

GOOD MORNING: 12/11/18 Farm Direction - Van Trump Report

1 message

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

Tue, Dec 11, 2018 at 7:26 AM

Reply-To: Jordan <reply-feca157871640c7d-314_HTML-36250946-100003450-1@vantrumpreport-email.com>

To: info@farmdirection.com



"Someone once told me the definition of Hell: The last day you have on earth, the person you became will meet the person you could have become." - Anonymous

TUESDAY, DECEMBER 11, 2018
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Morning Summary: Stocks are higher this morning as rumors circulate that U.S. and Chinese officials, in a phone call between Vice Premier Liu He, U.S. Treasury Secretary Steven Mnuchin and Trade Representative Robert Lighthizer, have agreed to push forward the timetable and roadmap for the next stage of economic and trade consultation work. I suspect this means the two nations are going to try and speed up the negotiation process and at least take or announce that some steps in the right direction are being made. I mentioned yesterday, that the word "impeachment" was starting to show up in larger doses in the media and headlines. The trade seems to be giving the Mueller Investigation a bit more attention as of late, probably because we are about to see the Democrats take over the House majority in 2019. Make certain you understand, this will clearly create a lot of noise inside the market, but I'm not sure it will ever create a great deal of bite. Remember, even if the House were to impeach President Trump that doesn't mean he has to step down as the President. That would take a two-thirds vote by the Senate, which doesn't seem very likely since the Republicans will still be holding the majority. Keep in mind, this is the same thing that happened to President Clinton. He was impeached by the House back in December of 1998. The Senate voted in early February of 1999 not to impeach President Clinton. This was also the height of the [dot.com](#) bubble. It was in 1999 that shares of Qualcomm rose in value by +2,600%, 12 other large-cap stocks each rose over +1,000% in value, and 7 additional large-cap stocks each rose over +900% in value. The Nasdaq Composite rose +85% and the S&P 500 Index rose +19% in 1999. The bubble didn't burst until the Spring of 2000. It was early-January of 2000, that America Online, led by Steve Case and Ted Leonsis, announced a merger with Time Warner and the market wildly applauded. Then Fed Chair Alan Greenspan announced plans to aggressively raise interest rates, which led to significant stock market volatility as traders disagreed as to whether or not technology companies would be affected by higher borrowing costs. On March 10, 2000, the NASDAQ Composite stock market index peaked at 5,048.62. By mid-March headlines started circulating that Japan was entering a recession. At the time Japan was the world's #2 economy and had been a major driver of growth. Some argue eerily similar to China and the worries now surrounding their economy. It was also in March 2000 that the Federal Reserve raised interest rates, leading to an inverted yield curve. In early-April a judge found Microsoft guilty of monopolization and in violation of the Sherman Antitrust Act. By mid-April many of the high flying [dot.com](#) tech stocks were feeling major pressure. The Nasdaq Composite index fell by -25% in just one week. By early-November of 2000, most of the [dot.com](#) internet stocks had declined in value by -75% from their highs. The following year, September of 2001, the market was again hit by the 9/11 attacks. The Enron scandal was made public the following month in October of 2001. To say investor confidence had been rocked would be a huge understatement. Having lived through it once, I'm not sure why I wanted to replay the highlights, but the "impeachment" headlines have been getting more airplay and I wanted to go back and revisit the way it played out with President Clinton. I wasn't trading or investing during the 1973-74 Nixon impeachment proceedings, but from what I understand it was an entirely different landscape for the market as oil prices had shot through the roof and had a stranglehold on the U.S. consumer. As for how I'm playing the market today? I'm searching for selective longer-term bargains. I still think the overall stock market can trade lower nearby, but I do not see this as a start of a major bear market. As I've said the past few days, it feels more like a sloppy correction. Could we see any additional selloff? I think we could, that's why I'm not racing or in any hurry to be a major buyer across the board. I'm sticking with a

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disciplined approach and being very selective on the breaks. Headlines that have my nearby interest include: Chinese court banning Apple from selling certain versions of the iPhone. The court ruled in favor of Qualcomm that claims Apple has infringed on two of their patents. Keep in mind, Apple stock is one of the biggest holdings in many portfolio's and is currently down about -30% from its most recent highs. I should also note, Google CEO Sundar Pichai is testifying in front of the House Judiciary Committee today in a hearing titled "Transparency and Accountability: Examining Google and Its Data Collection, Use and Filtering Practices." Outside of the obvious transparency and data questions, I hear there will be some questions about why Google elected to cancel its Department of Defense contract working with the U.S. military's drone program and why they have elected to work with the Chinese government on a censored search engine codenamed "dragonfly"? From my perspective, this doesn't sound like the type of headlines or talk that will stop the nearby bleeding or give the tech industry a big boost of confidence. I'm also keeping an eye on headlines surrounding Brexit. Prime Minister Theresa May called an audible on the previously scheduled Brexit proposal vote, which was scheduled to take place today. This move leaves not only May's career but also the UK's social and economic futures very much uncertain. It also brings into question global banks that are tied directly or indirectly to the UK and somewhat dependent on the strength of their economy. Bottom-line, the stock market has been in need of a correction. In fact, it arguably needs a sizable correction to keep investors honest and on their toes. I suggested several months ago that I had shifted away from using a longer-term investor mentality or approach and started narrowing my holdings and taking on more of a "traders" mentality in order not to get caught wrong-footed should the market become extremely wild. I haven't changed my tune... liquidity remains the name of the game, I'm staying extremely selective and married to very few positions.

Deeper Dive Into U.S. Rig Counts: *Rigs engaged in the exploration and production of oil and natural gas in the United States totaled 1075 in the week ended Dec 7th, down one compared to the prior week. This is the third consecutive week we have seen a fall in rig count. This is still much higher than the total rig count of 931 reported last year at this time. Keep in mind, it was just in May of 2016 that the U.S. rig count total had slipped to an all-time low of 404. If you are looking for specifics, we pulled 10 U.S. oil rigs offline this past week and added 9 natural gas rigs. Interestingly, we are still only running about half the number of oil rigs, 877 in total, compared to the peak of 1,609 attained in October 2014. The natural gas rig count jumped from 189 the previous week to 198 last week. But the number of natural gas-directed rigs is almost -88%, below the all-time high of 1,606 rigs in 2008. I find it interesting to look deeper into the numbers. You can find more details [HERE](#)*

Voyager 2 Goes Interstellar: *Eleven billion miles from Earth, NASA's long-lived Voyager 2 probe, still beaming back data 41 years after its launch in 1977, has finally moved into interstellar space, scientists revealed Monday, joining its sister ship Voyager 1 in the vast, uncharted realm between the stars. Voyager 2 moved past the boundary of the heliosphere, the protective bubble defined by the sun's magnetic field and electrically charged solar wind, on Nov. 5. The transition was marked by a sharp decline in the number of charged particles detected by the spacecraft's plasma science experiment, or PLS. The instrument has not detected any signs of the solar wind since then. Just consider that everything transmitted back home is being seen for the first time, making many of the staff working on the project feel like true explorers! How cool... read more [HERE](#).*

