

GOOD MORNING: 01/03/19 Farm Direction - Van Trump Report

1 message

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Thu, Jan 3, 2019 at 7:12 AM

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Today In History

"It is the mark of an educated mind to be able to entertain a thought without accepting it." - Aristotle

THURSDAY, JANUARY 03, 2019
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Morning Summary: Investors are keeping a close eye on Apple stock, as the company announced an unexpected shortfall in Q1 revenue, primarily based on weakness in iPhone sales and a larger than anticipated slowdown in China and other emerging markets. When you have the biggest company in the world making a surprise announcement that they are showing signs of weakness, this creates more headlines and fear about a global slowdown, which seems to be keeping a lid on the rebound. Keep in mind, this is the first time Apple has cut its quarterly revenue forecast since 2007. Bears argue that we are just now starting to see the ripple effects of the trade conflicts, with a stronger U.S. dollar and overall political uncertainty that seems to be in the air. This is not just a negative tech story, multi-national industrial companies are also getting hit hard as the Chinese economy continues to show signs of slowing down. The Shanghai Composite slumped almost -25% last year, making it the world's worst-performing major stock market. The debate here at home now starts to become "Wall Street vs. Main Street". Wall Street is clearly worried and concerned about the price action of the market and perhaps the fact a few canary's in the coal mine are really starting to sing. On the flip side, American consumers continue to spend. In fact, the 2018 holiday shopping season will go in the books as one of the strongest in years. From what I understand, consumers spent over \$850 billion in-store and online, which represented a +5.1% increase over the 2017 holiday season. Online retail sales were up by more than +19%. I should also mention that consumer confidence has remained at or near its highest levels since 2008 and job growth is projected to continue into its 99th straight month of gains, meaning wages should continue to work themselves higher, allowing consumers the ability to keep spending. Bears on Wall Street are quick to point out that Consumer Confidence and Consumer holiday spending also peaked in 2007, just ahead of the major global economic slowdown in 2008. I argue the one difference this time is massively cheaper fuel costs. Cheaper prices at the fuel pump translate into billions of dollars back in consumers pockets and can help ignite further spending. A recent industry report shows the average price of self-serve unleaded down to around \$2.25 per gallon, E85 is averaging just under \$2.00 per gallon, while diesel is averaging around \$2.98 per gallon. Keep in mind, the average price per gallon of unleaded in 2018 was just under \$2.50 per gallon. The average price of unleaded gasoline in mid-July of 2008 was around \$4.18 per gallon. If we believe the argument that here in the U.S. we consume roughly 400 million gallons of finished motor gasoline each day, then we can conclude that each +25 cent per gallon savings should put close to \$100 million per day back in the consumers pocket. Bottom-line, global growth has clearly slowed and Wall Street professionals have been repricing risk. The question now becomes how much deeper is the slowdown? Looking ahead, the market will continue to focus on U.S. and Chinese trade relations, the overall direction of the U.S. dollar, the Fed's overall demeanor, and upcoming U.S. corporate earnings. Turning to Washington, the Democrats take over power today in the House and are expected to vote on a bipartisan package of six Senate spending bills and a stopgap measure to re-open the Department of Homeland Security at its current funding levels until February 8. Headlines won't be lacking following the vote and I don't expect President Trump or the Republicans to budge on the wall, so it will be interesting to see what happens and how the market interprets it in the following days. Also, in Washington, Special counsel Robert Mueller is reported to be winding down his investigation into Russian influence in the 2016 election and could submit a report to the Attorney General in just a few weeks. I suspect once this investigation is completed and released, we will start to hear more media rumblings of an associated political fallout. Hence the reason I've been in



1924, King Tut's Sarcophagus Uncovered -

Two years after British archaeologist Howard Carter and his workmen discovered the tomb of the Pharaoh Tutankhamen near Luxor, Egypt, they uncover the greatest treasure of the tomb—a stone sarcophagus containing a solid gold coffin that holds the mummy of Tutankhamen. When Carter first arrived in Egypt in 1891, most of the ancient Egyptian tombs had been discovered, although the little-known Pharaoh Tutankhamen, who had died when he was a teen, was still unaccounted for. After World War I, Carter began an intensive search for "King Tut's Tomb," finally finding steps to the burial room hidden in the debris near the entrance of the nearby tomb of King Ramses VI in the Valley of the Kings. On November 26, 1922, Carter and fellow archaeologist Lord Carnarvon entered the tomb, finding it miraculously intact. Thus began a monumental excavation process in which Carter carefully explored the four-room tomb over four years, uncovering an incredible collection of several thousand objects. The most splendid architectural find was a stone sarcophagus containing three coffins nested within each other. Inside the final coffin, made out of solid gold, was the mummy of the boy-king Tutankhamen, preserved for more than 3,000 years.



1938, Franklin Roosevelt founds March of Dimes -

Franklin Delano Roosevelt, an adult victim of polio, founds the National Foundation for Infantile Paralysis, which he later renamed the March of Dimes Foundation, on this day in 1938. A predominantly childhood disease in the early 20th century, polio wreaked havoc among American children every summer. The virus, which affects the central nervous system, flourished in contaminated food and water and was easily transmitted. Those who survived the disease usually suffered from debilitating paralysis into their adult lives. In 1921, at the relatively

no hurry to buy on the bounce. There's still several media hurdles that need to be cleared in the next 30 to 60 days. Staying patient and being extremely selective in adding to my current positions. Don't forget tomorrow we have the monthly Employment Report followed on Friday by the highly anticipated panel discussion that will include current Fed Chair Jerome Powell, and former Federal Reserve Chairs Janet Yellen and Ben Bernanke.

Some Billionaires Had A Good Year, Some Didn't... *The markets may be struggling, but that hasn't stopped plenty of mega-fortunes from being unearthed in 2018. Game maker Tim Sweeney created a \$7.2 billion fortune this year with the popularity of Fortnite, the phenomenon that forced some into video-game rehab. Autry Stephens gained \$11.4 billion after his closely held Endeavour Energy Resources LP attracted bids that valued the oil company at as much as \$15 billion. According to some fund managers, it was a good year for wealth creation, even though it was a tough year in financial markets. Keep in mind, for people who are creating wealth through companies, the economy itself is very strong. Sweeney and Stephens were just two of the 31 individuals who vaulted onto the Bloomberg Billionaires Index in 2018, even as increasing global trade tensions and a downdraft in the markets saw half a trillion dollars of wealth on the ranking wiped out. I should however mention, the world's 500 richest people lost \$451 billion this year, primarily on the market setback, which is a sharp contrast from 2017 when they added +\$1 trillion to their fortunes. Click [HERE](#) to see the billionaires who gained and lost in 2018.*

Christian Pulisic is Highest Paid U.S. Soccer Player of All Time: *The most talented American soccer player of his generation is now the all-time highest paid American soccer player. Christian Pulisic agreed to a \$73 million contract that moves him to English side Chelsea from Borussia Dortmund of Germany. Pulisic, a native of Hershey, Pa., is one of the rare Americans to gamble on soccer abroad so early in his career. Former U.S. national team coach Jurgen Klinsmann had urged young talent to make the leap to the superior European leagues and fight for playing time as soon as possible, but few had the talent to make it stick. Pulisic, however, crossed the Atlantic at 16 and went straight to Dortmund's fabled youth team, bypassing Major League Soccer academies and the U.S. college setup. Read more [HERE](#).*

Woodstock's Golden Anniversary Concert This Summer: *Fifty-years later, Bethel Woods Center for the Arts, a concert venue built on the original Woodstock site, announced that it will host the golden anniversary event Aug. 16-18. The center says performers will include "prominent and emerging artists spanning multiple genres and decades." I'm told there will also be talks by "leading futurists and retro-tech experts" along with the performers who will be announced soon. Fifty-years ago, Woodstock Music and Arts Fair, which was held Aug. 15-17, 1969 drew more than 400,000 people to Max Yasgur's farm in the Sullivan County town of Bethel, New York. Can't wait to see how many original attendees will try to make it back for an encore. I've heard hotel rooms are starting to already sellout. You can learn more [HERE](#)*



