

## GOOD MORNING: 05/23/19 Farm Direction - Van Trump Report

1 message

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

Thu, May 23, 2019 at 7:27 AM

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"Focusing is about saying no." -- Steve Jobs

**THURSDAY, MAY 23, 2019**
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**Morning Summary:** Stocks are lower to start the morning as traders ponder thoughts of further fallout associated with an extended trade dispute between the U.S. and China. After last week's escalation of tariffs by both nations, there have been no new trade talks scheduled. In fact, there's more talk that U.S. officials might place trade restrictions on several more Chinese companies. Also note, President Xi told listeners yesterday, China must prepare for difficult times, a "new Long March," in which the Chinese people must overcome various major risks and challenges from home and abroad. Which the market interprets as digging in for a long trade battle. Additional uncertainty is circulating around the European elections which begin today. In Washington, there's also a bit more uncertainty brewing as President Trump walked out of a White House meeting with Democratic House Speaker Nancy Pelosi, and Senate Minority Leader Chuck Schumer, telling reporters moments later that he would not negotiate on legislation with Democrats while he was still under investigation by several committees. Bottom-line, I suspect the market is a bit more nervous about political uncertainty this morning than it was a few days back. The Fed minutes from the latest FOMC meeting showed that members would like to see a patient approach to determining future adjustments to the target range for the federal funds rate. Participants continued to view sustained expansion of economic activity, with strong labor market conditions, and inflation near the Committee's symmetric 2% objective as the most likely outcomes. In other words, it sounds like the Fed is content keeping rates mostly unchanged. The rest of the week should be fairly light in regards to traditional economic headlines. Keep your eye on the U.S. dollar as it pushes higher, towards levels not seen in almost two years. A strong dollar could create additional headwinds. Don't forget, the trade is closed Monday in recognition of Memorial Day!

**Ag Subsidy Talk?** *There's comments and rumors circulating that President Trump is scheduled to deliver remarks on supporting America's farmers and ranchers at around 2:15 p.m. CST...stay tuned!*

**Chevy Introduces Buckle to Drive:** *Chevrolet recently announced its new "Buckle to Drive" feature this summer in the 2020 Chevrolet Traverse, Malibu, and Colorado, which is designed to not allow the driver to shift out of park for up to 20 seconds if their seat belt isn't buckled. Keep in mind, the feature only works when the automaker's Teen Driver mode is active. In addition, Teen Drive mode already automatically mutes the radio until the driver and front passenger seat belts are fastened and also allows parents to set a maximum speed of up to 85 mph and audio volume limits. I'm all for the new seat belt feature as I suspect this will help prevent more vehicle deaths in the future, but not sure how I feel about how much control parents are getting over radio volumes and what not. Again, I think this is another example of extreme helicopter parenting, which is continuing to hurt our youth.*

**Interesting Analogy... Great Wisdom for Investors:** Thought this was worth passing along for all investors to ponder. Tony Isola, CFP, author of the blog "[A Teachable Moment](#)", shares a great analogy comparing a test tube lab experiment with the daily chaos the market throws at the average investor as they try to avoid devastation and stick to their long term plans. Highly recommend the read:

*Investors don't live in a test tube, and what often looks great in the lab leads to disastrous results. The same goes for the history of curing fatal bacterial infections. This powerful story is laid out in the amazing book, [The Demon Under](#)*



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Today In History

*The Microscope* by Thomas Hager. Hager traces the story of a team of dedicated German scientists. He documents their painstaking search for a cure for the deadly infections that killed many of their friends and family. Despite what you might hear from the Anti-Vaxxers, the world was a cruel and horrible place pre-discovery of life-saving antibiotics.

According to Hager, "Once a wound infection started, almost nothing could be done. There were no antibiotics. In World War I, infected wounds had killed hundreds of thousands of men, more soldiers, by one estimate, than died by enemy bullets." Deadly infections didn't discriminate. Children and young mothers often died from illnesses like strep throat or a sinus infection. Despite the attention of the nation's top doctors, President Calvin Coolidge's young son fell victim to blood poisoning, turning a jovial man into "Silent Cal." F.D.R.'s son almost met the same fate.

The discovery of the antidote in 1935 was the end product of a long and torturous road. What worked in the tightly controlled test tube environment proved to be a bitter disappointment in the maze of variables located in the human body. "The Body was too complex, the tissues too diverse, the reactions too intricate for a simple in vitro test to mean much. On the other hand, it was logical to assume that any medicine that worked against bacteria in the body would likely also kill bacteria in a test tube." This of course turned out to be false also. Snatching victims from their graves didn't happen overnight. Compare this scenario to the daily murder holes the average investors must evade to stick to their long term plans.

Think of the first chart below as a test tube. It looks fine in the lab, not so much in our monkey brains. In order to participate in massive long term gains, investors needed to look past world wars, depressions, terrorist attacks and a host of natural disasters. The buying and holding experiment is much easier in the financial laboratory of pristine charts than in our frail psyches. Read the rest of the story [HERE](#).



**1900, Forgotten Civil War Hero Honored** - Sergeant William Harvey Carney is awarded the Congressional Medal of Honor for his bravery

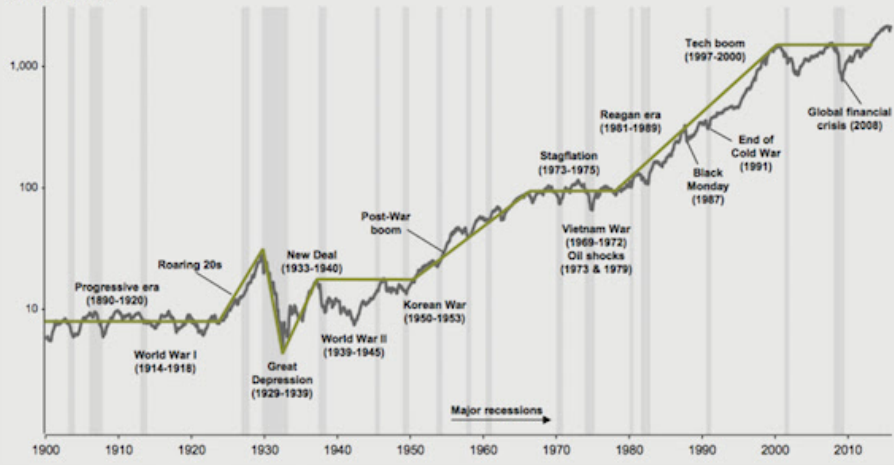
on July 18, 1863, while fighting for the Union cause as a member of the 54th Massachusetts Colored Infantry. He was the first African American to receive the Medal of Honor, which is the nation's highest military honor. The 54th Massachusetts, formed in early 1863, served as the prototype for African American regiments in the Union army. On July 16, 1863, the regiment saw its first action at James Island, South Carolina, performing admirably in a confrontation with experienced Confederate troops. Three days later, the 54th volunteered to lead the assault on Fort Wagner, a highly fortified outpost on Morris Island that was part of the Confederate defense of Charleston Harbor. Struggling against a lethal barrage of cannon and rifle fire, the regiment fought their way to the top of the fort's parapet over several hours. Sergeant William Harvey Carney was wounded there while planting the U.S. flag. The regiment's white commander, Colonel Robert Gould Shaw, was killed, and his soldiers were overwhelmed by the fort's defenders and had to fall back. Despite his wound, Carney refused to retreat until he removed the flag, and though successful, he was shot again in the process. The 54th lost 281 of its 600 men in its brave attempt to take Fort Wagner, which throughout the war never fell by force of arms. The 54th went on to perform honorably in expeditions in Georgia and Florida, most notably at the Battle of Olustee. Carney eventually recovered and was discharged with disability on June 30, 1864.



**1923, Curley is Buried at Little Big Horn** - The Crow scout Curley, the last man on the army side to see Custer and the 7th Cavalry alive, is

buried at the National Cemetery of the Big Horn Battlefield in Montana. Born around 1859 near the Little Rosebud River, Montana, from an early age Curley had participated in fights with the Crow's hated enemy, the Sioux. Like many of his people, Curley viewed the Anglo-American soldiers as allies in the Crow war with the Sioux. When he was in his late teens, he signed on as a cavalry scout to aid the army's major campaign against the Sioux and Cheyenne in the summer of 1876. Lieutenant Colonel George Armstrong Custer and his 7th Cavalry arrived in the Powder River country of southern Montana in early June 1876. As Custer proceeded toward the Little Big Horn Valley, he found increasing signs that a large number of Indians lay ahead. On June 22, Curley and five other Crow scouts were detached from a different unit and sent to bolster his Arikara scouts. On the morning of June 25, Curley and the other scouts warned Custer that a massive gathering of Indians lay ahead that far