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Today In History



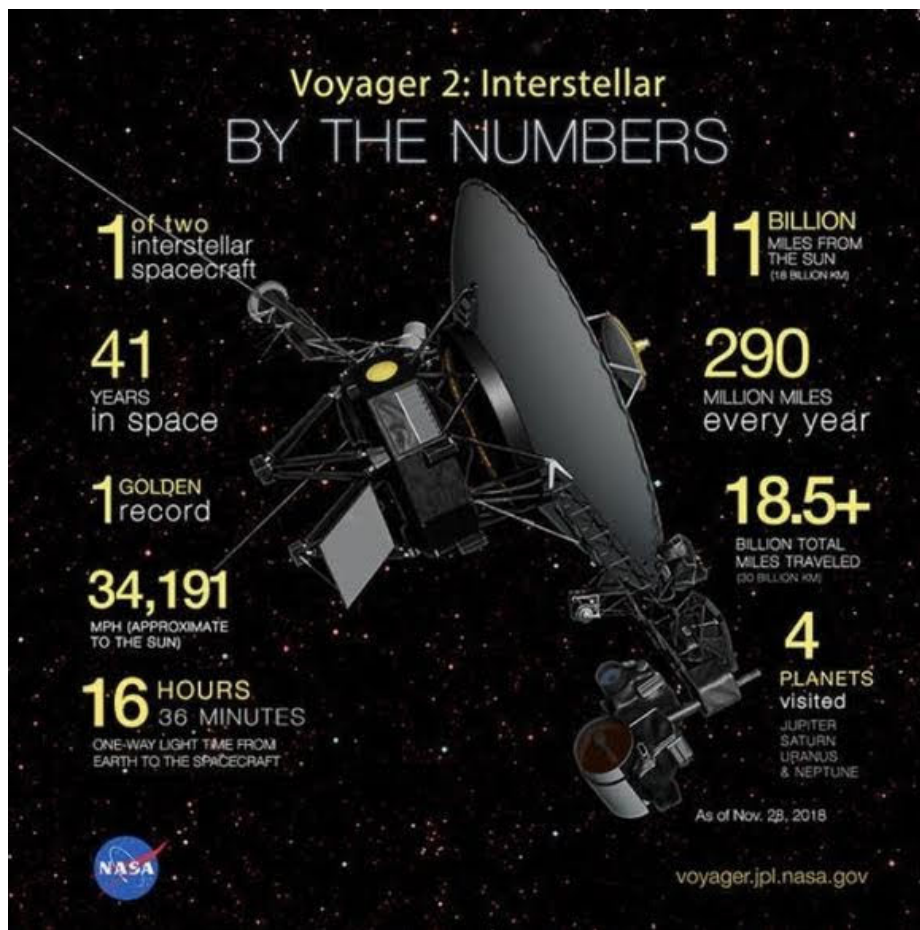
1815, First Trade Agreement - On this day in 1815, President James Madison (1809-1817) presents to Congress a trade agreement

with Great Britain that would regulate commerce between the two countries. The agreement came just one year after the signing of the treaty that ended the War of 1812. The commerce agreement secured America's autonomy on the high seas, but more importantly, it signified Britain's acceptance of America as a separate nation with the will and capacity to defend its interests. Resentment left over from the American Revolution (1775-1783) between Britain and the United States erupted into a second full-scale war when Britain began harassing American shipping. Beginning during the administration of America's third president, Thomas Jefferson (1801-1809), British warships occasionally fired on and boarded American navy or merchant ships while patrolling the seas for enemy French. To add insult to injury, the British "impressed" or involuntarily drafted American sailors to serve on British warships. This affront to America's autonomy led Madison to ask Congress for a declaration of war against Britain in 1812. In 1814, the British captured the city of Washington and burned the White House, but not before Madison's plucky wife, Dolley, saved a portrait of George Washington from looters. The U.S. emerged victorious in this "second war of independence" against Britain and as a result gained confidence in its military capabilities and a stronger sense of national identity. During the ensuing peace negotiations, Madison's administration extended an olive branch to the British, suggesting that the two countries shared mutual interests and ought to be collaborating in commerce rather than endangering "their future harmony." Although Madison described the 1815 maritime trade agreement as "conciliatory," he also emphasized America's insistence that American navigation be "confined to American seamen," free from international (i.e. British) interference. Madison thus signaled to the world that America would continue to vigorously defend her territory and economic interests.



1936, Edward VIII Abdicates - After ruling for less than one year, Edward VIII becomes the first English monarch to voluntarily abdicate the throne. He chose to abdicate after the

the throne. He chose to abdicate after the



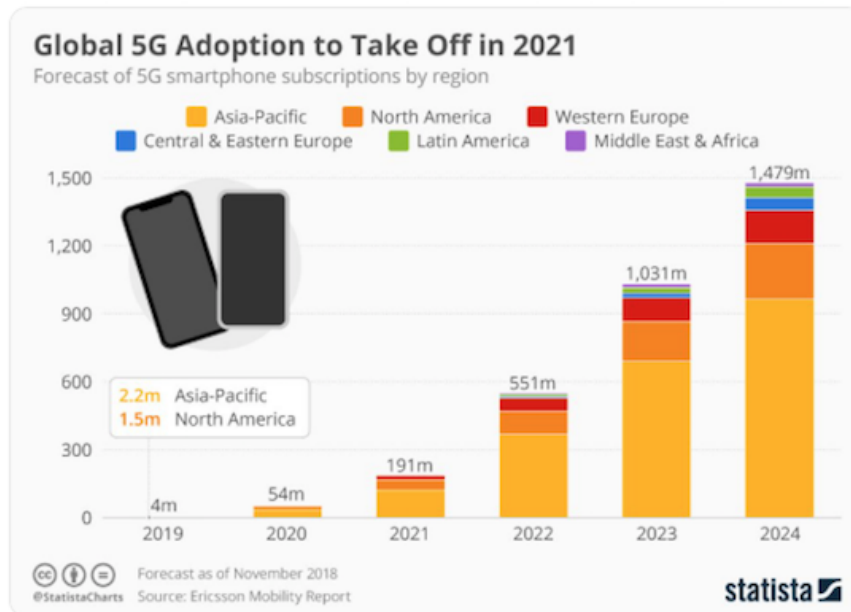
FARM TANK

Tweets of the Day



British government, public, and the Church of England condemned his decision to marry the American divorcée Wallis Warfield Simpson. On the evening of December 11, he gave a radio address in which he explained, "I have found it impossible to carry on the heavy burden of responsibility and to discharge the duties of king, as I would wish to do, without the help and support of the woman I love." On December 12, his younger brother, the duke of York, was proclaimed King George VI. Edward, born in 1894, was the eldest son of King George V, who became the British sovereign in 1910. Still unmarried as he approached his 40th birthday, he socialized with the fashionable London society of the day. By 1934, he had fallen deeply in love with American socialite Wallis Warfield Simpson, who was married to Ernest Simpson, an English-American businessman who lived with Mrs. Simpson near London. Wallis, who was born in Pennsylvania, had previously married and divorced a U.S. Navy pilot. The royal family disapproved of Edward's married mistress, but by 1936 the prince was intent on marrying Mrs. Simpson. Before he could discuss this intention with his father, George V died, in January 1936, and Edward was proclaimed king. The new king proved popular with his subjects, and his coronation was scheduled for May 1937. His affair with Mrs. Simpson was reported in American and continental European newspapers, but due to a gentlemen's agreement between the British press and the government, the affair was kept out of British newspapers. On October 27, 1936, Mrs. Simpson obtained a preliminary decree of divorce, presumably with the intent of marrying the king, which precipitated a major scandal. To the Church of England and most British politicians, an American woman twice divorced was unacceptable as a prospective British queen. Winston Churchill, then a Conservative backbencher, was the only notable politician to support Edward. Despite the seemingly united front against him, Edward could not be dissuaded. He proposed a morganatic marriage, in which Wallis would be granted no rights of rank or property, but on December 2, Prime Minister Stanley Baldwin rejected the suggestion as impractical. The next day, the scandal broke on the front pages of British newspapers and was discussed openly in Parliament. With no resolution possible, the king renounced the throne on December 10. The next day, Parliament approved the abdication instrument, and Edward VIII's reign came to an end. The new king, George VI, made his older brother the duke of Windsor. On June 3, 1937, the duke of Windsor and Wallis Warfield married at the Château de Candé in France's Loire Valley. For the next two years, the duke and duchess lived primarily in France but visited other European countries, including Germany, where the duke was honored by Nazi officials in October 1937 and met with Adolf Hitler. After the

Global 5G adoption to take off in 2021 #5G #5GForecast #infographics #statistics



outbreak of World War II, the duke accepted a position as liaison officer with the French. In June 1940, France fell to the Nazis, and Edward and Wallis went to Spain. During this period, the Nazis concocted a scheme to kidnap Edward with the intention of returning him to the British throne as a puppet king. George VI, like his prime minister, Winston Churchill, was adamantly opposed to any peace with Nazi Germany. Unaware of the Nazi kidnapping plot but conscious of Edward's pre-war Nazi sympathies, Churchill hastily offered Edward the governorship of the Bahamas in the West Indies. The duke and duchess set sail from Lisbon on August 1, 1940, narrowly escaping a Nazi SS team sent to seize them. In 1945, the duke resigned his post, and the couple moved back to France. They lived mainly in Paris, and Edward made a few visits to England, such as to attend the funerals of King George VI in 1952 and his mother, Queen Mary, in 1953. It was not until 1967 that the duke and duchess were invited by the royal family to attend an official public ceremony, the unveiling of a plaque dedicated to Queen Mary. Edward died in Paris in 1972 but was buried at Frogmore, on the grounds of Windsor Castle. In 1986, Wallis died and was buried at his side.



