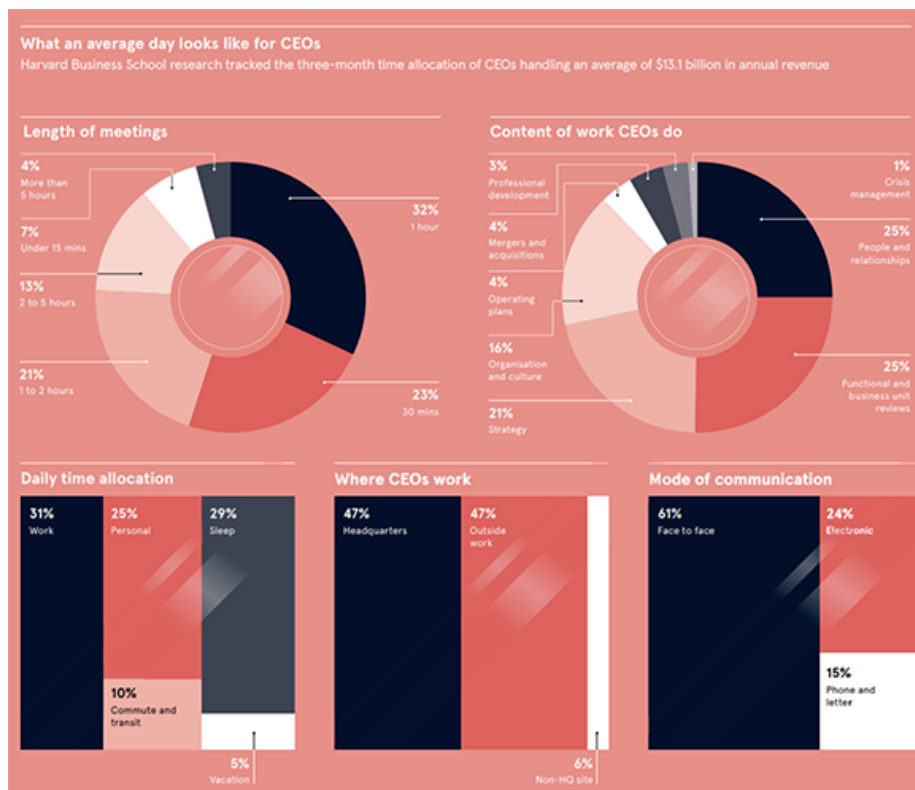
> **Missouri Rejects New Dicamba Rules:** State Ag officials in Missouri decided they will adhere to the EPA's new rules regarding dicamba applications, but will not adopt any stricter regulations of their own. The EPA's guidelines announced Oct. 31 will add certain restrictions about when and how farmers can spray dicamba -- policies that some independent experts are skeptical will significantly reduce dicamba-related complaints. It is very possible we see similar problems with dicamba overspray this next growing season as we did last year. (Source: St Louis Dispatch)

> **Waymo Goes Live:** After months of testing, Waymo has officially launched the country's first commercial autonomous ride-share service. The company's Waymo One program will give customers rides in self-driving vehicles 24 hours a day. Initially, the service will be limited to cities surrounding Phoenix, including Tempe, Mesa and Chandler.

> **Burger King Trolls McDonalds:** For a limited time, fans of Burger King's Whopper can buy it for a penny — if they're at a McDonald's restaurant. Burger King is promoting the relaunch of its app by trolling its rival. The app uses geofencing to determine if the customer qualifies for the promotion. If you're within 600 feet of a McDonald's location, the burger is yours for a fraction of its usual price. Once the order is placed, the app will lead customers to the closest Burger King. The promotion begins Tuesday and will end Dec. 12.

> **California's Fires Released a Year's Worth of Emissions:** California's 2018 fire season, including the largest fire in state history, spewed out 68 million tons of carbon dioxide -- almost as much as was produced by the state's electricity usage in 2016. (Source: US Geological Survey)

> **How CEOs Of Multi-Billion Dollar Companies Spend Their Time:** I thought it would be pretty interesting to see how the people that oversee the top companies in the world allocate their time. I am always trying to get business owners that I consult to learn good habits from more successful people. What better way to do this than to look at research from Harvard Business School on a day in the life of a CEO. View the entire infographic [HERE](#). (Source: Visual Capitalist, HBS)





FROM THE FIELD

Southcentral Iowa - I have been renting my acres out for a few years now after taking an off-farm job. I am glad I made the decision to sell the equipment and rent ground when I did. There are a lot of guys around here hurting and I wonder if more shouldn't consider renting acres as an option. We feel fortunate to be able to get \$250 an acre where we are at as most ground goes for \$200. Our renter finished harvest a while back and yields were good this year as we hit over 60bpa which is real good considering some of the heat we had to deal with early. We did 100% beans on our acres and will most likely do it again. Fortunately, our guy did make early sells but we definitely are hoping these current talks with China are for real.

