

## GOOD MORNING: 12/10/18 Farm Direction - Van Trump Report

1 message

**The Van Trump Report** <reply@vantrumpreport-email.com>

Mon, Dec 10, 2018 at 7:24 AM

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*"We make a living by what we get, but we make a life by what we give."* - **Winston Churchill**

**MONDAY, DECEMBER 10, 2018**
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stocks are again lower as traders seem more nervous about headlines coming out of Washington and Europe. News leaked on Friday that retired four star Marine Corps General John Kelly was stepping down from his position as White House Chief of Staff. It was originally believed that the retired four-star general would help build a tighter organization around President Trump. If you remember, it was on Kelly's first day in July 2017, that he ousted Trump's communications director, Anthony Scaramucci. Many believed that Kelly would be the man that could corral some the perceived chaos in Washington. Again, there now seems to be a wave of uncertainty. Keep in mind, during his first two years in office, President Trump has lost: Secretary of State, and former Exxon CEO Rex Tillerson; Chief economic adviser, and former Goldman Sachs COO Gary Cohn; Attorney General Jeff Sessions; National Security Advisor, and former Marine Corps General H.R. McMaster; Ambassador to the United Nations Nikki Haley; National Security Advisor, former Lieutenant General Michael Flynn; Environmental Protection Agency Administrator Scott Pruitt; White House Communications Director Hope Hicks; White House's Chief Strategist Steve Bannon, and FBI Director James Comey to name a few. Even though there have been many U.S. presidents who've seen a higher turnover rate, the trade seems to be getting a bit more nervous. Perhaps it's the more perceived nervousness surrounding special counsel Robert Mueller's ongoing investigation? President Trump and many others continue to call it a "witch hunt", but the headline reading algo trading models see an investigation that has now resulted in criminal counts against more than 30 people and three Russian entities. President Trump's former campaign chairman Paul Manafort pleaded guilty about 90-days ago. And perhaps more damaging is President Trump's longtime lawyer Michael Cohen pleading guilty just a few weeks back. Regardless of how the Mueller investigation ultimately plays out or what sideline you are cheering from, we can not argue the fact the word "impeachment" is surfacing more in the headlines. This obviously makes the computer trading models more nervous and less than certain about adding more risk to their current portfolio. At the same time, major technical indicators are also being tripped and triggered. Late last week, the S&P 500 broke its 200-day moving average. I heard this triggered a massive reduction in risk, with over \$30 billion in sell orders hitting the market almost instantaneously. Technical programs are also now digesting a "death cross" pattern in the S&P 500. I personally deem this as having more bark than bite, as it's extremely scary sounding. But many technical guru's argue it could be a significant clue or hint of a larger selloff in the days or weeks ahead. In an elementary explanation, a "death cross" pattern occurs when a market's short-term moving average crosses below its long-term moving average. In this case, it was the S&P's 50-day moving average that passed below its 200-day moving average. Keep in mind, we still have not posted a new low for the year. We would need to tumble another -2% to make that happen. I think we are close enough, the market will go ahead and give it a test. In a more fundamental perspective, I personally believe the computer models are overreacting to the excessive headline noise, but we have to respect the power and sheer size of the money-flow they control. This may sound crazy, but I almost think we've become too "transparent", especially for our new micro-second, high-speed trading environment. We now have all of this uncertainty and so called ambiguity or gray area surrounding Chinese trade negotiations, Fed policy, Brexit, OPEC, etc... but when in history have we had so much media coverage and supposed insight? What would today's markets have done if they would have known all of the details surrounding WWII, Vietnam, the Kennedy assassination, etc... With more media, more transparency, and more technology it's become a crazy combination.

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What's real and what's fake? What if the market is reacting to too much news and media? I believe eventually the real fundamentals rise to the top or come back home to roost. Unfortunately, for those who now get themselves over-leveraged, waiting for the fundamentals to come back into vogue can quickly become a dangerous sport. I have no idea when the current bleeding stops or the headlines turn, but I still don't see this as the start of bear market, rather just a sloppy and headline sensitive correction. I like what billionaire investor Leon Cooperman had to say late last week, "I could be dead wrong, but my position is based on no recession, inflation not a problem, the Fed is far from hostile, bonds are not competitive with stocks, earnings are growing, employment is growing." From my perspective, it's starting to feel like "growth" is now on sale! I'm starting to more aggressively look for some bargains. Stable inflation and a recent step backwards in the jobs data is reason enough to believe the Fed could be much closer to "neutral". I'm also thinking we are moving the ball in the right direction with the Chinese. I'm certainly not saying, we can get all of our differences overcome in the next 90-days, but I do believe both sides are working to find more compromise. As a longer-term investor, I'm going to be looking to put more cash to work in the market if we continue to break lower. Traditional economic news will be fairly light this week. We have the JOLTS employment data being released today and some inflationary data later this week that will be worth considering. There's talk and rumors that a Chinese delegation is heading to the U.S. which might bring a few positive trade headlines. Let's also keep in mind, the Fed has entered their "blackout" period and can no longer talk to the public ahead of next week's two-day meeting on Tuesday and Wednesday. Bottom-line, I remain a longer-term bull. The negative noise is extremely loud right now, but I still believe the U.S. economy is holding its own, employment remains strong, gasoline prices have become much more affordable, and consumer spending remains strong. I like the thought of being selective in my holdings and looking for bargains on a few of my strongest longer-term plays.

**Keep Your Eye On Tomorrows Brexit Vote:** *There are a number of outcomes in the mix so we need to pay close attention. It seems the most likely outcome is that it doesn't pass. The big question is how bad will it fail and what happens next. From what I understand, if Theresa May's plan losses in a big way the global markets could get extremely nervous. There are simply a ton of moving parts, so pay close attention. You can read more details [HERE](#).*

**U.S. Oil and Natural Gas Supply Getting Larger:** *"Christmas came a few weeks early this year," said U.S. Secretary of the Interior Ryan Zinke. "American strength flows from American energy, and as it turns out, we have a lot of American energy. Before this assessment came down, I was bullish on oil and gas production in the United States. Now, I know for a fact that American energy dominance is within our grasp as a nation." U.S. Department of the Interior announced that sites in the Delaware Basin portion of Texas and New Mexico's Permian Basin province contain a lot more oil and natural gas than originally forecast. Estimates have now pushed to +46 billion barrels of oil, +280 trillion cubic feet of natural gas, and 20 billion barrels of natural gas liquids, according to an assessment by the U.S. Geological Survey. This estimate is for continuous (unconventional) oil, and consists of undiscovered, technically recoverable resources. You can read more details [HERE](#).*

**Historical Turning Point for Artificial Intelligence:** *DeepMind's artificial intelligence programme AlphaZero is now showing signs of human-like intuition and creativity, in what developers have hailed as 'turning point' in history. The computer system amazed the world last year when it mastered the game of chess from scratch within just four hours, despite not being programmed how to win at the game. But now, after a year of testing and analysis by chess grandmasters, the machine has developed a new style of play unlike anything ever seen before, suggesting the programme is now improvising like a human. Unlike the world's best chess machine - Stockfish - which calculates millions of possible outcomes as it plays, AlphaZero learns from its past successes and failures, making its moves based on, a nebulous sense that it is all going to work out in the long run, according to experts at DeepMind. Read more about AI's future [HERE](#).*