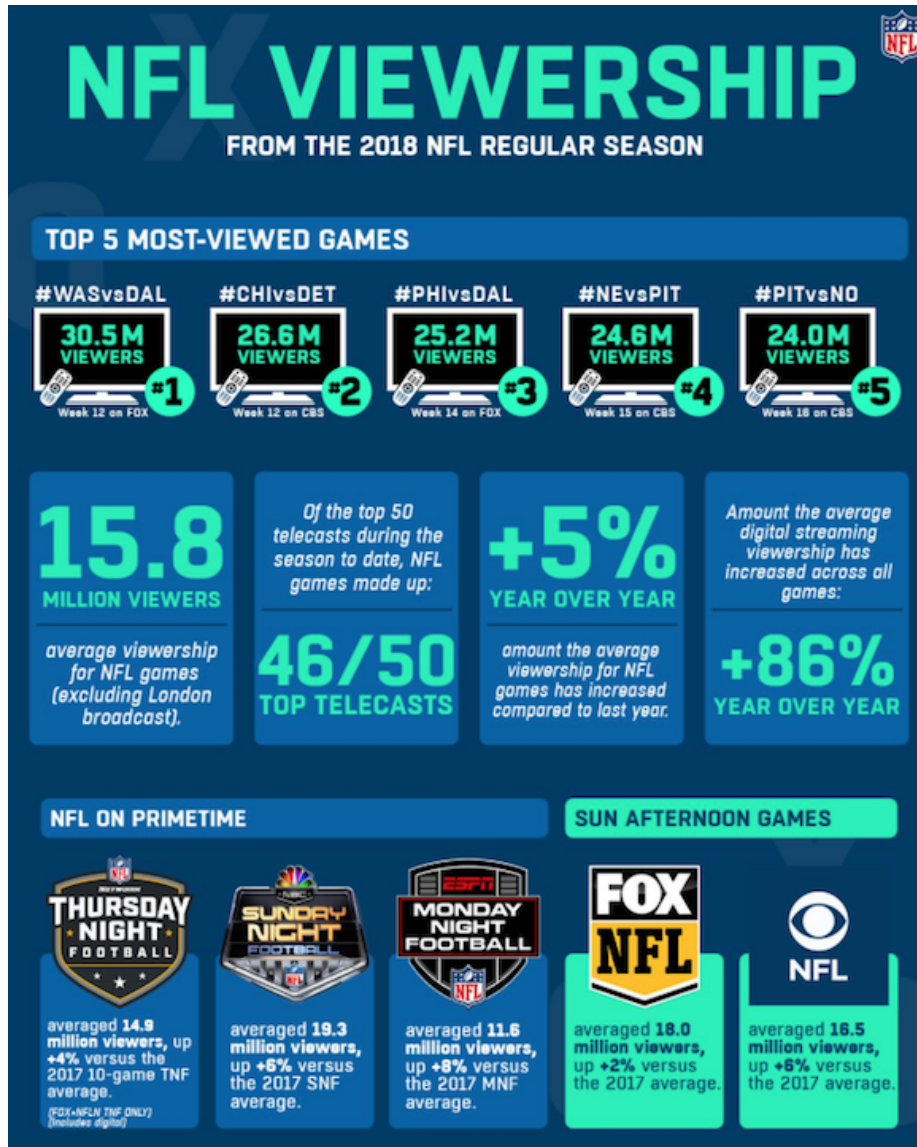
NFL Viewership Up +5% From Last Year for 2018 Games: *The NFL and its television partners can call 2018 a clear success. Impressively, all five of the broadcast windows were up compared to last year including FOX Sunday afternoon*

advanced age of 39, Roosevelt contracted polio and lost the use of his legs. With the help of the media, his Secret Service and careful event planning, Roosevelt managed to keep his disease out of the public eye, yet his personal experience inspired in him an empathy with the handicapped and prompted him to the found the March of Dimes. In 1926, Roosevelt started the non-profit Georgia Warm Springs Foundation on the site of the springs he visited to partake of the waters' therapeutic effects. Twelve years later, he reinvented the charity as the National Foundation for Infantile Paralysis (NFIP). The NFIP was a non-partisan association of health scientists and volunteers that helped fund research for a polio vaccine and assisted victims on the long path through physical rehabilitation. Funded originally through the generosity of wealthy celebrities at yearly President's Birthday Balls, the foundation could not raise money fast enough to keep pace with polio's continued toll on America's children and, during the Depression, the polio epidemic worsened. In 1938, Roosevelt decided to appeal to the general public for help. At one fundraiser, celebrity singer Eddie Cantor jokingly urged the public to send dimes to the president, coining the term March of Dimes. The public took his appeal seriously, flooding the White House with 2,680,000 dimes and thousands of dollars in donations. In subsequent years, the March of Dimes continued to lead lucrative fundraising campaigns that set the model for other health-related foundations. In 1941, the foundation provided funding for the development of an improved iron lung, which helped polio patients to breathe when muscle control of the lungs was lost. The March of Dimes appointed Dr. Jonas Salk to lead research for a polio vaccine in 1949. Roosevelt, who died in 1945, did not live to see Salk develop and test the first successful polio vaccine in 1955.



1993, The Comeback - 1993 Buffalo Bills pull off greatest comeback in NFL history. On this day in 1993, backup quarterback Frank Reich leads the Buffalo Bills to a 41-38 overtime victory over the Houston Oilers in an American Football Conference (AFC) wild card playoff game that will forever be known to football fans as "The Comeback." By halftime of the game, Houston was out in front, 28-3, behind four touchdown passes by future Hall of Famer Warren Moon. At the beginning of the second half, things got even darker for Buffalo when the Houston strong safety Bubba McDowell intercepted a pass from Reich, who was filling in for the injured Jim Kelly. McDowell ran 58 yards for another Oiler touchdown, putting the score at 35-3. At this point, many Bills fans headed home out of the chilly western New York weather, convinced the game was lost. On the very next possession, however, Buffalo began to rally, driving 50 yards in 10 plays and scoring a touchdown on a one-yard run

games being up 2%, CBS Sunday afternoon games up 6%, NBC Sunday night games up 6%, ESPN Monday night games up 8%, and the FOX Thursday night was up 4% from last year, when Thursday night games were on NBC and CBS. NFL games also averaged 15.76 million viewers for the 2018 regular season, which is a 5% increase from 2017, when games averaged 14.96 million viewers. Many factors drove high ratings, but the biggest one is probably the quarterback protection rules, which for the most part allowed the league to have its starting quarterbacks stay healthier this season. Proven this season, it means higher scoring games and more of Aaron Rodgers heading into the playoffs. Although the NFL's TV ratings haven't rebounded to 2015 levels, the NFL remains the most popular programming on American television as it begins to grow this season.



by Kenneth Davis. Bills kicker Steve Christie then recovered his own onside kick to give Reich the ball. Reich needed only four plays that time, connecting with Don Beebe on a 38-yard touchdown to put the score at 35-17. A stellar job by the Bills' defense gave Buffalo possession again, and Reich capitalized by finding Andre Reed for a 26-yard touchdown. On the Oilers' next drive, Bills safety Henry Jones intercepted a deflected Moon pass for a 15-yard return, enabling Reich to find Reed for another score. By that point, the Bills had cut their deficit to four points, in a span of only six minutes and 52 seconds. After the Oilers botched a field goal attempt and turned the ball over again, Reich made a 17-yard touchdown pass to Reed to put Buffalo up 38-35 with less than three minutes left in regulation. In the waning seconds of the game, Houston's Al Del Greco made a 26-yard field goal kick to tie the score and send the game into overtime. On a Houston drive, the Bills defensive back Nate Odomes intercepted a Moon pass. Davis made two six-yard rushes, and Christie stepped up for a 32-yard field goal attempt. He booted the ball through the uprights, winning the game for Buffalo 41-38 and completing the largest comeback victory (32 points) in National Football League (NFL) history. The Bills made it to the Super Bowl that year but lost to the Dallas Cowboys. It was the third of four consecutive Super Bowl appearances for the Bills; they lost all four games.

