

GOOD MORNING: 04/30/18 Farm Direction - VanTrump Report

1 message

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To: Kevin Van Trump <info@farmdirection.com>

Mon, Apr 30, 2018 at 7:35 AM



"Yesterday I was clever, so I wanted to change the world. Today I am wise, so I am changing myself." — Rumi

MONDAY, APRIL 30, 2018

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Morning Summary: Stock traders are in for an extremely busy week of headlines. We have a mid-week Fed meeting, several top U.S. leaders visiting China to try and negotiate a better trade deal, a wave of corporate earnings, and several economic reports, including the highly anticipated monthly jobs report due out on Friday. Several sources inside the trade believe the economy is continuing to heat up. The most recent U.S. housing market data was once again better than expected. Consumer confidence registered another fresh new high and U.S. employment remains extremely strong, in fact record setting in several parts of the country. The concern now for the stock market is that the Fed becomes even a bit more hawkish on the strong economic data and begins to increase the velocity of their rate hiking, meaning perhaps four rate hikes rather than three during 2018. I suspect we will learn more when they release their upcoming statement on Wednesday. To this point, U.S. corporate earnings have been fantastic, with the majority of S&P 500 companies beating most all expectations. This week we will be swimming in another massive wave, as 142 S&P 500 companies report first quarter earnings, including Apple, CVS, McDonalds and Tesla to name a few. Bottom-line, the economy looks strong and corporate earnings also look strong. I should note, there are some ongoing and increasing questions about future inflation and consumer spending. Crude oil prices have climbed back to levels not seen in four years, while uncertainties surrounding the Iran nuclear deal are increasing talks of escalating tension in the Middle East. We also have uncertainty surrounding the Venezuela elections on May 20 and the uneasy situation in Yemen and Libya. Even though I'm a longer-term bear, I still believe there could be more nearby upside risk in the oil market. Demand has increased globally by about 5 million barrels per day in the past three years, meaning the world is about to consume more than 100 million barrels of oil per day, which would be a first. At the same time, OPEC and Russia have made some substantial production cuts, squeezing the market a bit by removing between 1.5 and 2.0 million barrels of oil per day from the supply chain. I thought it was interesting to hear big names in the oil industry, such as BP, Royal Dutch Shell and Total, have all made substantial cuts and reduced their breakevens to levels where they are now profiting as much today at \$70 per barrel as when crude oil prices were trading at \$100 a barrel.

There's also a bit more talk circulating that other consumer items are moving higher, while wage growth has been fairly limited. An interesting example is U.S. housing. The overall lack of supply and increased demand has caused prices the past several years to keep increasing. At the same time interest rates pushing higher have caused the 30-year and 15-year mortgage rates to also increase. In other words, houses are costing more and interest rates on mortgages have increased, meaning perhaps ultimately there is less available in the family budget each month for spending and entertainment. Personally, I think the stock market still has more room to the upside, but the bears are starting to acquire and add a few more arrows to their quiver. Especially if we continue to see the U.S. dollar strengthen, further signs of inflation and the Fed continue to tighten.

Interesting Housing Data: As I mentioned above, with housing prices skyrocketing and interest rates on mortgages also pushing higher there are some new dynamics in play that we haven't seen in a while. There are also some interesting numbers when it comes to "new-homes". Data circulating last week showed that "new-home sales" made up 11% of the total market in March. That's close to the 10-year high. New-home sales peaked at about 17% in June 2003 vs.



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Today in History

1789, George Washington - George Washington would take his oath of office

the low of only 5.4% in the fall of 2010. Data also shows about 1.67 million U.S. homes were for sale in the month of March, down about -7% from last year, and the lowest for that month in data going back to 1999 (Source: National Association of Realtors).

5G Race Gaining Momentum: T-Mobile and Sprint came to a merger agreement this weekend, creating a \$146 billion telecom mammoth that will have dual headquarters in Washington and Kansas. The new company will use the T-Mobile name and keep their current CEO John Legere at the helm. T-Mobile is claiming its ability to create a large-scale 5G network and thousands of U.S. jobs. According to Legere, the merger will create the competition with the network scale to deliver more for consumers and businesses in the form of lower prices and more innovation, and done much faster than either could have alone. From what I understand, the only hurdle left is regulatory scrutiny from the Trump administration, which has thrown up resistance to at least one other mega-deal in ATT's proposed acquisition of Time Warner. If approved, T-Mobile will surpass both Verizon and AT&T's 100 million subscribers each with a total of 120 million. Read more [HERE](#).