**Oklahoma Sooners Get First Ever Back to Back Heisman Winners:** *Oklahoma quarterback Kyler Murray was named the 2018 Heisman Trophy winner Saturday after receiving 517 first-place votes. Murray beat out Alabama quarterback Tua Tagovailoa and Ohio State quarterback Dwayne Haskins to claim to the trophy. For the first time in the history of the award, Murray's win gives the Sooners their first back-to-back Heisman Trophy-winning quarterbacks of any school. In 2017 Sooner quarterback Baker Mayfield won the trophy. I should note, this is Oklahoma's seventh Heisman winner and the fourth Sooners quarterback (Jason White, Sam Bradford and Mayfield) to win the award since 2003. Murray's impressive season included leading the Sooners to a 12-1 record and one of only three players to eclipse 4,000 passing yards, throwing 40 touchdowns and just 7 interceptions. Keep in mind, Murray was drafted by the Oakland Athletics as the No. 9 overall pick in the 2018 Major League Baseball Draft and in the process, signed a \$5 million contract with the A's. Before he thinks about heading to spring training, he has to face off against Alabama in the semi-finals of the College Football Playoffs at the Orange Bowl. My son has several friends who played football at Allen High School in Allen, Texas. They say Murray is an incredibly gifted athlete. He was*

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#### Today In History



**1864, Sherman Arrives near Savannah** - On this day in 1864, Union General William T. Sherman completes his March to the Sea when he arrives in

front of Savannah, Georgia. Since mid-November of that year, Sherman's army had been sweeping from Atlanta across the state to the south and east towards Savannah, one of the last Confederate seaports still unoccupied by Union forces. Along the way, Sherman destroyed farms and railroads, burned storehouses, and fed his army off the land. In his own words, Sherman intended to "make Georgia howl," a plan that was approved by President Abraham Lincoln and Ulysses S. Grant, general-in-chief of the Union armies. The city of Savannah was fortified and defended by some 10,000 Confederates under the command of General William Hardee. The Rebels flooded the rice fields around Savannah, so only a few narrow causeways provided access to the city. Sherman's army was running low on supplies and he had not made contact with supply ships off the coast. His army had been completely cut off from the North, and only the reports of destruction provided any evidence of its whereabouts. Sherman directed General Oliver O. Howard to the coast to locate friendly ships. Howard dispatched Captain William Duncan and two comrades to contact the Union fleet, but nothing was heard of the trio for several days. Duncan located a Union gunboat that carried him to Hilton Head, South Carolina. Supply ships were sent to Savannah, and Duncan continued on to Washington, D.C., to deliver news of the successful March to the Sea to Secretary of War Edwin Stanton. For ten days, Hardee held out as Sherman prepared for an attack. Realizing the futility of the situation, Hardee fled the city on December 20 and slipped northward to fight another day.



**1915, Ford builds its 1 millionth Car** - On December 10, 1915, the 1 millionth Ford car rolls off the assembly line at the River Rouge plant in

Detroit. At first, Henry Ford had built his cars like every other automaker did: one at a time. But his factories' efficiency and output steadily increased, and after he introduced the moving assembly line in 1913 the company's productivity soared. Ford was determined to build what he called "a motor car for the great multitude," and that's just what he did: By mass-producing just one kind of car-



named the Gatorade Football Player of the Year in 2014. His high school team won three straight state championships and 43 games in a row. He went undefeated as a starting quarterback at this massive Texas high school. Murray also played shortstop and second base on the high school baseball team. He was the first player to ever be selected for both the Under Armour All-America Baseball Game and Under Armour All-America Football Game. I think the kid can ball...



# FARM TANK

Tweets of the Day



from 1908 on, that car was the Model T—Ford could take advantage of economies of scale that were unavailable to smaller carmakers and pass the savings on to his customers. Between 1908 and 1927, Ford sold more than 15 million Model Ts in all; they cost \$850 at first (about \$20,000 in today's dollars) but by the end of their run, Ford had managed to reduce the price to just \$300 (about \$3700 today). No one paid much attention to the 1 million milestone. ("With twenty-five assembly plants...and with a big factory in Detroit assembling so many Ford cars a day," said The Ford Times, "we passed the million mark without knowing it.") The 10 millionth Ford, on the other hand, traveled back and forth from New York to San Francisco and from Los Angeles to Chicago in the summer of 1924, inspiring raucous celebrations everywhere it went. The company even made a movie of this goodwill tour, called "Fording the Lincoln Highway." Along with the 15 millionth Ford in 1927 came another milestone: the company's announcement that it was discontinuing its classic but no-longer-beloved Model T. Compared to that news, the release of the 20 millionth Ford was fairly dull: emblazoned with the words "TWENTY MILLIONTH" and the Ford logo on both sides and the top, that car went on a national barnstorming tour in 1931, then directly to the Henry Ford Museum in Dearborn, Michigan. Revolutionary as it was at the time, Ford's early production rate was nothing compared to its modern-day output. In 2008, even in the midst of a global financial crisis, Ford produced nearly 6 million cars.



**1920, Wilson awarded Nobel Peace Prize** - On this day in 1920, the Nobel Prize for Peace is awarded to U.S.

President Woodrow Wilson for his work in ending the First World War and creating the League of Nations. Although Wilson could not attend the award ceremony in Oslo, Norway, the U.S. Ambassador to Norway, Albert Schmedeman, delivered a telegram from Wilson to the Nobel Committee. Wilson's involvement in devising a plan to prevent future international conflict began in January 1918 when he laid out his "Fourteen Points." The plan addressed specific territorial issues in Europe, equal trade conditions, arms reduction and national sovereignty for former colonies of Europe's weakening empires, but the primary thrust of his policy was to create an international organization that would arbitrate peaceful solutions to conflicts between nations. Wilson's Fourteen Points not only laid the foundation for the peace agreement signed by France, Britain and Germany at the end of World War I, but also formed the basis for American foreign policy in the 20th and early 21st centuries. Although the League of Nations never materialized, largely due to the fact that it was never ratified by the U.S. Congress, it formed the blueprint for the United Nations, which was established after the Second World War. When Wilson learned of his win, he was a lame-duck

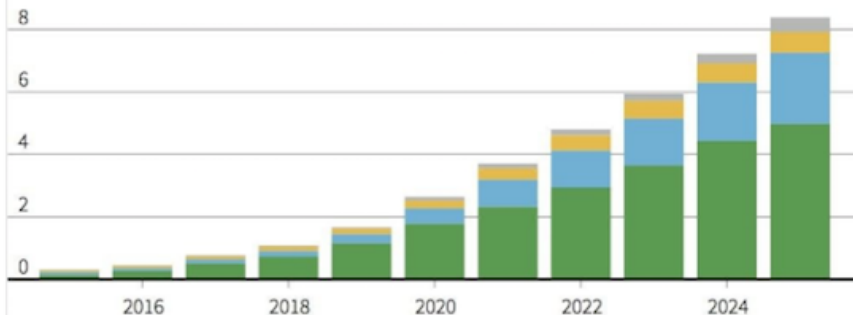
## How #China raised the stakes for electric vehicles [wef.ch/2QeWWDj](https://wef.ch/2QeWWDj) #technology

### Electric vehicles

Global electric-battery vehicle sales.