1981, Muhammad Ali vs. Trevor Berbick - On this day in 1981, the Jamaican boxer Trevor Berbick beat former heavyweight champion

Muhammad Ali in a unanimous 10-round decision, before a crowd of 10,000 at the Queen Elizabeth Sports Centre in Nassau, the Bahamas. At the age of 39, Ali (born Cassius Clay) was attempting his second comeback from retirement. Crowned as the World Boxing Council (WBC) heavyweight champ in 1964 after beating Sonny Liston, he had successfully defended the title eight times before he was convicted of draft evasion in 1967, stripped of his boxing license and title and sentenced to five years in prison. Though the conviction was later overturned by the U.S. Supreme Court, Ali was inactive for two years and announced his retirement in 1970. He returned to the ring after only a short time, however, and regained his heavyweight title in 1974 after a win against George Foreman in Zaire. After losing and regaining the crown again in 1978, Ali announced his retirement for the second time. He reemerged in October 1980 to fight a championship bout against Larry Holmes, who knocked him out in the 11th round in a one-sided battle. Ali refused to accept the result, however and pushed to set up the fight with Berbick in the Bahamas in order to prove himself. Immensely popular with the fans, Ali put in his best performance in the middle of the Berbick fight, seeming to win the fifth and sixth rounds with his combinations and aggressive punches. From the seventh round on, however, control belonged to the 27-year-old Berbick, whose speed and power allowed him to inflict a series of damaging

America's 10 hottest delivery foods, according to Grubhub yhoo.it/2RJPOLX by @melodyhahm



punches, batter Ali in the corner, land a punch to the head in the ninth, and get him on the ropes in the tenth. In the end, all three judges gave the match to Berbick. Ali retired for good after the fight, finishing his career with an overall record of 56-5 and earning a lasting reputation as one of the 20th century's most influential sportsmen. For his part, Berbick won the WBC heavyweight title in 1986 but was beaten in his first defense by the 20-year-old Mike Tyson. Berbick continued boxing for another 14 years but was plagued by issues in his personal life, including various arrests and a conviction for sexual assault. His boxing license was revoked in 2000 after a post-fight CAT scan found a blood clot in his brain. In October 2006, Berbick was found dead, with massive wounds to the head, in a church courtyard in his native town, Norwich, near Kingston, Jamaica. His 20-year-old nephew and a friend were charged in the killing.

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

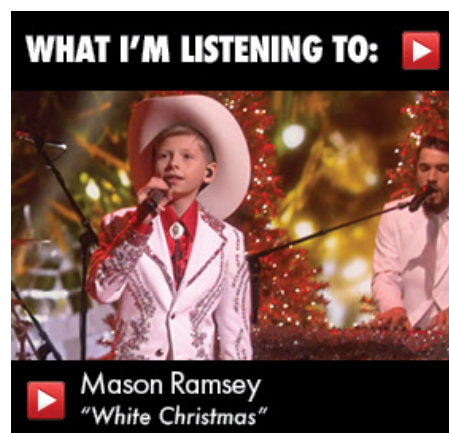
Tues. 12/25 - Christmas Day; US Markets Closed

Fri. 12/28 - Export Sales

You had one job!



Kevin's Song of the Week



Kevin's Song of the Week



Terry Reesor
@TeeReese66

Following

Corn cookin evening! #Harvest18



Dee Vaughan
@txvaughan

Following

The last one is always a runt! End of #harvest2018 ahead of the next snow.



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

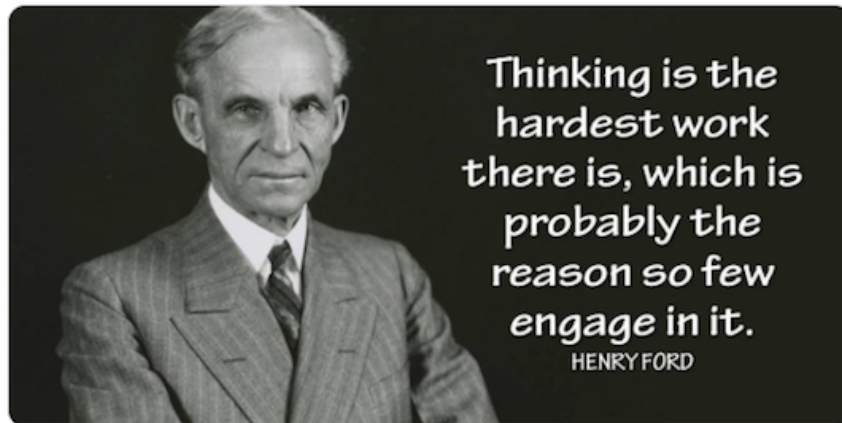
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis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



Thinking is the hardest work there is, which is probably the reason so few engage in it. - Henry Ford #quote #WednesdayWisdom



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.

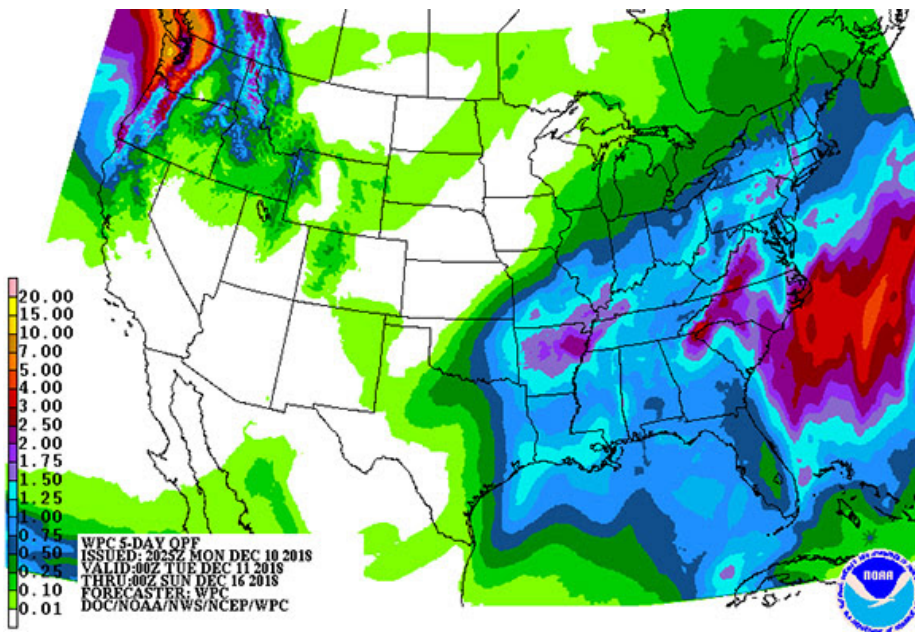


As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

Everyone asks for me, but everyone hates to face me. For some I am agony. For others, I am relief. What am I?

Weather on the Corn Belt is expected to be cold and dry this week, though mostly shallow Midwestern snow cover exists. As fields continue to freeze more firmly, corn and soybean harvest efforts are nearing completion. Temperatures in most Midwestern locations dipped below 20 degrees F yesterday. On the Plains, mild weather is starting to overspread northern areas. With all southernmost sections of the Plains experiencing dry weather in recent days, producers have nearly completed autumn fieldwork. In the South, snow has finally tapered off. Snow depths across Virginia and North Carolina are up to 11 inches in areas. A period of generally tranquil weather will prevail through mid-week. Lingering precipitation in the southern Mid-Atlantic region will end later today, but rain and snow showers will spread further inland across the Northwest. By mid-week, a new storm system will emerge from the Rockies and cross the southern Plains. Late in the week, the slow moving storm will produce another round of heavy precipitation across the South and could result in accumulating snow from the Ohio Valley into parts of the eastern U.S. Five day precipitation totals could reach 1 to 2 inches or more from the Mississippi Delta into portions of the East, but mostly dry weather will prevail from the Southwest to the northern and central Plains and upper Midwest. Below is the 5 day precipitation outlook where you can see what kind of rain and snow we are looking at later this week.