Roughly 10,000 Baby Boomers Turn 65 Every Day: Unlike the generation that came before them, many Boomers are relying solely on Social Security and their own savings to fund their retirement instead of also having a pension. data shows Americans are putting off retirement in record numbers and working longer. Twenty years ago less than 46% of people 60 to 64 were working. Two years ago that number shot up to 56% and is still climbing. Expectations are 60 percent of the group will be working in 2026. Living longer, the recession and poor planning are some of the reasons people have postponed retirement. This will definitely have an effect on the workforce not to mention financial and healthcare planning. A couple retiring today, both age 65, can expect to spend \$280,000 on their medical care over the rest of their lives, according to Fidelity Investments. Separate research from Vanguard shows that among its clients, the average 401(k) plan account balance for people age 65 and older was \$196,907 in 2016. The median account balance — half fall below, half above — is far lower, at \$60,724. (Source: [CNBC](#))

Over-60 crowd's workforce participation rate

Age ↕	1996 ↕	2006 ↕	2016 ↕	2026 (projected) ↕
60-64	45.8%	52.5%	55.8%	59.6%
65-69	21.9%	29%	32.2%	36.6%
70-74	12.5%	17%	19.2%	22.7%
75 and older	4.7%	6.4%	8.4%	10.8%

Source: Bureau of Labor Statistics



as the first President of the United States on this day. Colonialists had struggled after the Revolutionary War, and the Articles of Confederation had left them with a need for a stronger and more effective federal government. At a Constitutional Convention, delegates would create the office of the President and Washington would win the country's first election in late 1788. Inauguration would take place in lower Manhattan at Federal Hall. Washington was conscious of the change in his position from General to President or military to civilian and chose not to wear his uniform only a suit with his dress sword. The Chancellor of the State of New York, Robert Livingston would administer the oath of office from a second-floor balcony of Federal Hall in front of crowds of people. The Bible (King James version) used in the ceremony was from St. John's Lodge No. 1 Ancient York Masons and was opened to Genesis 49. It is stated that after taking the Oath that President George Washington picked the Bible up, closed his eyes and reverently said, "So help me God." The inauguration would continue into the building where the President would address both houses of Congress and afterwards, the members of Congress, the President and Vice President would attend a church service at St. Paul's Chapel on Broadway. At the inaugural address, President George Washington concluded his statements by saying, "Having thus imparted to you my sentiment, as they have been awakened by the occasion which brings us together, I shall take my present leave; but now without resorting once more to the benign parent of the human race, in humble supplication that since He has been pleased to favour the American People, with opportunities for deliberating in perfect tranquility, and dispositions for deciding with unparelled unanimity on a form of government, for the security of their Union and the advancement of their happiness so His divine blessing may be equally conspicuous in the enlarged views, the temperate consultations and the wise measures on which the success of this Government must depend."



1798, Department Of The Navy - On April 30th, 1798, the United States Department of the Navy was established by an Act of Congress. James McHenry who served under the first two Presidents as Secretary of War would make the recommendation. The Act was initiated to provide a government organizational structure to the Navy and Marine Corps and the Coast Guard though each would remain independent of each other. Prior to this each individual state had their own naval defense. When it was established, the Department of the Navy was an Executive Branch and the Secretary of the Navy served on the President's cabinet unit 1949, when the Department of Defense was established under the control and direction of the Secretary of Defense. The Naval