Upcoming Events

Dates for the new year to be added soon.

Kevin's Song of the Week



Kevin's Song of the Week





Charlie Bilello ✓
@charliebilello

Following

Commodity Returns...

Commodity	Spot Indices	2018	1-Year	3-Year	5-Year
Cocoa	S&P Gsci Cocoa	27.7%	27.7%	-24.8%	-10.8%
Wheat	S&P Gsci Wheat	17.9%	17.9%	7.1%	-16.9%
Palladium	S&P Gsci Palladium	12.8%	12.8%	113.0%	66.7%
Corn	S&P Gsci Corn	6.9%	6.9%	4.5%	-11.1%
Live Cattle	S&P Gsci Live Cattle	1.9%	1.9%	-9.4%	-8.0%
Natural Gas	S&P Gsci Natural Gas	-0.4%	-0.4%	25.8%	-30.5%
Gold	S&P Gsci Gold	-2.1%	-2.1%	20.9%	6.6%
Soybeans	S&P Gsci Soybeans	-6.9%	-6.9%	3.6%	-30.8%
Cotton	S&P Gsci Cotton	-8.2%	-8.2%	14.1%	-14.7%
Silver	S&P Gsci Silver	-9.4%	-9.4%	12.6%	-19.8%
Platinum	S&P Gsci Platinum	-14.7%	-14.7%	-10.4%	-41.7%
Lean Hogs	S&P Gsci Lean Hogs	-15.0%	-15.0%	2.0%	-28.6%
Nickel	S&P Gsci Nickel	-16.4%	-16.4%	21.1%	-23.2%
Copper	S&P Gsci Copper	-17.5%	-17.5%	26.7%	-19.0%
Lead	S&P Gsci Lead	-18.6%	-18.6%	12.5%	-8.5%
Heating Oil	S&P Gsci Heating Oil	-18.8%	-18.8%	49.4%	-45.2%
Aluminum	S&P Gsci Aluminum	-19.0%	-19.0%	21.7%	3.1%
Coffee	S&P Gsci Coffee	-19.3%	-19.3%	-19.6%	-8.0%
Brent Crude	S&P Gsci Brent Crude	-19.5%	-19.5%	42.8%	-51.3%
Sugar	S&P Gsci Sugar	-20.6%	-20.6%	-21.1%	-26.7%
Crude Oil	S&P Gsci Crude Oil	-22.6%	-22.6%	31.0%	-53.0%
Lumber	Continuous Contract	-23.7%	-25.3%	31.2%	-8.6%
Zinc	S&P Gsci Zinc	-25.6%	-25.6%	54.3%	20.6%
Unleaded Gasoline	S&P Gsci Unleaded Gasoline	-27.5%	-27.5%	2.4%	-53.3%
Commodity Index	S&P Gsci Commodity Index	-15.4%	-15.4%	20.1%	-40.8%

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



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Sunset and colorful ocean at Mont-Saint-Michel in Normandy or Normandie 🇫🇷

#France #Travel #Nature #Photo #Vacations
#Holidays #GoodVibes #Beauty



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.



John Stevenson
@cropmad

Following

My nomination for best Silage For Sale photo for 2018. [#Feedtesting](#)





Kevin Woodrow
@snowmoverfarms

Following



I don't always finish harvest the same year I start but when I do I like to leave it to the last day! [#ontag](#) [#Harvest18](#) [#harvestfromhell](#)



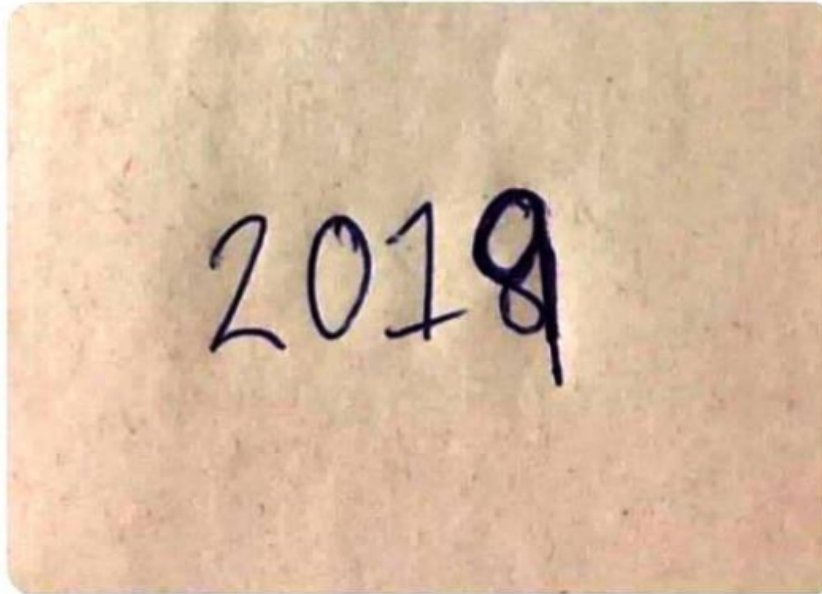
The Great Deplorable Henry 🍰XX
@hammy413

Following



#Funny #Humor #Memes

Hope everyone is ready for about 3 months of this crap.





ActionComplete
@ActionComplete

Following

Inside each of us are Two Wolves. Which wolf wins? The one you feed most.

#quotes #inspiration



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.

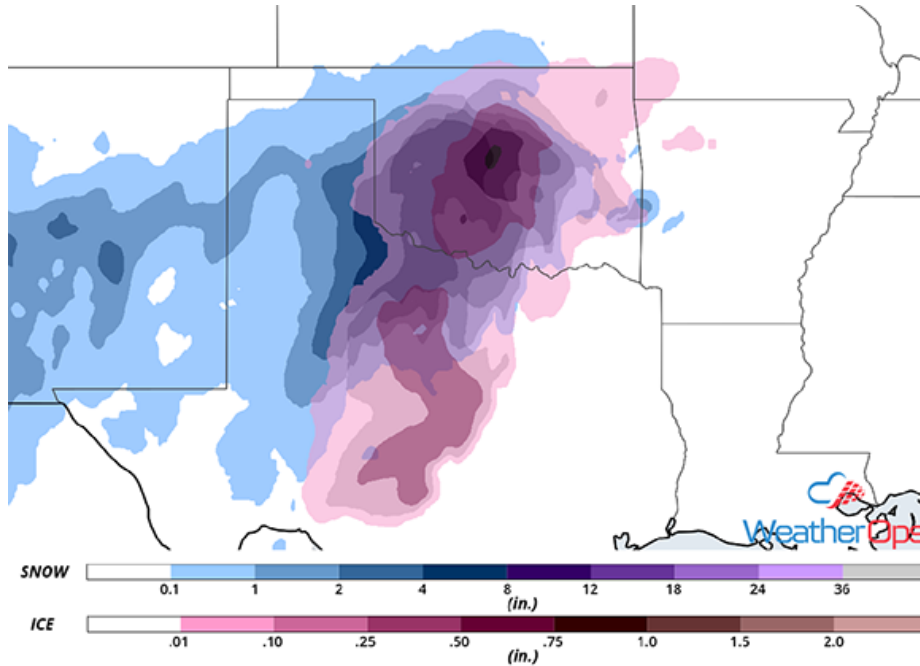
TODAY'S RIDDLE:

I go in hard. I come out soft. What am I?

Weather forecasts are calling for much of the Midwest to be drier and warmer during the coming week. This milder trend will favor transportation. Winter wheat has no significant cold weather threat at this time. Similarly, a much warmer trend is forecast for the northern Plains over the next week to 10 days, which should bring notably improved conditions. In the southern Plains, recent cold conditions moved the winter wheat crop into dormancy under favorable moisture conditions. No damaging cold is indicated and a warming trend is expected late this week and for most of next week.

We are getting weather reports of southern Brazil heat and dryness continuing to stress developing soybeans, especially pod-filling soybeans in Parana and Mato Grosso do Sul. Crop losses are expected. These losses could increase if next week's weather continue under oppressive heat.

