

## GOOD MORNING: 04/20/18 Farm Direction - VanTrump Report

2 messages

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Fri, Apr 20, 2018 at 6:37 AM



"The greatest deception men suffer is from their own opinions." — Leonardo da Vinci

FRIDAY, APRIL 20, 2018

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**Morning Summary:** Stocks are steady this morning, but pulled back a bit yesterday as the tech sector digested headlines and concerns that the global smartphone market is slowing down and could start to have more broad reaching effects as it spills over to the microchip manufacturers and others in the tech space. The trade is also considering the back and forth political headlines and rumors involving President Trump, Comey, Mueller and Cohen. The "left" seems to believe Cohen is going to break and ultimately cooperate and turn on the President. The "left" also believes Mueller is extremely close to having enough evidence to put President Trump on the hot seat. The "right" continues to see it as more fake news and hears it as more noise being created by the left-leaning media. Regardless of who you favor, the stock market is watching from center-court as the volley continues. Inflationary jitters are also on the minds of the market. Commodities are holding near multi-year highs and the 30-year mortgage has pushed to its highest level since January 2014 averaging just under 4.5%. The 15-year fixed-rate mortgage is still averaging around 3.95%. Interestingly, purchased mortgages have been higher in every week of 2018 than last year despite the higher interest rates. As for today, the market is digesting Eurozone consumer confidence, insight from Fed speakers Evans, and U.S. corporate earnings from the likes of GE, Honeywell, Kansas-Southern, Schlumberger and Waste Management. Next week is setting up to be even busier. Tuesday we have the special House election in Arizona. Thursday we will hear from the ECB policy meeting and there's talk that President Trump might give a speech on prescription drug prices. Friday we have the highly anticipated first quarter U.S. GDP number, the Bank of Japan policy meeting announcement, as well as the summit between South Korea and North Korea. I've also heard that President Trump might be meeting with German Chancellor Merkel in Washington on Friday, which could make for some interesting end of week headlines. I should also note, there will be a massive wave of U.S. first quarter corporate earnings next week, including: Google on Monday; Amgen, Caterpillar, Coca-Cola, Citi Group, Harley, and Verizon on Tuesday; e-Bay, Facebook, Ford, Qualcomm, Twitter and Visa on Wednesday; Amazon, Bristol-Meyer, CME Group, Conoco Phillips, Intel, General Motors, Microsoft, MGM, Pepsi, Starbucks, Union Pacific, and UPS on Thursday; Colgate-Palmolive, Chevron, and Exxon on Friday. Bottom-line, a ton of new out next week...

**The Race To \$1 Trillion:** There is a battle being waged to get to a \$1 trillion market cap first. Leading the pack is iPhone maker Apple, with a market cap of \$877 billion. In second place is Google parent Alphabet at \$757 billion, followed by Amazon at \$754 billion and Microsoft at \$740 billion. I'm told, Morgan Stanley analyst Keith Weiss came up with the concept in a recent research note on Microsoft and Jim Cramer dug deeper in his attempt to determine who might cross the line first. Though Cramer admits its anyone's game, he offers some details on each company [HERE](#). I personally think it's a race between Apple and Amazon...

**Nearly 60 Years Of The Castro's Ruling Cuba Comes To An End:** Miguel Diaz-Canel was officially declared as Cuba's new president Thursday, a day after a vote in the National Assembly cleared the way for a leader not named Castro for the first time in nearly six decades. Diaz-Canel wasn't even born when the Castros began to rule the country. I'm told that Raul Castro, who is 86 years-old will remain as the head of the Communist Party which by the constitution is designated as "the superior guiding force of society and the state," meaning I suspect he still wields some control over the affairs of state.



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Today In History

**Prepare For The "420" Celebrations:** Regardless of your opinion or stance on the subject, ever since states have started legalizing marijuana we are seeing more widespread growth and acceptance. Today, 15,000 people are expected to gather at Hippy Hill in San Francisco, the first 4/20 annual event in California since recreational marijuana sales became legal back in January. It will have DJs and live music performances, and a "bud drop" at 4:20pm, similar to the ball drop in Times Square on New Year's. That's just one example in one city, and even Lyft is offering up to \$4.20 off rides for users celebrating the holiday in places where it's legal, such as in Denver and Las Vegas. Since 2012, 9 states and DC have legalized recreational use, and about two-thirds of Americans live in a state where at least some form of marijuana is legal. From the numbers we've seen, nearly 35 million Americans use marijuana at least once or twice a month, and that's thought to be a very conservative estimate. To put these numbers in perspective, just under 38 million US adults currently smoke cigarettes as of 2016 according to the CDC. Gallup polls now say over 60% of Americans favor legalizing marijuana. Colorado received \$211 million dollars in marijuana tax revenue and license fees in its fiscal year 2017 compared to just under \$46 million from alcohol. The state of Washington received \$319 million from legal marijuana taxes and license fees in its fiscal year 2017, up \$130 million from the year before and \$113 million more than what it received from liquor taxes and license fees. Earlier this year, California Governor Jerry Brown estimated that his state could bring in \$643 million from excise taxes on marijuana during its first full year of legalization in 2018. WOW how times have quickly changed... (Source: Wiki; DataTrek; Gallup; Reuters; Bloomberg)



**1818, Heinrich Gobel** - Today in 1818, the true inventor of the incandescent light bulb was born. Did you grow up being taught that it was Thomas Edison? Well according to historical records, the very first light bulb may have been invented by a German immigrant named Heinrich Gobel. Gobel was born in Springe Germany which was a small village outside of Hanover. Growing up Gobel was a poor student, although one of his teachers had said, "he seems to have an inventive mind." He would work as a locksmith, repair mechanic, and later as a watchmaker. He stated that he learned and became proficient in all of these trades by doing. Gobel and his family would immigrate to New York City in 1848 when he was 30 years old and would take his oath of Citizenship in 1865. Soon thereafter, Gobel would open a shop on Monroe Street in New York City as a watchmaker. To earn extra money, he built a telescope and set it up at the Union Square park and charged a fee for people to look at the stars. In April 1882 the New York Times came to Gobel's shop and asked him about his exhibit of light bulbs that he had in his shop. The paper claims that Gobel insisted that the light bulb was not a new invention and that he himself had invented such an item in Germany almost 30 years prior, though Gobel had no official documents to back up his claim. Years later some attorneys would visit his shop and ask the same questions about his inventing the light-bulb so they could cast doubt on Edison's patent. These attorneys would use the verbal acknowledgment of Gobel's invention of a light bulb to build their case with the U.S. Patent office. Basically, they claimed that Edison's claim to have invented the lightbulb was not novelty, that Gobel had in fact invented such an item long before Edison. The use of this argument has become known as the Gobel defense, calling it an "overseen invention." Heinrich Gobel would spend the rest of his life inventing and improving other's inventions, he would die in 1893 after receiving a least two patents.



