

GOOD MORNING: 04/18/18 Farm Direction - VanTrump Report

2 messages

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Wed, Apr 18, 2018 at 5:53 AM



"The real voyage of discovery consists not in seeking new landscapes, but in having new eyes." —Marcel Proust

WEDNESDAY, APRIL 18, 2018

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Morning Summary: Stocks continue build on recent strength as better than expected corporate earnings overcome the more media driven political headlines. Goldman Sachs delivered impressive first-quarter numbers. Goldman showed a massive \$10.4 billion in revenue for the quarter, well ahead of analyst expectations. In fact, it was their best quarterly revenue figure in three years and was up +25% from the same period a year earlier. Net revenue for the quarter was actually up +43% compared to last year. This now means Bank of America Merrill Lynch, Citigroup, Goldman Sachs and JPMorgan have all reported first-quarter earnings that beat analyst expectations. Morgan Stanley is reporting earnings today. With the big banks doing well, the market seems more comfortable in shrugging off the political headlines. There was also some better than expected economic data delivered out of China, as well as some good U.S. housing and industrial production numbers. The IMF also reported that global economic output is on course to grow +3.9% in 2018, the best year since 2011. In return, all three major stock indexes are now back above their 50-Day Moving Average. The Dow hadn't closed above its 50-day since March 9th, the S&P since March 16th and the Nasdaq since March 21st. At the same time the VIX Volatility Index is posting its lowest level in over a month. The market has clearly calmed down a bit, but for how long? Several experienced traders and large fund managers continue to say the stock market is in a strange consolidation period where 10% to 20% swings should be anticipated. Even though we may be in the mid to late innings of a secular bull market, there are many stocks that may have already posted a cyclical high. In other words, I continue to believe the market is transitioning into a much more difficult stock picking environment. Many large investors I know have taken on a more defensive type approach when compared to strategies they have used the past several years. There also seems to be more talk as of late that currency volatility might start to become much more extreme, in its wake bringing along more interest for gold, silver and some of the other metals. This would fit well with logic and tendencies that show during anticipated risk-off periods we generally see more interest and bidding for safe haven type assets. As for today, will be digesting the Bank of Canada rate decision, Fed Beige Book, and more U.S. corporate earnings. We also have New York Fed's Richard Dudley speaking on the economy and monetary policy at 2:00 p.m. CST and Fed vice chairman Randal Quarles speaks at the Bretton Woods Committee annual meeting in Washington at 3:15 p.m. CST.

Putting The Rally In Perspective: The S&P 500 peaked near 1,500 at the top of the internet bubble in 2000, and again at the top of the housing bubble in 2007. Today, we are +70% over those two peaks. The market value of U.S. equities has almost quadrupled in ten short years. U.S. GDP, though, has risen only about +30% since the 2007 market peak and about the same 30% since the 2008 market low. In the last 40 years, the US has seen the 10-year Treasury rate fall from 15% to 1.88%. Read more at [Sicart Associates](#)

IRS Extends Tax Filing After Computer Outage: The IRS issued a one-day, penalty-free extension for tax filers after suffering an all-day computer breakdown on Tuesday that prevented taxpayers from filing returns electronically on the day payments were due. The IRS said taxpayers don't need to do anything to receive the extra day. They now have until midnight Wednesday to file and pay their 2017 income taxes.



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Today In History

Barbara Bush Dies at Age 92: Barbara Pierce Bush became the wife of one president and mother of another, serving throughout as a guardian of what many say has become America's most prominent political family. She was a mother to six kids, grandmother to 17, and a great-grandmother to seven. The Wall Street Journal's Gerald F. Seib penned a great obituary article about Barbara Bush that I encourage everyone to read in full [HERE](#). Below are a just a couple of quick, funny highlights from her amazing life:

She was attending a boarding school in South Carolina when, during a visit back home over Christmas break, she met her future husband, then a senior at Phillips Academy in Andover, Mass., at a dance. She was 16 years old. They became engaged a year and a half later. World War II intervened to delay the wedding, however. Her fiancé went off to the Pacific as a U.S. Navy torpedo-bomber pilot, where he was shot down and rescued. When he returned on leave, Barbara Pierce dropped out of Smith College, and they were married in 1945. The two went on to be the longest-married couple in presidential history. she was a mother to six kids, grandmother to 17, and a great-grandmother to seven. Later, she recalled: "I married the first man I ever kissed. When I tell my children that they just about throw up."

After husband George lost a re-election bid in 1992, she was meeting her successor as first lady, Hillary Clinton, she pointed to the reporters watching them and declared: "Avoid this crowd like the plague. And if they quote you, make damn sure they heard you."



1775, Paul Revere - "One if by land, two if by sea," this was the signal to be given by the Sons of Liberty left in Boston to the surrounding countryside, on April 18th, 1775. Paul Revere would give the order to hang a lantern in the sexton of the North Church in Boston, if the British were on the move. Two lanterns were hung from the steeple this night, as the regulars were embarking onto ships that would carry them to Cambridge and the road to Lexington and Concord. Paul Revere and William Dawes were sent out to alert the colonial militia located in nearby towns and home that in fact the British were on their way. Revere would cross the Charles River by rowboat to Charlestown, and then ride on to Lexington, warning every house and town along his route that "the British are coming, the British are coming." He would ride through Somerville, Medford and Arlington giving the warning to other patriots, many who in turn also set out to alert other towns and villages. It is said that as many as 40 riders were out that faithful night. Revere would reach Lexington around midnight and would meet with Samuel Adams and John Hancock. These men would come to the conclusion that the British regulars were on their way to Concord Massachusetts (the site of the first battle of the War of Independence). Again, Revere and Dawes were sent out into the night bound for Concord, where they were captured and detained by a British Army patrol at a roadblock. Questioned at gunpoint and Revere gave the British soldiers misleading information that would divert this patrol to Lexington. When the Church in Lexington began to ring its bell at the sight of the patrol, Revere spoke these words to the commander, "The bell's a ringing! The town's alarmed and you're all dead men!" Thinking the entire colonial militia were located in Lexington, the patrol took Revere's horse and left him on the road. Revere would walk back to the home where Adams and Hancock were located and help them in their escape. Paul Revere and the other riders were successful in raising the alarm, giving the militia time to muster and confront the British in Concord. Truly an American Patriot.