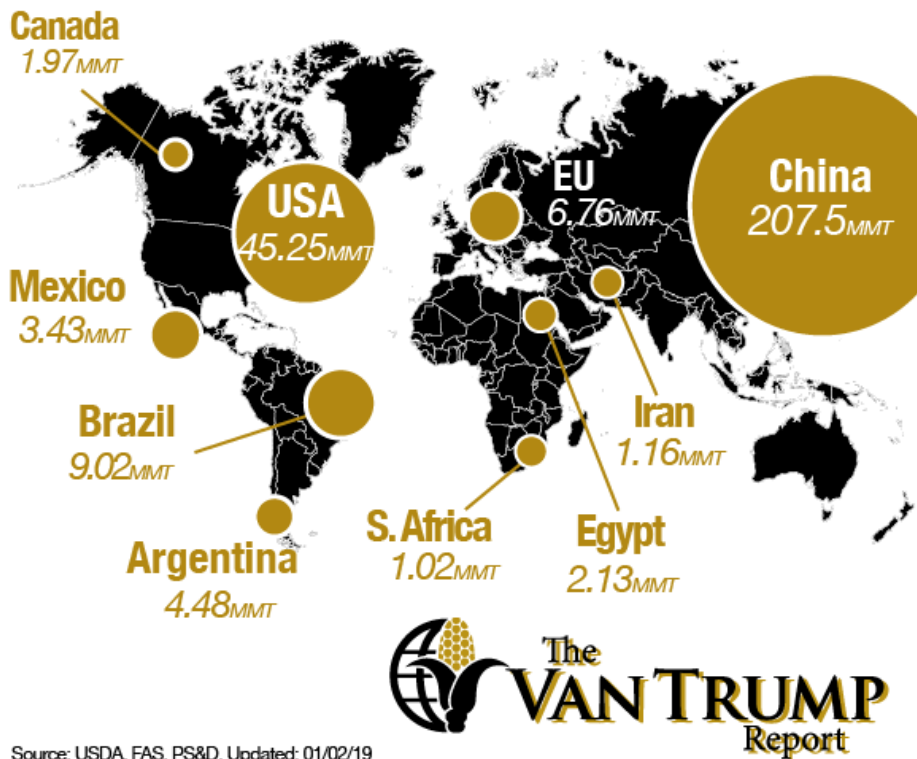
Winter Storm Brings Ice to the Southern Plains: *A winter storm is expected to spread a mess of snow, sleet and freezing rain through the southern Plains today. The patchy areas of snow, sleet and freezing rain will be in parts of northern and central Texas and eastern Oklahoma. This is all being caused by a sharp southward plunge of the jet stream into the West. This jet stream trough is pivoting into the Plains. The map below shows snow and ice accumulation through Friday. (Source: WeatherOps)*



Corn prices continue to trade in an extremely tight range. I wish I had something exciting or new to talk about, but there's really nothing fresh in the headlines. Bulls are waiting to see if Chinese trade negotiations can bring about purchases of U.S. corn, ethanol, and DDGs. Bulls are also hoping to see the USDA further reduce their U.S. production estimate in next weeks end-of-year report, scheduled for a January 11th release date (next Friday). Bears argue that the USDA could reduce their U.S. demand estimate a bit to help offset the lower adjustment in production. Bears are also pointing towards talks of U.S. producers planting more corn acres in 2019. As for South American production, some areas have been experiencing a few weather extremes, but I haven't seen a lot of adjustments being made. The USDA elected to leave their Argentine production estimate at 42.5 MMTs vs. just 32.0 MMTs last year. They have their Brazilian production estimate forecast at 94.5 MMTs vs. 82.0 MMTs last year. Bottom-line, the trade has been penciling in an additional +20 MMTs of South American corn hitting the marketplace. Perhaps moving forward we could start to see the South American production numbers tapered back a touch and provide a slightly bullish tailwind. It's still early and the extremely important second-crop in Brazil hasn't even been planted as of yet. In other words, I'm not looking for the trade or the USDA to start making massive adjustments just yet, so we have to stay patient. Personally, I continue to keep a slightly bullish tilt, thinking there will be better pricing opportunities in the weeks or months ahead.

2018/19 Corn Ending Stocks

Global Ending Stocks 308.8 Million Metric Tons

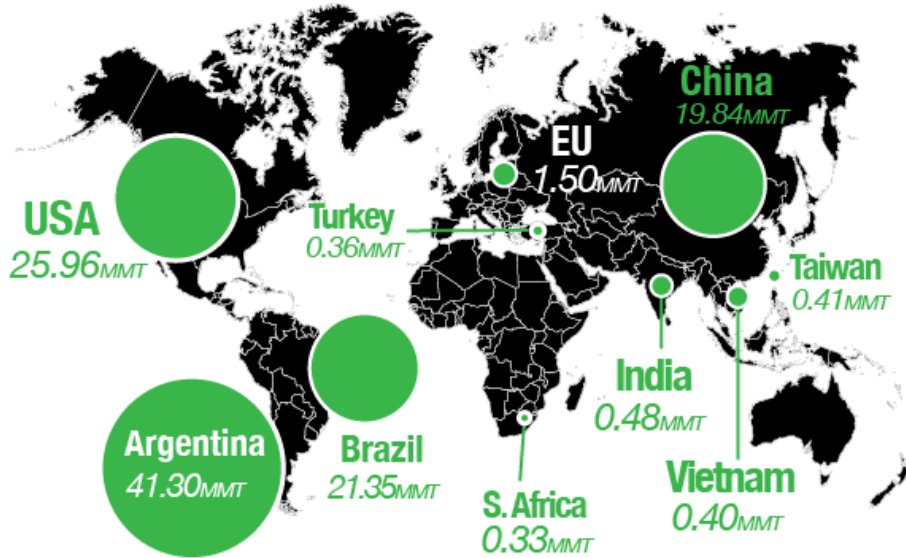


Source: USDA, FAS, PS&D, Updated: 01/02/19

Soybean traders continue to debate the latest Chinese headlines. Traditionally, weakening economic data out of China, along with tech companies like Apple and multinational industrial companies like Caterpillar confirming their economic slowdown, would be considered a negative headwind for the soybean market. Interestingly however, we find in our current quandary, talk of a further weakening Chinese economy is actually being digested by many in the market as being somewhat bullish. The thought is a deeper struggling Chinese economy might actually bring about a trade deal sooner rather than later. Bulls are also pointing to ongoing rumors that tariffs on U.S. soybeans might soon be lifted by the Chinese. Bears point to the fact, as each day passes, we take a step closer to the March 1st deadline. Bears also point to the fact U.S. Trade Representative Robert Lighthizer is leading the negotiations and appears to be a stickler for the details and continues to appear as if he is looking for much larger structural changes from the Chinese in regard to technology and theft of intellectual property. Perhaps we will learn a lot more next week, when trade officials from both countries will sit down in Beijing for the first face-to-face negotiation since the leaders' dinner. Also keep in mind, next Friday is the highly anticipated release of the yearend USDA report. It will be interesting to see what the USDA does with overall U.S. export demand now that the Chinese are back in the game to some degree? It will also be interesting to see how much lower they adjust the U.S. yield considering the late harvest complications? There's also talk the USDA could walk back their current production forecast for Brazil? If you recall, last month the USDA bumped their estimate for Brazil from a record 120.5 MMTs up to an even larger record of 122.0 MMTs. Since then a few major production areas inside Brazil have had to battle significantly lower rainfall totals. This has prompted many inside Brazil to start lowering their estimates, with some sources now talking sub-120.0 MMTs. I've actually heard a couple of numbers floating around that were sub-115.0 MMTs. In case you are wondering, Brazil produced a record 120.3 MMTs this past season. I suspect if the Brazilian production number keeps working itself lower during the next few weeks additional risk-premium will start being added. The Argentine production estimate still seems to be in the 55.0 to 56.0 MMTs range, which is substantially higher than the 37.8 MMTs produced last year. Moral of the story, next week is setting up to perhaps be a major inflection point in the soybean market. Think about your plan and be ready to execute should the landscape dramatically shift. From a technical perspective, the MAR19 contract still seems to have stiff resistance on the charts up between \$9.30 and \$9.50 per bushel. Nearby support still seems to be in the \$8.80 to \$8.90 range. The NOV19 new-crop contract seems to still be battling much tougher resistance on the charts up between \$9.50 and \$9.70 per bushel. Downside support in the NOV19 contract still seems to be in the \$9.00 to \$9.20 range.