**1918, Red Baron** - Today the "Ace-of-Aces" also known as the "Red Baron," would fly for the last time after being shot down during World War I. Manfred Freiherr von Richthofen born in 1892, was from a prominent Prussian aristocratic family who lived in Kleinburg, Poland. At eleven years old, Manfred would be sent to what equates today as a military academy. When he was 19 years old he would join the Uhlan Regiment under the command of the Emperor of Russia. When World War I began he had the fortune of meeting a German fighter pilot named Oswald Boelcke, and soon began training to be a pilot under this man and his expertise. Boelcke would choose Richthofen to join one of the first German fighter squadrons. His first recorded aerial victory came in September 1916 while flying over France.



As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

**TODAY'S RIDDLE:** I come in different shapes and sizes. Parts of me are curved, other parts are straight. You can put me anywhere you like, but there is only one right place for me. What am I?

**Weather** forecasts continue to call for delays to Midwest fieldwork, notably in the northern portion following a round of snow and ice Wednesday. Precipitation and cold weather will keep fieldwork at a standstill for a while longer. A slow warmup and a storm track well to the south may allow conditions to improve somewhat during the seven-day period. However, rain chances over the region increase during the 10 day timeframe, suggesting that fieldwork improvement may be minimal. In the northern Plains an improving temperature pattern is possible during the next seven days. Moderate rain is headed to the southern Plains at the end of the week. However, the rain amounts offer only brief easing of drought conditions, especially considering the recent strong and dry winds that have affected the region. Looking south to Brazil, major crop areas have more rain forecast through the end of the week, mostly in the central and northern locales. This is favorable for second crop corn.

**Is It Spring Yet?** *Mild conditions are ahead next week for the northern tier of the U.S. This is good news ahead for the winter-weary across the Midwest and Northeast as April comes to an end. This change will be felt this weekend into early next week when an area of high pressure slides eastward across the Midwest and into the Northeast. Temperatures will begin to moderate Saturday in the northern Plains and upper Midwest. By Monday and Tuesday, above average high temperatures will reach much of the Midwest and Northeast. Overall, there are indications that milder conditions are in store for much of the northern Plains, Midwest and Northeast as April comes to an end and May begins. Below we have the 8 to 14 day outlook which highlights the western and northern U.S. as having a higher chance of near or above average temperatures April 26 to May 2.*

He was not a spectacular aerobatic pilot but rather a tactician who would study his plane, his enemies capabilities and was a superior marksman. Most of his strikes and aerial victories would come when he would fly in from above with the sun behind him. In 1916 he would be shot down by his famous equivalent British Ace Major Lanoe Hawker. It would be this experience that convinces the Ace that he needed a fighter plane with more agility. In 1917 flying the infamous red Albatros, Richthofen had his most successful month as a fighter pilot. He would shoot down 22 British aircraft, and his squadron became known as "The Flying Circus." In July of 1917, he would sustain a serious head wound while flying, which would later cause him to suffer from nausea and headaches while flying. However, against doctors orders he would return to his squadron, giving a psychological blow to the British, and elevating him to hero status within Germany. In April 1918, "The Red Baron," would meet his end when he was shot in the chest and land his plane somewhere in France. According to witnesses who arrived at the landing site, the "Red Baron's" last word was "kaputt." He would be honorably buried by the men who were considered his enemies the Allied fighter squadrons, who even laid a wreath on his grave that stated, "To Our Gallant and Worthy Foe."



**1646, Charles Plumier** - On this day April 20th in 1646 one of the world's greatest Botanist was born, Charles Plumier. Plumier was born in Marseille, France and would enter one of the most restrictive Catholic orders of the church, the Minims. Minims would abstain from meat, never wore shoes, and would always wear a homespun black habit. He was devoted to the study of mathematics, physics, and botany. He would become a proficient draughtsman, painter and turner. Plumier was sent on several expeditions to the French Antilles (Caribbean) and Central America where he would illustrate and write descriptions of the local flora and fauna with most of his work in the botanical field being published and put into other scientist's books of the day. He would publish his own work in 1693 and it was titled, "Description des Plantes de l'Amerique." Plumier is also credited with the discovery of the Fuchsia plant which grows on most Caribbean Islands. He would go on to write four more works about the Botany of the Caribbean and carve over six hundred plates used in printing the illustrated volumes of work. It was also during this time that Plumier was appointed as the Royal Botanist to King Louis XIV of France. At his death in 1704 this Catholic Minim left thousands of illustrations of the flora and fauna he discovered or observed while on his expeditions to the New World. One further tribute was that the plant found in Mexico now called the Plumeria, was named after this quite and humble monk who explored and illustrated so

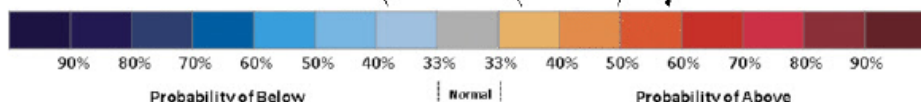


# Temperature Probability 8 to 14 Day Outlook



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 19 APR 2018  
VALID APR 27 - MAY 03, 2018

DASHED BLACK LINES ARE CLIMATOLOGY  
(10ths OF INCHES) SHADED AREAS ARE FCS  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE NEAR-NORMAL

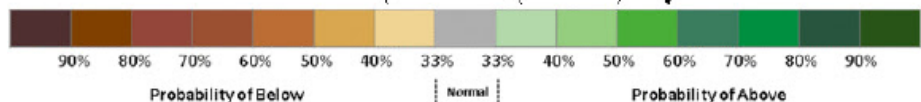


# Precipitation Probability



8-14 DAY OUTLOOK  
PRECIPITATION PROBABILITY  
MADE 19 APR 2018  
VALID APR 27 - MAY 03, 2018

DASHED BLACK LINES ARE CLIMATOLOGY  
(10ths OF INCHES) SHADED AREAS ARE FCS  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE NEAR-NORMAL