■ Asia Pacific ■ Europe ■ North America ■ Rest of the world

10million



Note: 2018 onwards are forecasts.

Source: LMC Automotive.

E. Vaish; L.Frost, 03/09/2018

REUTERS

president battling the residual effects of a paralyzing stroke he suffered in October 1919; he was therefore unable to accept his award in person. (The stroke occurred in the midst of an arduous cross-country tour to ask the American electorate to pressure a reluctant Congress to ratify the Versailles peace treaty and the League of Nations.) In his telegram to the Nobel Committee, Wilson said he was grateful and "moved" by the recognition of his work for the cause of peace but emphasized the need for further efforts to "rid [mankind] of the unspeakable horror of war." Wilson did not live to see the United Nations take shape in place of his League of Nations. He died at age 68 in February 1924.

#### Upcoming Events

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

**Thur. 12/13** - Export Sales

**Mon. 12/17** - NOPA Crush

**Thur. 12/20** - Export Sales

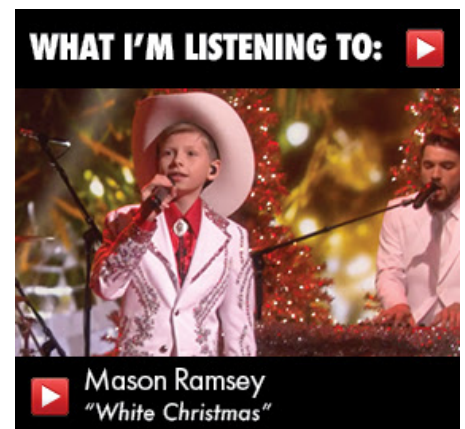
**Fri. 12/21** - Quarterly Cold Storage, Hogs and Pigs, Monthly Cattle on Feed, Personal Income

**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



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Something we came across and had to share... #motivation #Fridayfeeling



**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





**Lucy Bates**  
@ljbblucy

Following

Like painting it on #Harvest18



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.



**Colin Williamson**  
@ColinWxchaser

Following

This is cool, My hat goes off to the folks at Hard- Co in Whitby I love this!





Dara Entwistle   
@Showjock2

Following

For all parents who've dreaded the Elf or forget to move him. 🎄😏🤦🏻



*Farm Direction*  
RECIPES  
★ **FAMILY FAVORITES** ★  
-SENT IN BY OUR READERS-

**Apple Cider Mimosa**



CLICK TO SEE RECIPE





**Rock 'N' Roll Pics**  
@DailyRockPics

Following



Bruce Springsteen in Haddonfield, New Jersey - 1978







4-H  
@4H

Following

"Tough times never last, but tough people do." -Robert H. Schuller #MondayMotivation #InspireKidstoDo



## neuro mining



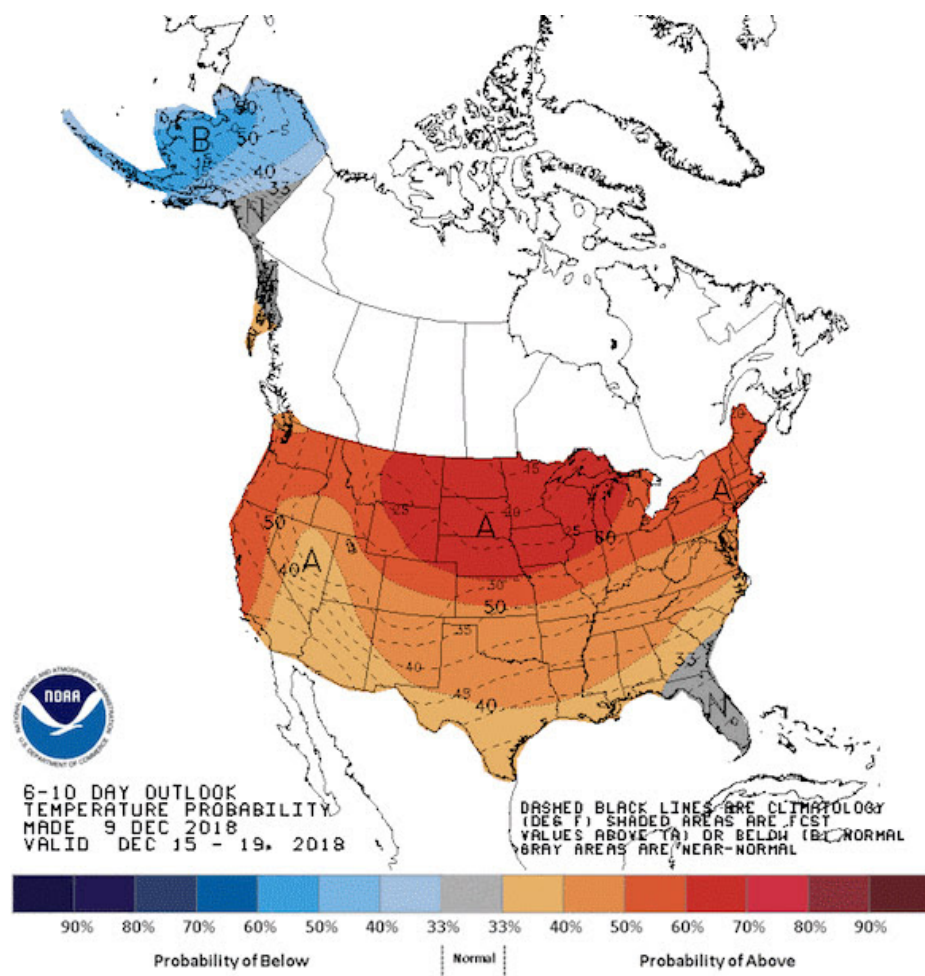
*As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