Southern Canada - We farm southern Canada between Lake Erie and Lake Huron. We have been harvesting all night trying to beat the most recent snow to hit the ground. We have a real good chance of snow on Friday and, but the temperatures will drop to the teens. As long as we stay below 15 degrees, we should be able to kick a little snow on the leaves right through the combine. We are in sight of being done but we won't beat this snow that I can guarantee. I think we will be done later in the week next week. We have about 300 acres left of corn. We might have a day of not harvesting but I think the snow will blow right off the stalk and leaves it's going to be so cold.

Southern Missouri - If guys are not done with harvest, I guess they are probably not going to ever get done because we have had many weeks of clear cold weather were guys could have gotten done. We had average crops at best and we had a miserable harvest. We have not seen our check from the FSA yet, but I have heard that a few guys have. I'm not calculating that into my breakeven until I can tip toe that into my bank account and they clear the check. If we calculate that into our early sales with our production, we did our best bottom line year in beans we have ever done but we don't really know the damage to machinery or fields yet.



CROSSING WIRES

A place to share intelligent thoughts...

U.S. Ranks 26th on Food Sustainability: The United States was ranked 26th on a list of 67 countries when collectively assessed on three categories — food loss and waste, sustainable agriculture and nutritional challenges. The Food Sustainability Index tool is a project of the Economist Intelligence Unit and the Barilla Center for Food and Nutrition Foundation. The researchers and policy analysts who put the index together said the purpose is to raise awareness about food paradoxes, sharing best practices and identifying concrete solutions to meet the United Nations' 17 Sustainable Development Goals — many of which are linked by food as a common thread. U.S. consumers are looking for sustainability from food industry practices and better-for-you nutritious products to keep them healthy. Food companies are adapting to these trends, and many are aware that they need to do so if they want to maintain a competitive edge and enhance profits. Keep in mind that these are companies many of you may need to be doing business with down the road. Read more [HERE](#).

World's Oldest Billionaire is 100 and Still Goes to Office Every Day: At 100 years old, the world's oldest billionaire would be forgiven for taking it easy and enjoying the riches of his eight-decade career. But for Chang Yun Chung, founder of Pacific International Lines (PIL), staying at home isn't an option. Despite handing over the role of executive chairman to his son, Teo Siong Seng, earlier this year, the centenarian Singaporean insists on going into the office every day. "It's my habit," Chang told CNBC in a recent episode of "Managing Asia." As chairman emeritus of PIL — a title honoring his contribution to the 51-year-old company — Chang said he visits the firm's Singapore headquarters daily to run through its operations and check in with every department. Read the leadership lessons Chung has passed on to his son [HERE](#).

Pentagon Pushing to Create Synthetic Life Forms: Pentagon officials are looking to change life at the genetic level to serve military purposes. The military envisions common marine microorganisms engineered to release telltale signs when enemy ships pass, living camouflage, and self-healing paint. The design, manufacture, and release of synthetic life forms into the wild creates some far-reaching ethical dilemmas—should mankind modify the global environment for the purposes of war? The Army, Navy, and

Air Force are jointly supporting an initiative called the Applied Research for the Advancement of Science and Technology Priorities Program on Synthetic Biology for Military Environments. The \$45 million program is working to use the process of synthetic biology to, among other things, "modify organisms for beneficial applications in areas such as performance augmentation, sensor development and materials synthesis. Read more [HERE](#).

History of the Christmas Tradition of Flocking: Of the many curious holiday traditions (figgy pudding? wassailing?), one of the oddest has to be spraying down small trees with a mixture of adhesive and cellulose fibers to satisfy our longing for a white Christmas. That's what's happening when you adorn a tree with artificial snow, otherwise known as flocking. And yet, when decorated and lit up, there's something beautiful and warmly nostalgic about a well-flocked Christmas tree. We've been trying to get that snowy look on Christmas trees for longer than you might think, dating back to the 1800s using substances like flour or cotton. A 1929 issue of Popular Mechanics recommended varnish, corn starch, and flakes of the silicate mineral mica. Read more [HERE](#) on the Christmas tradition.