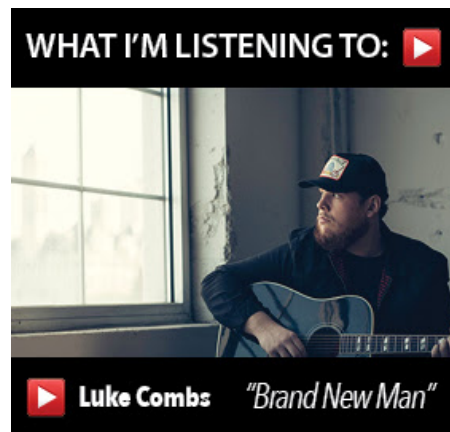


beautifully the plants found in the Americas.

## 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

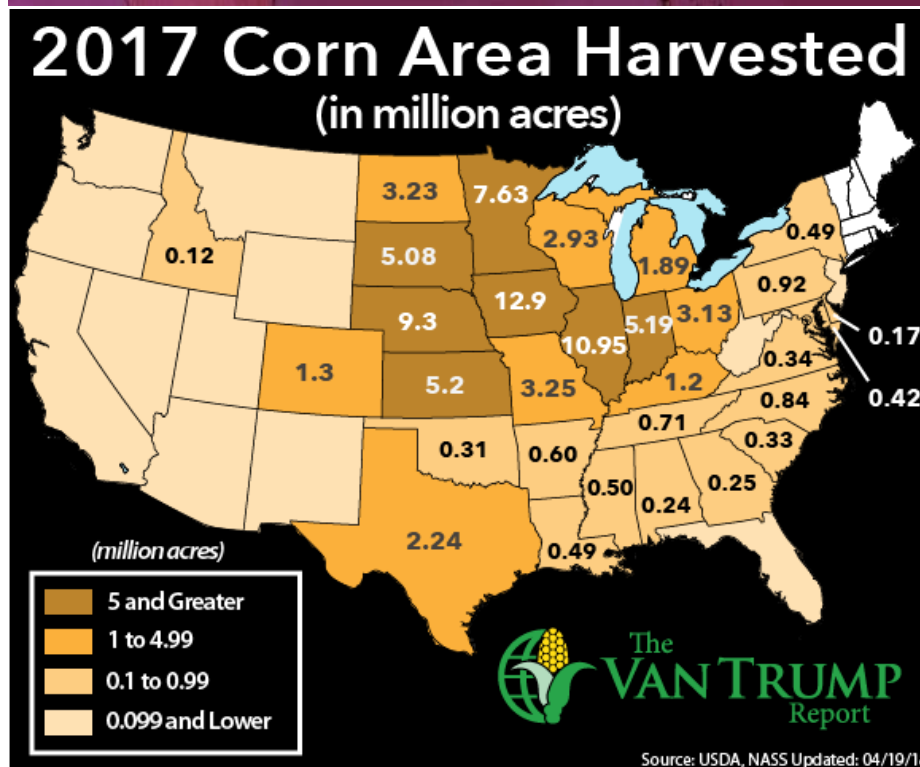
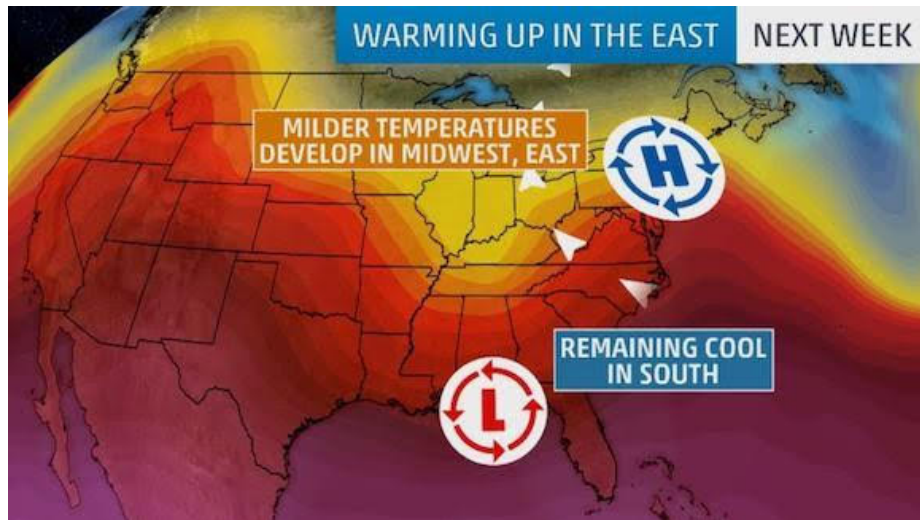
## Kevin's Song of the Week



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**Corn** continues to trade in a fairly narrow range as the market debates delays in planting, geopolitical trade risk and traditional supply and demand. Bears continue to point towards uncertainty surrounding geopolitical trade negotiations. Personally, I keep hearing that we are inching closer to a NAFTA deal but there's still no real confirmation. I suspect if we can get the NAFTA headline risk behind us, the market will at least feel like it has more upside potential. Bulls continue to talk about strong demand. U.S. weekly corn export sales were reported in the range of expectations at just over 1 MMTs for 2017-18. I could argue tomorrow's Cattle-on-Feed report will be bullish longer-term corn demand and the USDA will eventually be bumping their corn for feed numbers higher. As for production, the South American crop could use a bit of rain in a few areas, but overall their second-crop acres seem to be doing fairly well, especially in the highly productive region of Mato Grosso. I still feel like the USDA will ultimately have to trim their current Brazilian production estimate. I also believe the USDA still has a bit more to trim from their Argentine estimate. As for here at home, bulls continue to point to difficult weather conditions across the central and northern Midwest. Bears point to the fact U.S. producers have the technological capabilities to get the crop in the ground

in a narrow window of time, and there is still plenty of time on the clock. As you can see from the graphic I included below, several weather guru's are forecasting a warming period. As a spec and a producer, I thinking the risk in the South American crop has already been well advertised and traders are looking to the U.S. for fresh new headlines. I think it's too early to be in a U.S. weather market, so perhaps we are in a bit of a vacuum or as I have suggested a lack of fundamental headlines. The only real "wild-cards" at the moment seems to be the mixed-bag coming out of Washington. I remain a longer-term bull, but believe the market may have gotten a bit ahead of itself and now needs to circle the wagons for a moment. I suspect once we get into May there will be some new heightened awareness and talk about the new-crop balance sheet.