Corn continues to trade in a narrow range ahead of headline uncertainty surrounding both the USDA and Chinese trade talks. Bulls are hoping the Chinese rumors are correct and that they are going to soon step in as healthy buyers of U.S. corn and ethanol. Bears are quick to point out if nothing develops or comes from the recent rounds of talks with the Chinese, the USDA may have no choice but to start backpedaling a bit in regard to their export and ethanol demand estimates. We also have to keep in mind, the USDA will probably be lowering their total U.S. production estimate. The late weather extremes and delays in harvest in several locations will eventually weigh on total U.S. production. On the flip side, it seems like South American production estimates are starting to creep higher. Net-net, probably not much change in the global balance sheet. Technically, the nearby MAR19 contract continues to see stiff resistance up in the \$3.90 to \$4.00 range. The new-crop DEC19 contract is looking at stiff nearby resistance in the \$4.05 to \$4.15 range. From my perspective, we need to see some positive Chinese headlines sooner rather than later. The bulls have done a good job to this point, but I worry about how long they can hold on without fresh new headlines. If they are forced to go back to digesting the traditional fundamentals we may lose some bullish interest and momentum. I know harvest is over and most are eager for a break, but we need to stay fully engaged as some pricing windows might open up and present themselves. If we can post a nice rally this week, I will probably be looking for ways to reduce a bit more risk. Staying conservatively bullish!

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

Apple Cider Mimosa

CLICK TO SEE RECIPE

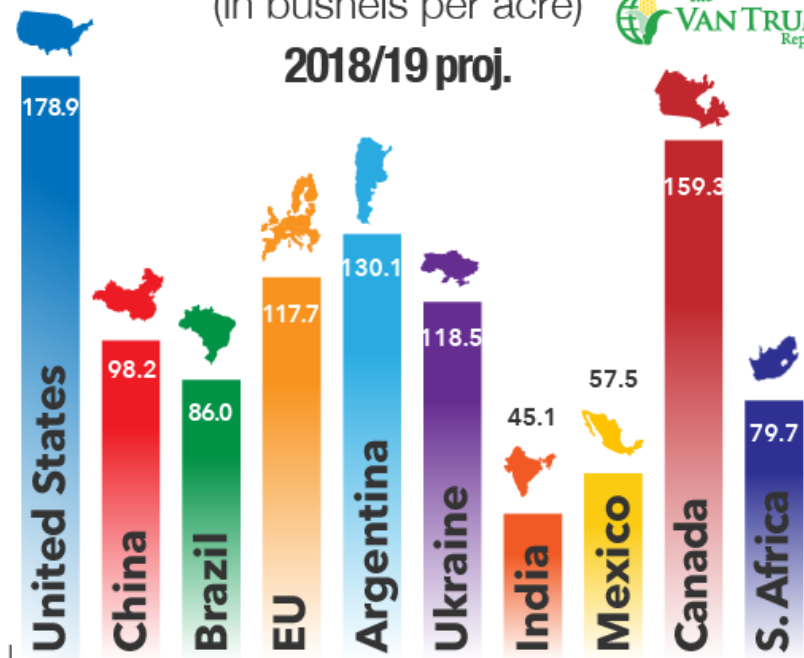
Top Corn Producing Countries

Yield Comparison

(in bushels per acre)



2018/19 proj.

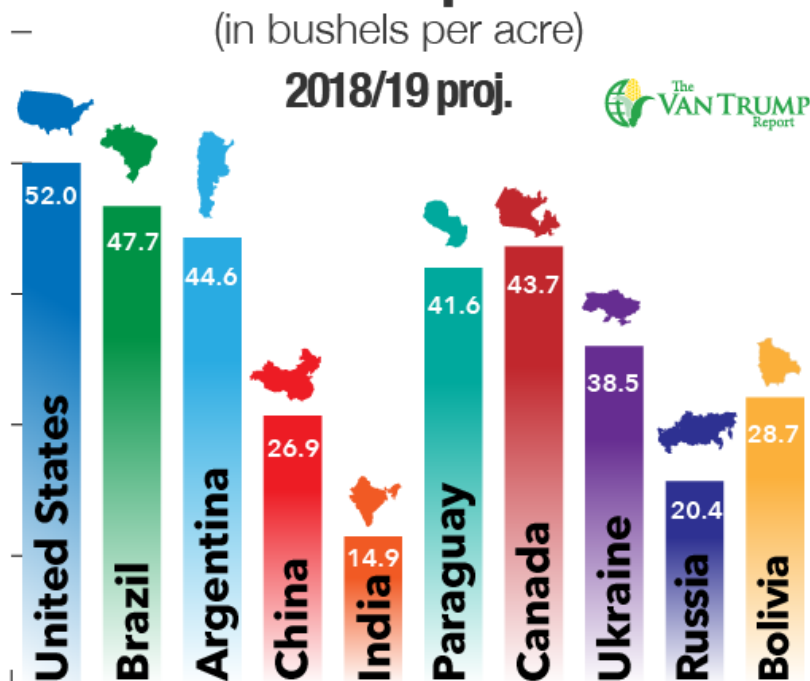


Source: USDA, FAS, PS&D 12/10/18

Soybean traders continue to debate Chinese trade headlines. Today's talk that U.S. and Chinese officials are trying to speed up negotiations is being debated against yesterday's move by the Chinese courts to block the sale of Apple phones. Regardless of the headlines, I continue to hear rumors that the Chinese are planning to buy +5 MMTs to +8 MMTs of U.S. soybeans to replenish state reserves. There seems to be a lot of uncertainty about when the purchases will be made and if the Chinese are going to take steps towards dropping the current 25% tariff. The Chinese trade headlines remain fluid and seem as if they could change at almost any moment. I continue to pay close attention. As for South American production, it feels like the USDA is still a bit too conservative with their current estimate and forecast. Perhaps those numbers will be bumped a bit higher in today's report? Bulls could argue that conditions in parts of central and southern Brazil are starting to get a bit dry, where as it was recently thought to be too wet in the northern portions of the country. Soybean planting in Brazil is thought to be wrapping up and nearing completion. Planting in Argentina recently passed the half-way point, is gaining momentum, but still running a bit behind their traditional pace. It sounds like a few areas have been battling some weather extremes but have started to see conditions improve. On top of South American weather, I am keeping an eye on headlines surrounding a trucker strike in a couple of Brazilian states. It's not really creating any type of problem as of yet, but is worth having on the radar. Here at home, it's all about today's USDA report. As I mentioned yesterday, I could see the USDA pausing for a moment, waiting to see China's next move. If nothing comes from the current trade talks, I suspect the USDA will eventually be forced to start lowering their export demand estimate. I have to imagine the delay in harvest and late acres left in the field will prompt the USDA to lower their U.S. production estimate. Where and how significant the reduction remains the big question? Will the USDA wait on the 90-day trade window to expire before adjusting demand? Technically, I still see a ton of resistance in the JAN19 contract up between \$9.20 and \$9.35 per bushel. I suspect as a producer, if we can catch a rally into that region I will be looking to reduce a bit more nearby price risk. Let's also keep in mind, the new-crop NOV19 contract is still trading north of \$9.50 per bushel. Last Friday's close of \$9.61² was the highest close we've seen in the NOV19 contract since mid-June. In other words, if you feel undersold or think you need to reduce more longer-term risk, you might have an opportunity. We need to continue paying very close attention to the Chinese headlines.