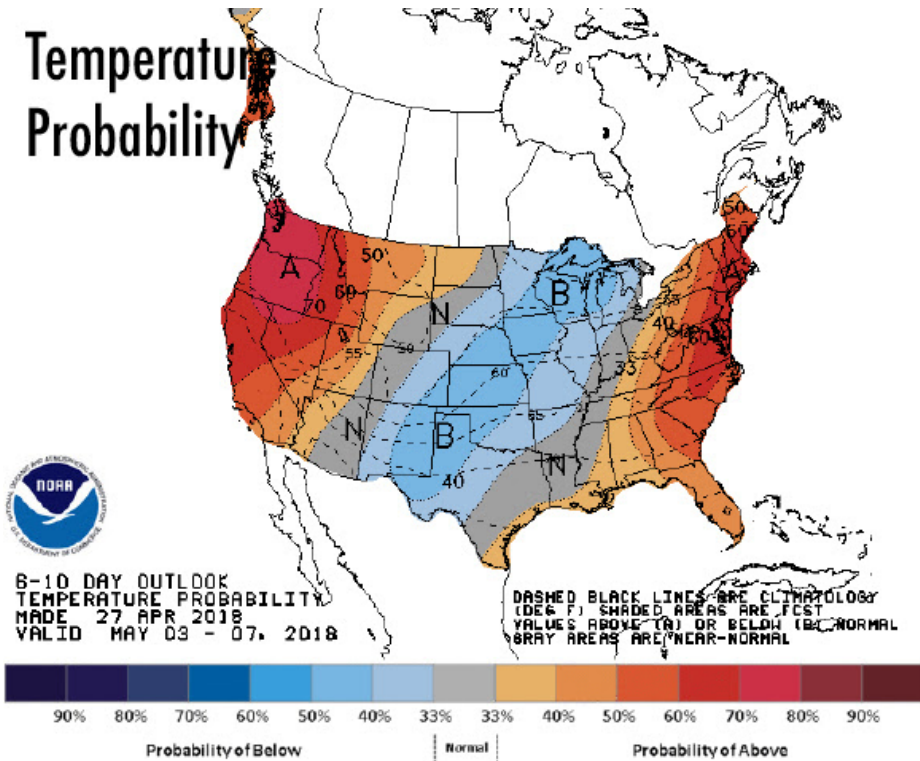


As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

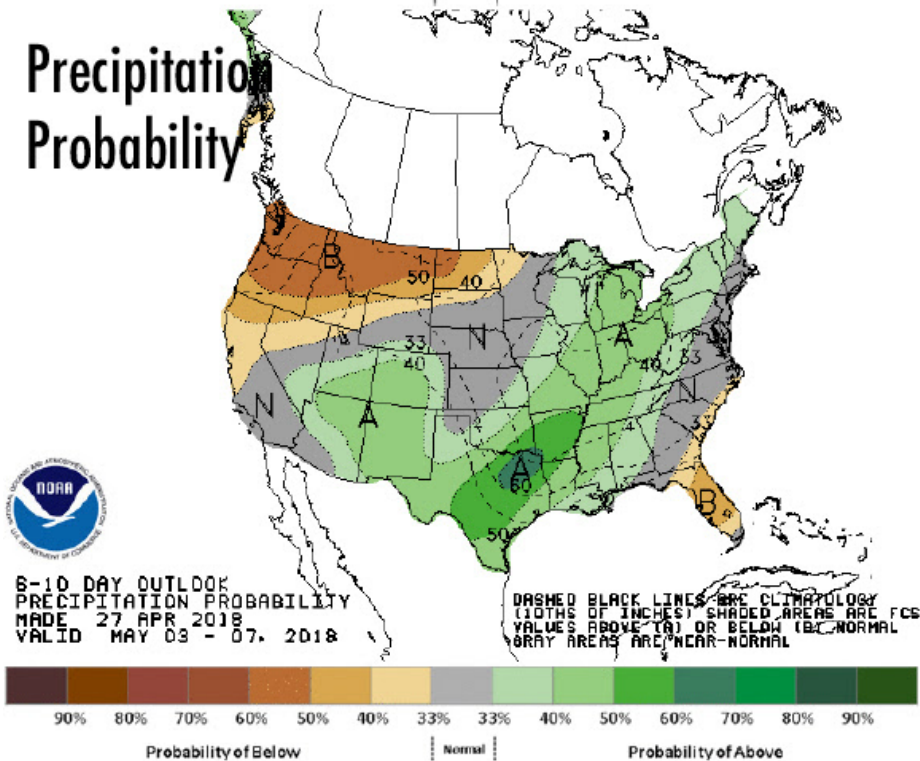
TODAY'S RIDDLE: What's full of holes but can still hold water?

Weather over the weekend saw disturbances across the eastern U.S. maintain rainy weather. A storm system crossed the Northwest over the weekend, reaching the northern Plains. Significant precipitation has fallen from the Pacific Northwest into the upper Midwest. At times during the next few days, showers will cover much of the West, and reach into the drought affected Southwest. A surge of warmth reached the northern Plains over the weekend and is pushing into the Midwest early this week. Along with this warm, will come severe weather which is returning to the Plains and Midwest this week. Today through Wednesday, we have chances for severe thunderstorms, flooding and possible tornadoes. As for the 6 to 10 day outlook for May 2 - 6 they are calling for near to below normal temperatures across the nation's mid-section, while warmer than normal weather will cover the eastern and western U.S. Meanwhile, near to above normal precipitation across most of the country should contrast with drier than normal conditions in parts of Florida and from the Pacific Northwest.

Temperature Probability



Precipitation Probability



Secretary is assisted by an Under Secretary, four Assistant Secretaries, and a General Counsel all who are also appointed by the President with the consent of the Senate. The two highest ranking officers within the department of the Navy are the Chief of Naval Operations and the Commandant of the Marine Corps. These two positions serve their prospective branches, the Joint Chiefs of Staff and act as the Secretary's main advisors. The first Secretary of the Navy was Benjamin Stoddert, who quickly found himself involved in the Quasi-War with France. Using the resources that he had Stoddert would attack, and defeat France in the undeclared war. Stoddert would also see to the future strength of the Navy by establishing six navy yards and the construction of seventy-four gunships.