2018/19 Soybean Ending Stocks

Global Ending Stocks 115.3 Million Metric Tons

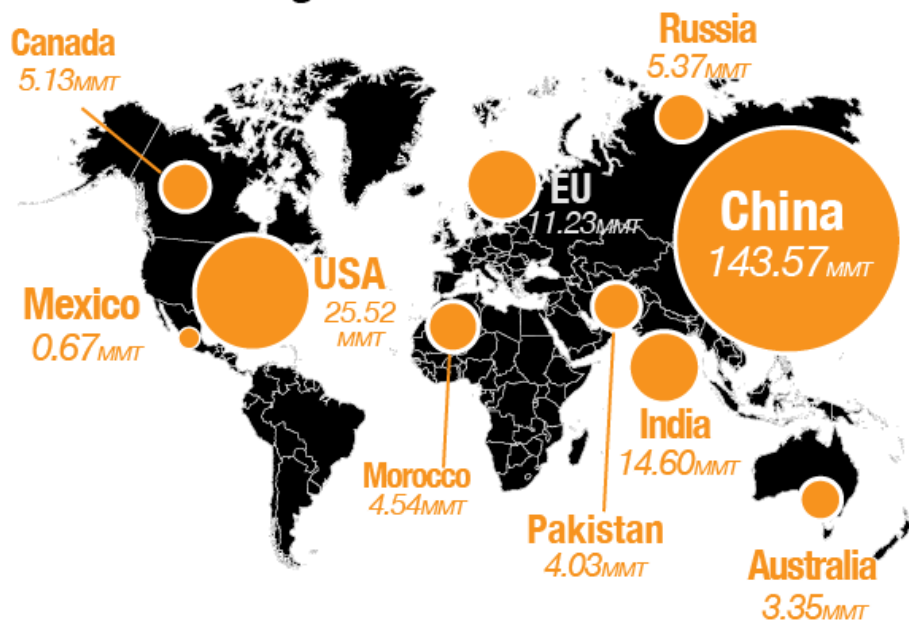


Source: USDA, FAS, PS&D, Updated: 01/02/19

Wheat prices continue to trade near the bottom of the range as bears continue to point to ample supply and a slowing global growth story, both traditional bearish fundamentals. Bulls are pointing towards production hiccups in Australia and parts of the European Union. There's also more talk that the crop in Argentina could be experiencing more complications as heavy rains have caused problems late in the cycle. The problem is about 85% of the Argentine wheat crop is through and ready to be harvested, so I'm not really sure how much additional damage or problems the market will be willing to incorporate into price. Some bulls are also talking about possible winter-kill concerns in parts of the U.S. and Canada. Again, the trade doesn't seem all that concerned or willing to add risk-premium based on these headlines. I continue to believe a bullish story is brewing, but just worry the timing is still not right. I want to continue staying patient. I still believe there's some longer-term trouble building in the Black Sea region. Keep monitoring the headlines...

2018/19 Wheat Ending Stocks

Global Ending Stocks 268.1 Million Metric Tons



Source: USDA, FAS, PS&D, Updated: 01/02/19



> Brazil's Soybean Exports Up From Year Ago: *Though shipments of soybeans out of the country slowed in December, they were well up versus a year ago. I'm told they only exported 4.231 MMT of soybeans last month, down 16% from November but up 79.6% from the same month last year. For 2018, Brazil exported 83.8 MMT of soybeans, a 23.1% increase from 2017.*

> Trade Decisions To Be Made in 2019: *We could see multiple trade decisions made this year. Congress will decide the fate of USMCA; Trump will continue negotiations with Beijing toward a potential longer-term agreement; and the U.S. could soon launch formal trade talks with Japan and the EU. We are hearing negotiations with Japan could begin as soon as Jan. 20. as U.S. trade reps are looking for comprehensive market access for American farm goods. (Source: Politico)*

> New Swine Fever Protocols for China: *Before sales can be made starting in February, slaughter facilities in China will now have to test pig products for African swine fever (ASF), as well as slaughter hogs from differing origins separately. From what I understand, if ASF is found, slaughterhouses have to cull all pigs and suspend operations for at least 48 hours. It is believed that there are currently many more than the 90 cases of ASF that China has reported since August.*

> China To Allow U.S. Rice Imports for First Time Ever: *According to the China's customs authority, they are soon about to allow U.S. rice imports. It's not clear how much brown, polished or crushed rice China will buy. Rice makes up only a small portion of U.S. ag exports but that could soon change. This newly open door is signaling a warming of relations between the world's two biggest economies after a frosty year of tit-for-tat tariffs. (Source: Reuters)*

> EU To Crack Down On Commodity Imports: *In a bid to combat deforestation around the world, the EU plans to publish documents before May outlining the scope of a legislative proposal that would impose stricter rules on importing commodities like*

soybean, beef, coffee and cocoa. We'll have to wait and see what the EU comes up with as it could be bullish for U.S. ag exports.

> New Brazil President Gives Farmers A Win: New Brazilian President Jair Bolsonaro issued an executive order on Wednesday making the Ag Ministry responsible for deciding on lands claimed by indigenous people in a victory for agribusiness that will likely enrage environmentalists. The move is expected to open up the vast Amazon rainforest and other ecologically sensitive areas of Brazil to greater commercial exploitation. Remember, Bolsonaro has strong support from Brazil's powerful agribusiness sector. As for the implications to U.S. producers, we could see more acres planted to soybeans in Brazil, our #1 competitor for exports.

> Carl's Jr. Launches "Meatless" Burgers at Over 1000 Outlets: Burger chain Carl's Jr. said they would start selling Beyond Meat burgers at over 1,000 outlets, the latest big-name restaurant chain to add vegan imitation meat to its menu. Carl's Jr. said it would sell a meatless version of its Famous Star burger for \$6.29. Customers can also order Beyond Burger patties on any Carl's sandwich for an additional \$2. Yet another sign that consumers are seemingly shifting to vegan or vegetarian diets. (Source: Reuters)

> Billionaire Democrat Tom Steyer Plans to Visit Early Primary States: Liberal billionaire and Democratic donor Tom Steyer is planning to visit the primary states of Iowa, New Hampshire, and Nevada as he considers running for president in 2020. The trips are part of his larger "5 Rights" tour and come after he spent \$120 million backing Democrats in the 2018 congressional midterms. Steyer isn't the only billionaire considering a run for president as former New York Mayor Mike Bloomberg is contemplating a campaign where he would likely spend over \$100 million on his own operation if he did run. So far, Steyer has failed to catch on with Democratic voters. This tour could be a make-or-break for Steyer's presidential ambitions.

> Retailers that Went Bankrupt in 2018: More than a dozen retailers including major department store chains, mattress sellers, and shoe companies filed for bankruptcy protection in 2018, despite strong consumer spending in the U.S. economy. Companies include David's Bridal, Sears, Mattress Firm, National Stores, Gumps, Brookstone, Rockport, Nine West, Claire's, The Walking Company, Bon-Ton Stores, and Kiko USA.

> Product Launches Expected for Apple in 2019: Apple had an exciting 2018, but 2019 might be even more interesting due to the fact Apple is investing more money in becoming a services company. Apple is expected to announce products in 2019 like over the ear headphones, TV subscriptions, Apple News subscriptions, a new Mac Pro, and the obvious like new iPhones, Apple Watches, Apple TV, etc. Click [HERE](#) to learn more about these products!