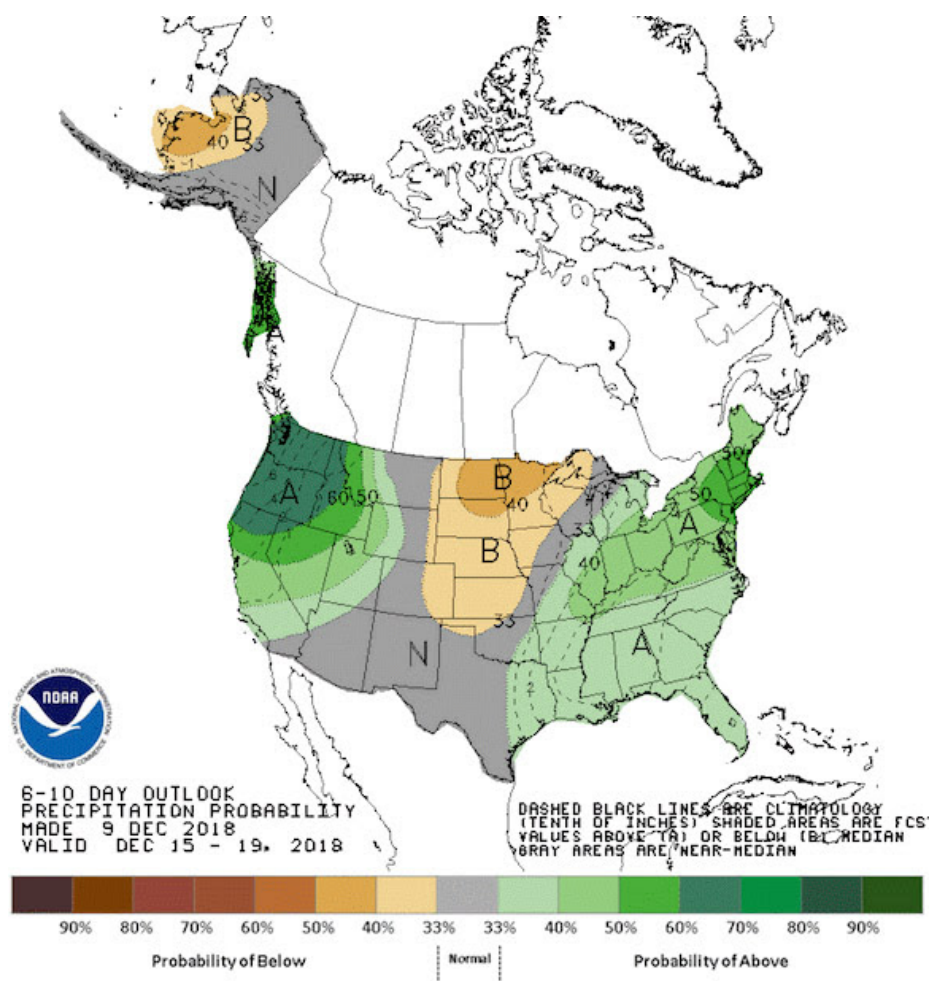
### TODAY'S RIDDLE:

You use me from my head to my toes, the more I work the thinner I grow. What am I?

**Weather** over the weekend saw a slow moving storm cross the South producing widespread precipitation (rain, freezing rain, sleet, and snow) from the southern most Rockies into the Southeast. Reports of flooding in the western Gulf Coast region, where

storm total rainfall reached anywhere from 2 to 6 inches or more. Heavy rain also soaked the lower Mississippi Valley and much of the Southeast. This week, forecasts are calling for precipitation to return across the Pacific Northwest, while the remainder of the northern and western U.S. will experience dry weather and a warming trend. The 6 to 10 day forecast for December 15-19 is calling for near or above normal temperatures and precipitation mostly to the East and upper West.



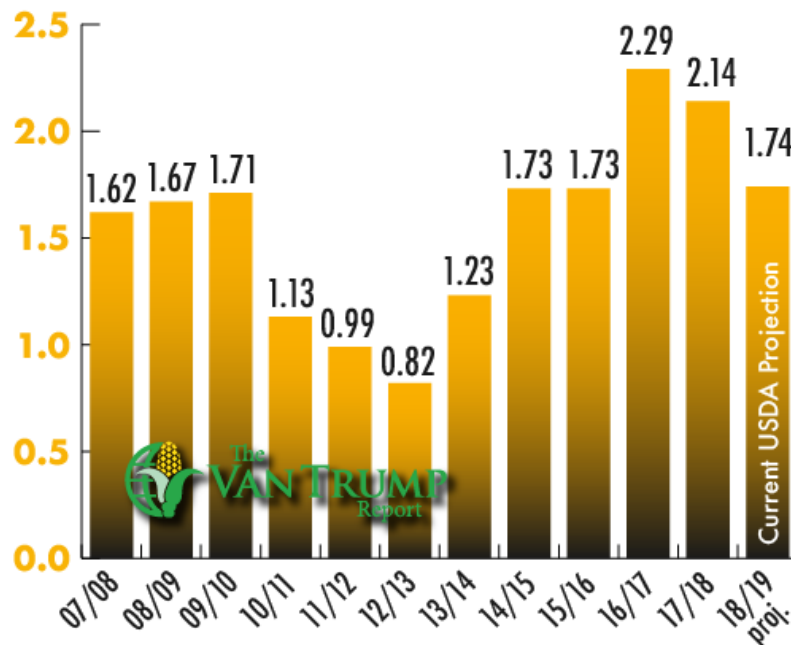


**Corn** bulls are hoping to see the USDA further tighten the U.S. balance sheet in tomorrow's report. Bears doubt this happens as they argue more holes are starting to be shot in the demand story. Recent weekly export sales data has been strong, but there's concern that stiffer competition coming online in 2019 will pullback the reins on U.S. export growth. Obviously there's still weather risk in play for producers in South America and Ukraine but talk of record production continues to raise concerns about forward looking U.S. exports. There also seems to be more talk that the USDA's current corn used for ethanol estimate at 5.650 billion bushels is a bit too optimistic. This estimate is +45 million bushels higher than last year and almost +220 million bushels more than the year prior. The lack of exports to China certainly brings about questions and concerns regarding total U.S. ethanol export and demand. I suspect "feed and residual" demand is once again a big wild-card. Bottom-line, there are certainly some debates and arguments that can be made about weakened U.S. corn demand. The question is, how forward looking does the market want to be? If the market becomes too forward looking "weather risk" has to become a large denominator. Another major question, will the Chinese step in this week as a big buyer of U.S. corn and ethanol? Perhaps more importantly, who wants to place bearish bets into the Chinese wild-card? How much more will the USDA trim from this year's production forecast? I'm staying conservatively bullish. As a producer, I'm staying patient and waiting on higher prices to reduce further risk.



# U.S. Corn Ending Stocks

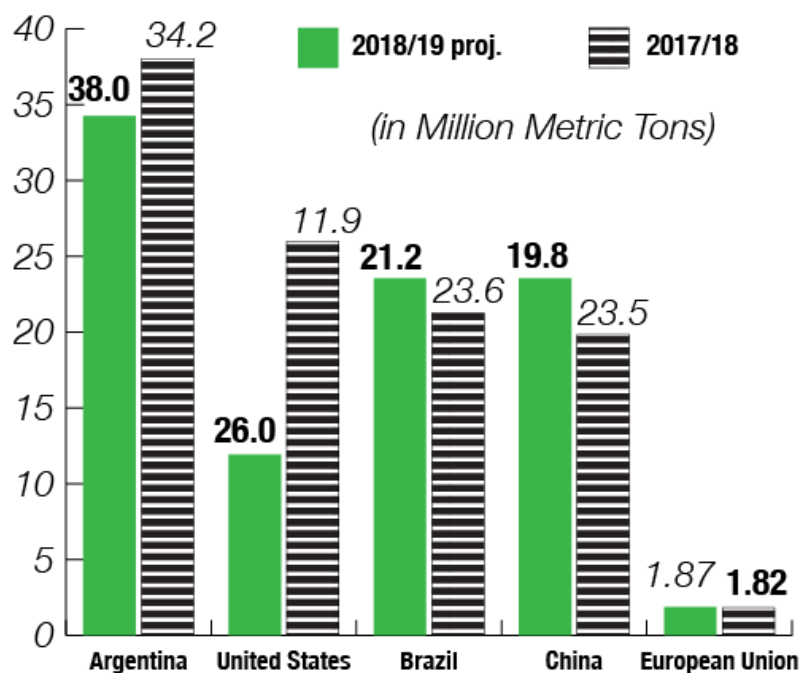
(in billion bushels)