**Soybean** export sales for the week were adequate enough to keep the bulls engaged, we also have the domestic crush running at record levels, which makes the bulls believe strong demand will continue to limit the downside. Bears are saying not so fast on the guaranteed "demand" story. There have been headlines circulating that the Chinese have purchased soybeans from our neighbors up in Canada. Meaning perhaps China is more serious about trying to find supply alternatives than the market had given credit? The Chinese purchasing Canadian supply has also helped break the basis in Brazil and also break the basis in Argentina. Let's also keep in mind, the bears continue to believe the Brazilian crop is getting larger and U.S. planted soybean acres will be record large and perhaps even growing larger in the weeks ahead. The planters are rolling down in the Delta region and beans are going in the ground at a fairly good clip. As I've mentioned several times, we've had a lack of fresh new headlines nearby to keep the bulls excited. The funds were already excessively long the market so we needed new headlines to bring in new money. There really hasn't been anything new in the

# 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."

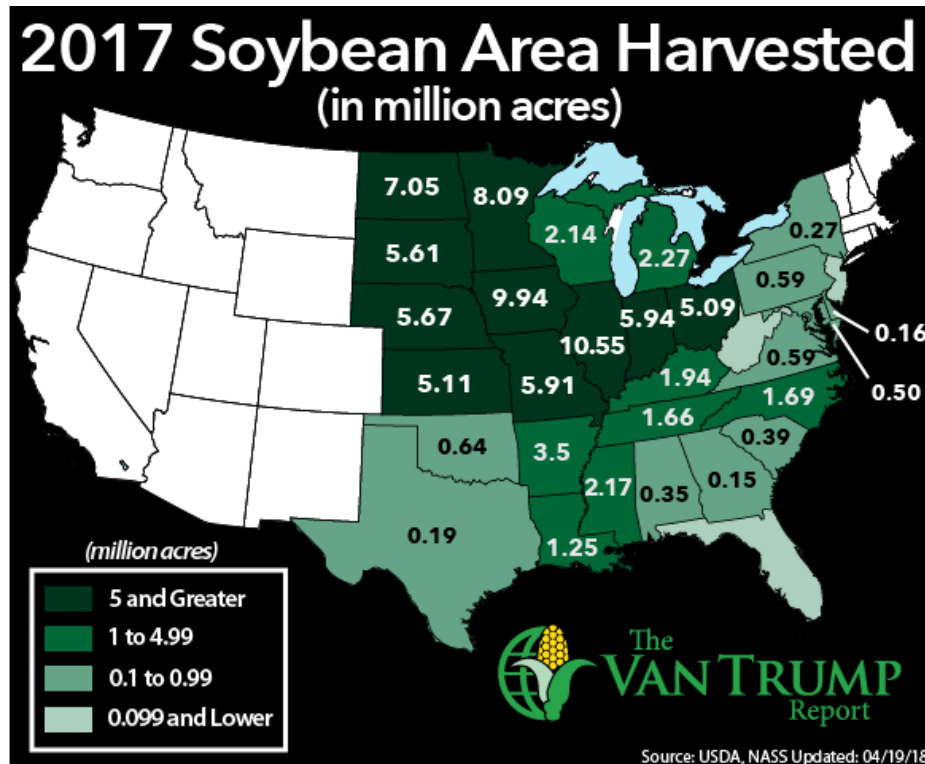
**A.M., FDIC**

"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

headlines, so we've drifted sideways to lower and weakened up the technical picture. As both a producer and a spec, I continue to see a longer-term bullish story, but as usual, the traditional fundamentalists might have showed up to the party a bit early. I don't want to try and navigate a short position because I believe ultimately "weather" becomes a major factor and we could see some explosive upside potential on the right headlines come late-summer or early fall, perhaps even a bit sooner. I like the thought of being a buyer on another flush to the downside, perhaps a geopolitical headline or twist from NAFTA or the Chinese? As a producer, I'm staying extremely patient.

*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..."*

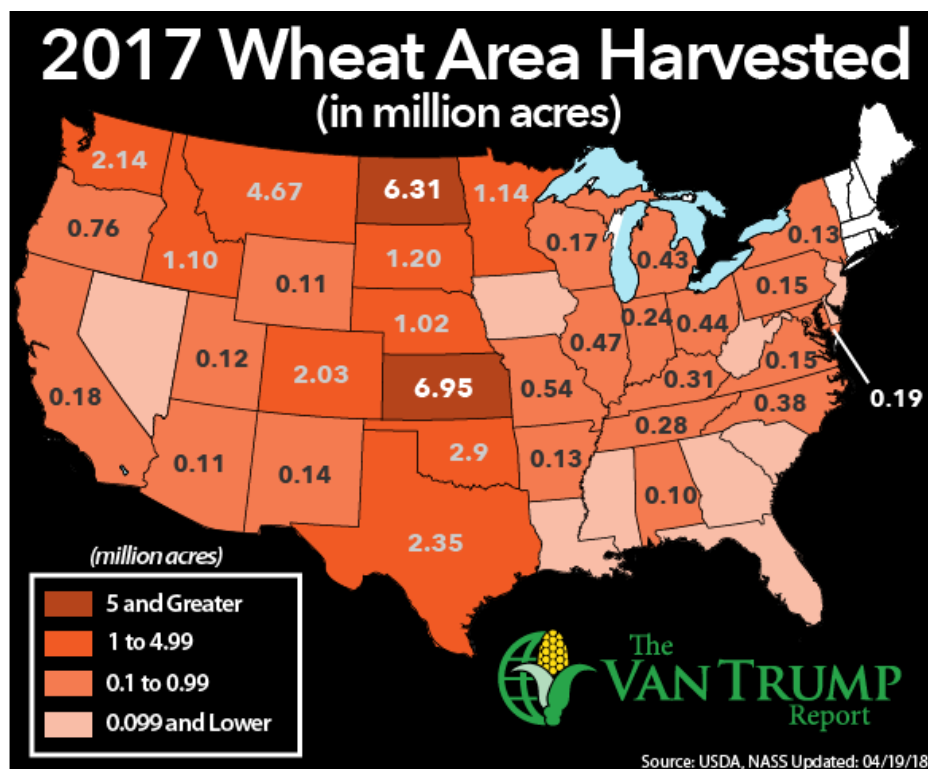
*I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.*