> McDonald's New Cheesy Bacon Fries: Mickey D's is reportedly planning to add Cheesy Bacon Fries to menus nationwide early this year. As you might have noticed from its name, the menu item is basically just regular McDonald's French fries topped with a cheese sauce and sprinkled with bacon bits. This item made its debut at select McDonald's locations in Hawaii and Northern California in mid-November. Some locations have apparently already had them added them as an option. Keep in mind, Taco Bell saw great success with its launch of Nacho Fries.

> Your Cash Is No Good Here: A growing number of retailers and restaurants throughout the US and UK are telling customers their cash is no longer good for transactions. But many are starting to question the reasons being given by companies for the new "cashless" approach — speed, efficiency, and the safety of store employees. As consumers get caught unaware at times, the subject has made it to the ears of legislators, who are beginning to take note and could introduce legislation barring the practice, as Massachusetts has done already, and as the New Jersey State House could be set to do next. From what I understand, a Federal Reserve survey conducted in 2017 and cited in The Wall Street Journal showed cash represented 30% of all transactions in America, with 55% of those being under \$10. (Source: ZeroHedge)

> Minimum Wage Set to Increase in 20 States: Ranging from a \$0.05 inflation adjustment to a \$2 per hour increase, these wage hikes will impact 5.2 million workers and, for those who work year-round, it will raise their annual pay between \$90 and \$1,300, according to a recent Economic Policy Institute report. Keep in mind that though the federal minimum wage has remained at \$7.25 an hour since 2009, there has been a growing movement across the nation to raise this number at both the state and local levels. (Source: U.S. News)

> New York Keeps Getting Safer: New York City could register the fewest number of homicides in several decades in 2018, as the city continues its long battle against violent crime. From what I understand, as of last Sunday, the city had recorded five fewer killings than the 292 investigated in 2017. That year's figure was itself the lowest in decades. In the past two years, the city's homicide rate has plunged to levels that were unthinkable a generation ago, when New York became known as the murder capital of the country and recorded an eye-popping 2,245 homicides in 1990.

> Where Tech Is Booming: Over the past decade, the tech industry has created more than 1 million jobs across the U.S. Between 2010 and 2017, tech-related job growth averaged 6% -- more than four times the national average across all industries. Though the figures slowed slightly in 2018, the tech industry still boasts twice the national growth average at approximately 4%. Today's graphic uses data from the 2018 Tech-30 report from CBRE Research, offers a job-focused snapshot of the mammoth tech industry. (Source: [CBRE](#), Visual Capitalist)

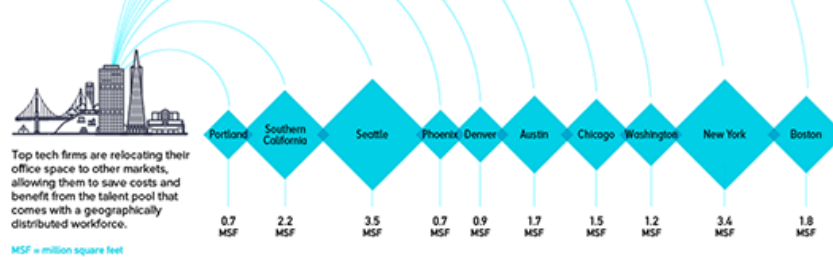
TOP 10 HIGH-TECH JOB GROWTH

Over two-year period (2016/2017)



BAY AREA TECH COMPANY EXPANSION INTO OTHER U.S. MARKETS

Q1 2013 - Q2 2018

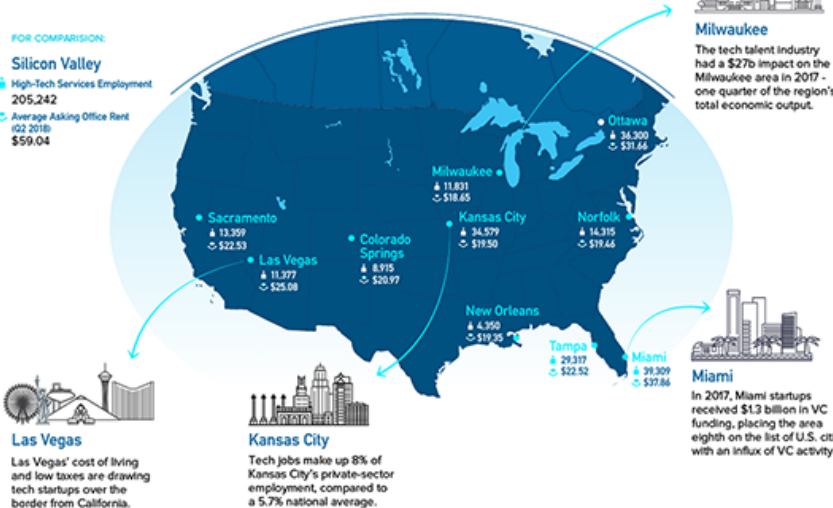


NEXT 10 TECH MARKETS TO WATCH

Based on tech industry growth and affordable office rent (CBRE)

FOR COMPARISON:

Silicon Valley
 High-Tech Services Employment
 205,242
 Average Asking Office Rent
 (Q2 2018)
 \$59.04



FROM THE FIELD

Central Nebraska – *I sell green equipment and I'm not going to say for who... I'm not a farmer but I was like many other people with prices being down, equipment is going to probably be the last thing guys replace. Well, I was hopeful I was wrong, and I am glad I was. A lot more guys are trading in, trading up, trading out etc. Guys in this area and frankly all across irrigated Nebraska saved a big chunk of money on not moving those pivots 360 degrees every 7 days, thanks to regular rains. Granted with rain comes hail so some guys lost some corn but as a whole we had an average year in irrigated country without running the irrigation nearly as much.*

Northern Illinois – *I want to let guys in on something I have found that works well on my farm. Spending the extra time and money to apply fertilizer by banding it rather than broadcasting it. I know what the experts say, you have to use double the fertilizer to achieve the same affect, but I have found that if you use the same levels, banding is 70-80% more effective versus broadcasting. I also thought I would give a quick update on our harvest. We finish beans earlier than most, but we had tracks from the get-go, and we would rarely dump 2 loads in our wagon. If I started to see bare dirt from the tracks on the combine, I treaded lightly with the wagon. I have heard guys that harvested after the rain hit made roughly 60, so all in all not a bad year but we got our beans out before the monsoon started and we yielded 25% better. I think there was a lot of 75-bushel beans around here if the rains and snow hadn't drug it down to 60 or below. Corn did great for us, 230-240 bushels per acre.... Not much else you can say about that.*

Westcentral Minnesota – *Harvest didn't seem to be as bad as everyone made it out to be. We farm in a part of the state that has rolling hills but as a whole is fairly flat. We harvested a really good crops and got all our field disced before the frost. We run 40-foot headers on both corn and soybeans, so we cover some ground every day. We run two 4-wheel drive tractors to disc. Granted we switch back and forth from corn and beans several times which I personally hate doing but it was necessary as we got in wetter crops, we had times that the combine spun a little mud up but to us this is just what we call harvest... normal. We store all our unsold grain and plan on holding it until China comes back online. We just won't let beans go at this basis and we have taken enough income in that we can hold for at least 120 days if not longer.*



What are Researchers Doing with the Loblolly Pine: *Researchers, tinkering with the tree's genetics, have found a way to reverse-engineer how the loblolly produces resin, a discovery that could help manufacturers produce more sustainable alternatives for a range of goods now made with oil and gas, including surface coatings, adhesives, printing inks, flavors, fragrances, vitamins, household cleaning products, paint, varnish, shoe polish and linoleum. Currently, only two industries generate commercial value from pine trees — lumber and paper. Thus, in conducting their experiments, I'm told researchers were hoping they could decrease our reliance on fossil resources while increasing the use of renewable resources. Read more [HERE](#).*

Learn a New Skill Twice as Fast: *You probably practice your favorite hobby for the simple reason that it's fun, but there are other reasons having an after-hours pastime is awesome. Not only does science show that hobbies can boost your work performance, but many of them, from playing video games to playing guitar, can also make you smarter. So, if you want to intensify your commitment to whatever it is you enjoy in your free time, how can you learn your new game or instrument even faster and make the most of your limited practice time? The secret, according to new research, isn't grinding out more hours mastering a skill, but being clever about how you practice. Read more [HERE](#) how variety trumps repetition.*