Source: USDA, WASDE numbers from November 8, 2018 report

**Soybean** traders continue to debate headlines surrounding U.S. and Chinese trade talks. Before we learned last week of the arrest of Huawei's, CFO Meng Wanzhou, there was talk that the Chinese were sending over a 30-member trade delegation to the U.S. this week. Since Ms. Meng's arrest things have become more cloudy and uncertain. Bulls argue that the Chinese government is about to make a large purchase of U.S. soybeans. On the flip side, bears argue that tensions between the world's two super powers could in fact be increasing. On top of this major Chinese wild-card, we have the USDA releasing their monthly report tomorrow. Most inside the trade are thinking the USDA will pause this month in regard to adjusting demand, waiting to see how things play out with the Chinese. If the Chinese don't step in as big buyers, the USDA will more than likely have to start reducing their current export estimate. Essentially, U.S. export demand, between now and August, will need to be stronger than last year's record pace by +15% to +20% in order to equal the USDA's current estimate. It's hard to imagine that having any chance at all without the Chinese stepping up in some capacity. At the same time, we are hearing talk out of Brazil that their crop could again be record large and much stronger than the current USDA estimate. We are also hearing talk that Argentine soybean exports could be +10 MMTs stronger than last year. In my opinion, either China comes in as a buyer or the balance sheet in early-2019 is going to start getting larger. I pride myself on being an optimist, and I remain hopeful that the U.S. and China can come to some sort of resolution that is beneficial for U.S. agriculture. As a producer, I continue to sit tight, keeping hedges in place to protect the downside, but patiently waiting on positive trade headlines to rally price and make additional sales. Nearby I believe we have a chance to see a nice knee-jerk to the upside. Longer-term I'm a bit worried if the rally can hold. Remember, it's not just about having a plan, but more importantly "executing" when the opportunity arrives. Nervous, but staying patient...

# Changes in Soybean Ending Stocks Year-over-Year

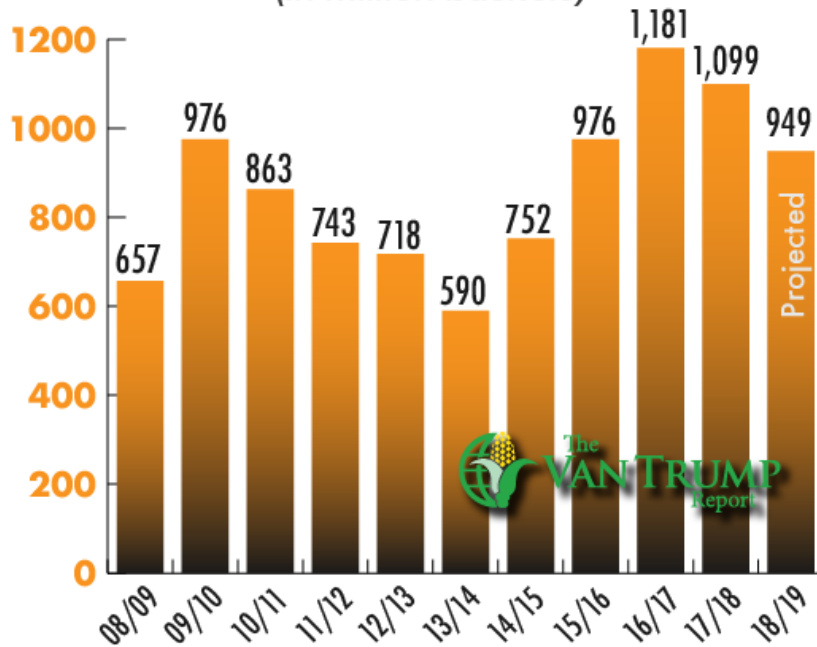


Source: USDA, WASDE numbers from November 8, 2018 report

**Wheat** traders continue to debate U.S. export demand, planted winter wheat acres, European production problems, a shrinking crop estimate in Australia, a few late complications in Argentina, and of course the ongoing uncertainty surrounding Chinese trade negotiations. Despite the fact weekly U.S. export sales have improved as of late, bears point to the fact they are still running well behind the pace needed to reach the current USDA estimate. The obvious wild-card remains the Chinese and if they will step in as large buyers of U.S. supply. I personally think it's going to happen. I'm also bullish the wheat market and many will argue I'm simply talking my position. You're absolutely right, that's what I believe. I believe China is eventually going to come to the U.S. as a buyer of wheat. I also believe escalating political tension between Russia and Ukraine will also provide a bullish tailwind at some point. The traditional current fundamentals remain bearish, but it's what we don't know that continues to keep me aligned on the bullish side of this market. In my opinion, the bearish supply and demand fundamentals have been overly advertised and are the obvious. Rarely has the "traditional or obvious" gotten me on the right side of the market. I'm staying conservatively bullish, fully understanding the market could drift lower until one of the "wild-cards" is turned over. Also understanding that tomorrow's USDA report could be digested as a nearby headwind as U.S. ending stocks might be bumped a hair higher.

# U.S. Wheat Ending Stocks

(in million bushels)



Source: USDA, WASDE numbers from November 8, 2018 report

## U.S. Ending Stocks 2017/18 (in billion bushels)

	Dec. #	Avg. Trade Est.	Trade Range	Nov. USDA
Corn	???	1.738	1.700 - 1.790	1.736
Soybeans	???	0.945	0.875 - 0.975	0.955
Wheat	???	0.956	0.924 - 0.984	0.949

## World Ending Stocks 2017/18 (in million metric tons)

	Dec. #	Avg. Trade Est.	Trade Range	Nov. USDA
Corn	???	307.59	304.2 - 310.0	307.51
Soybeans	???	112.79	110.8 - 114.0	112.08
Wheat	???	266.79	264.3 - 270.0	266.71

## South American Production (in million metric tons)

	Dec. #	Avg. Trade Est.	Trade Range	Nov. USDA
Argentina Corn	???	42.43	41.0 - 43.0	42.5
Argentina Soybeans	???	55.72	55.5 - 57.0	55.5
Brazil Corn	???	94.41	90.0 - 96.0	94.5



Brazil Soybeans	???	120.88	119.0 - 122.0	120.5
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> **Farm Bill Could Be Passed This Week:** Speaking to reporters late last week, House Minority Leader Nancy Pelosi D-CA said that she got an encouraging assessment from farm bill negotiators and that they are hoping the bill could be passed next week. (Source: C-SPAN)

> **Bunge Searches for New CEO:** Reports leaked on Friday that Soren Schroder, Bunge's chief since 2013, will be removed as CEO, but allowed to remain in the job while the board searches for a new candidate inside and outside the company. An official announcement of his impending departure could come as early as today. The action comes five weeks after activist shareholders Continental Grain company and the hedge fund DE Shaw reached a settlement with Bunge that added four directors and triggered a strategic review of the company. The review is being chaired by Paul Fribourg, Continental's chief and a longtime food and agriculture investor. (Source: FinancialTimes)

> **Russia Exported 36.8 MMT of Wheat Through Oct. 2018:** Wheat exports from Russia are well ahead of last year when only 12.3 MMT of the crop were exported. This year's 36.8 MMT is 50.1% more than the same time last year.