1923, Yankee Stadium - Ninety-Five years ago today, April 18, 1923, the first baseball game would be played at the original Yankee Stadium.

The Yankees would host the Boston Red Sox, and John Philip Sousa would conduct the band in playing the Star-Spangled Banner. Prior to this the Yankees had been playing their games at the Polo Grounds in Manhattan and sharing this venue with their rivals the New York Giants. The Yankees would lose the 1921 World Series to their rivals, the Giants, and the bad blood between the two teams only grew. The owners of the Yankee ball club in 1922, Jacob Ruppert and Tillinghast Huston, would spend over two

neuro mining



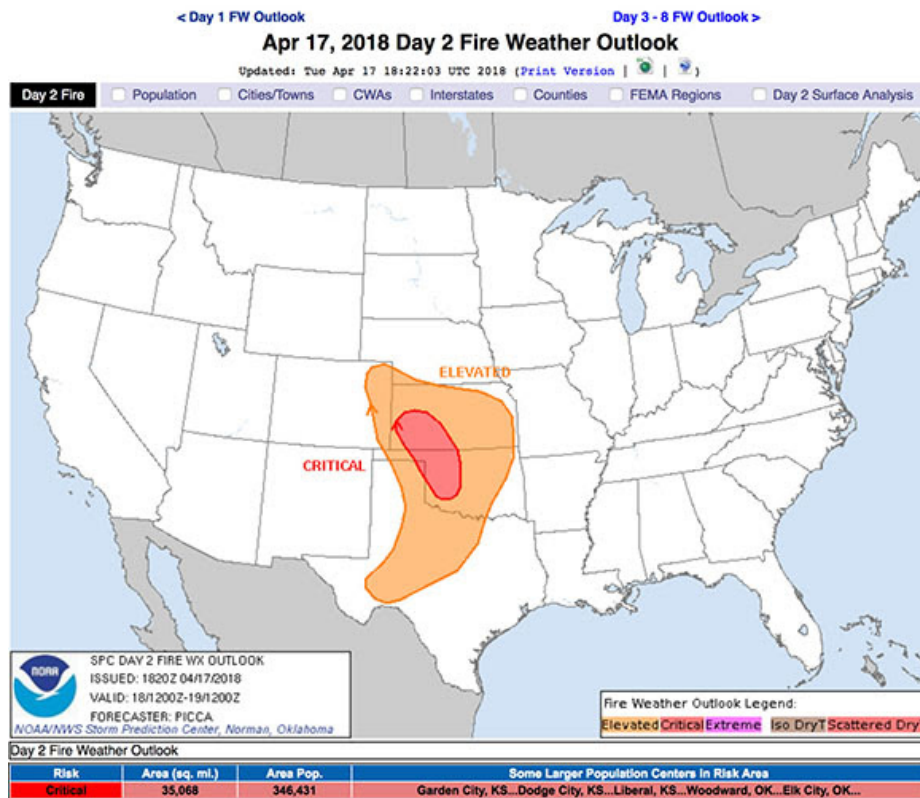
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we 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: Give me food, and I will live; give me water, and I will die. What am I?

Weather continues to see cold and wet conditions prevent corn planting from beginning across most of the Midwest, and in the Delta, planting progress is now near to slightly behind the normal pace. Soybean planting in the Delta made limited progress last week. While weather has been dry so far across the Midwest and Delta, corn planting will remain slow due to well below normal temperatures. The cold weather will keep soil temperatures in the 30s and 40s F through the weekend, well below levels

needed to support germination of the corn crop (50 - 55 degrees F). Soil temperatures should reach the mid 50s by early next week in Missouri and Illinois, which would finally allow planting to pick up across the southern Midwest. Farther north, major delays in planting are likely in the areas where snow cover remains deep, particularly in North Dakota, South Dakota, Minnesota, northern Iowa and Wisconsin. Additional snow is falling across the northern Midwest through today. The southern Plains forecast continues to offer beneficial rain in most winter wheat areas later in the week. Up until then, winds and low relative humidity will maintain high stress levels on wheat. Wildfire danger is at extreme levels in many areas.