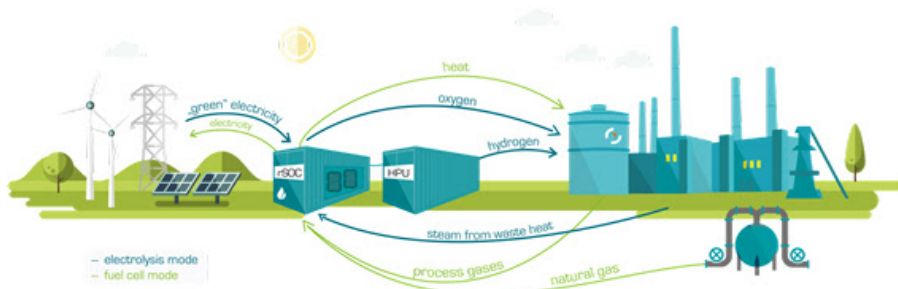
Looking Back At AT&T 1993 Predictions and Looking Forward Another 25: AT&T is celebrating the 25th anniversary of its "You Will" campaign and also thinking once again about what the future might hold. AT&T's "You Will" campaign was the first time we caught a glimpse of what's become our reality 25 years later. Tablets, smart watches, GPS, on-demand entertainment, and more were all in there, before many of us even had an internet connection at home. To celebrate the 25th anniversary of the campaign, AT&T made a short film on the making of "You Will," talking to the marketers, director David Fincher, and others about how they were able to so accurately predict so much of the technology that's commonplace today in 2018. You definitely want to watch both videos [HERE](#) . Pretty cool stuff how they knew what was coming then... what about now?



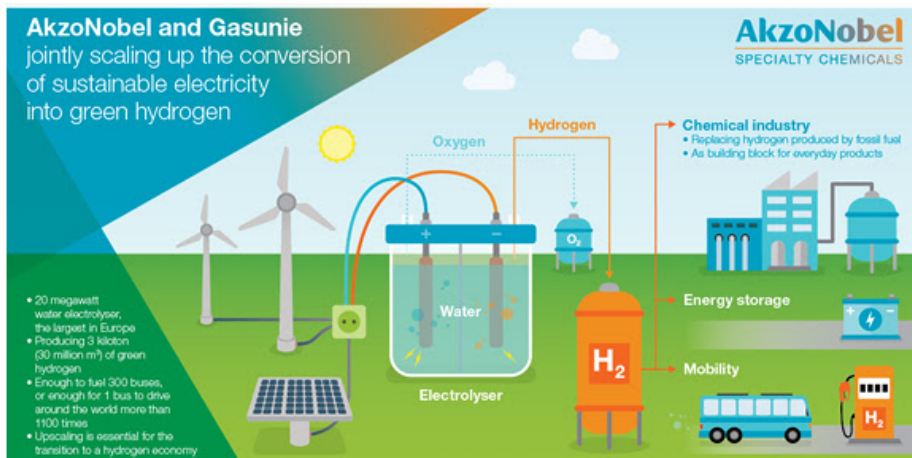
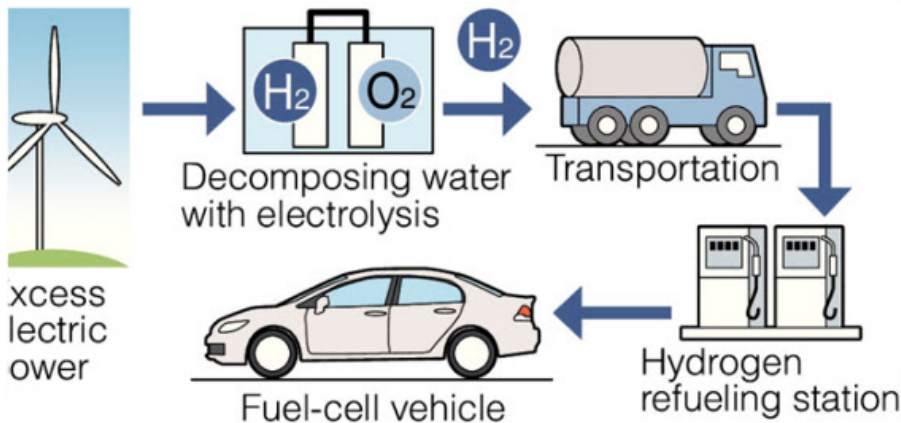