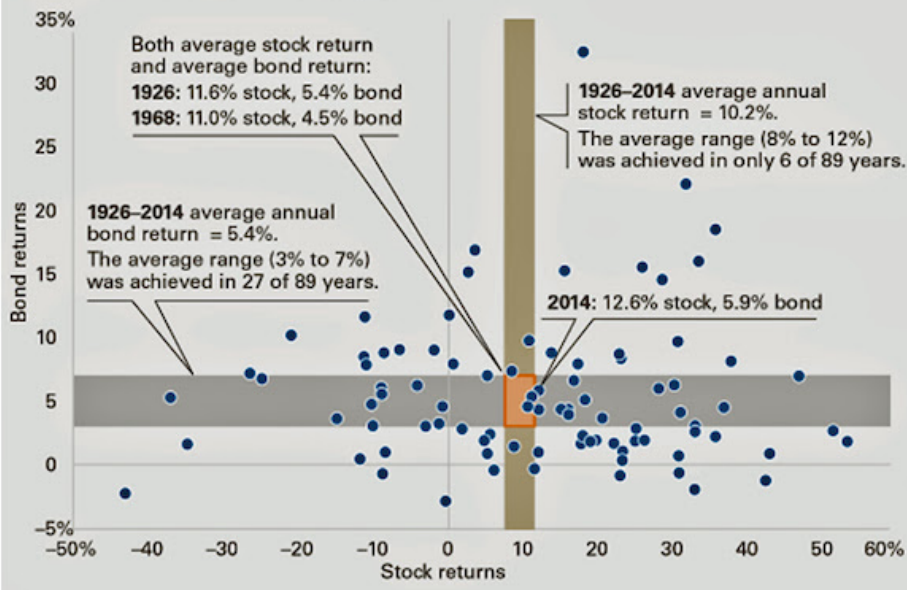
**S&P Composite Index**  
Log scale, annual



Source: FactSet, NBER, Robert Shiller, J.P. Morgan Asset Management.  
Data shown in log scale to best illustrate long-term index patterns.

## Returns are almost NEVER average

Annual stock and bond returns, 1926–2014



**Housing Companies Have Found a New Home... Amazon:** *It looks like prefabricated and modular housing — where homes are pre-built in factories — is having its moment. From what I understand, between 2013 to 2018, industry revenue grew an annualized +8.6% to nearly \$10.5 billion, including growth of +4.1% in 2018 alone. I'm told these homes have even hit Amazon and are apparently selling out. Indeed, multiple news outlets like real estate sites Curbed and The Real Deal reported that this 172-sq-ft \$7,250 prefab cabin, which the manufacturer claims can be built in eight hours, on Amazon sold out. Check out a couple of the options below and you can read more [HERE](#).*

outnumbered his contingent of 187 men. Custer dismissed the report and made the unusual decision to attack in the middle of the day. Both the Crow and Arikara scouts believed this would be suicidal and prepared to die. Right before the battle began, however, Custer released the Crow scouts from duty. All of the scouts, except for Curley, obeyed and rode off to relative safety. However, since the hills were now swarming with small war parties of Sioux and Cheyenne, Curley initially thought he would be safer if he remained with the soldiers. As the fighting gradually began to heat up, Curley reconsidered. He left Custer and rode to the east. Concealing himself in coulees and ravines, Curley avoided attack and made his way to a ridge about a mile and a half to the east. There he watched much of the battle through field glasses, the last man from the army side to see Custer and his men alive. When it had become clear that Custer's army was going to be wiped out, Curley abandoned his looking post and rode away to warn the approaching Generals Terry and Gibbon of the disaster. In the weeks following the battle, Curley provided an accurate and valuable account of the final moments of Custer's 7th Cavalry. Unfortunately, some interviewers later pushed the eager-to-cooperate Curley to revise his account and others simply misrepresented his testimony to fit their own theories. Consequently, for many years Curley was dismissed as a liar. Later historians, however, have vindicated the accuracy of Curley's initial story. Little is known about Curley's life after the Little Big Horn, but at some point he moved to the Crow Agency in Montana where he died of pneumonia on May 21, 1923. Two days later, he was buried at the National Cemetery at the Little Big Horn Battlefield.



**1967, Congressman Claims M-16 is Defective** - A public controversy over the M-16, the basic combat rifle in Vietnam, begins after Representative

James J. Howard (D-New Jersey) reads a letter to the House of Representatives in which a Marine in Vietnam claims that almost all Americans killed in the battle for Hill 881 died as a result of their new M-16 rifles jamming. The Defense Department acknowledged on August 28 that there had been a "serious increase in frequency of malfunctions in the M-16." The M-16 had become the standard U.S. infantry rifle in Vietnam earlier in 1967, replacing the M-14. Almost two pounds lighter and five inches shorter than the M-14, but with the same effective range of over 500 yards, it fired a smaller, lighter 5.56-mm cartridge. The M-16 could be fired fully automatic (like a machine gun) or one shot at a time. Because the M-16 was rushed into mass production, early models were plagued by stoppages that caused some units to request a reissue of the M-14. Technical investigation revealed a variety of causes for the defect, in both the weapon and ammunition design, and in care and cleaning in the field. With





these deficiencies corrected, the M-16 became a popular infantry rifle that was able to hold its own against the Soviet-made AK-47 assault rifle used by the enemy.

#### Upcoming Events

**Thurs. 05/23** - Export Sales, Jobless Claims, New Home Sales

**Fri. 05/24** - Cattle on Feed, Durable Goods

**Mon. 05/27** - Memorial Day, Markets Closed

**Tues. 05/28** - Export Inspections, Crop Progress

**Thurs. 05/30** - Jobless Claims, GDP Q1

**Fri. 05/31** - Export Sales, Personal Income

**Mon. 06/03** - Grain Crashings

**Thurs. 06/06** - Export Sales, Jobless Claims

**Fri. 06/07** - Unemployment Numbers, Wholesale Trade

**Mon. 06/10** - Export Inspections, Crop Progress

**Tues. 06/11** - USDA Supply/Demand, Crop Production

**Wed. 06/12** - Real Earnings

**Thurs. 06/13** - Export Sales, Jobless Claims

**Fri. 06/14** - Flag Day, Retail Sales

**Sat. 06/15** - Father's Day

**Mon. 06/17** - Export Inspections, Crop Progress, NOPA Crush

**Tues. 06/18** - FOMC Meeting (Day 1), Housing Starts & Pmts

**Wed. 06/19** - FOMC Meeting (Day 2)

**Thurs. 06/20** - Export Sales, Jobless Claims

**Fri. 06/21** - Summer Begins, Cattle on Feed

**Mon. 06/24** - Export Inspections, Crop Progress, Cold Storage

**Tues. 06/25** - Consumer Confidence, New Home Sales

**Thurs. 06/27** - Export Sales, GDP, Jobless Claims, Hogs and Pigs

**Fri. 06/28** - Grain Stocks, Planted Acreage

#### Kevlin's Song of the Week





Visual Capitalist

@VisualCap

Following

The World's 7.5 Billion People, in One Chart  
[visualcapitalist.com/worlds-7-5-bil...](https://visualcapitalist.com/worlds-7-5-bil...)



Gary Nelson

@farmerNelson

Following

Life of a farmer @plant19 ! Crop #30,,



WHAT I'M LISTENING TO:



"Shallow"  
Danielle Bradbery - Shallow ft. Parker McCollum

Kevin's Song of the Week

**NEXT** level  
**THINKING**

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

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

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

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

Kevin Van Trump

What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with



**Anthony**  
@growcom

Following

Another rain delay! #plant19



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 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.





Derek Dunn  
@AGold\_Dunn

Following

Turkeys gobblin'  
Corn growin'  
It's that time of the year in Iowa!

#thunderchicken #plant19



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

**Uncle Rich's  
Plum Glazed Ribs**



**CLICK TO SEE RECIPE**



Bleacher Report  
@BleacherReport

Following

Steph and Dray making history 🍷



**FIRST PAIR OF TEAMMATES  
TO RECORD A TRIPLE-DOUBLE  
IN SAME PLAYOFF GAME**



80s Sports N Stuff  
@80sSportsNStuff

Following

You knew it was gonna be a good meal when  
Dad fired this up in the summer...







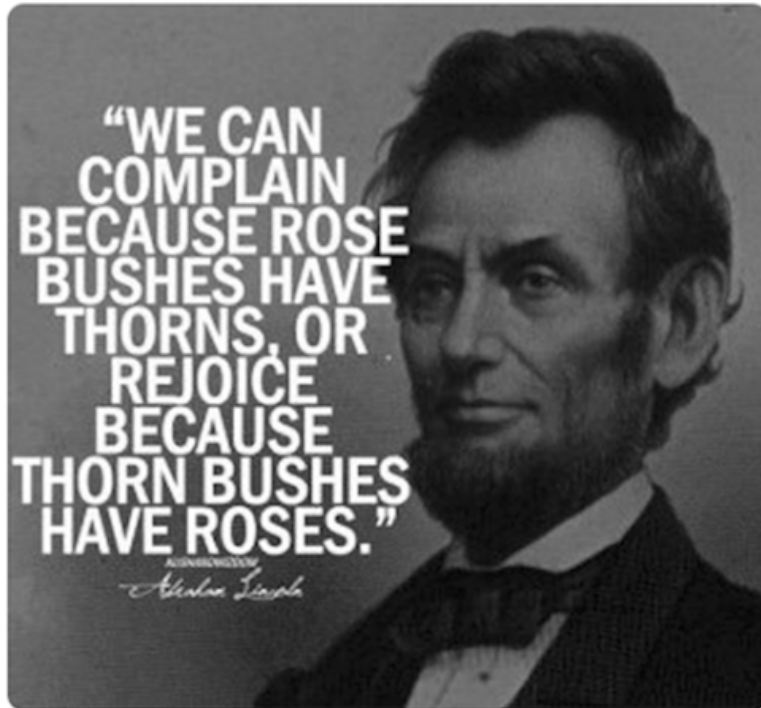
ActionComplete  
@ActionComplete

Following

We can complain b/c rose bushes have thorns, or rejoice b/c...