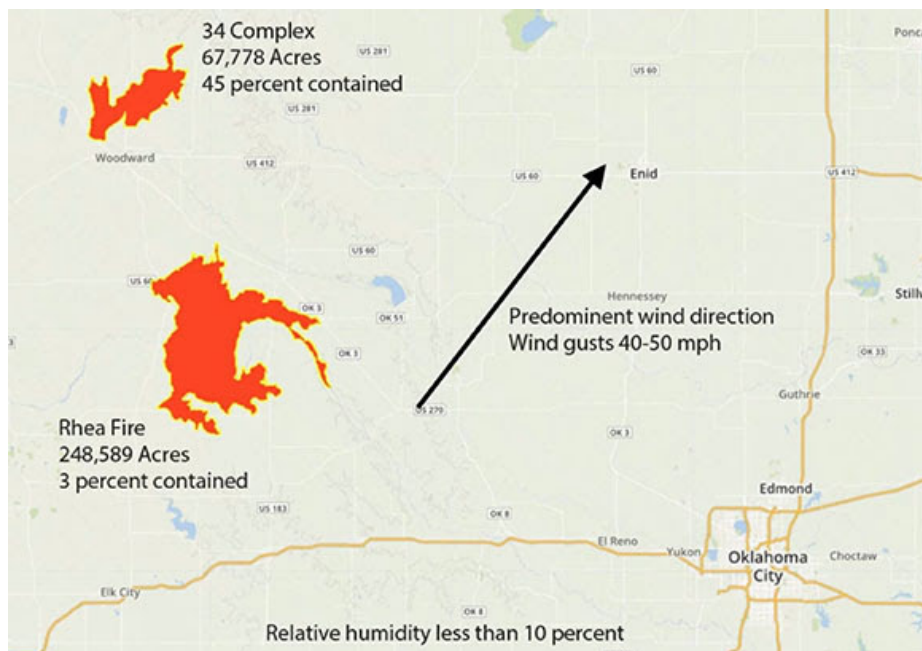
Southwest Wildfires Extreme Amidst Brutally Hot and Dry Weather: *Air is dry and winds are strong over a large portion of the central and southern U.S. The vegetation is bone dry, and the U.S. Drought Monitor says the region is in "exceptional" drought. All of this is stoking wildfires that ignited late last week and increasing the chances of new fires. The Weather Service issued an "extremely critical" fire weather outlook for a giant swath of the South that covers parts of Kansas, Colorado, New Mexico, Oklahoma and Texas. "Extremely critical" is as bad as it gets, and it's the second time the Weather Service has had to use the term in the past week. Two major wildfires are burning in Oklahoma this week, as of Tuesday morning, one fire had burned 68,000 acres and the Rhea "megafire" has burned nearly 250,000 acres.*



million dollars building the new stadium. Taking a risk these gentlemen would build a 60 thousand seat stadium (a size unheard of at the time) hoping that Babe Ruth would continue to draw enough fans to fill the seats. The stadium would be built in the Bronx, a borough of New York city and would host over six thousand regular season home games during its 85 years history. Ironically these gentlemen would choose a site that was on top of a bluff and visible to the polo grounds where the Giants would play for several more years. The stadium also was the first in North America to have three tiers, which would help the Yankee organization break all kinds of attendance records for baseball. Yankee Stadium would be given many different nicknames including, "The House that Ruth Built," which also coincided with the baseball superstar's rise to fame and the teams winning history. Other nicknames for the park would include, "The Big Ballpark in The Bronx," and "The Cathedral of Baseball." Yankee stadium would quickly become an American icon and over its history would also hold many historic moments. While most would remember the stadium for the many historic baseball moments, including World Series games, no-hitters and historic home runs, the original stadium also hosted three different Papal Masses, historic boxing matches and in 1958 the NFL championship game. Due to its age and condition, the Yankee organization would choose to build a new stadium in 2009, and the original icon would be destroyed in 2010. The land where baseball history was made, is now a park name Heritage Field. Who won that the first game, well the home team did, 4 to 1.



1983, Beirut - Today on April 18, 1983 a suicide bomber would crash his truck into the front of the U.S. Embassy in Beirut, Lebanon. This embassy had been established in 1952 after over one hundred years of friendly and diplomatic relations. The Beirut Embassy would become the largest in the Middle East serving as the regional headquarters for the U.S. The people of Lebanon had been embroiled in a Civil war that had started in 1975 and would last until 1990. Lebanese political powers at the time were still heavily influenced by the French colonial power and Christians residing in the country. However, the country had become predominately Muslim after the French left in 1943. Furthermore, when Israel was established as a state, the displacement of hundreds of thousands of Palestinian refugees into Lebanon also served to upset the colonial balance of power in Lebanon. Fighting would break out between these two different religious factions in 1975 making the region unpredictable and unstable. The United States Military along with a Multinational Force entered Lebanon in 1982 with hopes of bringing stability back to the region. Muslim extremist resented the involvement and demanded that the U.S. depart the country. Islamic Jihadist and



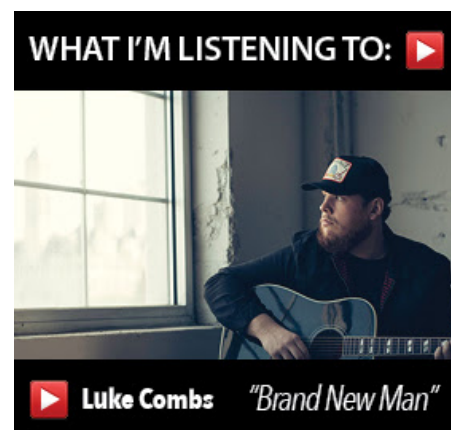
Corn bulls backpedal a bit as "tariff talks" start to resurface in the media. Headlines stating that U.S. companies will now have to put up a 178.6% deposit on the value of sorghum shipments going to Chinese buyers. Insiders say this was a big enough adjustment that it caused U.S. exports to come to a halt and traders to again take notice of political trade headlines. On the traditional fundamental side, bulls argue that sub-soil temperatures are still extremely cool. Our friend Todd Geason with WillAG.org reported some interesting numbers yesterday. On this data 1-year ago the most northern weather reporting station in Illinois showed the 4-inch soil temperature at 58 degrees, this year that number is 34.6 degrees. Even in the southern areas of Illinois the temps are not much different, with only a few Illinois stations reporting sub-soil temperature readings in the 40's. In Iowa, the soil temperatures were not much better. Last year they were in the upper 50s-mid-60s, this year they are in the 30s and 40's. The bears argue that Illinois once planted 42% of the crop in one-week. Back in 2016, North Dakota went from 16% to 51% planted in the first week of May. In 2017, during the second week of May, Minnesota planting jumped from 35% complete to 84% complete. That same week last year, Iowa, Nebraska and North Dakota planting jumped by +30%. In other words, big money traders have played this game before and aren't racing to get their bullish bets in based on planting delays, at least not yet... I include below a map we created in the office that shows us when most states get to 80% planted (all in May), which is a number the trade considers meaningful.

the Lebanese Hezbollah began a campaign of kidnapping and attacks against American interests within Lebanon. It is in this environment that a terrorist suicide bomber drove a delivery van packed with explosives, atone o'clock in the afternoon, into the U.S. Embassy. At the time this was the deadliest attack on a U.S. diplomatic mission. The blast killed 63 people, including 17 Americans who were mostly C.I.A. staff members, and wounding 120 others. This would not be the last attack suffered by Americans serving to further peace within Lebanon.