Top Soybean Producing Countries

Yield Comparison



Source: USDA, FAS, PS&D 12/10/18

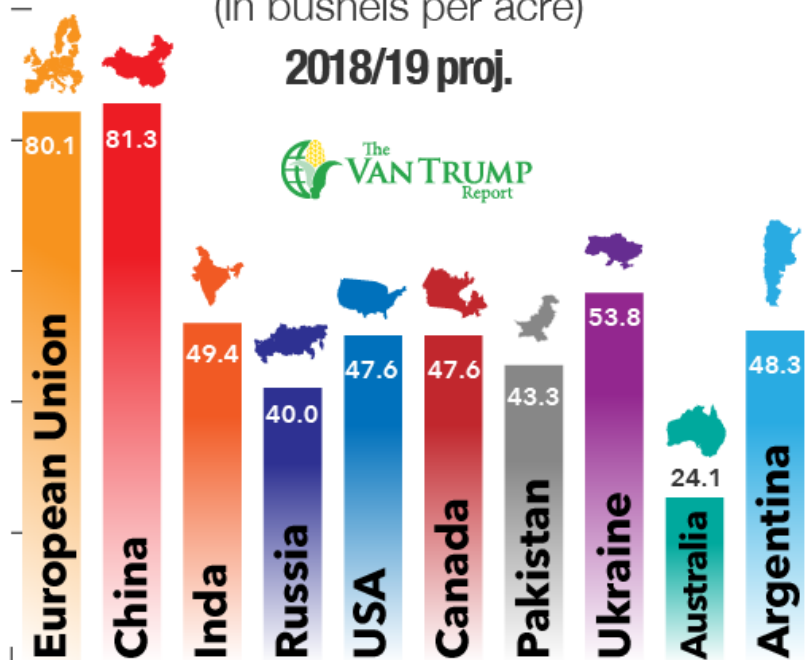
Wheat traders are eager to see the latest adjustment by the USDA. Most are looking for a slight increase in U.S. ending stocks as overall export demand remains less than forecast. Bulls are hoping the USDA will pause, waiting to see the next move by the Chinese. Rumors continue to circulate that the Chinese will be stepping in at some point as buyers of U.S. wheat. That would definitely be good news for the wheat market, but for the moment it remains only an optimistic hope and not a definitive headline. I also continue to keep a close eye on the conflict brewing between Russia and Ukraine. Two weeks after Russia fired on and seized three Ukrainian vessels in the contested Kerch Strait, satellite images circulating show that Russia might be sending additional forces to the region. I should also note, Ukrainian President Pyotr Poroshenko has signed a law terminating the Treaty on Friendship, Cooperation and Partnership with Russia. Russia and Ukraine signed the Treaty on Friendship, Cooperation and Partnership back in May 1997. Bottom-line, I still think the underlying landscape has heated up for a Russian-Ukraine conflict. As both a producer and a spec, I remain conservatively bullish. I also, understand that the nearby USDA data could be digested as slightly more bearish, especially if we take another small step towards a 1.0 billion bushel ending stock number. I just think there's more upside potential in the wheat market during the next 90-days. Staying patient...

Top Wheat Producing Countries

Yield Comparison

(in bushels per acre)

2018/19 proj.



Source: USDA, FAS, PS&D 12/10/18

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



> Keeping the Door Open on Trade Talks with China: *From what I understand, China and the United States discussed a road map for the next stage of their trade talks on Tuesday, during a telephone call between Vice Premier Liu He and U.S. Treasury Secretary Steven Mnuchin and Trade Representative Robert Lighthizer. No details were offered but a U.S. Treasury spokesman did confirm the call.*

> China to More Than Triple Ethanol Production Capacity: *With demand for the commodity expected to surge as the country shifts toward cleaner fuels, China is set to triple output capacity by 2020. From what I understand, the nation is currently building or seeking approval for new ethanol plants with capacity to produce 6.6 million tons of the biofuel a year.*

> A Bacon Vending Machine? *That's right. Ohio State University students can fuel up on pork as they study for finals. A bacon vending machine has been installed on the Columbus campus and offers cooked bacon strips and bacon bits for \$1. The Ohio Pork Council sponsored the machine, and it received bacon donations from Smithfield, Hormel and Sugardale. Proceeds from the machine will go toward Ohio State's meat science program. (Source: AP)*

> Ukraine Prime Minister Groyzman Shares Record Grain Production: *Ukraine harvested a record 70 million tons of grain in 2018 according to Ukraine Prime Minister Groyzman, who shared the results at a business forum today.*

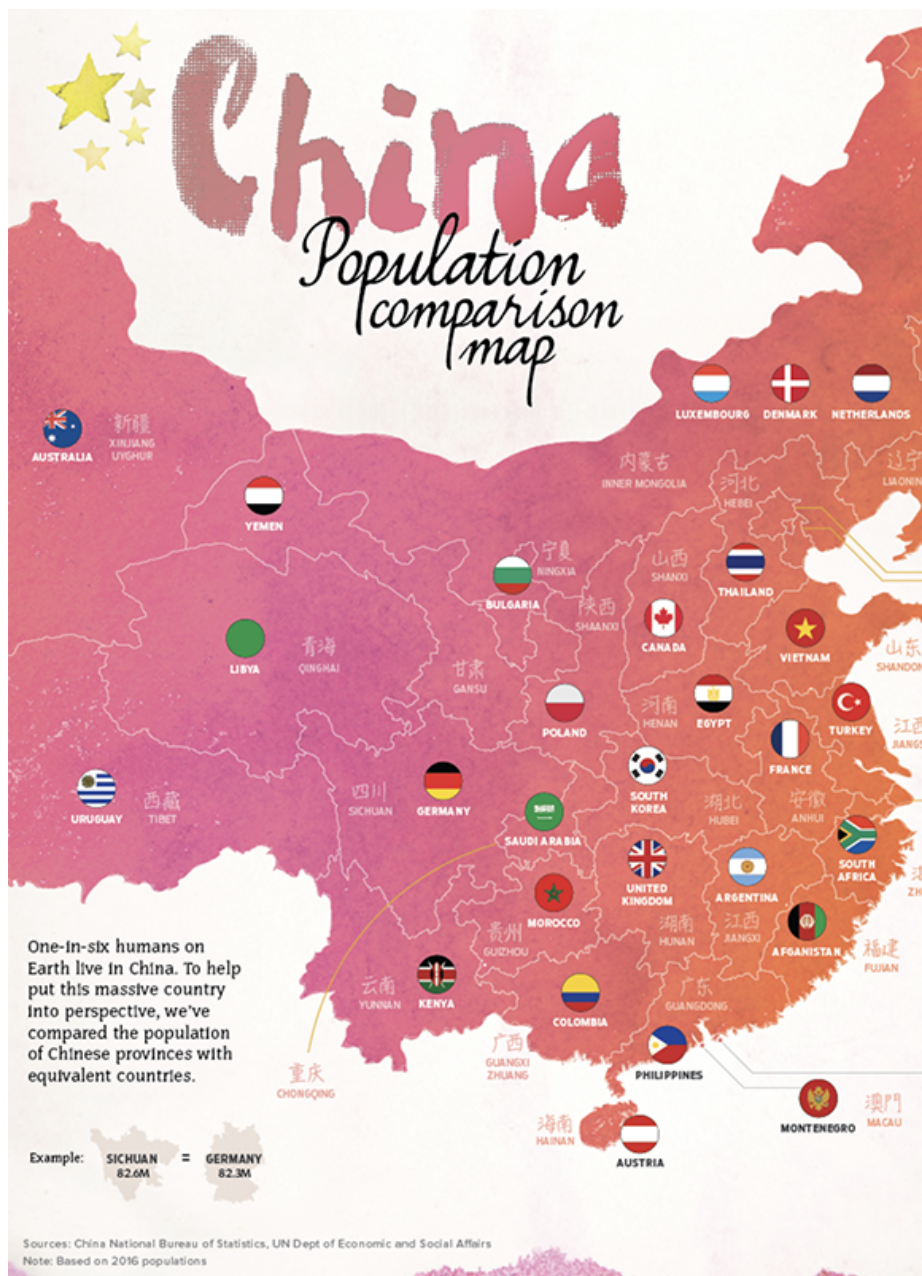
> 80 People Linked to E. coli From Romaine: *With reports of nearly 80 people in the U.S. and Canada ill in an E. coli outbreak linked to romaine lettuce, the FDA said at least 10 distributors, 11 farms and 12 growers are implicated, based on shipping records.*

> Former Ag Secretary Bergland Passes Away: *Bob Bergland, who was Agriculture secretary under President Jimmy Carter, died Sunday at age 90. As ag secretary, Bergland had the difficult job of defending to Midwest farmers Carter's unpopular 1980 decision to embargo grain sales to the Soviet Union after the invasion of Afghanistan in 1979. Bergland, a northern Minnesota farmer, died at a nursing home in his hometown of Roseau, near the U.S. - Canadian border. (Source: AP)*

> Nobel Peace Prize Awarded: *Dr. Denis Mukwege, a Congolese gynecologist, and Nadia Murad, a Yazidi human rights activist from Iraq, have been awarded the Nobel Peace Prize for their work toward ending the use of sexual violence as a weapon of war. Murad, who is the UN's Goodwill Ambassador for the Dignity of Survivors of Human Trafficking, was kidnapped by ISIS in 2014 at the age of 21, surviving rape and torture at the hands of militants before finally escaping. After her ordeal, she testified about her experience as well as the broader oppression of the Yazidi minority group in Iraq in front of the UN Security Council, demonstrating what the Nobel committee called "uncommon courage in recounting her own suffering".*