~Abraham Lincoln

#quotes #inspiration #positivity



## neuro mining



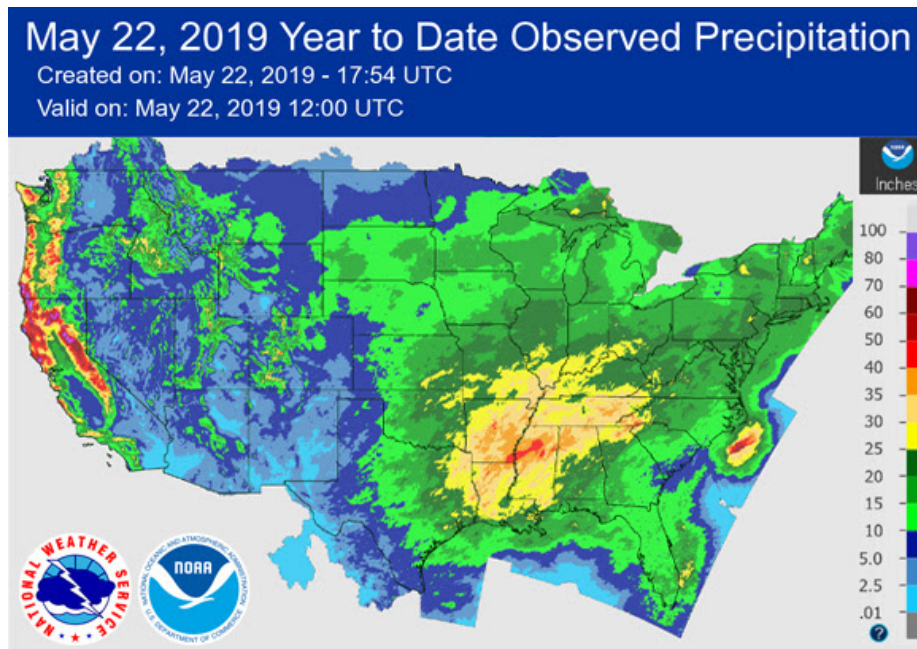
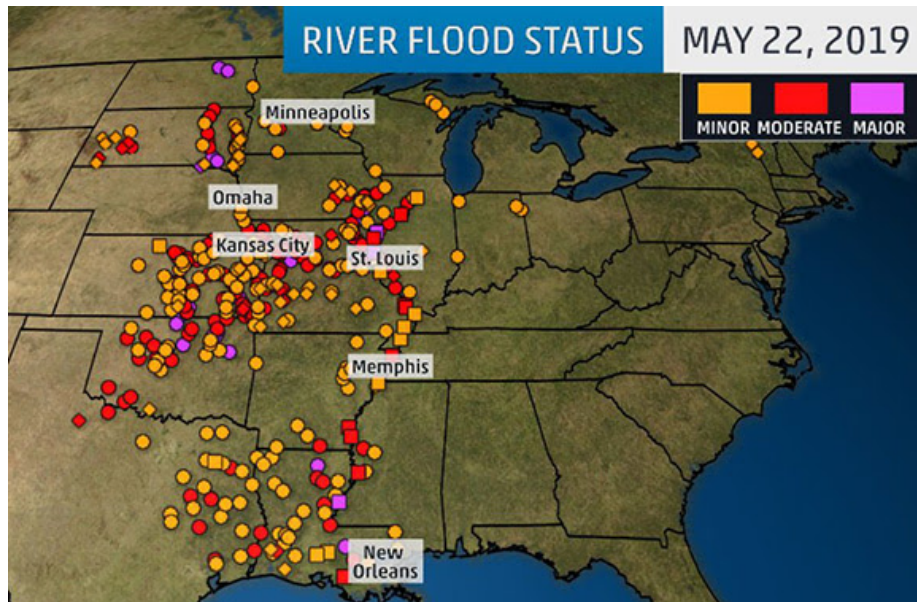
*As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

Why did the male janitor get in trouble for going out with the female coal miner?

**Worst Flood In Modern History:** Mississippi River flooding has been ongoing for three months or longer in some locations, making it the longest-lasting flood there since the Great Flood of 1927, the worst flood in modern history on the lower Mississippi River. In Baton Rouge, Louisiana, the river first rose above flood stage in the first week of January and has been above that threshold ever since, a record-long stretch that could extend well into June, topping the longevity record from 1927. The Mississippi River at the Quad Cities of Iowa and Illinois observed its longest stretch above major flood stage on record. The river was in major flood stage for 51 consecutive days from March 23

through May 12. The previous record was 31 days from mid-April to mid-May 2001, according to the NWS. Overall, more than 380 river gauges were reporting levels above flood stage on Wednesday. Of those, 29 gauges reported major flooding, 145 moderate flooding and 208 minor flooding. Since the start of 2019, much of the lower Ohio and lower Mississippi valleys have picked up more than 2 feet of rain. Isolated spots have even received over 40 inches of rain, as seen in the light blue shadings in parts of northern Mississippi and southeastern Arkansas in the estimated precipitation map below.

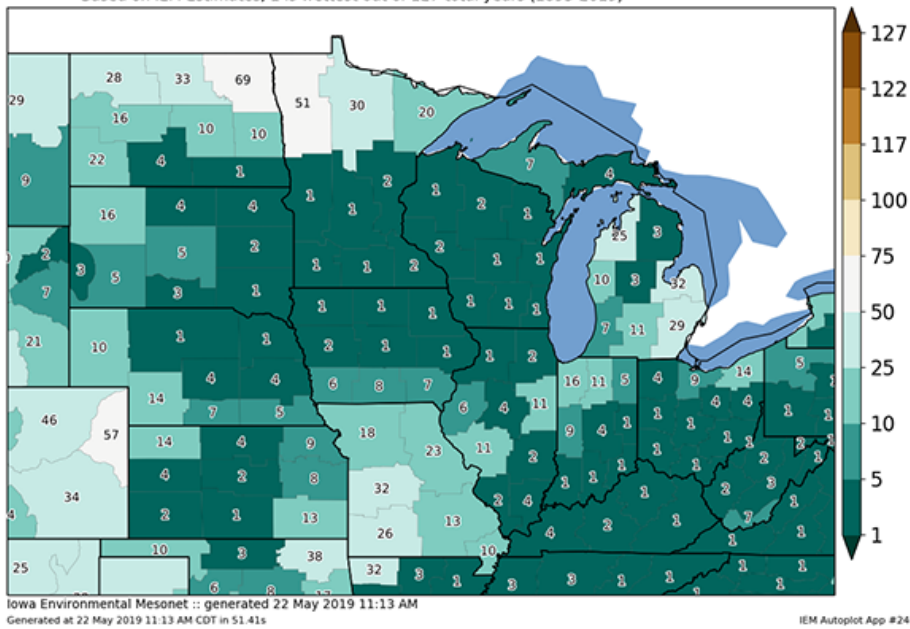


**Wettest Past 12 Months On Record for Most of the Midwest:** Most major Ag regions across the Midwest are in the top 10 wettest last 12 months. Furthermore, huge parts of Kansas , Iowa, Minnesota, Michigan Indian and Ohio are all in the midst of their wettest year on record.





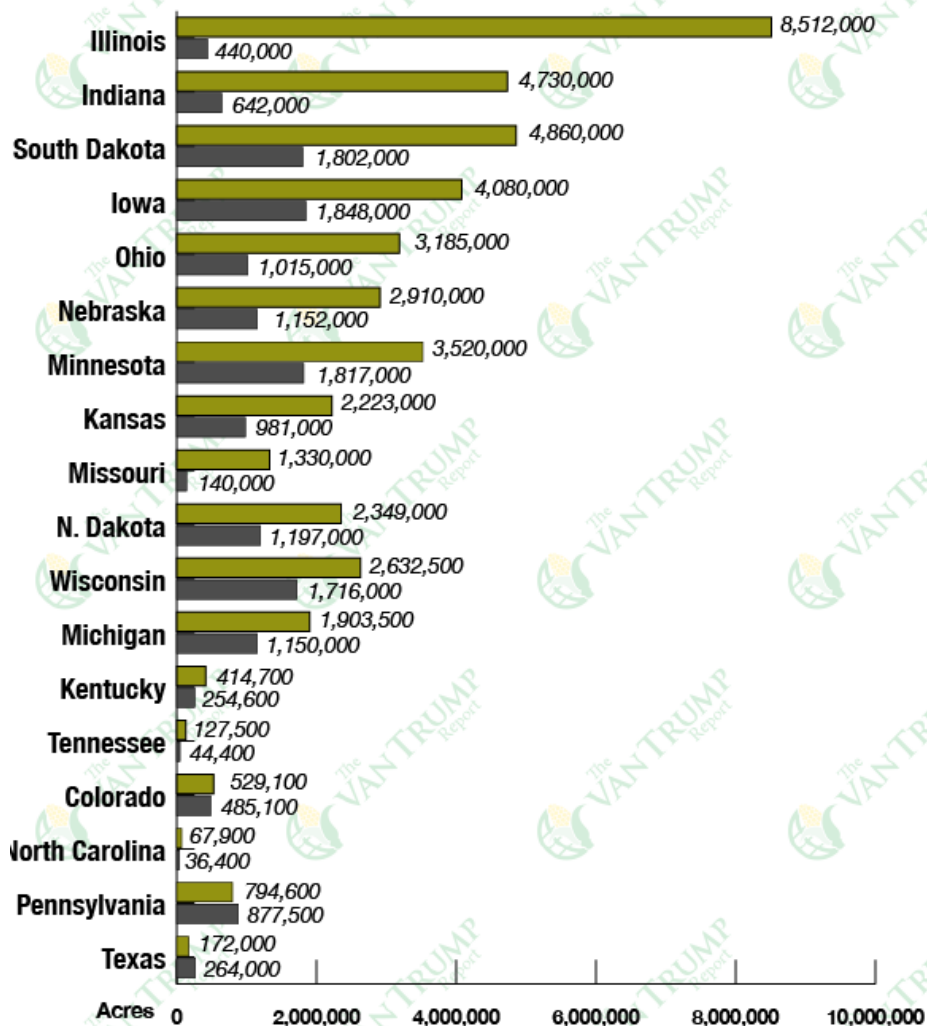
22 May 2018 - 22 May 2019 Total Precipitation Ranks by Climate District  
Based on IEM Estimates, 1 is wettest out of 127 total years (1893-2019)