Upcoming Events

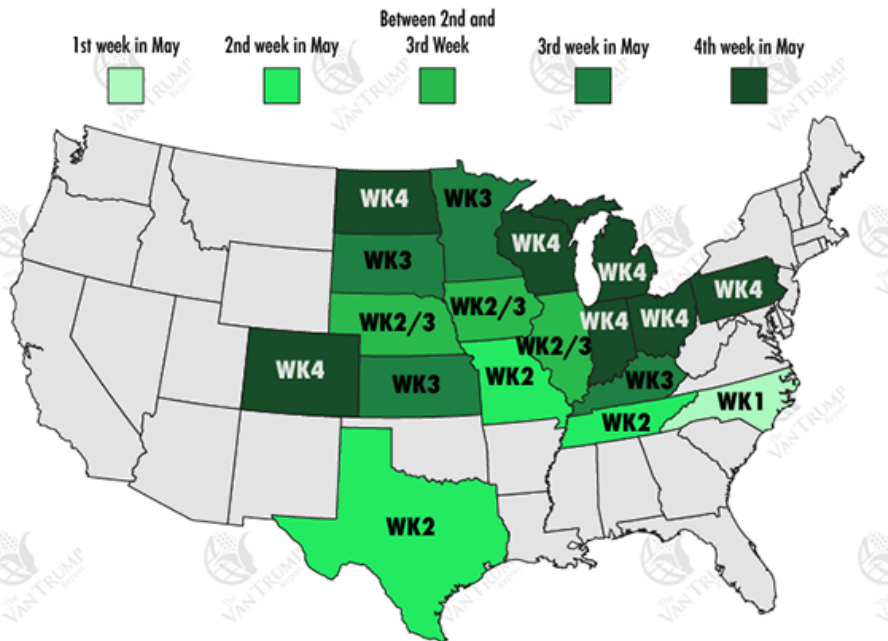
- Fri. 4/20** - Cattle on Feed
- Mon. 4/23** - Cold Storage
- Tues.-Wed. 5/1-5/2** - FOMC Meeting
- Thurs. 5/10** - USDA Supply and Demand
- Thurs. 5/17** - Farm Labor
- Tues. 5/22** - Cold Storage
- Wed. 5/23** - Minutes From 5/2 FOMC Meeting Released
- Fri. 5/25** - Cattle on Feed
- Mon. 5/28** - Memorial Day - Markets Closed
- Tues. 6/12** - USDA Supply and Demand
- Tues.-Wed. 6/12-6/13** - FOMC Meeting
- Fri. 6/22** - Cattle on Feed
- Fri. 6/22** - Cold Storage
- Thurs. 6/28** - Quarterly Hogs and Pigs
- Fri. 6/29** - Quarterly Stocks and Acreage

Kevin's Song of the Week



Kevin's Song of the Week

Planting Progress: Corn States Traditionally Reaches 80% Planted



U.S. Decade High Corn Planted with corresponding Yields

Acres Planted (1,000 ac)	Yield (bushels per acre)	Year
113,024	26.5	1932
95,475	33.0	1944
83,275	36.9	1951
81,425	54.7	1960
84,588	88.0	1976
84,097	108.9	1981
80,165	134.4	1998
93,527	150.7	2007
97,291	123.1	2012

Source: USDA, Crop Production Historical Track Records, April 2018

Soybean traders seem comfortable taking "two-steps-forward" vs. "two-steps-back" as debates about longer-term demand are challenged by the uncertainties surrounding geopolitical trade negotiations. Some are thinking the Chinese might start hitting other U.S. ag exports and exactly how that impacts the soybean market is being heavily debated. The production problems in Argentina add an extremely unique and interesting twist to the overall equation. The question is how low will Argentine production fall, many talking 37 to 38 MMTs vs. the USDA currently at 40 MMTs and 56

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

MMTs to start the year. On the flip side, I've heard some Brazilian production estimates pushing to between 117 and 119 MMTs, blowing away their previous record, and well higher than the current USDA estimate of 115 MMTs. Looking towards headlines here at home, the trade is curious if corn planting delays could ultimately bring about more U.S. soybean acres? There's also more debate about Chinese purchases starting to slow and how the Chinese will actually handle tariff threats? There's also continued uncertainty and debate surrounding NAFTA. Even though it seems we are closer to making some type of deal, with talks resuming tomorrow, there's still an outside chance or threat that the U.S. could pull out and look to renegotiate in a bilateral manner. In other words, even though the obvious points to increased U.S. demand following production setbacks in Argentina, there's a ton of "not so obvious" lurking in the background that makes the new bulls a bit more hesitant in jumping on the bandwagon. As a producer, I like the thought of waiting and sticking to our longer-term game-plan. As a spec, I definitely believe there's a story, but I think prices might ease a bit in the next couple of weeks. I see no need to get in a hurry on the buy side and have no interest in trying to navigating the short-side.

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

U.S. Decade High Soybean Planted with corresponding Yields

Acres Planted (1,000 ac)	Yield (bushels per acre)	Year
9,565	20.9	1939
14,191	18.3	1943
25,108	24.2	1958
42,534	27.4	1969
71,411	32.1	1979
70,884	31.5	1982
73,730	36.6	1999
77,451	44.0	2009
90,142	49.1	2017

Source: USDA, Crop Production Historical Track Records, April 2018

"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.