One-Third of Americans Can't Name All Their Grandparents: *That proportion seems very, very high representing more than 100 million people. Can that estimate really be right? The figure comes from a survey the company recently commissioned that polled 2,000 American adults who were "statistically representative" of the country's overall population. In the survey, respondents were asked whether they knew the first names of their grandparents, and were not given any indication that they were being asked exclusively about their biological grandparents. In an attempt to better understand what else might be going on, researchers who study family-related demographic patterns were consulted. Find out what demographic trends might be contributing to this surprising statistic [HERE](#).*

Cool Archaeological Find Under Streets of London: *Archaeologists have uncovered a link to the capital's lost ice trade with the rediscovery, under one of London's most prestigious addresses, of an enormous 18th-century ice store, the existence of which had been almost entirely forgotten. The cavernous subterranean structure was built in the 1780s just to the south of Regent's Park and is the earliest-known, large-scale*

commercial ice store, which has led to it being designated a scheduled monument by Historic England. There are plans to make it will be accessible to the public, once the development is completed, on certain dates during the year. See pics and learn more [HERE](#) on the recent discovery.

3 Predictions for the Future by Elon Musk: Musk has already played a big part in shaping the future with his electric car company Tesla, his spacecraft company SpaceX, and his tunneling venture The Boring Company. Musk says, "I look at the future from the standpoint of probabilities. It's like a branching stream of probabilities, and there are actions that we can take that affect those probabilities or that accelerate one thing or slow down another thing." Musk believes in 7 to 10 years the first humans will colonize Mars, you will be able to connect your brain to computers in 10 years, and Tesla's 'cyberpunk' pickup truck prototype could be here in 2019. Click [HERE](#) to read more about these predictions!

Solar Powered Island Resort... My Kind Of Sustainable Tourism: New York-based architectural firm Yuji Yamazaki Architecture (YYA) is behind the design of the Kudadoo Maldives Private Island that opened recently in Lhaviani Atoll, Maldives. With a strong focus on sustainability, this exclusive holiday destination is distinguished by its impressive photovoltaic roof. In creating the plans for the island resort, YYA wanted to integrate the solar panels into the island's overall design, with the hopes of showcasing what is truly possible for sustainable tourism. Read more [HERE](#) on this Eco-friendly Island retreat.

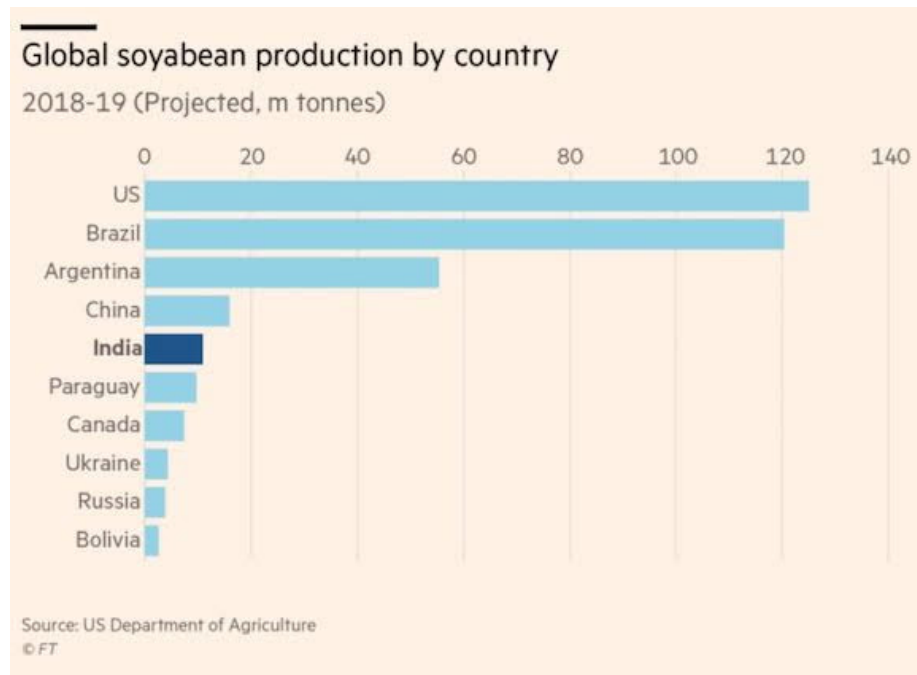




India Lurking and Poised to Take More Chinese Marketshare

India is lobbying hard with Chinese officials to fill gaps left from the ongoing trade war with the U.S. There's a national election this year in India, so selling more produce to China would be a huge boost in the arm for prime minister Narendra Modi. Keep in mind, tens of thousands of farmers marched on New Delhi just two months ago to protest low prices and high debt levels. Greater market access is just what producers are looking for while the government would love to trim its trade deficit with Beijing in the process. Also, with raised tariffs on many U.S. foodstuff, Indian officials have already signed agreements to sell fish oil and rapeseed meal to China, while at the same time successfully lobbying to remove import barriers for soybean meal as well as increase sales of fruits and vegetables. Indian officials are also making inroads elsewhere, as hurdles were recently cleared to begin exporting rice to China. New Delhi also lifted restrictions on exporting sugar, ahead of what is expected to be a bumper

harvest this year. I should mention that between April and August, India's exports to China have grown an average of over +50% year-on-year. Meaning, if we cannot negotiate some type of trade resolution soon with the Chinese, there's a chance that India and other nations may further expand their agricultural exports and relationships with Chinese buyers. It's worth noting that prices for soybeans at India's National Commodity and Derivatives Exchange have risen about +10% in the past two months in anticipation of future access to China. I certainly don't believe they have the infrastructure and or delivery and logistics to currently be a major supplier, but it could allow them to get another foot inside the door. I suspect U.S. officials are diligently working towards some type of resolution, but for now we have to keep our eye on the headlines and reports of other nations gaining more Chinese market share. (Source: Financial Times, Bloomberg)



Help Reach Your Goals in 2019 With These Top Rated Apps

Most everyone has new goals for 2019 and hopefully strategies in place as well to assist with better "execution". I know I often have good plans and intentions, but "execution" at times can be extremely difficult. Because we are all at different levels in our journey of self-improvement, I thought I would share some apps for both the Android and the iPhone that were recently named among the top tools by Google and Apple. So if you are looking to remain calmer, become smarter, get in better shape or just learn a new skill, these apps might help improve "execution". If you find one interesting, you can simply click the corresponding link to be taken to the app store for more information and downloading. (Source: CNBC)

10% Happier: *This app is listed as one of Google Play's best self-improvement apps, which makes meditation accessible and simple through daily videos, guided experiences and practical advice. It offers a clear, simple approach to meditation with a two-week class taught by Dan Harris, who is a bestselling NYT author and I'm told is a former meditation skeptic and Joseph Goldstein, a renowned meditation teacher. I've mentioned before how beneficial I've personally found meditation to be. The process of daily making time to sit and let your mind clear of all the useless clutter and endless thoughts has definitely brought me more clarity when making decisions in my business and life.*