**Corn** traders continue to debate the number of planted acres and overall crop condition. I personally argue, there will be a lot more "preventive plant" acres and acres that need to be "re-planted" than the market is currently anticipating. Unfortunately, we might not know the real acreage numbers until much later in the season. As for overall crop conditions, most sources think the USDA is still two or three weeks away from releasing weekly estimates since so little of the crop is actually emerged. In other words the trade is going to be left guessing on both acres and overall crop condition for at least a few more weeks. I continue to believe planted acres are going to be sub-88 million. I will also argue a sub-170 yield, perhaps even a sub-168 yield with so many acres going in the ground decidedly late in the campaign. Not only is nitrogen lacking, but the crop is being planted in cold wet conditions, late enough that root development will have a tough time fully establishing itself ahead of what could be extreme summer heat. Now all of a sudden we have potential pollination issues and a very late crop that could create concerns late in the crop cycle as it faces pressure from early freezing conditions. And what happens if it just keeps raining for several more weeks in key production areas? Bottom-line, with this many acres unplanted or needing to be re-planted this late in the season, we open up a massively large can of worms that now put several more wild-cards in play. It would seem that bears might continue to back down their bets as bulls stand a much better chance of drawing to a winning hand. I'm staying bullish this market! I believe we have reached an inflection point where a much greater percentage of U.S production could be at risk very quickly. I can't guarantee it happens, but the setup feels right for perhaps a massive move higher! Please remember, these types of weather markets can move very quickly, so make certain you have a well rehearsed game-plan in place and have talked about risk with your licensed advisor. The worst thing I can think of is being patient for an extended period of time, then being right the market, but ultimately wrong the trade. I've had it happen to me in the past so make certain you are fully considering all of your options and moving pieces. Talk to your local grain merchants, discuss short-term and longer-term objectives, take some time to think and be smart with this next couple of moves. I feel like the waters are going to start moving fast in both directions and our nerves are going to be tested... This is when we have to lean on our plan, collaborate with experts on our team, and execute when called upon. My coach always said, "Big players, make big plays, in big games..."

# Corn Acres Left to Plant?

Comparing Week 20 - 2019 vs. 2018



Kevin,

So many articles and questions, the KSU pdf outlines the options very well and in a simple way. Put this out there for your readers!!! Click [HERE](#)

1. Cutoff date, take pp
2. Cutoff date, continue to plant but at a 1% guaranteed yield reduction per day.
3. Take 1/3 pp pymt and plant another crop.
4. Plant another crop (beans that would still be eligible for crop insurance)

That is the way I read it plain and simple. Don't know about requirements for cover crops, the # 3 option says you only pay 1/3 of your crop insurance premium to get 1/3 of the pp pymt.

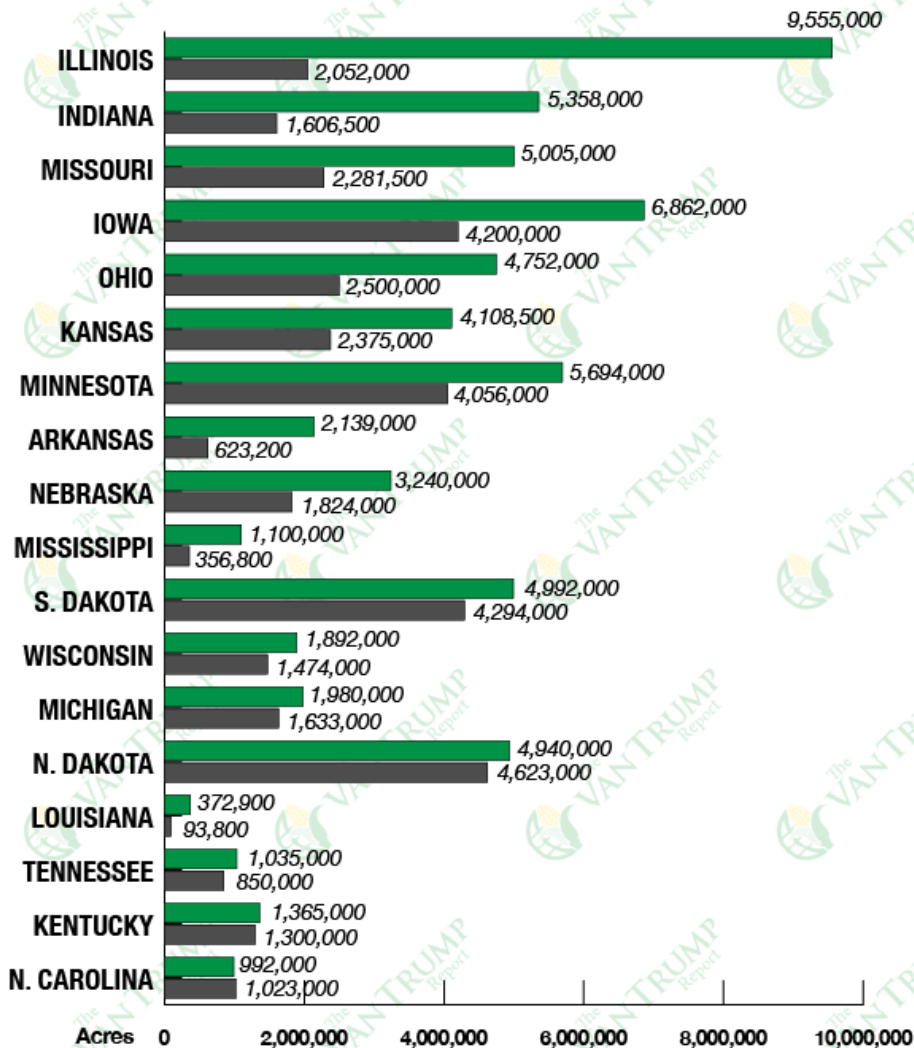
**Soybean** traders aren't sure what to think as many stories circulate regarding both weather and Washington. Rumors and hearsay regarding a second round of trade subsidies has many in the market debating the next move. Will U.S. and Chinese negotiators begin to bridge the gap? Will the second round of subsidy payments to U.S. producers be higher than the first, will it be tied to APH, will it impact planted acreage decisions? What about weather? Will weather delays impacting U.S. corn planting, ultimately push more acres to soybeans or will the weather worries continue, ultimately pushing more soybean acres out of the production equation? As a spec, I know a few large traders that had been looking closely at "long corn vs. short soybean" positions, but in the past few days they've backed off that argument, thinking soybeans acres might ultimately be in harms way considering the current weather forecast and overly saturated fields. I think many other traders might be starting to think twice before



taking a bold bearish position in this market. The balance sheet, trade uncertainties with the Chinese, along with African Swine Fever are all decidedly bearish factors, but they have also been very well advertised and digested. As a producer, I want to stay patient for a bit longer. As a spec, I'm still on the sideline with a slightly bullish tilt. I prefer placing my bullish bets in the corn market, at least for the moment. Paying very close attention as the soybean market starts to become much more interesting...