> **Dairy Wants Access To Japanese Markets:** Dairy farmers are urging President Trump's administration to open up the market in Japan as officials get ready to begin trade talks next month. The National Milk Producers Federation was one of only four groups that submitted testimony on Thursday at a U.S. International Trade Commission. Full access to Japan's dairy market could boost U.S. exports to the country by 450% - and raise U.S. dairy farmers' income by \$12 billion, or 3% over a decade. (Source: Politico)

> **EU To Take Second Look At Glyphosate License:** The European Parliament's pesticides committee wants a second look at an EU decision to extend the marketing license for glyphosate, the active ingredient in weedkiller Roundup. If you remember back to this time last year, the EU gave the go ahead for another five years of glyphosate use in Europe.

> **EPA to Propose WOTUS Definition:** EPA will alter the definition of what qualifies as "Waters of the United States" to remove streams that flow only after rain and wetlands unconnected to larger waterways, news outlet E&E reported, citing a document. I'm told the change could open the door to added pollution in some water bodies from industries including oil drilling, mining, and agriculture by removing them from federal oversight.

> **Airports Could be Next Locations of Amazon Go:** San Jose, Los Angeles and Dallas airports have confirmed Amazon's interest to insert their checkout-free stores at their locations. The store allows customers to scan their phones on entry, select items, and have their cards billed after they leave.

> **Half The World is on the Internet:** Some 3.9 billion people are now using the Internet, meaning that for the first time more than half of the global population is online, the United Nations said Friday. I'm told that by the end of 2018 a full 51.2 percent of people around the world will be using the Internet. The world's richest countries lead the way in Internet use, which has risen from 51.3 percent of their populations in 2005 to 80.9 percent now.

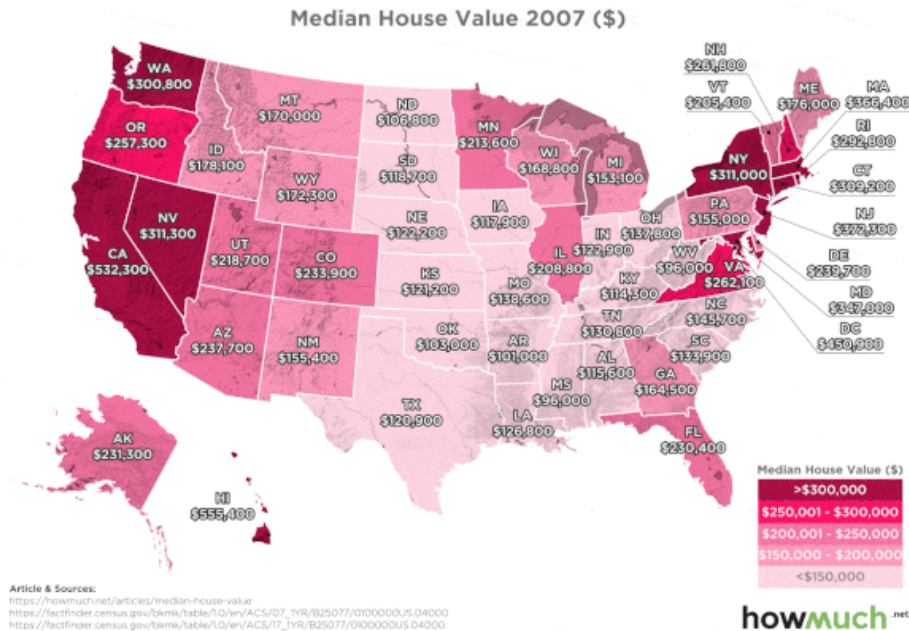
> **Tesla Could Purchase Closed General Motors Plant:** CEO Elon Musk said the electric-car maker will consider buying one of the factories General Motors will shut down as part of its divisive restructuring plan. It wouldn't be the first time that Tesla has purchased another car company's shuttered factory. Musk's firm previously bought a plant jointly owned by General Motors and Toyota for \$42 million in 2010.

> **Second-Largest Ebola Outbreak in History** has spread to Butembo, a major city with more than 1M residents in eastern Congo. Health experts now worry whether the stock of an experimental vaccine supplied by Merck will stand up to the epidemic's demands. According to Congo's health ministry, without the teams that have vaccinated more than 41K people so far, the outbreak could have already seen more than 10K Ebola cases vs. the current 471. (Source: SeekingAlpha)

> **Taking a Look at House Prices Over the Last Decade:** Few can forget the market crash of 2008 when the real estate bubble burst and housing prices dropped all over the

country. But those prices may finally be recovering, based on recent data compiled by [HowMuch.net](#). The website's latest infographic shows that over the last 10 years, 41 out of the 50 states have seen an increase in median house value. Read more [HERE](#).

### Changes in House Prices Since the Real Estate Bubble Burst (2007-2017)



**Northeast Michigan** - We have had a rough harvest start to finish. Or, I should say almost finished because we have another 80 acres of soybeans left to harvest which I'm not betting will get done quickly. It's been a slow process when you can't even get started before 10 AM and you can't continue after 5-6 PM. It makes for a short day so we get done what we can. We looked at just pushing through but we actually lose more doing that then we do waiting so we have chose to be patient. We haven't had any rejections at the elevator like some guys are talking so we are happy about that.

**Northern Illinois** - *We have officially frozen over for the year. I don't see us thawing until spring, unless for some reason we have an unseasonably warm winter. The crops got out but it wasn't easy, we had all kinds of problems with weather and which lead to the moisture constantly being a problem. We actually got lucky because we are small enough that we beat the snow and just dealt with rain. Guys were still harvesting well into the snow. We personally had an average harvest at best but a few neighbors of mine did really well.*

**Central Missouri** - *I was driving near Columbia on the Hwy and believe it or not I saw a perfectly fine soybean field that was not harvested. Now I might have thought if this was a massive farmer, he forgot and a field didn't get harvested. I have heard that happening, its rare but it does happen. This field was small so I could see it happening if it was the middle of no where but it was along the highway... I actually walked the field a bit and the beans aren't shattering out at all which was very surprising to me. I'm guessing the moisture was still up in the 20's because they didn't seem ready as I thought they might. At this point I don't see how they dry down on there own unless we drop down below 10 degrees.*



**"Single Use" Plastics Getting Lots of Attention:** Collins Dictionary selected "single-use" as its word of the year for 2018 and it's not difficult to understand why as the topic of plastic, particularly of the single-use variety, was a hard one to escape. If the current trends around plastic production and use hold steady, plastic may account for 20% of the world's oil use by 2050. Cities and food service companies, for instance, are moving so quickly on banning plastic straws that a paper-straw manufacturer in the U.S. has had to build a new factory to meet demand. In a new report from the U.N. Environment Program and the World Resources Institute, the agencies surveyed 192 countries to come up with a first-of-its-kind report on the number of national policy instruments to regulate the manufacture, sale, use, and disposal of single-use plastics. Read more how municipalities and companies are attacking the plastic problem [HERE](#).