- 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.*

**Wheat** traders are heavily debating weekend rains particularly for the southern portions of the U.S. Plains. Sunday night's open could be extremely wild if the weather varies much from the forecast. I've had a couple of readers write in telling me some preliminary wheat tours are finding HRW wheat acres with no tillers and that acres are being abandoned. I suspect there are going to be many pockets of complications and the headlines could get more extreme. Spring wheat acres are also running well behind in regards to planting pace. U.S demand continues to provide little tailwind for the bulls. In fact, most sources inside the trade believe the USDA will ultimately be reducing their current export estimate, in turn bumping ending stocks a bit higher. It's tough to be a fundamental bull with domestic supply pushing higher and continued stiff competition from low-cost producers in Russia and western Europe. The U.S. crop is still a big question mark and it's still a bit early to get overly committed to the forecast, the heat moving forward into June will be critically important and worth the price of admission.





*Farm Direction*  
RECIPES

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

**Bananas Foster French Toast**

CLICK TO SEE RECIPE



> **Canada's Wheat Crop Forecast Nearly Unchanged:** The USDA ag attaché in Canada estimated their upcoming wheat crop at 29.9 MMTs vs. 30.0 MMTs last year. Exports are also nearly unchanged at 22.2 MMT vs 22.1 MMT, which is still a bit lower than the current USDA estimate of 22.5 MMTs.

> **EU Wheat Crop Forecast Nearly Unchanged:** The USDA ag attaché in the EU is forecasting their 2018/19 crop at 151.2 MMTs vs. 151.6 MMTs reported last year. Exports are expected to jump slightly from 24.0 to 26.5 MMTs.

> **Purdue University Researcher Develops Free Drone Data Log:** A Purdue University researcher led the development of a free, web-based application that will allow those using unmanned aerial systems (UAS) to easily log their flight-related data. The UAS User Log is a digital logbook available around the world to serve those using UAS, or drones, for research, crop production, spray applications and other activities. As adoption rates increase in the near future, this should definitely gain some traction.

> **Export Net Sales Of U.S. Corn Rise:** Net exports of current and new crop corn totaled 1.204 million mt in the week ending April 12. Sales ended up 3.4% from the previous week. The breakdown saw 1.092 million mt for current and 112,220 mt for new crop corn. The numbers were good enough to stay ahead of the pace needed to reach forecasted levels. The total is already up to 87.2% of the USDA's 56.518 million mt projection for the current marketing year.

> **Sonny Perdue Appoints Key Leaders:** Agriculture Secretary Sonny Perdue appointed Ken Isley the new boss for USDA's Foreign Agricultural Service (FAS), which spearheads USDA's overseas programs. The FAS is responsible for growing export opportunities for the meat industry. Isley most recently served as special adviser for Corteva Agriscience, the agriculture division of Dow DuPont and has a total of 29 years of service at Dow. Perdue's other appointments include Joel Baxley as Rural Housing Service (RHS) administrator, Martin Barbre as Risk Management Agency (RMA) administrator, and Tommie Williams as minister-counselor for agriculture at the U.S. Mission to the United Nations Agencies for Food and Agriculture in Rome.

> **Goldman Has Brazil's Real Up 14% By July:** The bank that warned South America's biggest economy was sinking into a depression back in 2015 now has Brazil as among its top picks in emerging markets that are "powering ahead" in face of rising global interest rates and protectionism fears. Among the group's recommended trades

and "conviction views" is going long Brazilian equities, and buying the currencies of Brazil, Chile and Peru against the dollar. Perhaps the most eye-catching is a forecast for the Brazilian real to reach 3 per dollar in three months, from 3.4078 late Tuesday -- a surge of almost 14 percent. (Source: Bloomberg)

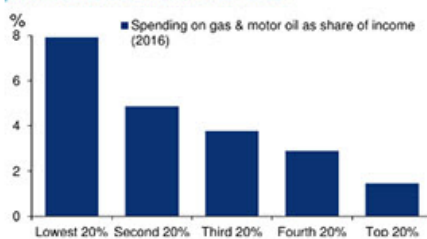
**> U.K. Sets New Power Producing Record...Without Coal:** Britain set a new record, producing power for 55 hours without the use of coal. The U.K. was an early adopter of renewable energy and has more offshore wind turbines installed than any other country. It also has fields of solar panels that are meeting more and more demand as old traditional power plants close permanently. Interestingly, at the same time, wind turbines produced more power. Britain plans to be done with coal plants by 2025. The previous record of 40 coal-free hours was set in October. (Source: BigThink)

**> 3D Printed Nike Zoom Vaporfly In London Marathon:** Nearly seven months after Eliud Kipchoge came just 35 seconds short of capturing the marathon world record, the Kenyan plans to run the London Marathon on Sunday with a pair of 3D-printed performance shoes that are six percent lighter than the ones he wore to win Berlin in September. Keep in mind the shoes were designed and created specifically for Kipchoge and weigh 11 grams less than the original pair worn in Berlin. I suspect we are not that far off from 3D printing a lot of our personal items.