# Soybean Acres Left to Plant?

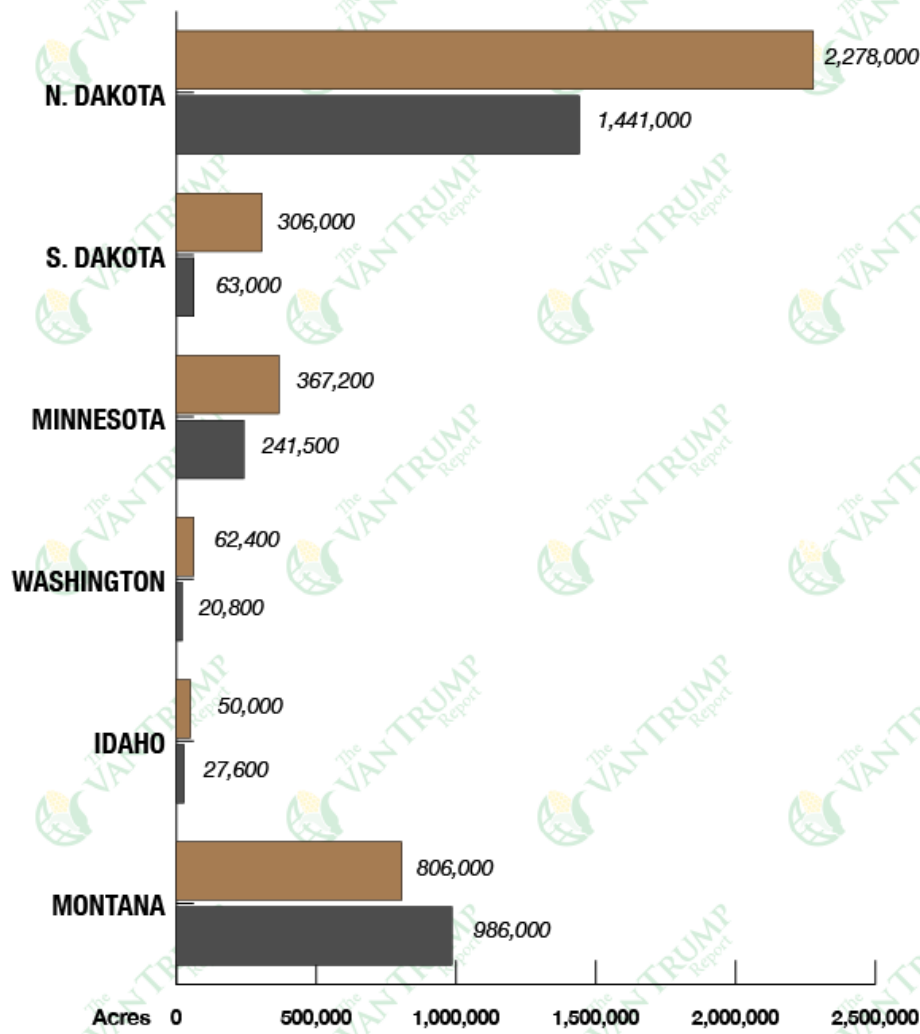
Comparing Week 20 - 2019 vs. 2018



**Wheat** bears are saying the recent rally in price has created more headwind for U.S exporters, which starts to bring export estimates back into the spotlight. Bottom-line, bears continue to point to burdensome supply and somewhat suspect demand. Bulls on the other hand are pointing towards areas in the U.S. facing extreme weather conditions and what type of yield drag it might cause for total production. Many large spec traders have learned and recognize, "a rising tide will lift all ships", therefore a continued run higher in the corn market might actually be the biggest bullish tailwind in the weeks ahead. As a producer, we have to keep in mind the 2019 winter wheat harvest is starting to roll down South, meaning the clock is ticking faster in regards to marketing. From what I can gather, the Texas crop is about 10% harvested to this point. Moral of the story, I continue to keep a close eye on U.S. weather but time is running short, especially with Russian crop estimates moving higher. As with everything in life, timing is everything, unfortunately we might be a day late and a dollar short. I feel like wheat is now going to be mostly a follower, with the corn market being its strongest advocate. In other words, if you're playing the bullish side of the wheat market you have to be cheering for corn!

# Spring Wheat Acres Left to Plant?

Comparing Week 20 - 2019 vs. 2018



> **USDA Calls Reports On Details Of New Trade Aid "Inaccurate":** A USDA Spokesperson released a statement yesterday saying the new farming support program will be forthcoming shortly, but we want to be clear that the program is being designed to avoid skewing planting decisions. Farmer should continue to make their planting and production decisions with the current market signals in mind, rather than some expectation of what a farming support program might or might not look like based on inaccurate media stories." This looks like a response to a widely reported Bloomberg article the other day that speculated the support program could pay \$2 per bushel to soybean farmers. Moral of the story is hold tight -- details are forthcoming. (Source: USDA)

> **President Trump Making USMCA Deal a Priority:** In a letter to Congress, President Trump says: "Before we get to infrastructure, it is my strong view that Congress should first pass the important and popular USMCA trade deal."

> **African Swine Fever Vaccine Will Take Years:** Ag Undersecretary Greg Ibach told a House Ag Subcommittee that scientists estimate it will take eight years to find an effective vaccine against African swine fever. Ibach also said USDA is working on an agreement with Canada for a framework for using trade controls and other processes to



contain the spread of an animal disease if there's an outbreak -- particularly in the pork industry. (Source: Politico)

> **Louis Dreyfus Starts Construction on New Plant in China:** Agricultural business major Louis Dreyfus Company (LDC) will kickstart the construction of an animal feed plant in China, jointly owned with one of the largest Chinese feed makers Guangdong Haid Group Co Ltd, the company said on Wednesday. The joint venture – named Tianjin Rongchuan Feed Co. Ltd – will be located in Tianjin in northern China and is expected to start operations by the middle of next year, LDC said in a statement. I'm told the plant will be used to produce high-end aquatic feed and fermented soymeal.

> **DARPA's Game of Drones:** The U.S. Defense Advanced Research Projects Agency (DARPA) has officially funded a program to come up with a brain-machine interface — in the form of a headset designed to let military personnel control anything from "active cyber defense systems" to "swarms of unmanned aerial vehicles" through brain activity alone, according to a press release. I'm told DARPA has an ambitious timeline for the headset, but first on the agenda: figure out a way to record electrical signals in the brain and how to relay information back to the brain tissue.

> **Baltimore Can't Access Their Computers Due To Hackers:** Something crazy is happening in Baltimore's city government as hackers digitally seized about 10,000 government computers and demanded around \$100,000 worth in bitcoins to free them back up. It's a 'ransomware' attack where hackers deploy malicious software to block access to or take over a computer system until the owner of that system pays a ransom. Basically, city employees can't access their emails, and citizens can't pay parking tickets or water bills or the like. And Baltimore is refusing to pay the ransom. This situation has now gone on for two weeks. (Source: Recode)

> **Diamond Market Is In a Slump:** Aside from oil and lean hogs, 2019 has been a tough year for commodities. Coffee prices have fallen 9%, natural gas is 11% lower and soybean prices have fallen 7%. And the diamond industry is also struggling. De Beers revealed its diamond sales fell to a 2 year low. Worldwide diamond sales fell 25% from a year ago and were down 29% from last month. Reports are, diamond miners are dealing with too much supply as well as stagnant demand. In India, where 90% of the world's stones are cut or polished, the Indian Rupee's weakness against the dollar has made the gems more expensive for Indian manufacturers.

> **Online Giants Top All Retailers:** According to WPP and Kantar's second annual BrandZ Top 75 Most Valuable Global Retail Brands report, Amazon is by far the biggest retail brand in the world. With a brand value of \$315.5 billion, Amazon accounts for nearly a quarter of the combined value of the top 75 brands, edging out second-placed Alibaba by nearly \$200 million. It's clear we are now in an era of digital retail as human human actions meet algorithms enabling retailing to be much more digital but appear more human. What's more interesting in this data is the increasing importance of Chinese retailers in online and mobile commerce indicated by Alibaba's rise to second place. (Source: Statista, WPP, Kantar)





# FROM THE FIELD

**Northern Illinois** – We have seen rain every night this week and they days have been chilly until today. We jumped up to nearly 80 degrees Wednesday but it's not going to be nearly enough to dry out the 2 inches of rain we have seen in the last 3 nights. We have rain in the forecast for the next 5 days, with most of those days being above 50% chance or better. Today was the only warm day we have had in about 10 days and it's going to get cold again after that for a few more days then warm up this weekend again. I'm thinking we will prevent plant at least half our corn if we can get a break and get out there by the end of next week.

**Westcentral Illinois** – We have 4" forecasted for this week but more into the first week of June is expected. We weren't able to get anymore corn in but we did "plant" (spin/slide/slice) 150 acres of beans in. Several customers meeting and talking with crop insurance agents to possibly pursue prevent plant. A lot of the earlier corn has been in for more than 4 weeks and there are A LOT of marginal/poor stands. Tons of replant if we ever get the opportunity...

**Westcentral Missouri** – We have had a little over 5 inches of rain the first day of the week and it doesn't seem to end through the rest of the week either. We had another 2 inches Tuesday night and they are calling for slight chances the rest of the week. We are done with corn but will need to replant upwards of 25% of what was washed out and we should start planting soybeans in about 7 days if the weather straightens up today otherwise it's anyone's guess when we will get back out there.



## CROSSING WIRES

A place to share intelligent thoughts...

**Are We Relying on too Few Crops to Feed the World:** I wanted to share a LinkedIn article from Matt Crisp, CEO and co-founder of Benson Hill Biosystems, whom I had the pleasure of working with over the years. The article shares Matt's perspective on the recent article from WSJ, "About One Million Species Face Risk of Extinction" "Humans Are Speeding Extinction and Altering the Natural World at an 'Unprecedented' Pace," from the NYT. Keep in mind, behind these stories stand a new report by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), an independent body that convened 150 scientists from all over the world for the most comprehensive report ever on global biodiversity. The report represented an enormous service to humanity, in his view, because it presented the most comprehensive report yet on what is literally a life and death issue for our planet and all its inhabitants, human and otherwise. Matt takes the side that there is hope not only for halting the downward spiral we're now in, but for reversing it, and he shares his view on how agrodiversity has a role to play [HERE](#).