Green Hydrogen...Working Toward an Emissions Free Future

Skeptics largely dismiss hydrogen fuel cells as a technological blip and a short stop on the long journey to a sustainable future. Take for instance, Tesla founder Elon Musk who has loudly trashed hydrogen, calling the fuel cells, "fool cells," and "incredibly dumb." If you didn't know, green hydrogen uses an electric current to convert water into oxygen and hydrogen – and if this is powered with renewable energy, it produces no carbon emissions. In other words, as a fuel, hydrogen generates electricity to run vehicles, and the resulting exhaust is a much more clean water vapor. To this point, the main problem has been how to make hydrogen in large quantities cleanly. From what I understand, about 96% of global hydrogen is produced by reforming methane, which kicks off carbon dioxide as a waste product. Conversely, in a move to reach "zero emissions", the U.S. Department of Energy has granted \$1.7 million to Ecoelectro, a Cornell Business incubator to accelerate production of green hydrogen. At the moment, hydrogen fuel is still costly to produce at scale as it requires the use of platinum, which is currently selling at over \$800 an ounce. With funding provided, Electro and their team of researchers will continue development of their alkaline exchange membrane materials which are used in fuel cells for hydrogen. From what I understand, the alkaline technology is simple, cost-effective and well-suited to large-scale processing and production. Researchers are calling the grant a potential "game changer". It's worth mentioning that one major automaker is placing a bet in the hydrogen space. Toyota believes with the help of hydrogen they can disrupt the uncertain future of the auto industry. For some time now, company executives and experts have extolled the possibilities of a hydrogen-fueled future not only for the emission-free possibilities but also because refilling doesn't involve plugging your car into a charger for hours at a time. While plug-in electric vehicles might seem like the next an obvious choice for much of the developed world, physical fuel, namely hydrogen could be a better alternative for places where the electric grid is less than reliable. With that said and should the technology become scalable, I suspect there is room for both hydrogen and electric vehicles in our future. It's worth keeping your eye on the development of this technology and investigating some of the potential investment opportunities. (Source: Cornelledu, Horizonmag, Dallasnews)



Using hydrogen produced with excess power from renewable energy sources



3D-Printed Homes Costing Only \$4K

A new startup called Icon, claims it can 3D-print a home in less than 24-hours. The company just raised another \$9 million in seed funding and seems to be turning skeptics into believers. Icon is one of several companies now trying to deliver a cheaper and faster home-building solution. Some of you might not know, but Amazon just released a \$36k shipping container house. Amazon doesn't come close to competing with Icon though when it comes to prices and efficiency. Thanks to new technology, Icon is 3D-printing a home for as little as \$4,000. Icon has even partnered with New Story, a housing nonprofit, to build an entire community of \$4,000 houses in El Salvador in the next 18 months. Both companies through this project have a goal to end global homelessness for families in extreme poverty and unsafe conditions. Together these two companies have created the first 3D-printed house that is fully up to code and permitted for people to live in. Icon is even thoroughly testing the house by making the home their office. The house they built is in Austin, TX and is 650-square-feet, which they unveiled at South by Southwest last year to win the 10th annual SXSW Accelerator Pitch Event. The printer they used for this crazy technology is called the Vulcan, which can produce a home onsite without having to piece together individual units in less than 24-hours. The printer is designed to be mobile and weighs about 2,000 pounds. It's also made to withstand rural weather conditions, meaning it could operate during a power outage or without access to safe water to drink. Icon is currently in the works of

developing the second generation of its Vulcan printer, which plans to launch in 2019. I've always had a hard time getting my head to understand this whole 3D printing thing. I encourage you to Click [HERE](#) to watch this play out. From my perspective, as someone who has bankrolled home builders and developed sub-divisions, this technology is amazing and almost unbelievable.