**> What's Up With Home Depot's Tech Hiring Spree?** With a stock price that has increased 135 percent over the last five years, Home Depot remains one of the few giant brick-and-mortar retailers to find success in the age of Amazon. Now, the \$200 billion home improvement retailer is going on the biggest technology hiring spree in its history to try to maintain that edge. Home Depot plans to add more than 1,000 new hires to its technology teams in 2018, the company will announce on Wednesday, to support an \$11 billion multi-year investment plan to extend its lead in brick-and-mortar retail over competitors like Lowe's and fend off increased competition from Amazon and other online players. (Source: recode)

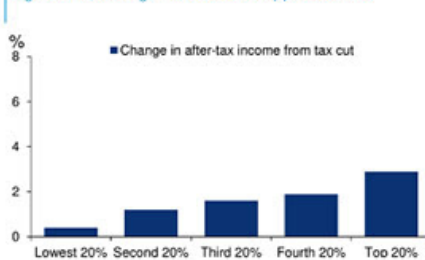
**> Could Gas Prices Wipe Out Tax Cut Gains?** If gas prices rise \$1.05 per gallon off their current marks, it would eat the disposable income gains of last year's tax cut legislation, according to Deutsche Bank analysis. The national average is now \$2.76 a gallon, according to GasBuddy, which is close to the most recent high in mid-2015. A \$1 gain per gallon would represent a full return to the soaring prices of 2014 when the average price for a gallon approached \$3.70. From 2011 to mid-2014, prices were at this level. While a \$1 increase would be required to cancel out benefits for families of all income levels, lower-income families' gains would be wiped out much more quickly. (Source: YahooFinance)

Figure 3: Spending on gas accounts for larger share of income for lower income households



Source: Consumer Expenditure Survey, Haver Analytics, Deutsche Bank

Figure 4: Tax cut gains skewed to upper incomes



Source: Tax Policy Center, Deutsche Bank

Gas is a bigger percentage of the budget for lower-income Americans. And the tax cut benefits higher-income Americans substantially more. (Deutsche Bank)



**Western Kentucky** - We are waiting for the weather to get better before we can roll with the planters but this is very similar to last year when we didn't turn a wheel until May 18. I work on the crop insurance side of things and we could some preventative plant this year. Some of our later planted corn last year that didn't go in until well into June ended up making 170bpa. Most of our acres were well above that and the farm average was 180bpa, our best ever, with our APH being 150bpa. We had many different maturity seed from 102 day all the way down to 86 day for the late planted stuff. We are in a corn deficient area so the extra bushels worked great with our basis. The beans were not as good. They actually had too much rain and did not finish well. Each field was a hit or miss with farm averages in the 45bpa to 50bpa range. We are



mostly no-till, with a little strip tilling but there are a lot of guys that are full tillage that haven't done much this year.

**Eastcentral Iowa** - Hopefully we will be turning the wheel in a couple days, just waiting for soil temps to come up a bit. We are not going to rush anything as there is plenty of time. We have much later than this and are not worried. If it's going to be early May, then that's what it is. We had a great 2017 with yields well above average for our farms. Like most others I have all the beans sold but am sitting on some corn still. We are not changing anything this year, our normal rotation has us at 50/50. We have been no-till for a while and in my opinion it has paid dividends for keeping nutrients in the soil.

**Central Illinois** - We had corn yields last season with a 110-acre field producing 300bpa. We worked hard to get there and interestingly we didn't have the best weather. I'm simply a believer in the science of the seed as we have been seeing these yields continue up over the last few years. Overall, our farms averaged 270bpa which is well above our APH of 230, meaning we were able to outproduce the low prices. There was a sale in the area that brought \$13K per acre and we are seeing cash rents still around \$300. Can't wait to hit the fields very soon!



**GoFundMe Raises \$15 Million In 12 Days For Humboldt Broncos:** In the hours after the Humboldt Broncos' junior hockey team was involved in a deadly bus crash earlier this month, a Humboldt resident created a GoFundMe page to raise money for the 29 passengers on board and their families. When the account stopped accepting donations Wednesday night, it had raised more than \$15 million in just 12 days, putting it in the top five all-time campaigns. We tip our hats to the 142,000 great folks who contributed to the cause! Read more [HERE](#).

**How Are You Dealing With Information Overload...?** Information is abundant. The proper application of information (i.e., wisdom and understanding) is scarce. There are skills essential to quickly filtering through the endless universes of information, choices, and distractions that now lay before us in a digital and global world. How you handle the overload of input will have a huge effect on your personal happiness and stress level. Read more [HERE](#), as you learn how to master the skills necessary for a happier life.

**Coca-Cola Chasing Millennials With Fresca:** It does seem like the Fresca brand has been asleep for awhile, so it isn't a surprise to hear that the beverage giant is now reaching out to millennials with the "distinct, grapefruit-flavored taste." The timing couldn't be better as the "sparkling flavored soda" niche market is hot right now, battling for millennial marketshare. Coca-Cola officials believe they are sitting on a potential goldmine as the drink hits right between a soda and flavored sparkling water. It's been ten years since a new message has been used for the 52-year-old beverage, so it will be interesting to see how Cokes strategies play out. Read more [HERE](#).

**Mid-Term Elections Stuck In The "Weeds"** Although marijuana remains prohibited by federal law, an increasing number of states have legalized the drug for medical and recreational use in the past few years. In fact, some politicians are running in the 2018 midterm elections on explicitly pro-marijuana platforms. Unthinkable a mere 20 years ago, states now have three stances on marijuana: legalized for recreational and medical use, legalized for only medical use, and completely prohibited in line with federal policy. Read more [HERE](#).

**Lance Armstrong Agrees To Pay \$5 Million Settlement:** In order to avoid a potential \$100 million penalty, cyclist Lance Armstrong agreed to pay the federal government \$5 Million. The penalty stems from Armstrong's admitting to the use of performance-enhancing drugs during competition from the days that Armstrong raced under the sponsorship of the U.S. Postal Service. Most of you will remember how strongly the country supported Armstrong as he won seven consecutive Tour de France titles after overcoming testicular cancer. It made the revelation of the truth that much harder to believe and led to many attacking Armstrong's teammate Floyd Landis who blew the whistle at the time. Armstrong did eventually come clean in a 2013 interview with Oprah Winfrey. Read more [HERE](#).