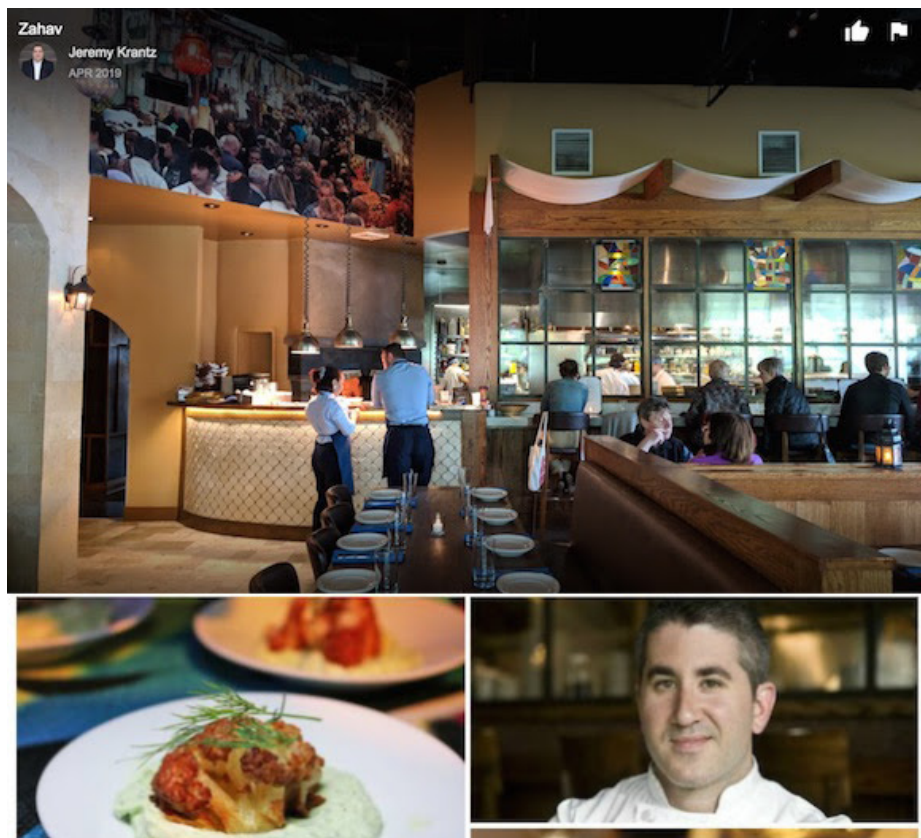
**Growing Set of Issues for Students in Both HS and College?** One of the consequences of the explosive growth in opportunities for high-school students to take college courses over the past several years is that teens as young as 14 are expected to both learn like college students and even think like them about their futures, accelerating the time they spend preparing for a specific job or degree. At the same time, policy makers, educators and others are increasingly considering courses that look and feel like high school — teens are the only students and they're taught by high school teachers — on par with college. For students, that truncated experience can have both benefits and drawbacks. Politicians, parents and others have practical reasons for encouraging their high-school students to take college courses — they have the potential to save students time and money, for one. By occupying a middle space between the two systems, high-school students should also be better prepared to attend college full-time, said Julia Duncanson, an assistant professor at UTEP, who studies dual credit, dual enrollment, and early colleges. That, at least, is the educational philosophy behind dual enrollment. But, "the middle space does not exist," Duncanson said, a sentiment that's based on her research. Either high-school students sit in a college classroom with a college professor, or they take a course with a college syllabus taught in a high school by a high-school teacher. Read more [HERE](#) about the debate surrounding the fuzzy line in this space.

**World's First Vertical Theme Park Will Bring Movies to Life:** Some of Lionsgate's most popular film franchises from "Hunger Games" to "Twilight" will be brought to life

when the studio opens what it calls the world's first vertical theme park in China this summer. From what I understand, Lionsgate Entertainment World will offer several adventures including a virtual reality motorcycle ride based on "Twilight," a maximum-security prison breakout like in "Escape Plan" and a replica of The Capitol lobby from "Hunger Games," complete with shops where guests can fashion themselves in the film's distinctive couture. I'm told more than 25 rides and virtual reality experiences will pack a sleek, futuristic looking bean-shaped building that stands 10 stories high. Also, the theme park, which will also include attractions based on films such as "Divergent," "Now You See Me" and "Gods of Egypt," is scheduled to open in July on Hengqin Island located in Zhuhai, China. Lionsgate expects to have around 1.5 million park-goers this year, and future phases include plans for National Geographic Ultimate Explorer and Real Madrid interactive experiences, as well as an international school offering British-based education. Read more [HERE](#) on the modern-day theme park.

**Why are More Americans Retiring Abroad?** Americans are opting to retire overseas at a growing rate. I'm told that the Social Security Administration as of April this year, was sending 685,000 payments to beneficiaries overseas — a 40% increase over the past 10 years, and some believe that's likely just the tip of the iceberg. Interestingly, most people continue to bank in the U.S. and have their Social Security checks deposited at home, even if they themselves are physically abroad, according to Jennifer Stevens, executive director of International Living, a website and publication that advises people on living, working, and retiring overseas. Thought exact numbers are not known, Steven says the numbers are increasing and not just for Baby Boomers or those who retire completely, meaning more people are retiring part-time abroad, in part because they want the flexibility, and also because they have older parents they need to attend to. Also, the other trend being seen is people retiring earlier, who are saying, they're not waiting until their 65. Read more on the trend [HERE](#).

**America's Favorite Restaurant for 2019 is Zahav's in Philadelphia:** Zahav was named the best restaurant in the country by the James Beard Foundation on Monday in a first for Philadelphia's restaurant community and Israeli chef Michael Solomonov. I should mention, in the culinary world, the James Beard Award for Outstanding Restaurant is analogous to the Academy Award for Best Picture; it's the goldest of gold stars for the thousands of restaurateurs across the country vying to wow diners in a super-competitive industry. And, fittingly, this year that gold star went directly to a "gold" recipient: Zahav, the Israeli-style restaurant in Philadelphia's Society Hill neighborhood whose name means "gold" in Hebrew. Success is nothing new for the 11-year-old eatery, owned by now-six-time James Beard winner Michael Solomonov, who essentially wrote the book on bringing Israeli food to American consumers. If you are open to trying new foods and experiences, you can catch all of Solomonov's culinary delights from his 2015 award winning "[Zahav: A World of Israeli Cooking](#)," cookbook. So you no longer have to live in Philly to enjoy Solomonov's recipes for fried cauliflower, lamb shoulder, crispy halloumi and mouth-watering falafel. Learn more about the Solomonov and Zahav [HERE](#).







Clockwise from top right: Michael Solomonov, the "Purple Rain" donut with edible glitter, savory rugelach with caramelized onions and fried cauliflower with herbed labneh. (Photo: Dara Pollak/Courtesy)



The new "Zahav" cookbook features a lot of different dishes, including a variety of Mediterranean salads. (Photo: Michael Persico / Houghton Mifflin Harcourt)



### Why Pecan Prices Might Be Much Higher

Many people don't realize it, but pecan production actually dropped by nearly a third this past year as

producers in both Texas and Georgia experienced significant declines. In terms of U.S. agricultural production, pecans rank fourth among tree nuts behind almonds, walnuts, and pistachios. The USDA estimates U.S. pecan production for the 2018/19 marketing year to be 221 million pounds, a -27% drop-off from 2017/18. If the 2018/19 estimates is accurate, pecan production will be the lowest in a decade. The small crop reflects declines in all of the eight reported pecan-producing states, with the biggest losses in Georgia and Texas -- both major pecan producers. After ranking as the top pecan-producing state for the past several years, Georgia will relinquish that spot to New Mexico. Estimated at only 56 million pounds, Georgia's pecan production in 2018/19 is down -48% from the previous year and at its lowest level since 2006/07. This decline is attributed mainly to the damage of Hurricane Michael, which occurred back in October of last year ravaging much of the state's pecan growing crop, downing trees, breaking limbs, and blowing many nuts off the trees. Texas production is also aggressively lower, mainly due to pecan trees following an alternate bearing production cycle in which production is higher in alternating years. Below are some interesting facts about pecans production in the U.S. Did you know the U.S. is the world's leading producer of pecans? As you can see in the pic below, the rows of pecan trees are an impressive site during the fall harvest. (Source: USDA, U.S. Pecan Growers Council)

**Where Pecans are Grown:** *Pecans are grown commercially in essentially 15 states in the Southern and Midwestern portions of the U.S. including: Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina and Texas.*

**Origin of Seed:** *All varieties are derived from the native U.S. pecan, which grew wild in North America for thousands of years.*

**Lifetime of Production:** *It takes between 7 to 10 years before a pecan tree begins to produce a full supply of nuts. But once the process starts, the tree can product for a very long time, sometimes more than 100 years.*

**World Global Supplier:** *The U.S. produces on average between 250 and 300 million pounds of pecans every year, which is about 80% of the world's pecan supply.*