> Uber Files For IPO Sometime in 2019: *Following hot on the heels of its smaller rival Lyft, Uber confidentially filed S-1 paperwork for its own initial public offering. Both planned IPOs are shaping up to be among the biggest in a spate of offerings aimed for 2019. Uber's filing indicates that it could go public as soon as the first quarter -- sooner than many expected. The company's banking advisers have suggested the ride-hailing firm could go public at a valuation of \$120 billion, which would dwarf the market capitalization of more established companies such as Goldman Sachs, putting it at around the same value as IBM or McDonald's. Source: Recode)*

> China's Provinces Rival Entire Countries In Population: *One-in-six humans on Earth's live in China. To help put this massive country into perspective, Visual Capitalist has put together a comparison between the Chinese provinces with equivalent countries in terms of population. Going forward, China's population may cease to be a strength that contributes to rapid economic growth. In the wake of the infamous one child policy, the country could soon be dealing with the demographic time bomb of a rapidly aging population. By 2050, almost four in ten people in China will be above the age of 60, which will create an added strain on the already declining working-age population. (Source: Visual Capitalist, Population Pyramid) Click graphic below for a larger picture.*



Northcentral Missouri – Seems like everyone one is done but one guy. He has been plugging away but seems to never end. He is the guy that runs the oldest equipment and seems to have his combine pulled in his shop then his field. Other than everyone else is done. We had soybeans that made a decent yield and we had others that didn't make anything depending to soil type. We had field by field that didn't look like the same crop at all in early July.

Central Maryland – We didn't do well on any of the crops that we put together. Soybeans are literally being bush hogged down because they are rotten. Some insurance companies are telling guys to harvest corn and see if it passes at the Mills, but we all know it won't. We had almost double the rain as a normal year which a majority of it fell during the growing season. We have really sick looking corn that will not store so we are going to be dumping it in a hole and collecting insurance. I'm doubting anyone will pay anything for our 40 bushels disease ridden corn.

Central Indiana – We are 100% done but nothing was done easily. We had record yields, upper 80's on soybeans and 250 plus on corn. We did not have an easy time getting anything out due to rain and conditions. We never buried a combine, but we did pull a few neighbors out of the field that needed help. We have tracks or there's no doubt we would have pushed into some rough water, literally but the tracks paid dividends this year. I got tracks when everyone called me crazy, but I feel like I got the last laugh because they inflated the price of tracks by almost double right in the middle of harvest.



California is First State to Add Solar Panels to Home Building Codes: *Completing a decade-old initiative, California has finally and irrevocably added solar panels as a requirement in the California building code. From 2020 onwards, all new homes being constructed will be required to have 2-3 kilowatts of their electricity sourced from solar panels. Unfortunately, the upfront cost of installing that many solar panels range from \$8,000 to \$12,000, at a time when California house prices are through the roof. Rather than targeting the 7-8 kilowatts the average home consumes, the solar panel minimum is as low as a quarter of that to make sure that consumers aren't paying more than they need to. But to shrink the gap between sustainable and fossil fuel provided power, electricity saving measures such as better insulation must also be implemented. These will cost about \$1,500 per home. Trend or a west coast thing? Read more [HERE](#).*

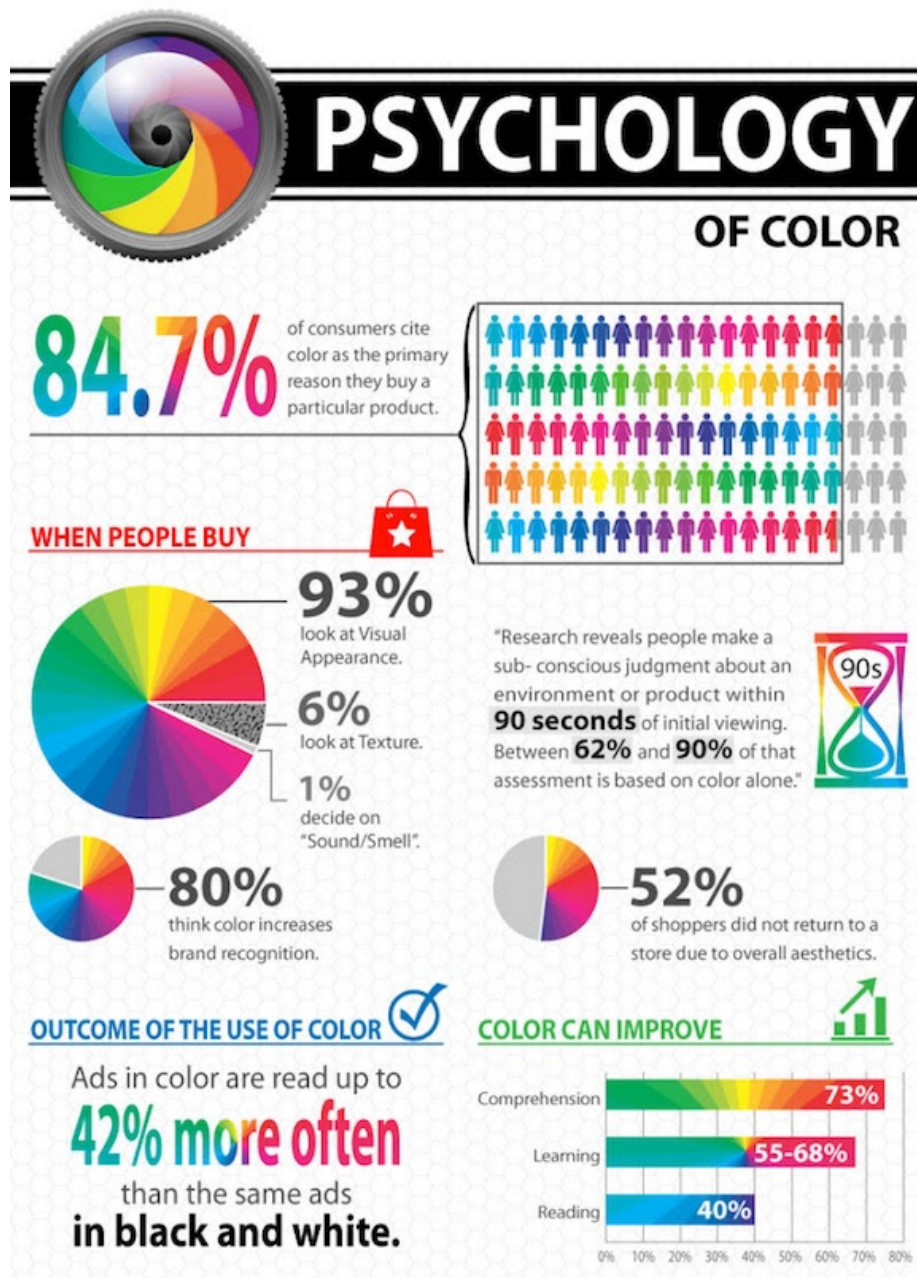
Check out the Exotic New Nissan GT-R50: *Nissan announced Friday that orders for its exotic GT-R50 by Italdesign, limited to 50 units, are now open. The Japanese automaker revealed the car at the 2018 Goodwood Festival of Speed in July to celebrate the 50th anniversary (hence the name and production number) of the GT-R nameplate, first appearing on the original Skyline GT-R as revealed at the 1968 Tokyo Motor Show. Nissan based the GT-R50 on a 2018 model year GT-R Nismo, but crammed a multitude of parts developed by its GT3 program into the engine. Thus, the GT-R50 can slam down 710 horsepower and 575 pound-feet of torque—145 more horsepower and 108 pound-feet more than a base GT-R. See pics and get more details [HERE](#).*

Stop Stressing in Your Search for Fulfillment: *In 1954, psychologist Leon Festinger suggested that the reason we compare ourselves to others is to drive personal growth and improvement. He called this "social comparison theory." Today's social media epidemic makes all this comparison both easier and more challenging. In a few clicks, we can find out whether we're keeping up with our high school friends or our old college buddies, even though we know that those pictures don't always reflect reality. Comparing yourself to others is part of being human, but you can't view work-life fulfillment like a competitive sport. Every situation is different. Every family is different. Every work dynamic is different. There's already enough burden for us to get our work and personal life right, we don't need the judgment of others—or ourselves—to make it any tougher. When we judge, we are inadvertently driving people away. As humans, we crave connections, not separation. It's not easy to stop comparing yourself to others, and it's even harder to be fully satisfied with life. Click [HERE](#) for a few ideas on gaining fulfillment without all the stress.*