**Where Has Your Money Been?** If you stop and consider it, a single note of currency could tell quite a story of all the hands it has passed through before being retired. After being printed or minted, each bill circulates between people and businesses to facilitate transactions. If it's a \$1 or \$5 bill, it changes hands on average about 110 times per

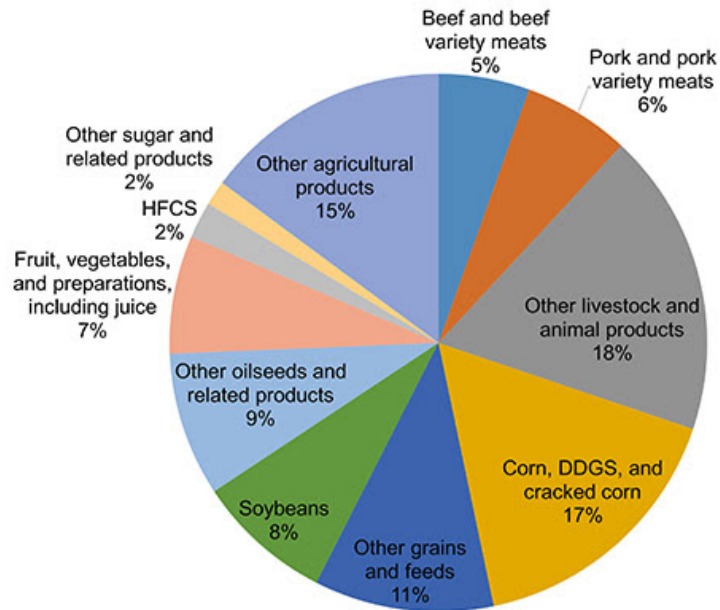
year - and if it's a \$20 bill, it's more like 75. The infographic below from TitleMax gives a sense of what happens when all of those individual stories are combined together into one large one: the U.S. supply of currency notes, the shelf life of each type of bill, and how the whole system works as a whole. Click [HERE](#) to see the entire graphic and story.



### Mexico, NAFTA and U.S. Crop Exports

According to the USDA's Foreign Ag Service, grain and feed accounted for \$5.1 billion of the \$17.9 billion in agricultural products the U.S. exported to Mexico. Corn and soybeans were the top two commodities exported at \$2.6 billion and \$1.5 billion, respectively. Because of our shared land border, Mexico imports roughly 80% of U.S. grain by rail. Keep in mind, the rail link provides the U.S. with a competitive advantage by offering Mexican importers a cheaper alternative. Many are wondering if our pricing advantage will be enough to maintain current levels of business amidst the NAFTA renegotiations. U.S. farmers, food processors and grain traders have spent months trying to protect more than \$19 billion in sales to Mexican buyers of everything from corn and soybeans to dairy and poultry. It's worth noting that prior to the renegotiations, NAFTA as well as another incentive known as Despacho Previo; a process for clearing southbound rail shipments into Mexico and reducing congestion and interchange delays at the border were huge benefits to U.S. producers. Mexico's Economy Minister Ildefonso Guajardo, who is overseeing Mexico's NAFTA negotiating team, encouraged the country's major grain buyers last year to explore South American corn to strengthen his hand at the negotiating table, saying the country needed a "Plan B" in case Washington pulled out of the trade deal. It isn't apparent yet if the lower costs provided by shipping grains on rail to Mexico will offset the uncertainty brought on by the renegotiation of NAFTA. Even with more grain flowing in from South America, U.S. corn exports to Mexico also rose, despite the rapid increase in the flow from Brazil, because Mexico needed record imports in 2017 to compensate for the impact of a drought on domestic corn production. Understand, there are a lot of moving pieces in our trade relations with Mexico and I suspect our ability to rail it in cheaper and quicker will significantly factor in the decision-making process of buyers inside Mexico. I've heard officials with Mexican ag companies agreeing that South America isn't their first choice for imports because the U.S. is duty-free and they can get their supply in about 48-hours vs. 12 to 14 days from areas of Brazil. (Source: USDA, Grain Transportation Report, Reuters)

**Grains, oilseeds, meat, and related products made up about three-fourths of U.S. agricultural exports to Mexico in 2016**



**Best Cities To Live & Best Cities To Retire**

U.S. News analyzed the 125 most populous metro areas to find the best places to live. To make the top of the list, a place had to have good value, be a desirable place to live, have a strong job market and a high quality of life. I have listed the top-50. Despite my hometown being nowhere in the top-50, it was exciting to see several of my friends hometowns in the top-10. They also identify the best places to retire, analyzing data for the retirement needs and expectations. Top criteria include the happiness of local residents, housing affordability, tax rates and healthcare quality.

Best Cities To Live Click <a href="#">HERE</a>	Best Cities To Retire Click <a href="#">HERE</a>
<ol style="list-style-type: none"> <li>1. Austin, Texas</li> <li>2. Colorado Springs, CO</li> <li>3. Denver, CO</li> <li>4. Des Moines, IA</li> <li>5. Fayetteville, AR</li> <li>6. Portland, OR</li> <li>7. Huntsville, AL</li> <li>8. Washington, DC</li> <li>9. Minneapolis-St.Paul, MN</li> <li>10. Seattle, WA</li> <li>11. Nashville, TN</li> <li>12. Grand Rapids, MI</li> <li>13. Raleigh-Durham, NC</li> <li>14. San Antonio, TX</li> <li>15. Salt Lake City, UT</li> <li>16. Madison, WI</li> <li>17. San Jose, CA</li> <li>18. Dallas-Fort Worth, TX</li> <li>19. Phoenix, AZ</li> <li>20. San Francisco, CA</li> <li>21. Lexington, KY</li> <li>22. Charlotte, NC</li> <li>23. Boise, ID</li> <li>24. Asheville, NC</li> <li>25. Boston, MA</li> <li>26. Houston, TX</li> <li>27. Portland, ME</li> <li>28. Omaha, NE</li> <li>29. Melbourne, FL</li> <li>30. San Diego, CA</li> <li>31. Greenville, SC</li> <li>32. Lancaster, PA</li> <li>33. Reno, NV</li> <li>34. Sarasota, FL</li> <li>35. Honolulu, HI</li> <li>36. Columbus, OH</li> </ol>	<ol style="list-style-type: none"> <li>1. Sarasota, FL</li> <li>2. Lancaster, PA</li> <li>3. San Antonio, TX</li> <li>4. Grand Rapids, MI</li> <li>5. El Paso, TX</li> <li>6. McAllen, TX</li> <li>7. Daytona Beach, FL</li> <li>8. Pittsburgh, PA</li> <li>9. Auction, TX</li> <li>10. Washington, DC</li> <li>11. Dallas-Fort Worth, TX</li> <li>12. Houston, TX</li> <li>13. Greenville, SC</li> <li>14. Fayetteville, AR</li> <li>15. Fort Meyers, FL</li> <li>16. Des Moines, IA</li> <li>17. Raleigh-Durham, NC</li> <li>18. Charleston, SC</li> <li>19. Philadelphia, PA</li> <li>20. Orlando, FL</li> <li>21. San Diego, CA</li> <li>22. Charlotte, NC</li> <li>23. Jacksonville, FL</li> <li>24. Honolulu, HI</li> <li>25. Allentown, PA</li> <li>26. Lakeland, FL</li> <li>27. Portland, ME</li> <li>28. Boston, MA</li> <li>29. Tampa, FL</li> <li>30. Miami, FL</li> <li>31. Springfield, MA</li> <li>32. Richmond, VA</li> <li>33. Madison, WI</li> <li>34. Phoenix, AZ</li> <li>35. Nashville, TN</li> <li>36. Seattle, WA</li> </ol>