## U.S. PECAN PRODUCTION

Million pounds. - in-shell

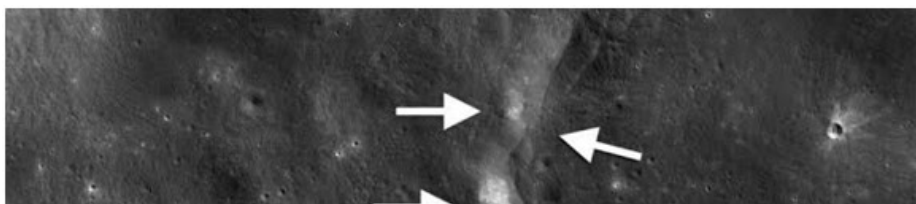




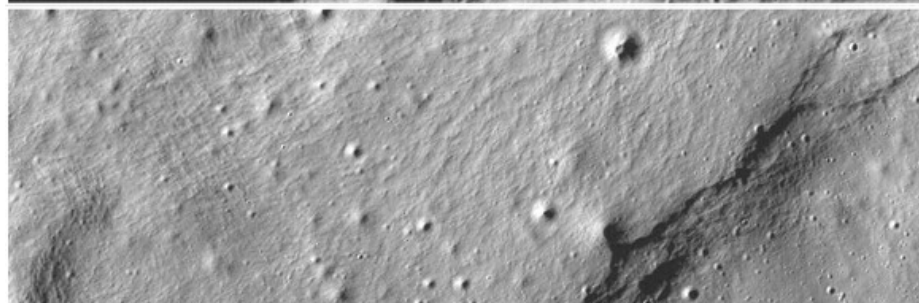
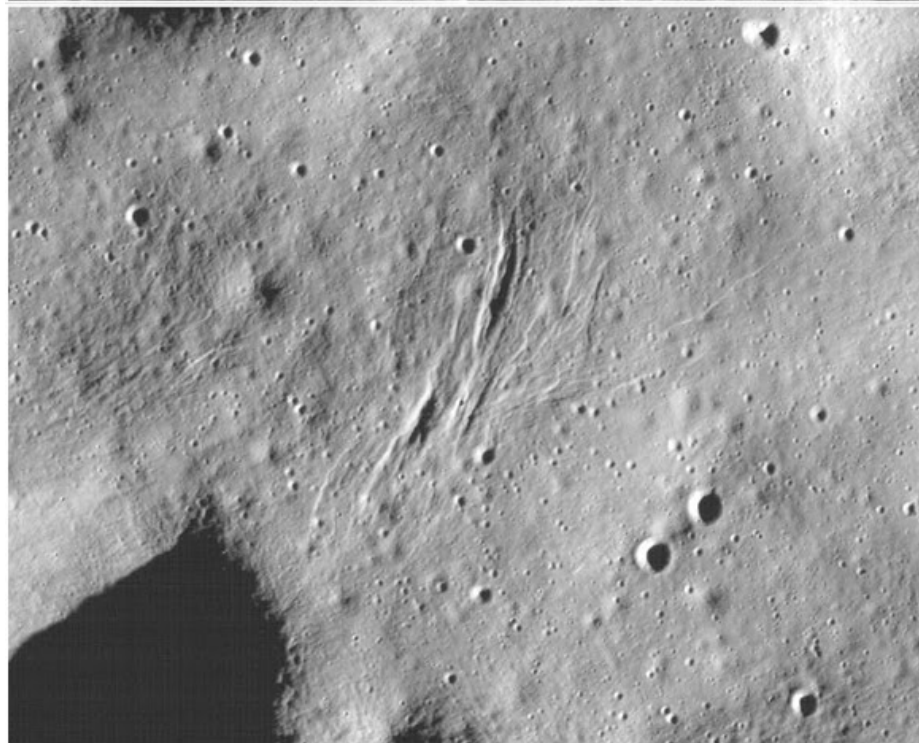
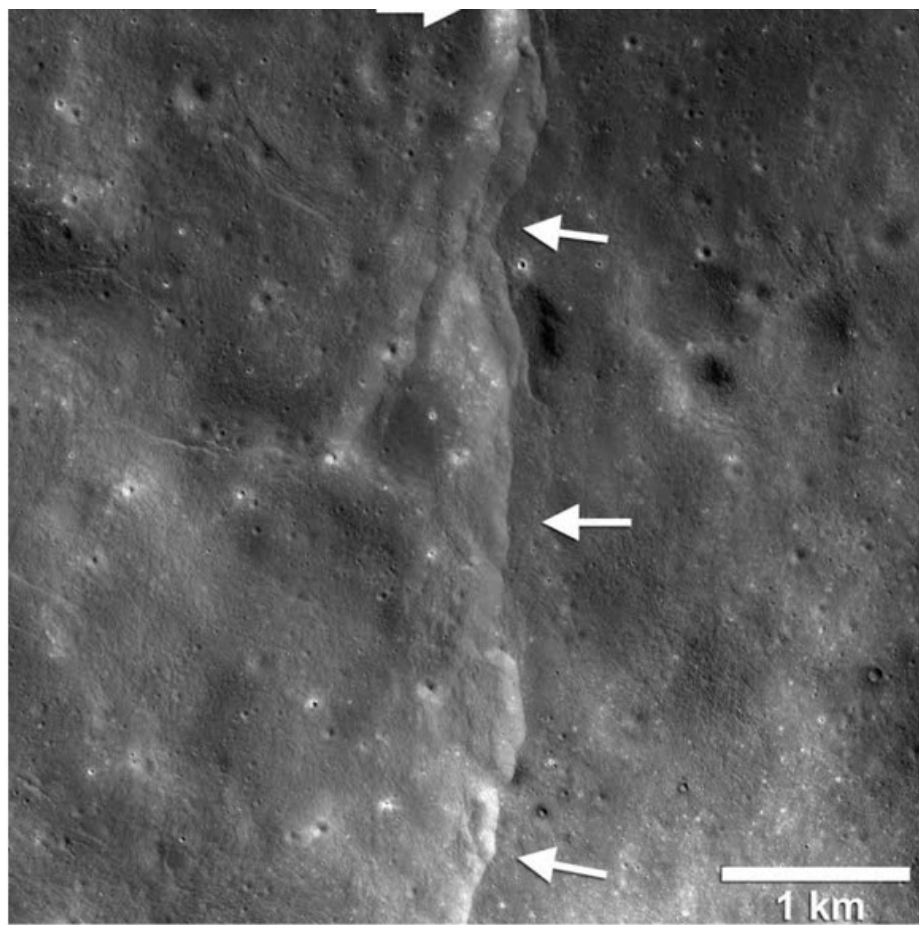


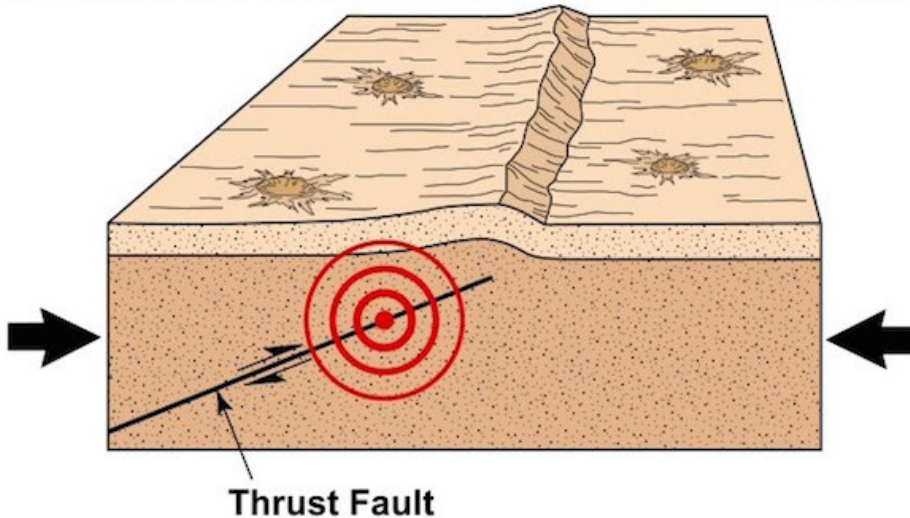
### What's Happening with the Moon?