Will 5G Make a Difference? *We're told 5G is coming soon even though Apple will skip it in the next-gen wireless service in the 2019 iPhone, but I'm told most Android manufacturers have made one thing certain: they'll have at least one 5G offering as early as summer 2019. With casual internet browsing already at incredible speeds, paired with healthy download times on even the largest 4K movie and TV files, it seems ambiguous as to how impactful 5G will be on our day-to-day lives. So what does this mean for the future of WiFi? 5G will probably mark the end of traditional WiFi versus cellular signal connections. All devices will run on the 5G NR standard. This should open up a new-era of truly "always connected" mobile devices. Rather than hunt for WiFi on your iPad and an LTE signal for your iPhone, you'll simply seek 5G. The story spans much farther than just iPads and smartphones as devices will simply remain connected regardless of location. Sounds like the start of the IOT and total connectiveness. Read more [HERE](#).*

How Color Affects Your Buying Decisions... and Your Customers: *If you plan to re-vamp your logo or your website, if you're planning an office redesign, or if you own a products-based business, this infographic is for you! Did you know that a whopping 84.7 percent of people say that color is a primary reason they buy a product? Or that a stunning 52 percent of people don't return to certain stores because they don't like the store's aesthetics? Orange, one of ShortStack's signature colors, is associated with warmth, excitement and enthusiasm — adjectives that we think sum us up nicely!*

Admittedly, we were surprised to learn that green is used in stores to help shoppers relax. Get the full spectrum of how color persuasion plays a big role in everyday life...and advertisements, full graphic [HERE](#). Thanks to the good folks at WebFX for putting this chart together.

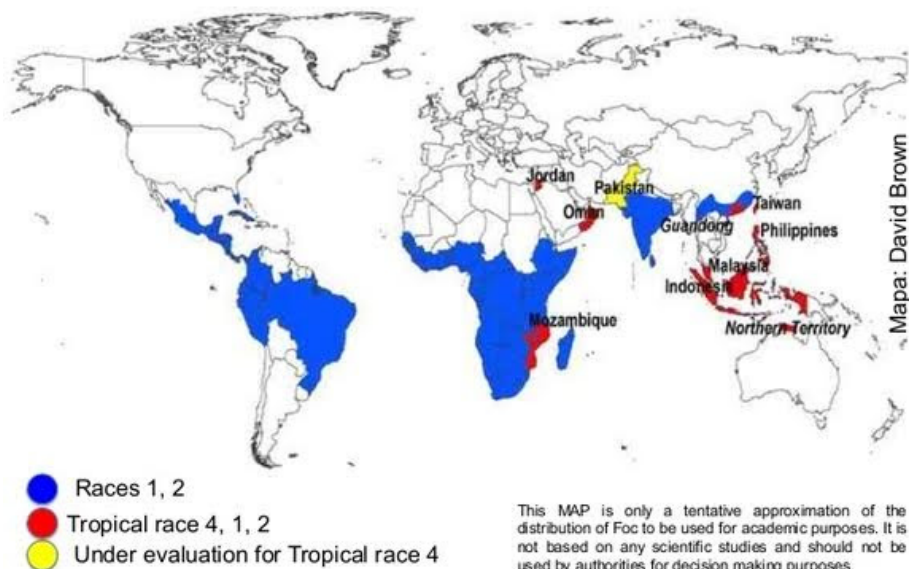


Growing Bananas Without Using Soil

Chiquita Brands International, one of the biggest banana producers and Gert Kema, a leading banana expert and the head of tropical phytopathology at Wageningen University in the Netherlands, are preparing to harvest the world's first crop of Cavendish bananas grown without soil. Motivating this extreme measure of production is the deadly Panama disease, a soil-dwelling fungus that is devastating plantations around the world and is threatening the future of the fruit. It's worth mentioning that the Cavendish variety accounts for 95% of all bananas sold in the \$36 billion industry. Once again, the banana industry finds itself in dire straights as the Cavendish monoculture, based on a single genetic clone, is vulnerable to disease. Many of us weren't even born the last time the industry incurred this dilemma which led to the once famous Gros Michel banana being wiped out in the 1950's and now the

replacement variety Cavendish is at risk. Interestingly, after the Gros Michel's were wiped out, the United Fruit Company, leading producers at the time, believed that if they were able to find another banana, one that vaguely resembled the Gros Michel but was resistant to the pathogen, it could be planted on the abandoned land and the banana empire could be restored. It's hard to say why warnings were not heeded as scientists, as well as experience, had shown the affects of a monoculture crop. From what I understand, Panama disease was identified in the Cavendish in Taiwan as early as 1960, but only when researchers demonstrated that an extremely virulent strain known as TR4 (Tropical Race 4) had surfaced in Jordan, and later in Lebanon, Pakistan, Laos and Mozambique, did the sector wake up to the problem. So now, worries are that the disease will spread to Latin America and wipe out the farms which provide three-quarters of the world's banana exports. In order to avoid the same fate as the previous two monoculture banana crops, researchers are seeking to diversify varieties and production. From what I understand, Prof Kema and his colleagues at Wageningen are working on banana breeding programs using varieties of wild bananas that are resistant to disease. Until they can breed a resilient variety, growing bananas in a greenhouse on nutrients and rockwool, made from Basalt rock and chalk, will insulate the plants from disease. I'm not sure this approach is actually scalable but another ag-tech startup based in the UK, Tropic Biosciences, is looking to use new gene-editing techniques to develop a banana resistant to Panama disease. I'm told the Norwich-based company raised \$10m earlier this year in early-stage funding from investors to commercialize its new plant varieties. (Source: [Wired](#), [Financial Times](#), [livingstonint.com](#))

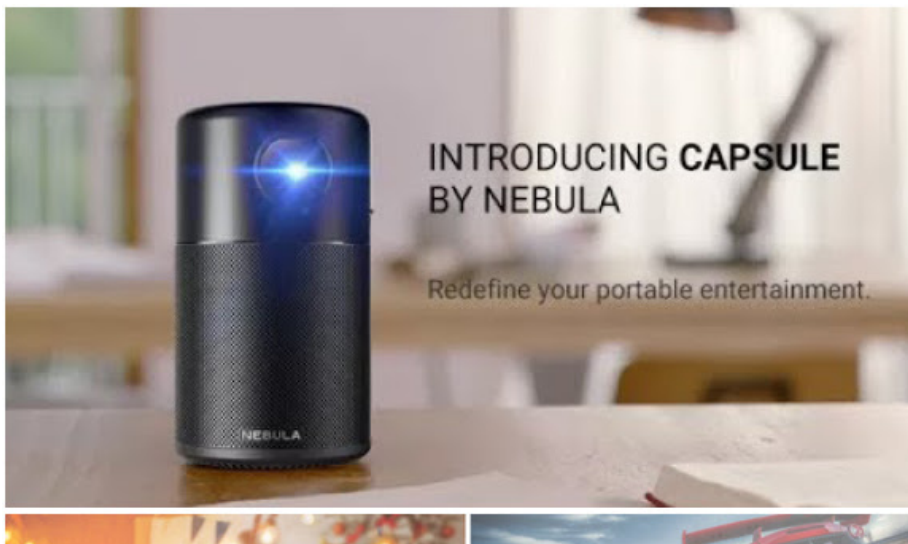
Fusarium wilt of banana: Distribution of races