37. Manchester, NH  
38. Charleston, SC  
39. Albany, NY  
40. Fort Wayne, IN  
41. Fort Myers, FL  
42. Anchorage, AK  
43. Winston-Salem, NC  
44. Jacksonville, FL  
45. Harrisburg, PA  
46. Hartford, CT  
47. Atlanta, GA  
48. Syracuse, NY  
49. Cincinnati, OH  
50. Lansing, MI

37. Chicago, IL  
38. Harrisburg, PA  
39. Milwaukee, WI  
40. Louisville, KY  
41. Syracuse, NY  
42. New York, NY  
43. Greensboro, NC  
44. Colorado Springs, CO  
45. Cleveland, OH  
46. Rochester, NY  
47. Columbus, OH  
48. Las Vegas, NV  
49. Youngstown, OH  
50. Denver, CO



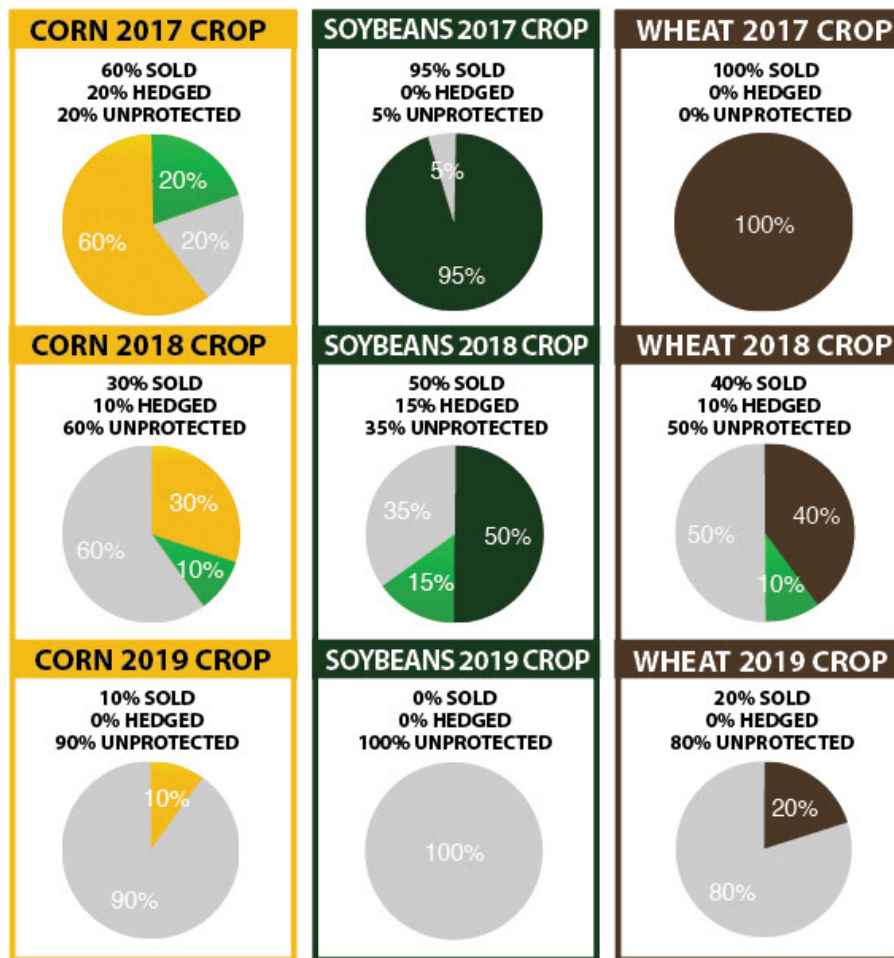
### **Watch Detroit Artist Noah Deledda Transform An Aluminum Can... Amazing!**

Detroit artist Noah Deledda does some incredibly impressive things with discarded aluminum cans. I probably wouldn't have believed how he produced the objects if I hadn't seen his video. What he does with his hands, thumbs and fingernails is beyond remarkable. I've had many debates with friends over the years as to what constitutes art and my thinking has evolved significantly. Remember, Aristotle once said of art, "The aim of art is to represent not the outward appearance of things, but their inward significance." You will can see for yourself the outward appearance is captivating, considering it began as trash and the inward significance is up to you. Deledda's process of scratch, dent and crease produces some extraordinary results. As you can imagine it took years of trial and error to perfect his craft. I'm told it is very important to him to use his hands rather than specialized tools or machine manipulation. I tip my hat for the level of creative thinking he exhibits as well as the years of patiently mastering his craft. His documentation of the process is rather unique as well as you will see in his video. According to Deledda, his goal and reason for ever making art is to raise awareness of the importance of the creative process. This drives him to create work that challenges perception and inspires curiosity. Those traits will certainly be noticed as you watch the two-minute video [HERE](#).



**ANSWER to riddle:** a jigsaw puzzle piece

**CASH SALES & HEDGING TOTALS**



**PLEASE READ** The Van Trump Report is a publication intended to give analytical research to the Agricultural community. The Van Trump Report is not rendering investment or hedging advice based on individual portfolios or individual business operations. Kevin Van Trump is NOT registered as a stock or commodity advisor in any jurisdiction. You need to consult with your own registered advisor for specific strategies and ideas that are appropriate to your specific portfolio or business entity. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete. This report is not intended, and shall not constitute, or be construed as an offer or recommendation to "buy", "sell" or "invest" in any securities or commodities referred to in this report. Rather, this research is intended to identify issues and macro situations that those invested in the agricultural industry should be aware of to help better assess and improve their own risk management skills. Please read the entire [DISCLAIMER PAGE](#) for full risk-disclosure and copyright laws.



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