Wheat traders are positioning for what some are calling possible million dollar rains across key HRW wheat production areas. The widespread rains are forecasted the next few days across large areas of the U.S. plains. Traders are going to be heavily monitoring rainfall totals for parts of Colorado, Kansas, Oklahoma and Texas. If the rains are as forecast the trade will continue to backpedal a bit. If the rains disappoint or are less than expected we add some additional risk premium. Beyond the rains the trade will start to more closely monitor temperatures the next couple of months. Areas to the South have already been reporting above normal temps. As a producer, I've already priced or eliminated the risk for the majority of my new-crop production, or at least the amount of production I'm comfortable in thinking we will produce. As a spec, I'm on the sideline. I see no current reason to be fundamentally or technically bullish, but respectful of the current weather headlines. I will look to regain a bullish tilt once the current weather premiums are retracted for the price. I feel like the low-cost global producers are still creating too much headwind to overpay for price, looking to buy "value" on a deeper break.

U.S. Decade High Wheat Planted with corresponding Yields

Acres Planted (1,000 ac)	Yield (bushels per acre)	Year
80,814	13.6	1937
83,905	14.5	1949
78,931	17.3	1953
67,264	25.8	1967
80,395	30.3	1976
88,251	34.5	1981
77,041	39.5	1990
63,617	44.8	2008
56,841	43.7	2014

Source: USDA, Crop Production Historical Track Records, April 2018

Farm Direction
RECIPES

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



Bananas Foster French Toast

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> **China Hits U.S. Sorghum Hard:** China will impose temporary anti-dumping deposits on U.S. sorghum imports starting today, adding to trade tensions between the world's biggest economies. Soybean meal futures climbed on concerns the oilseed could be targeted next. Imports will incur a 178.6 percent duty, China's Ministry of Commerce said in a preliminary ruling on Tuesday. China imported about 4.8 million metric tons of sorghum from the U.S. last year, worth about \$957 million, according to customs data. Purchases in the first two months of 2018 were 11 percent lower than a year earlier. Stay alert for possible further escalation! (Source: Bloomberg)

> **Australian Wheat Crop Now Thought To Be Getting Larger:** The USDA's attache recently bumped their 2018-19 wheat crop to 24 MMTs vs. 21.5 MMTs last year.

> **Shipping Industry Reaches Historic Deal To Lower Carbon Emissions:** Cargo-shipping regulators have struck a historic deal to set their dirty fuel-burning industry on a low-carbon course. The International Maritime Organization agreed to reduce emissions from global shipping by at least 50 percent from 2008 levels by 2050. The United Nations body also pledged to pursue deeper cuts to meet the Paris Agreement's more ambitious goal of limiting global warming to 1.5 degrees Celsius, or 2.7 degrees Fahrenheit, above pre-industrial levels. Keep in mind that, Cargo ships transport roughly 90 percent of everything we buy, significantly contributing to carbon emissions. (Source: Wired)

> **USDA ERS Releases April Livestock, Dairy And Poultry Outlook:** The report shows that beef production is on a slight downturn while pork and broiler production is on the rise. March beef production forecast downward by 50 million pounds to this month's forecast of 27.6 billion pounds. The new figure is based on a slower-than-anticipated pace of fed cattle slaughter and lighter cattle weights in the first half of 2018, even though the pace of beef production is expected to increase in the second half of the year. The USDA economists did not alter trade forecasts of 3.025 billion pounds from the previous month. However, lower North American demand resulted in a

downward revision of cattle exports to 160,000 head, down from 200,000. (Source: Meatingplace)

> Russian Wheat Exports Up 40% In Marketing Year: Russian wheat exports in the 2017-18 (July-June) marketing year to date are 40.4% higher than at this point last year at 31.769 million mt, data from the ministry of agriculture showed Monday. Around 38 million mt of wheat is expected to be exported by the end of the campaign, according to sources, a global record for a marketing year. Prices for 12.5% protein wheat on a FOB basis are currently at a 35-month high of \$214/mt on a big ruble sell-off against the dollar due to US sanctions against Russia. (Source: Hellenicshippingnews)

>Target Now Offers Same-Day Delivery: Target announced today that it's bringing same-day delivery to five major US cities this month. Customers shopping in nearly 60 stores in Boston, Chicago, New York City, San Francisco and Washington DC will be able to have their purchases delivered to their homes within a two-hour timeframe. The service costs \$7, unless large furniture is being delivered, in which case an additional \$25 fee may apply. After acquiring Shipt in December, Target said that it planned to offer same-day delivery services in the majority of its stores by the 2018 holiday season.(Source:engadget)

> FDA Backs Drug Made From Cannabis Plant: An experimental medication that could become the first drug derived from a marijuana plant approved in the U.S. received a boost from Food and Drug Administration staff. The medication would treat seizures associated with two rare forms of epilepsy that typically affect children, according to the report. Although the medication appears to have an increased risk of liver injury, it could be managed, the report said. (Source: Bloomberg)

> Scientist Develop New Battery That Could Compete With Lithium-Ion: University of Maryland researchers at the A. James Clark School of Engineering created a new water-based zinc battery that uses an aqueous electrolyte instead of the flammable substance in lithium-ion batteries. But to keep the batteries powerful and long-lasting the research team added metallic zinc and salt. I'm told these batteries could compete with Lithium-ion in energy density, without the risk of explosion or fire. The breakthrough could have a huge impact on the consumer electronics industry. Read more [HERE](#).