**Vinegar's History as a Beverage... and More:** In the modern kitchen, vinegar is most often used to add acidity to food—whisked with oil, mustard, and herbs in a vinaigrette, mixed with soy and sesame oil for a dumpling dipping sauce, or used to pickle red onions to top tacos. But vinegar has a long history as a beverage. The Roman army stayed hydrated with posca, and switchels and shrubs served as sweet and sour treats before the advent of the soda fountain. Vinegar not only added interest—and the perception of great thirst quenching—it helped make drinking water safer. Lately, switchels and drinking vinegars have been elbowing all but the most creatively flavored soft drinks out of the ever-more-crowded beverage aisle, and shrubs have become a staple on speciality cocktail menus. Learn more of the interesting history and current uses of vinegar [HERE](#).

**Interesting Survey Results on Christmas Music we Hear While Shopping:** Apparently there are folks out there who have grown tired of traditional Christmas music played over the speakers in retail establishments. Results of a new survey from Cloud Cover Music, a streaming music service for businesses, found that holiday music is not the all-purpose consumer opiate many retailers assume it to be. Among the 1,016 respondents, 39% of millennials and 31% of gen-Xers said hearing religious Christmas songs would discourage them from shopping at a particular establishment, while 37% of baby boomers said the same of comedic Christmas songs. Even more noteworthy is that a sizable percentage of respondents said some holiday music actually makes them angry. Broken down by age, 24% of millennials called out religious Christmas music as anger-inducing, while 21% of gen-Xers and 31% of baby boomers said comedic tunes stoked their ire. No explanations were offered, so you'll have to draw your own conclusions. See all the results [HERE](#).

**Great Financial Advice for 20-Somethings:** At 28 years old, I try to remember that one day I will most likely experience an economic burden. When you're out of school, and you start working your first job, and even as you begin to make strides in your career, it can be very easy to think that what's currently happening will happen this way forever. As soon as you start making good money, you assume the good money will keep flowing. Older, wiser, more experienced people than me know this is far from the truth. As a result, I try very hard to remember that life ebbs and flows. Markets go up, and markets go down. Opportunity will boom, and opportunity will slow. And those who remain successful over the long term optimize for these waves of change. [HERE](#) are 7 things I encourage all 20-somethings to keep at the forefront of their minds when it comes to personal finances.

**"Ice Men" Only Hunt When Most Won't...** Wisconsin waterfowl guide Jeremy Dersham and New York deer hunter Joe DeNitto have earned the title of Ice Men... hunters who don't just endure harsh late-season conditions, but intentionally seek out the cold, the snow, the ice, and the wind. Why? Because they are confident that the worst of times weather-wise can be the best of times to hunt. I'm told there's nothing quite like heading out and seeing ice fishermen sitting on their buckets catching fish, or trappers walking around in the marsh checking their line, along with the bald eagles, and then there's the creaking and cracking of the river making ice. Ice Men say it's special—but there are details to keep in mind no matter where you're hunting late-season waterfowl. Read more about these extreme deer and duck hunters and what motivates them [HERE](#).







### **The John Deere "Can Do" Project... Feel Good Holiday Story!**

Every year companies face the challenge of having to market their products and in 2011 John Deere came up with not only a unique promotion but also a world record-setting one. I thought it was worth another look at how John Deere released the S-690 John Deere Combine seven years ago and set a Guinness World Record in the process. I mostly wanted to share it because the project was super cool and the holiday spirit was shone throughout. Building off what farmers do every day... feeding the world, the promotion used food cans to create the S-690 combine which was displayed harvesting corn. Over 300,000 cans of food would be needed to complete the "Can Do" project, shattering the previous Guinness World Record for a canned structure (previous record was 115,527 cans made by Disney VoluntEARS at Walt Disney World Resort on Feb. 11, 2010). More importantly, as the project was built around the holiday season, John Deere would donate thousands of cans of food to the River Bend Foodbank which served a record-setting 7 million pounds to the hungry residents in 22 counties that winter. Impressively, the canned structure measured 60 feet wide, 80 feet long, 16 feet tall and weighed 170 tons, using 308,448 cans in all. I'm told the idea and scale of the project was just something incredibly more than any of the 650 volunteers, most of them employees from 30 different offices, had ever seen before. As daunting as the project looked on paper, motivation didn't seem to be a problem with the prospect of getting in the Guinness Book of World Records. It's worth mentioning the project had other benefits as well, as employees were able to work with those within the company from different departments and with different perspectives. You can click [HERE](#) to see a couple of cool videos. One with interviews from the employees discussing the process and the other is a quick time-lapse from start to finish. (Source: wfcourier, machine finder)





### **The Best Cars and Trucks From The LA Auto Show**

Los Angeles plays host to the last major auto show of the year and always sees a number of major car launches, and this 2018 show was no different. Unsurprisingly,



given industry trends, trucks and SUVs played a starring role. We have assembled a few of our favorite vehicles unveiled this past week. Some will be hitting dealer showrooms soon, while others have a bit of work ahead of them before they become reality. (Source: PopSci, Jalopnik)

**Jeep Gladiator:** *It's been 16 years since Jeep last sold a pickup -- the Comanche -- but with the new Jeep Gladiator, it's back on the truck train. Based on the terrific new Wrangler JL platform, the Gladiator should be a solid entry in the fast-growing mid-size truck segment, competing with the Chevy Colorado, Ford Ranger, and Toyota Tacoma. And it's a real truck, too: The Gladiator sports a 7,650 pound towing capacity, more than double the Wrangler and 1,200 pounds higher than the best Tacoma.*



**Rivian R1T:** *Everybody has been breathlessly expounding on the amazingness of Rivian R1T and its three-second 0 to 60 time, endless storage cubbies and the fact that the creators continue to say that the production version will look just like this. Rivian is an electric car startup, and the R1T is their first vehicle and it is all-electric, a true EV. It will cost \$69,000 and will come with 105 kWh battery pack, good enough for about 230 miles or range, when it ships in 2020, with a 135 kWh version capable of more than 300 miles coming soon after launch. Rivian already has a staff of 600 and a factory in Michigan, so perhaps there is more than just vapor here. If this car does make it to market, Rivian has plenty of room to expand its "Skateboard" platform, which integrates the batteries and motors into one platform that can be adapted to different vehicles.*



**Lincoln Aviator:** *This is a smaller version of the Lincoln Navigator, which is packed with interesting tech. The drivetrain includes a plug-in hybrid-electric system that will allow for a range-not-disclosed electric only travel mode, as well as a smartphone-as-a-key system that hopefully works more reliably than the one in the Tesla Model 3. Given how popular the Navigator has been, the Aviator is likely to take off as well.*



**Porsche 911:** *The big joke you always hear about any new 911 is how they never actually redesign it. And Porsche fans will tell you that's because it's perfect the way it is. So, no dramatic redesigns here, but it is the eighth-generation 911. Porsche showed off its rear-drive and all-wheel drive models which utilize a 3.0 liter flat-six engine to produce 443 horsepower and 390 pound-feet of torque. The*



spring to 60 mph will take just 3.5 seconds and the car will top out around 190 mph. As for cool tech, the new 911 includes a wet weather detector that changes the car's driving behavior if sufficient water buildup occurs in the wheel wells and an advanced night vision mode.