In A World Where Winning Matters... The 2018 Army vs. Navy Football Game

The Army Black Knights will take on the Navy Midshipmen this Saturday at 2 pm CST on CBS at Philadelphia's Lincoln Financial Field. As all you college football fans eagerly await bowl season, you can tide yourself over with one of the sport's greatest traditions. This year the Military Academy will take the field to defend its current winning streak for the third year in a row against the Naval Academy in the 119th annual Army-Navy football game. Historically, Navy is the better team in football, and most other sports as well. Navy holds 60 wins over Army in this rivalry, who has won only 51 games, which seven games have ended in a tie. Navy also holds the longest winning streak of 14 in this matchup between 2002 and 2015. One of the best parts about this game is when it comes to the uniform unveilings. Normally we see both teams wait until the week of the game before officially revealing their look for the annual curtain closer for regular season college football. Navy and Under Armour broke that trend when they decided to unveil their uniform design in mid-October this year. However, Army and Nike decided to wait until the usual time to unveil their look for the big game. The result is yet another creative design for Army. This year, Army's uniforms for the game are a tribute to over 28,000 troops who formed the First Expeditionary Division that was sent overseas to fight in World War I. The division wore a shoulder insignia that displayed the number one in red, which explains the nickname of the "Big Red One" and is also the main inspiration behind these uniforms. The traditional trim color of gold is still present on the collar logos, names, and numbers. Other than that, the presence of red serves as a striking contrast and is the first thing that draws your attention. The Nike logos on the helmet and uniform are all in red, the phrase "Big Red One" is placed on the opposite side of the red Swoosh logo. The Big Red One also plays a prominent role

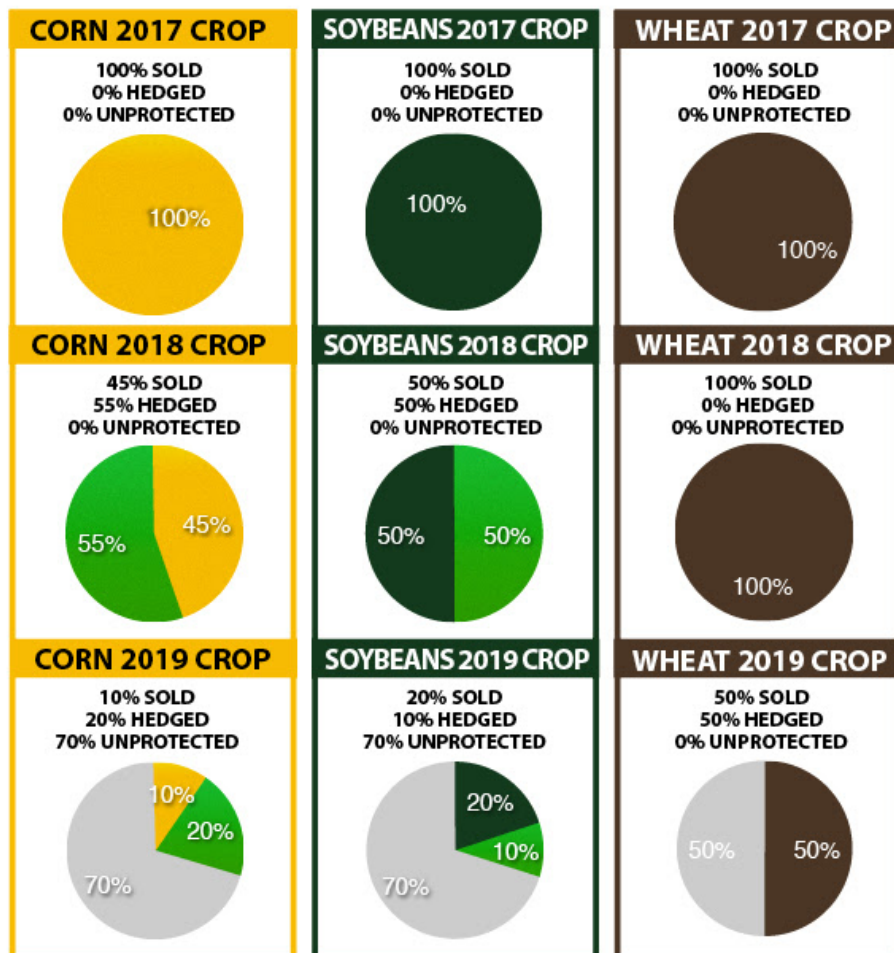
on the helmet, as it serves as the helmet logo in a similar fashion to how the Infantry Division's helmets had the same insignia. One of the more interesting design elements is the black lion design on the sleeves of the jerseys. Once again, this is another tribute to the infantry who fought in World War I, specifically the 28th Infantry that helped win the Battle of Cantigny and became known as the Black Lions of Cantigny. The favorites in this match are the Black Knights, which opened as seven-point favorites with a 40 over under. You can pick up tickets as cheap as \$80 all the way up to just over \$1000 for some of the best seats a piece for this game. Click [HERE](#) to watch Army's entrance video for this season that I thought was pretty cool. Make sure you [CLICK HERE](#) to watch the Army vs Navy game intro from last year. It continues to give me chills each time I watch it. It also proves that this is more than just a football game or a sport.



ANSWER to riddle: A pupil

CASH SALES & HEDGING TOTALS

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