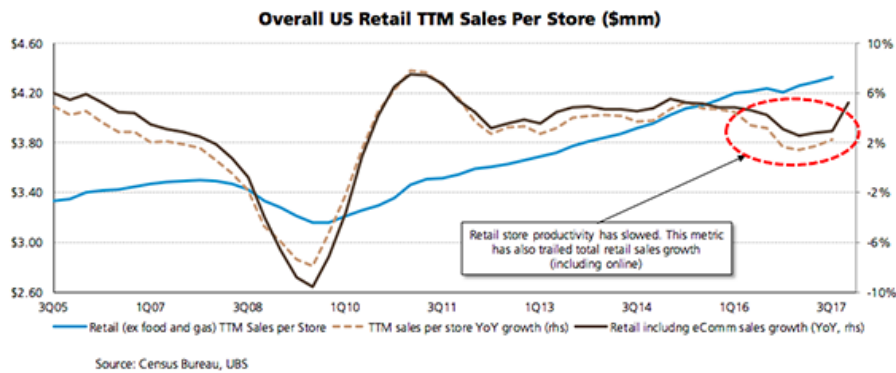
> Elon Musk Pours Millions More Into The Boring Company: Documents released by the Securities And Exchange Commission on Monday reveal a new round of funding has raised \$112.5 million, and the company claims that 90 percent came from Musk. The Boring Company, borne out of Musk's frustration with Los Angeles traffic in December 2016, told Recode that while Musk provided over \$100 million of the funding, the rest came from early employees and there was no outside investors involved. (Source: Inverse)

> Retail Store Closings Could Top 80,000 By 2025: Tens of thousands of retail stores might have to close over the next few years to keep up with the pace of shoppers shifting from brick-and-mortar retailers to online, according to a new report from UBS. "We [estimate] for each 100 bps increase in [e-commerce] penetration (currently 16%), an additional [9,000] stores would need to close," the UBS analysts write. "To put this in perspective, it would be the equivalent of 7 Toys 'R' US chains. "What's more, UBS estimates that anywhere from 30,000 to 80,000 stores would need to close to maintain low-single digit sales/store growth should the e-commerce penetration reach 25% of retails sales by 2025. The 80,000 figure assumes that there's 2% total retail sales growth, while the 30,000 figure assumes there's 3% sales growth. (Source: Yahoo Finance)

Figure 1: Retail Store Closure Scenarios



Source: UBS Estimates



Southwest Minnesota - This winter keeps hanging on and does not want to give us a break. The storm they predicted last week brought us 16" to 18" of snow between Friday night and Saturday. It is 10 degrees this morning and the high temperature this week barely gets above freezing. Things are pretty rock solid up here with the ground being frozen solid. I heard on the news that this is winter's snowfall totals are in the top 10 of all time. We are to warm up next week to more normal levels with temps in the 50's. We are typically conventional till so that will need to be done before we can plant. It doesn't take long to do and the planters usually roll right behind the cultivators. The way it looks now, nothing will be done until May. If we get to mid-May and guys have not got their corn planted then you may see some corn acres switch to beans. Most guys will try to hold off as long as they can unless we see prices change before then. There have been many years that we have finished our corn planting by this time in April.

Northwest Louisiana - It was a slow start here with wet and cold weather in February and couldn't get started. We have been running for a while now and are getting some fertilizer down on our corn. Beans should be getting in the ground soon. We are not seeing many acres going to beans outside of normal rotations. The corn last year was our best with averages at 190bpa. Our 10-year average is only 140-150bpa so we love the extra bushels. The beans didn't fare so well as we had late rains that set up some rot that we were docked for at the elevator. They also had low test weights. The basis has been good in the area and we have booked a good amount of new crop corn and some beans.

Eastcentral North Dakota - Winter isn't going away up here anytime soon! We are in a dry pocket in our area and welcome any moisture at this point. The upcoming storm could provide some relief prior to planting. Last season was ok for production. The corn hit 133bpa on average and the beans only 33bpa. We did have a bright spot without wheat hitting 90+bpa. Our basis was at its normal .55 under and hopefully, it narrows into May/June. If ethanol demand will continue we could see some better margins at the local plant.



Lyrid Meteor Shower Begins This Week: The annual shower, which happens between April 16 and 25 each year, occurs when the Earth passes through the tail of a comet. While meteor showers are difficult to accurately predict, you'll probably get your best glimpse of it in the early morning hours of April 22 (if you're in the northern hemisphere), when the waxing moon is least likely to interfere. That's when the meteor shower is supposed to "peak," with around 10-20 meteors per hour showing, according to EarthSky. I'm told you will have your best viewing pre-dawn this Sunday. Read more [HERE](#).

The QE2 Begins New Life As Floating Hotel: *The Queen Elizabeth 2 is set to begin its new life as a floating luxury hotel this week. The last of the Atlantic liners, the 70,000-ton steamship will never set to sea again, but will continue to operate as an upmarket accommodation, tourist and dining attraction, and museum center at Mina Rashid on the Dubai waterfront. In November 2008, the Cunard steamship named after the original Queen Elizabeth liner and affectionately known as the QE2 retired after four decades of service. No longer able to legally sail, it was decommissioned and sold to Dubai World for conversion to a floating hotel. Read more [HERE](#).*

Scientists Accidentally Create Plastic Eating Bacteria: *An accidental finding led to the creation of a mutant bacteria that breaks down plastic. Researchers from Britain and the US stumbled on the discovery while working on a bug found outside a recycling plant in Japan that had naturally evolved to eat plastic. The international team said it was originally tinkering with the bacteria learn more about how it developed, but happened to make it more efficient in breaking down PET (polyethylene terephthalate), the kind of plastic used in plastic drink bottles. With all the plastic the world has laying around, this couldn't have come at a better time. Read more [HERE](#).*