There's been a ton of headlines circulating as of late about the moon, particular reports of new research that suggests the Moon may be dealing with a strange series of quakes and actually shrinking in size. NASA scientists have used data from their Lunar Reconnaissance Orbiter Camera to look at "wrinkles" or "thrust faults" in the surface of the moon. They believe these wrinkles are formed as the Moon loses heat and shrinks in size. Scientists have been studying a region near the Moon's north pole known as the Cold Sea. They completed a survey of more than 12,000 images showing the hills and trenches on the Moon's surface, which are noteworthy for being located within a basin. Scientists however were actually surprised to find the wrinkles in the basin. The wrinkles form through a process called tectonics, which here on Earth is driven by the movement of pieces of the Earth's crust. But on the Moon, the process is driven by the loss of heat over time which causes the interior to shrink. Basically the Moon is quaking and shaking from its own internal processes as it's been losing heat for perhaps thousands of years. Interestingly, the largest percentage of quakes are happening when the moon is at its apogee, or at its farthest distance from the earth. Scientists estimate the Moon's lifespan at around 4 billion years or so, during that timeframe it has been struck by numerous meteors. By studying these meteorite blasts though the years, scientist can now concluded that the surface of the moon has shrunk, by exactly how much is debatable, but images show shrinkage is clearly happening. Additionally, one of the revised moonquake epicenters is just 13 kilometers (8 miles) from the Lee-Lincoln scarp traversed by the Apollo 17 astronauts. The astronauts also examined boulders and boulder tracks on the slope of North Massif near the landing site. A large landslide on South Massif that covered the southern segment of the Lee-Lincoln scarp is further evidence of possible moonquakes generated by fault slip events. Project Scientist John Keller of NASA's Goddard Space Flight Center in Greenbelt, Maryland, says, "It's really remarkable to see how data from nearly 50 years ago and from the LRO mission has been combined to advance our understanding of the Moon while suggesting where future missions intent on studying the Moon's interior processes should go," As for what this means to humans, NASA is talking about establishing a new network of seismometers on the lunar surface to learn more about the Moon's interior and to determine how much a hazard moonquakes present to humans actually living on earth and perhaps some day living on the moon. As it stands now, NASA plans to send the first women and next man to the Moon within the next five years. These American astronauts will take a human landing system from lunar orbit and land on the lunar South Pole. The agency then has a goal of establishing sustainable missions by 2028, taking what they learn on the Moon and applying it to the first live Mars visit. Pictured below you can see images of the fault lines and craters causing the moonquakes and shrinking over time. Some experts argue, just as a grape wrinkles as it shrinks down to a raisin, the Moon is getting wrinkles as it shrinks. However, unlike a grape's flexible skin that conforms as it shrivels into a raisin, the moon's surface is brittle and it's breaking in some areas and forming cracks as it shrinks. There's also a lot of questions about why the Moon is still considered "hot"? It's crazy to think about, but after 4.6 billion years, the Earth is still considered "hot". Large planets in the solar system — Venus, Saturn and Jupiter, for example — are also still "hot". But it was believed that smaller bodies, such as Mercury and our moon, would have cooled after such a long time. Or would they? Bottom-line, I think we are going to start to hear more arguments made about why we need to go back to the moon sooner rather than later, this time perhaps doing a deeper dive, looking under the surface to figure out what's actually happening. (Source: NASA, Verge)









#### Parenting Secrets from Someone Who Raised Two Successful CEOs and a Doctor

Esther Wojcicki is an American journalist, educator, vice chair of the Creative Commons advisory council, and the Founder of the Palo Alto High School Media Arts Program. It just so happens Esther has three daughters including Susan the CEO of YouTube, Janet a professor of pediatrics, and Anne the co-founder and CEO of 23andMe. Her daughters' journey started back in the '80s when they became known in the neighborhood as the lemon girls, selling their neighbors lemons for 50 cents each door-to-door. Let's just say entrepreneurship and success seem to run in the family. Interestingly, Esther believes building these qualities can be a lot simpler than many might think. Parents constantly ask her for advice when it comes to raising successful children. Below are a few tips Ester likes to pass along to today's parent! You can also check out her book [HERE](#). Please feel free to share with those who have little ones... (Source: Ester Wojcicki)

**Teach Your Kids to be Independent Thinkers:** *The single hardest assignment for students in school is coming up with their own topics. They find free-writing to be almost impossible and the main thing they want to know is if their "idea" will earn an "A". Keep in mind, any idea is an A idea as long as they are interested in it, because if they're not, why would anyone else want to read it? Some things to help with independent thinking and creativity is to free-write about any topic for 10 minutes a day as well as doing unguided art projects. These activities will allow your children to become innovative and learn to think for themselves, which is ultimately the end goal.*

**Teach Your Kids to Care:** *Ester grew up believing it was her duty to contribute and make her community better. If everyone just sits around and talks, nothing gets done, so she had to be a doer. She was always a huge influence on her daughters because not only did she lecture them, but truly showed them what it was like to care through her actions, not just her words, she walked the talk. You may not realize it, but more and more kids are completely focused on themselves these days. For example, they are always thinking where they want to go to college, vacations they want to take, and things they want to buy. In addition, most kids growing up tend to focus on money because they think it will make them happy and fulfilled. This all stems from poor parenting. We can fix this by prioritizing service and purpose, rather than sell fulfilling goals and individual wants. If we have a purpose at all, then it's to make ourselves happy and people seem to be happiest when they are doing things to help others.*

**Defining Success:** *Success is often defined as people having a nice place to live, a well paying job, a fancy car, etc... But keep in mind, the number one thing that truly defines success is positive relationships. If you don't have positive relationships, then you're not going to be happy and you're not really going to be successful when everything is said and done. At the end of the day, success is being happy with yourself, happy with what you have achieved, and happy with your most important relationships.*

**Learning the TRICK Method:** *TRICK is an acronym that stands for Trust, Respect, Independence, Collaboration, and Kindness. Ester believes every parent*

*must drill these attributes into their children's heads. One of the biggest keys in this acronym is trust, which means trusting yourself to do the right thing and trusting your child to do something as little as chores even when they are little. Keep in mind, when parents are afraid it makes our children afraid to be who they are, to take risks, and stand up for what they believe in. The ultimate goal of TRICK is creating self-responsible people. At the end of the day, this little trick boils down to loving your kids for who they are, rather not who you want them to be, and getting out of the way as much as you can.*

**Teaching Grit:** *Many experts define grit as a passion and sustained persistence applied toward a long-term goal. In addition, many parents struggle to realize that it's not someone's IQ that separates them from being successful in life, but their grit. Keep in mind, many parents don't know grit themselves. Grit is grinding it out through good times and bad times day-in and day-out with a great attitude. Remember, this doesn't mean for a week, for a month, but for multiple years. There's really not an answer for teaching grit, but the one thing that can help teach this is letting your children fail, fail and fail some more, ultimately learning and becoming a better person as they overcome their mistakes. The main reason why people don't understand grit in today's world is because they are scared to fail and in many cases not allowed to fail. Many parents step in and help their children just as soon as they see them making a mistake or about to fail. In the long run, learning to not care about failure can really install grit. One of my favorite analogies or stories is the tough transformation a caterpillar goes through before turning into a beautiful butterfly. Unfortunately, the person who tries to intervene in the process, helping the butterfly bust out of the cocoon early, only causes the butterfly to die, not realizing that it was the struggle in getting out of the cocoon that lead to the butterfly's successful life.*



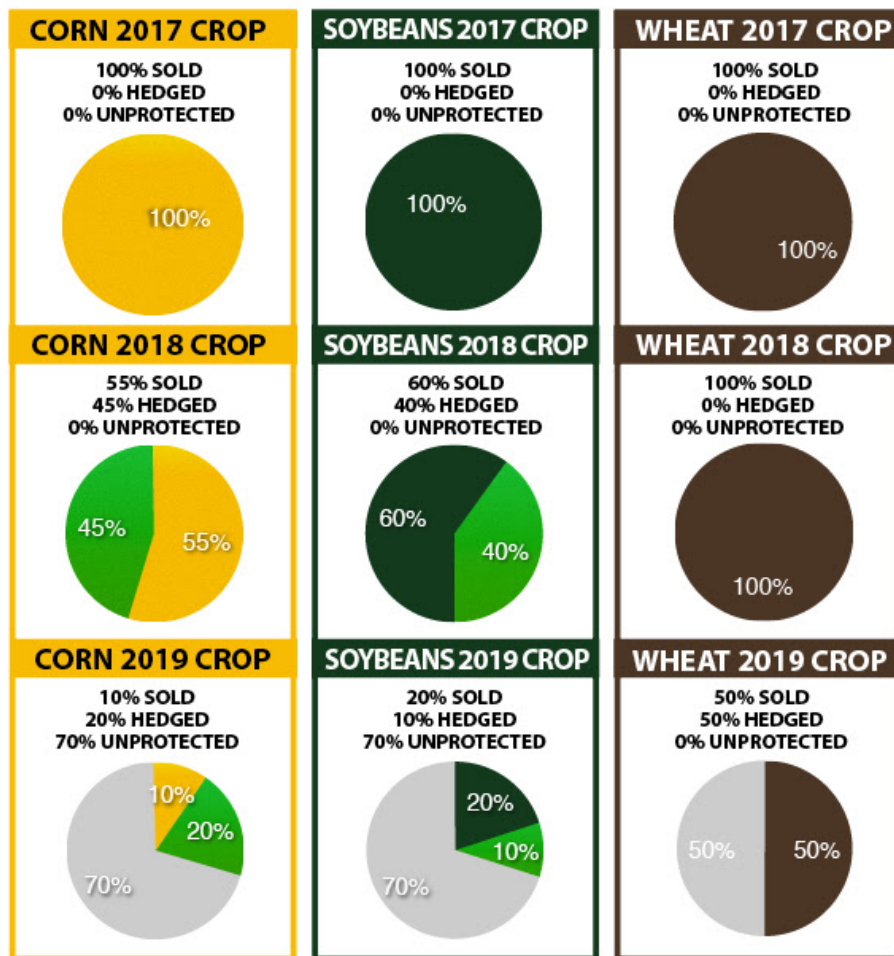




**ANSWER to riddle:** Because she's a minor

**CASH SALES & HEDGING TOTALS**

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