**Audi e-tron GT Sedan:** Some in the car world are calling this a "Tesla killer." Yes, Audi says it's coming in 2021, and yes, it's electric and will have excellent range. But it's not here yet... it doesn't yet exist. Still, it looks incredible and Audi promises 590 horsepower, 0 - 60 mph in 3.4 seconds and range of 248 miles. Now, the GT's range still isn't anywhere near the Tesla Model S 100D and its 335 mile range, but the Audi does claim to beat its 4.1 seconds to 60 mph time. It's a real shame that we'll have to wait until 2021 till we see this beauty hit the roads.





### **The Best Cook In America**

As if you hadn't noticed, my family and I love great cooking! Many of our family traditions, get togethers, and happiest of moments have been shared around the dinner table. My grandmother, my mom, my wife, and my sister are all great cooks. They take pride in delivering a great meal to the family. My grandmother, mom and wife have also always gotten up early and cooked an amazing breakfast. As kids, on matter how busy we were, our family always had to eat together around the diner table. It was a rule that was in place and never questioned. My wife and I chose to continue the tradition with our children and are extremely glad we made the commitment. And yes, we also continued the traditions of waiting on everyone to be seated before eating, no elbows on the table, and absolutely no cell phones. Kind of funny, but my family has never been big sticklers on rules, expect when it came to the diner table. I should also mention, no one in our family has had any formal cooking experience or training. Both my wife and sister have kicked around the thought and idea of going to culinary classes, but neither have made the commitment. I thought it was cool the other day to see Dominique Crenn, become the first female chef in the U.S. to earn 3 Michelin Stars for her restaurant in San Francisco. She also earned a Michelin star for her new wine bar called Bar Crenn in the same city. In case you are wondering, "Michelin Stars" are a rating system used by the red Michelin Guide to grade restaurants on their quality. The guide was originally developed in 1900 to show French drivers where local amenities such as restaurants and mechanics were. According to the Guide, one star signifies "a very good restaurant", two stars are "excellent cooking that is worth a detour", and three stars mean "exceptional cuisine that is worth a special journey". Dominique Crenn was adopted at 18 months by a French couple from Versailles. She spent many summers at the family farm. Her mother, a cook with an adventurous palate, took her

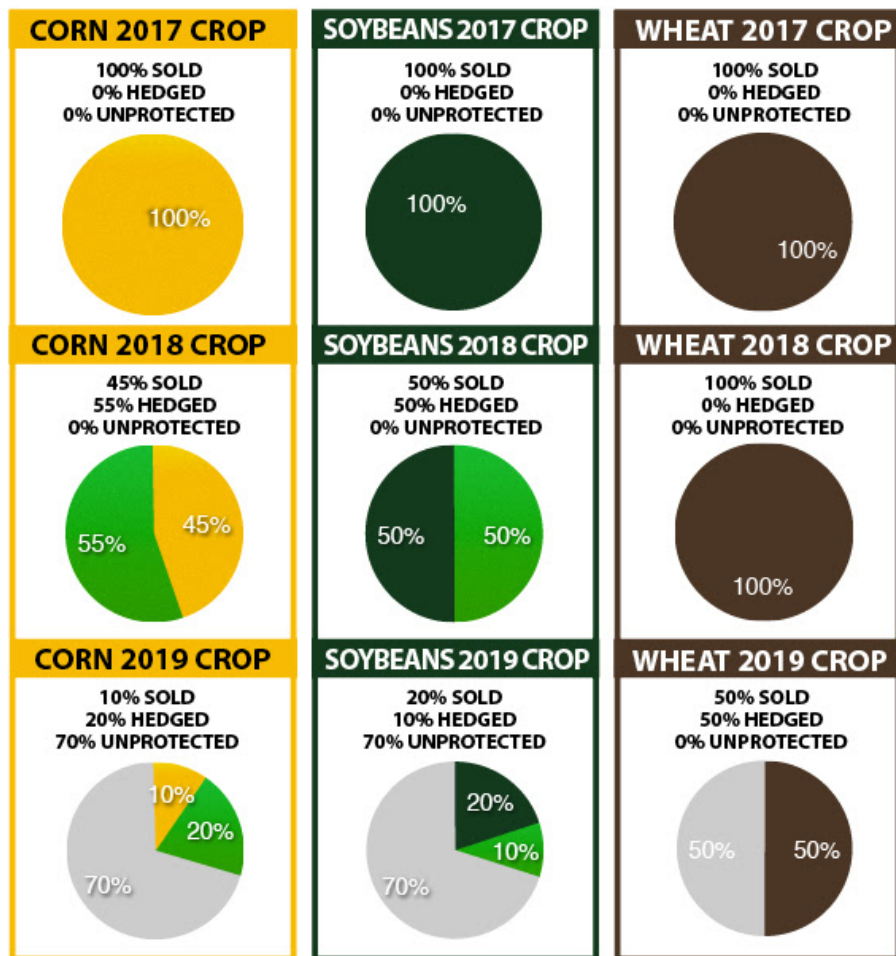
young daughter to experience Indian, Chinese, Japanese and Vietnamese restaurants. Crenn's experience on the family farm, her mother's love for cooking, and her visits to various styles of restaurants inspired her culinary tastes. She did what she thought was the "right thing" rather than chase her passion, so she earned a bachelor's degree in economics and a master's degree in international business. She was never personally satisfied so she decided to move to the United States to pursue her culinary aspirations. She decided that to be the best, she need to work with the best, so she targeted a job at a focus restaurant in San Francisco called Stars. She started at the bottom and slowly worked her way to the top. She later accepted a position as head chef for a restaurant in the Intercontinental Hotel. She climbed the ladder a couple of more times, before finally opening her own restaurant in 2011 called "Atelier Crenn" in San Francisco, California. She was awarded the Best female Chef in 2016 by world's 50 Best Restaurant awards. Crenn was recently featured in an episode of "Chef's Table" on Netflix. I did a bit more research and found her TED Talk on "defining success" worth the listen. In my opinion, her one big takeaway... SUCCESS is not about material possessions or famous friends, but about yourself and how you feel about yourself! I should also mention, Crenn is known for treating her staff extremely well, avoiding the yelling and scrutiny that was common in professional kitchens for decades. She is also known to greet her guests, walking from table to table. In other words, what has helped make her go from Good to Great is the fact she does all of the little things extremely well. You can view the short Ted Talk [HERE](#)



**ANSWER to riddle:** A bar of soap

## CASH SALES & HEDGING TOTALS

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