Army Is Building Soft Robots With 3D Printer: *The U.S. Army Research Laboratory has teamed up with the University of Minnesota to explore the wonders of soft robots. The teams have published a study describing their findings as they look to build invertebrate-inspired robotics able to squeeze into and maneuver around obstacles. "Successful stealthy maneuvering requires high structural flexibility and distributive control to sneak into confined or restricted spaces, operate for extended periods and emulate biological morphologies and adaptability," ARL researcher Ed Habbour said in a release tied to the study. Read more [HERE](#).*

13-Year-Old And Amateur Archaeologist Find Centuries Old Danish King's Treasure: *An amateur archaeologist and a 13-year-old student have uncovered a stash of thousand-year-old coins, rings and pearls on an island in the Baltic Sea in northern Germany, including items that might be tied to Harald Bluetooth, the famous king who united Denmark. They include coins, necklaces, brooches, rings, and a "Thor's hammer" (an amulet in the shape of Mjölnir). And in case you were wondering: Yes, King Harald Bluetooth is the namesake for Bluetooth wireless technology. An Intel engineer who worked on the technology, Jim Kardach, was reading about Vikings as the project developed. Read more [HERE](#).*





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During 2018, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aquaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

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Learn More About "Sollum"

Title: Artificial Light for Agriculture Applications That Outperforms the Sun
Time: Thursday, April 19th @ 3:00 pm CT

Farmers know that growing a crop is never simple, But Sollum has designed lighting solutions meant to enhance your quality and yields. Efficient agriculture growth requires the right spectrum of light for optimal performance, and crop requirements can change and evolve over time. Sollum creates the sun where you need it, when you need it, with

fully programmable LED light fixtures that can deliver specific light to specific crops, any time of day, during any season and any spectrum. Growers can now capitalize on the thousands of years of R&D of Mother Nature, and use the sun as their starting point to optimize and improve their production. Sollum offers multiple high-quality lighting solutions for your specific requirements, allowing you to improve productivity and quality.



Interesting Movements Of U.S. Oil

Current declines in the storage of oil reserves in Cushing, Oklahoma have many believing the influence of the area as a measuring stick for the U.S. oil markets are waning. With U.S. production levels soaring past 10 million barrels per day, the tanks in Cushing would normally be full. But current inventory levels fell to 28.2 million barrels in March, marking their lowest levels in three years. From what I've always heard, the crude oil tanks around Cushing have approximately 85 million barrels of storage capacity. In late 2016, reports showed tanks in Cushing held just under 60 million barrels of oil. It's worth noting that analysts say a level of 20 million barrels is effectively "empty", the report in March showed 28.2 million barrels. From what I understand, the area is losing its relevance for the supply, demand and pricing of the oil market in the U.S. as production soars in the southern U.S. The current benchmark - called West Texas Intermediate crude, or "WTI" - has been derived from the price of physical oil delivered to Cushing for more than three decades. Now, major players in the industry are advocating for a new benchmark that more accurately reflects the value of crude deliveries to the Gulf Coast. Keep in mind much of the crude produced in the giant Permian Basin oilfield in Texas and elsewhere no longer passes through Cushing. Which is why companies are now spending millions of dollars building infrastructure to facilitate trading and storage elsewhere, such as in Houston and other Gulf Coast ports. Known as "the pipeline crossroads of the world", Cushing for many years was the epicenter for pricing an average of 1.3 million WTI futures contracts on a daily basis. I'm told that as traders watch the price differential between WTI and London-based Brent crude to determine where to ferry shipments globally, they view Houston as the new barometer. Moving forward, as delivery points change, I have to believe Cushing will remain active in the storage of excess inventory from the Gulf, as it will offer cheaper pricing than the coasts. I should also note, U.S. Geological Survey's for Oklahoma have shown a massive spike in earthquakes of 3.0 magnitude or higher since 2008. The number of 3.0 magnitude quakes rose from approximately 2 in 2008 to 889 in 2015, according to USGS statistics. Bottom-line, oil production, storage and exporting have all changed the logistical flow of U.S. oil. (Source: Wiki; [Reuters](#))



Chick-fil-A... Some Cool Things I Did Not Know

Not only do my kids love "Chick-fil-A", but obviously so do thousands of other Americans. Every time I visit my kids down at college, I drive by the restaurant chain and there's a line out the door. I just shake my head in amazement at the business they have built. The fast-food chain's history dates all the way back to the 1940s, when its founder S. Truett Cathy opened the Dwarf House. Two decades after introducing one of the country's first chicken sandwiches, he used that recipe to open the first-ever Chick-fil-A in Atlanta in 1967. Today, the company generates more revenue per restaurant than any other fast-food chain. It's almost made its way into all 50 states, with only Hawaii, Alaska and Vermont without a location. It's also been reported that the company will likely become the third-largest fast-food chain within the next two years, surpassing Wendy's, Burger King and Taco Bell, only behind Starbucks and McDonalds. Below are some additional facts that made me drop my jaw: (Source: Entrepreneur; Business Insider, Fast Company)

Why Chicken? *In 1964, while owning and operating The Dwarf House, which was primarily focused on hamburgers and steaks, Cathy was approached by a local poultry supplier who had been tasked by an airline to provide a boneless, skinless chicken breast that would fit in the plastic trays of in-flight meals. The supplier met the challenge but was ending up with quite a few chicken breast pieces that didn't meet the airline's size requirements. The supplier asked Cathy if he could start using them. Determined not to let the opportunity pass him by, Cathy accepted the order. Taking the extra supply at discounted prices, Cathy came up with a very tasteful fast-food cooking method to offer his lunch patrons a new option: the chicken sandwich. The key was using a pressure cooker.*

Closed On Sundays - *Essentially they are the only major fast-food restaurant chain that is closed one day each and every week. According to the Chick-fil-A website, after Cathy's experience working in restaurants that were open 24 hours a day, seven days a week, he understood the importance of time off. That's why you'll never see a Chick-fil-A restaurant open on Sundays. As the website explains, Cathy set aside one day of the week for himself and his employees "to rest and worship if they choose."*