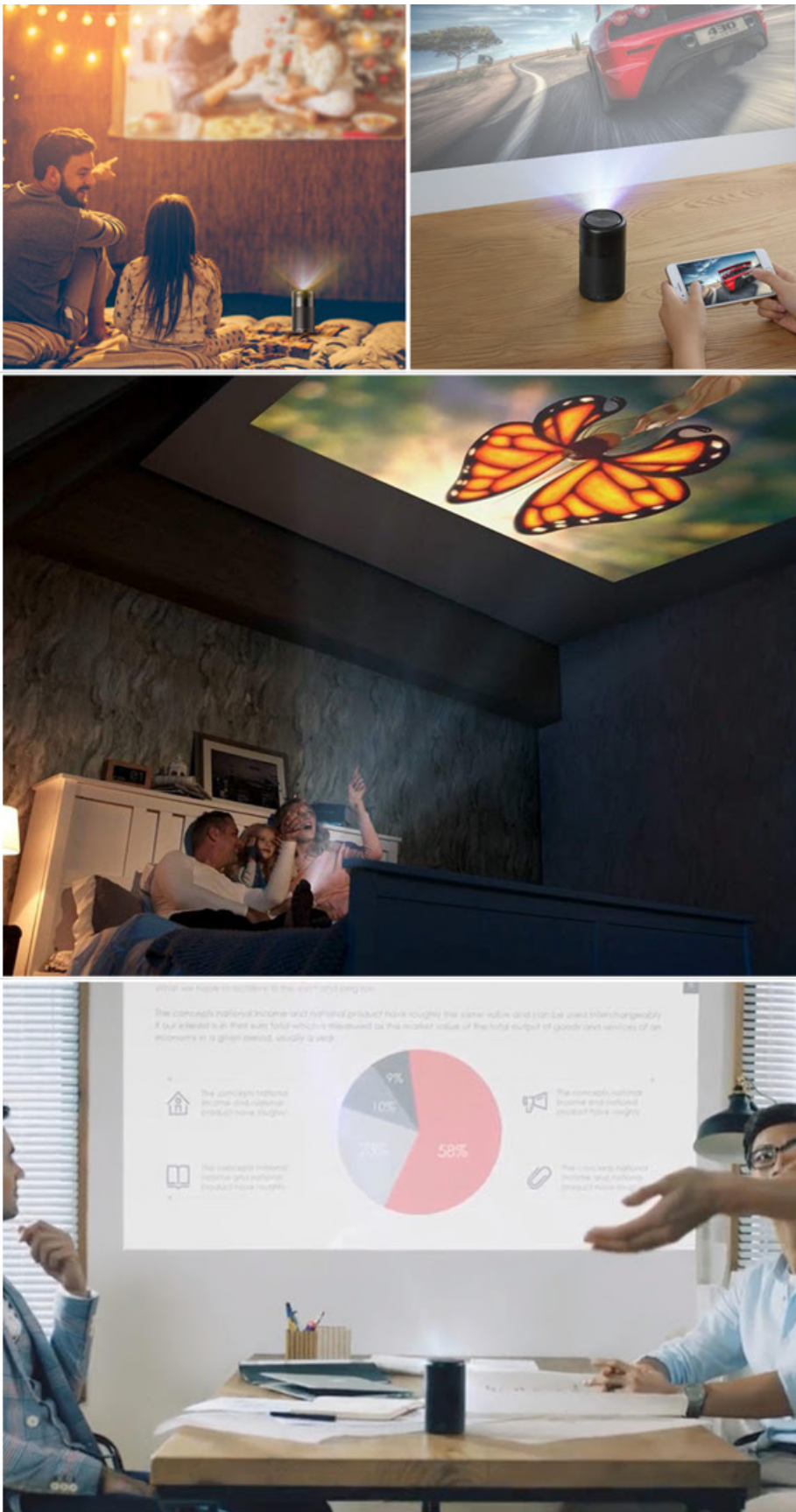




Cool And Easy Way To Project Movies

Streaming services have made it easy to watch your favorite shows and movies on your smart phone or iPad, but the viewing experience on your phone never really compares to watching it on a big screen. A company called "Anker" has created the solution for this problem with a product called the "Nebula Capsule". A portable projector the size of a soda can that weighs less than a pound. A few tech guru's have called it "the world's most advanced pocket cinema". From what I understand, this mini projector is able to project crisp image quality at a resolution of 854 x 480, while projecting it at a size of up to 100 inches, and has a brightness of 100 lumens. The Nebula allows users to project through sources like HDMI, USB, Bluetooth, Wi-Fi, and screen mirroring. This portable device is also equipped with a 360° and 5w speaker in the projector to give what you're watching great sound. Reviews have said that the sound in this mini projector is loud enough to comfortably fill a bedroom and serve a small group of viewers. This portable projector will allow users to watch up to 4 hours of video and 30 hours of non-stop music with one single charge, so it's perfect for a couple of movies while traveling or using to give that sales presentation on the road. The Nebula also helps movie watchers with all the confusion of messing with cords and input because this projector is 100% wire-free. What else I find cool, is that customers can directly download apps like Netflix, YouTube, and Amazon Prime to display content wherever they please. The device also has an easy-to-use control app that turns your phone into a remote. The Nebula Capsule is running at \$349.99 on Amazon right now and you can click [HERE](#) to learn more or purchase one. With more and more products like this coming on the market I suspect it starts to take some business away from TV companies like Samsung and Sony. I personally think it's cool and an easy way to project movies inside or outside the barn. Might also be a cool and easy way to watch movies outside at night. Kids could probably put up a big sheet or or some other type of flat surface to project it against if the barn or house isn't conducive. Sounds fun!





Hope Begins In The Dark

This is an interesting and heartfelt short video from Goalcast. It certainly made me stop and think and may have just hit me at the right moment in time. My mother-in-law continues to struggle with the passing of my father-in-law, and we all wish we could do something to ease her pain. Her sadness and distress are written all over her face. She is trying her best, but there is no easy path. This short video made some sense about both grieving and hope. I encourage you to keep it on your file and or share it with others who might be struggling. A couple of the key takeaways for me... Click [HERE](#)

#1. Grief and love are conjoined, you don't get one without the other. The reason we never heal is because our love never dies. And maybe the reason we never heal is to keep hope alive?

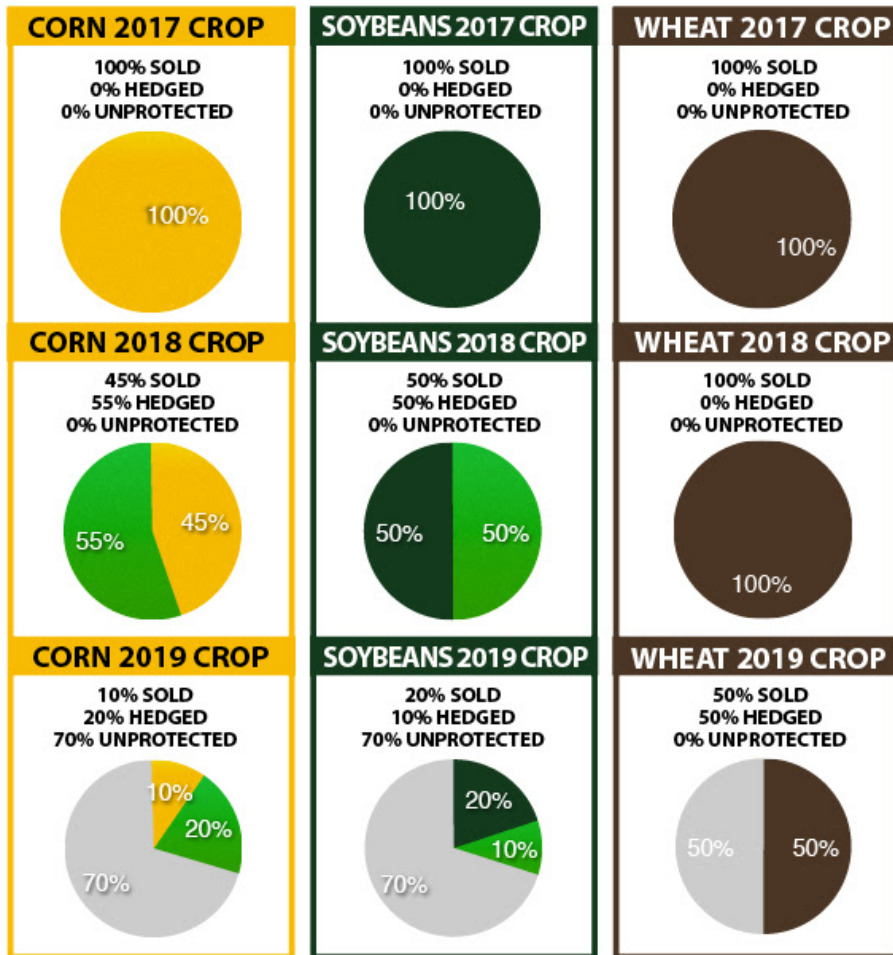
#2. Anne Lamott's famous quote, "Hope begins in the dark, the stubborn hope that if you just show up and try to do the right thing, the dawn will come. You wait and watch and work: you don't give up."



ANSWER to riddle: The truth

CASH SALES & HEDGING TOTALS

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