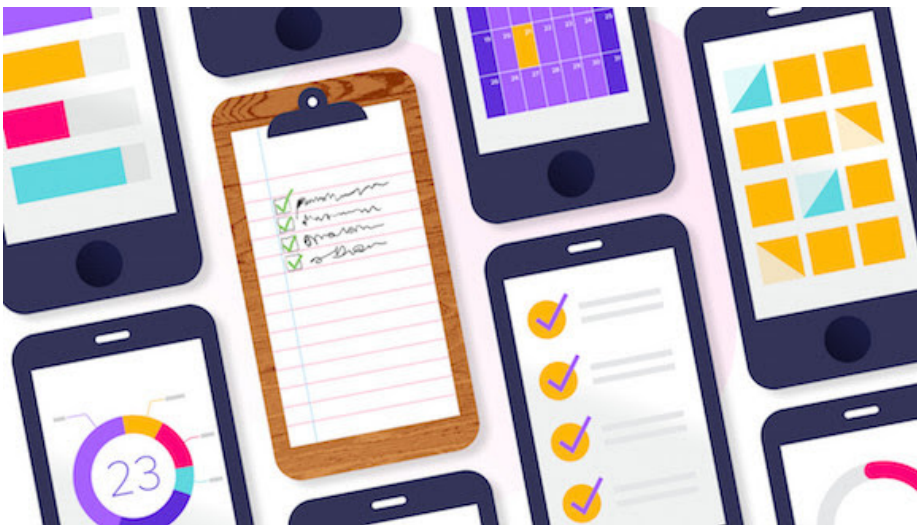
MasterClass: *MasterClass offers more than 45 classes taught by top personalities in their field allowing you an expert look at philosophies, processes and techniques for everything from writing to game design. You can learn to cook with Gordon Ramsay or take pictures with Annie Leibovitz on the app, which is available for iPhones or Android phones. Lots of great opportunities for growth with this app, I'm looking at it myself for some unexplored areas.*

Keep Trainer: *If it's an at-home fitness app you're looking for, Keep Trainer is free and requires no equipment. It has a range of workout plans complete with step-by-step instructions to help you reach your training goals. Personally, I prefer to make myself leave the house and go to the gym each day, but if you want to work out at home at least you'll have an accountability partner with this app. From what I understand, there is also a new exercise challenge that allows you to compete with your community of friends and keeps a running leaderboard... great for those needing a little more motivation.*

Language Drops: *Is a free app that Google Play ranked as a top self-improvement tool, it offers the chance to learn 31 languages using short word games that make the process fun. After each session you'll see your daily progress with a detailed report of all the words that you studied. What I find most useful is that Drops is 100% visual, helping you to connect meaning to new words. Drops also has a unique approach to teaching as they limit each session to only five minutes, making it somewhat addictive as you continue on your journey.*

Fabulous: *I'm told that Fabulous was ranked as one of Apple's best apps of the year for self-care. The tool taps principles from behavioral economics to reset your habits and help you make lasting change in your life whether you're looking to feel more energized, lose weight or sleep better. New this year to Fabulous, the Golden Triangle will immerse you in animations and visuals, encouraging you to complete your daily routines, whatever they are. I've said it a million times, it's about what you do consistently each day that will set you on a new trajectory, so be sure to use the app and make the changes you want.*

Shine: *Features such as daily texts or motivational messages can give you a boost in the morning, a break in the afternoon or help you wind down before bedtime. I cannot tell you how much I believe in the power of positive and this app can keep those sentiments in your face all day or when needed most. Over the years, I have received more comments about the daily quote I put in the report and what it has meant to people at various stages of their lives. It has been a great source of touching others lives, so let it work for you with Shine.*



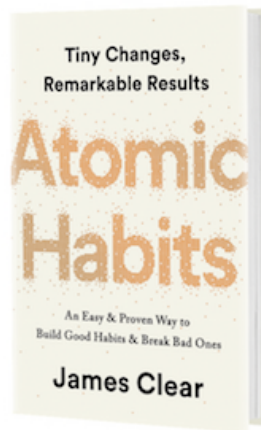
If You Want to Achieve Your Goals, Don't Focus on Them

Former Denver Broncos running back Reggie Rivers discusses how focusing on your goals is the one sure way NOT to achieve them. With this being the beginning of a New Year and lots of resolutions being put in play, I wanted to pass along something simple to consider. In the comments section of the video, a viewer referenced the Jim Rohn quote, "The ultimate reason for setting goals is to entice you to become the person it takes to achieve them." I couldn't agree more! It's not the actual goal we are ultimately trying to achieve, but rather the person we become while submerging ourselves in the process. I also like the simple tip he gives on focusing on today, tomorrow and this week. Too often we trip ourselves up by making our goals too long-term. Again, it's not actually about the goal itself, it's about trying to change our habits and who we are... This short video is probably nothing you haven't heard before, but the way he tells his story and simplifies his approach is a refreshing perspective and something that I thought could help me improve my process, perhaps it can help you as well. Click [HERE](#). I also just finished a book written by James Clear called "Atomic Habits: Tiny Changes, Remarkable Results". James Clear is one of the world's leading experts on behavioral science and habit formation. He says that for those of us who have trouble changing our habits, the problem isn't necessarily ourselves, but rather the system or process we are putting in place to try and achieve these goals. Bad habits repeat themselves again and again not because we don't want to change, but because we have the wrong system or process for accepting and allowing change. We do not rise to the level of your goals, but instead fall to the level of our systems or processes we are relying on. If you are interested in the book I included the Amazon link [HERE](#). In case you are wondering, my three personal goals for 2019 are healthier eating, improving my mindfulness and focus, and increasing my attendance at the gym. Wishing everyone best of luck in the quest for further self-improvement. I will pass along other books I read this year if I think they are keepers.



★★★★★
"A supremely practical and useful book. James Clear distills the most fundamental information about habit formation, so you can accomplish more by focusing on less."

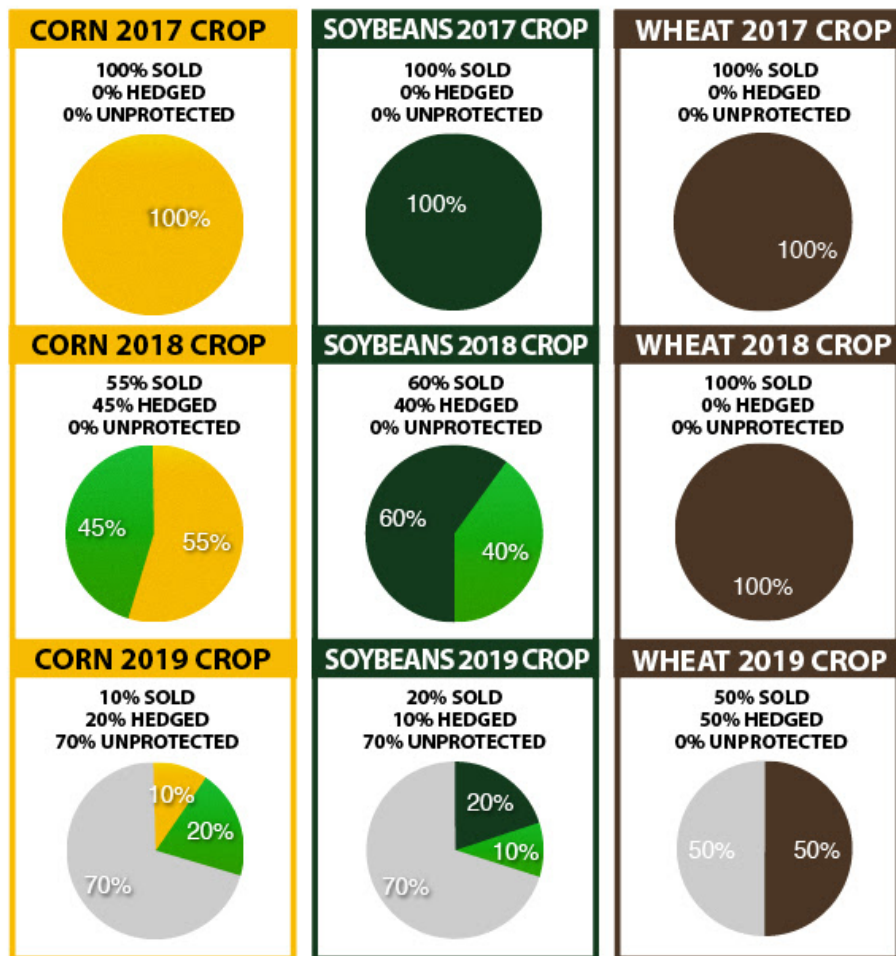
-MARK MANSON, #1 NEW YORK TIMES BEST-SELLING
 AUTHOR OF THE SUBTLE ART OF NOT GIVING A F*CK



ANSWER to riddle: Gum

CASH SALES & HEDGING TOTALS

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