Free Chick-fil-A For A Year - *Dubbed the "First 100 Campout," Chick-fil-A encourages fans to camp out in front of its new locations the day before they open and promises to reward the first 100 customers free Chick-fil-A for a year.*

Might Be Your Franchise Of Choice - *If you're interested in becoming a fast-food franchisee, but worried about what it might cost you, check out Chick-fil-A. There are little financial prerequisites needed to apply for a Chick-fil-A franchise, and opening a restaurant only costs \$10,000. Not only that, but Chick-fil-A pays for all startup costs including real estate, construction and restaurant equipment. While opening a Chick-fil-A franchise might be cheap, the competition is high. The chain gets more than 20,000 franchisee applications a year and chooses only 75 to 80, according to Business Insider. That means you have less than a 1 percent chance of becoming a Chick-fil-A franchisee. According to data from QSR Magazine, in 2016 alone its average sales per restaurant was \$4.4 million. The average McDonald's, for instance, makes about \$2.5 million per year.*

The Waffle Fries! While you might expect the chicken sandwich to be the most popular, it turns out the most-ordered menu item doesn't even have chicken in it. According to a Chick-fil-A press release, waffle fries are its most popular menu item.

Biggest Buyer Of Lemons - In 2014 alone, Chick-fil-A served 121 million cups of lemonade, using 250 million lemons, making it the largest purchaser of Sunkist lemons in the entire world. According to an earlier press release, in 2014, "[it] purchased more lemons from Sunkist than the entire country of Japan."

The Famous Sauce - Chick-fil-A's famous sauce is no secret. In fact, in a tweet, the company revealed its simple formula: a blend of honey mustard, barbecue and ranch.

It's All About The Peanut Oil - The ingredient behind Chick-fil-A's crispy chicken taste turns out to be peanut oil. Chick-fil-A's culinary senior manager once explained in a press release: "I don't know what you'd call it -- serendipitous or magical -- but the peanut oil makes our chicken sandwich nearly impossible to replicate." Probably explains why they are the nations biggest buyer of peanut oil.

What About The Pickles - It wasn't until Cathy added two dill pickles to every chicken sandwich that word really started to spread. Today, every Chick-fil-A restaurant is responsible for making its own pickles, a process that takes three days and involves cutting up cucumbers and soaking them in brine for three days.

Can You Buy Stock? No - Before Cathy passed away in 2014, he made his children sign a contract agreeing that Chick-fil-A will always remain a private company. However, he did agree that they could sell it if they wished.

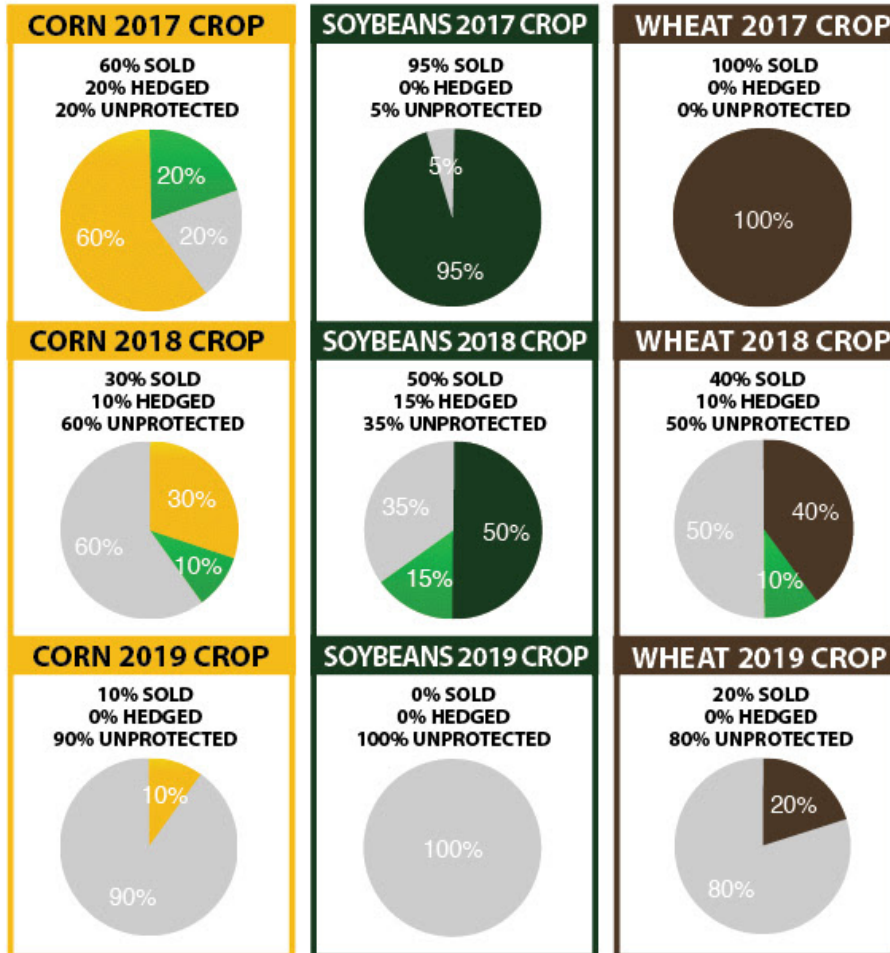
Cool Corporate Purpose! Today Chick-fil-A's stated corporate purpose remains unchanged: "To glorify God by being a faithful steward of all that is entrusted to us and to have a positive influence on all who come into contact with Chick-fil-A."





ANSWER to riddle: Fire

CASH SALES & HEDGING TOTALS



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