1933, Willie Nelson - Iconic American musician, singer, songwriter, author, poet and activist Willie Nelson was born in Abbott Texas. Nelson was

raised by his grandparents, who bought him a guitar when he was six years old and Willie would start his singing career in their local church. Impressively, he would write his first song at seven years old and started playing his guitar for a Polka band at nine. Needing income, the Nelsons would pick cotton in Abbot, but Willie soon grew weary of that and began singing in honky-tonks, taverns and dancehalls. After graduating high school, Nelson would join the United States Air Force and serve one year before getting married, which he would do four times as he fathered seven children throughout his life. He would make the move to Nashville in 1960, where no one was willing to sign him to a record label so he began playing at Tootsie's Orchid Lounge when Hank Cochran a songwriter with Pamper Music, heard Nelson sing. Cochran would record one of Willie Nelson's songs and play it for Pamper Music co-owners Ray Price and Hal Smith. Nelson was hired to play with a touring band called the Cherokee Cowboys, and the songs that he wrote during this time were recorded by musical greats such as Roy Orbison ("Pretty Paper") and Patsy Cline ("Crazy"). Patsy Cline's, "Crazy," recording would go onto become the biggest jukebox hit of all time. After several more moves, a second wife, and three or more record labels, Willie would return to Nashville and sign with RCA records for \$10,000 per year. Royalties from the songs he wrote, recorded or played by the late 60's were not producing significant profits and disputes with RCA, and a second divorce would all lead to Willie retiring from music. Nelson moved to Austin, Texas and gradually become a part of the Austin's music scene where he would reunite with longtime friend Waylon Jennings. The two would record the album "Wanted! The Outlaws" in 1976 and this musical achievement would gain them country music's first platinum album. These two friends would become the fathers of the music genre "Outlaw Country" and strike

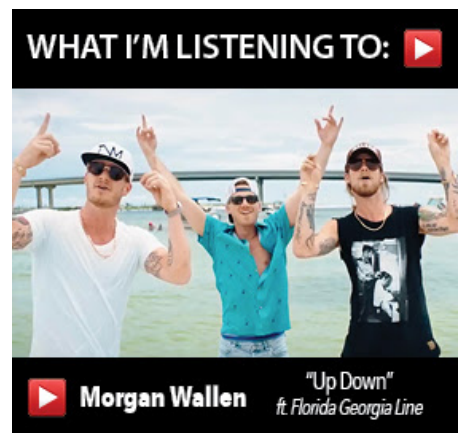
Corn bulls are hoping to see prices continue to push higher. The market is starting to approach heavier resistance on the charts so there is some question about momentum and if we can get the headlines to keep the bulls fed. Concerns about second-crop production in the Southern portion of the Brazilian corn belt has helped stoke the flames as of late. I suspect if they catch a few wide-spread showers in those areas the market might pause a bit. You can read more specifics about the current condition of Brazil's second-crop corn [HERE](#), it's a good report and very informative regarding location and amount of production in question. The Argentine crop continues to show signs that the USDA will need to further reduce their total production estimate. Net-net, the South American crop appears to be getting smaller not larger. I still believe the current USDA production estimate for Brazil is overly optimistic and will ultimately need to be trimmed to between 85 and 90 MMTs vs. the current 92 MMTs estimate. The Argentine crop is ultimately closer to 30 MMTs vs. the current USDA estimate of 33 MMTs. The problem is these numbers have been fairly well advertised, so we are going to need additional news to keep the bulls satisfied and the short-term bears on the sideline. I'm hoping we can see some positive steps towards a new and improved NAFTA and or headlines regarding some type of Chinese trade compromise. Either one would provide some additional tailwinds. Here at home demand headlines have wavered a bit as of late. Ethanol production has temporarily pulled back and U.S. exports have seen stiffer global competition. On the supply side, weather has become more cooperative for many parts of the U.S. and the planters are starting to roll. As you can see in the graphics we included below, these next three-weeks are when we traditionally tend to see some of our most significant planting. Staying conservatively bullish, but not adding to my existing length. As a producer, I continue to wait on a breakout to the upside to reduce final old-crop and more new-crop price risk.

platinum again in 1978 with their self-entitled album Waylon and Willie. Nelson would re-record Elvis Presley's song "Always On My Mind" in 1982 and win three different Grammy awards. In the 1990's Willie lost almost everything in a dispute with the IRS, when they stated he owed over \$16 million in back taxes, his lawyers had the amount reduced, but Willie would never pay. Instead he recorded an album called "The IRS Tapes" and use the earnings from this album to pay the IRS. Since the turn of, the century Willie Nelson has been busy recording with Legacy Recordings and has release several chart-topping albums including; Heroes, To All The Girls, Band of Brothers, Promiseland, and finally God's Problem Child.

Upcoming Events

- 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

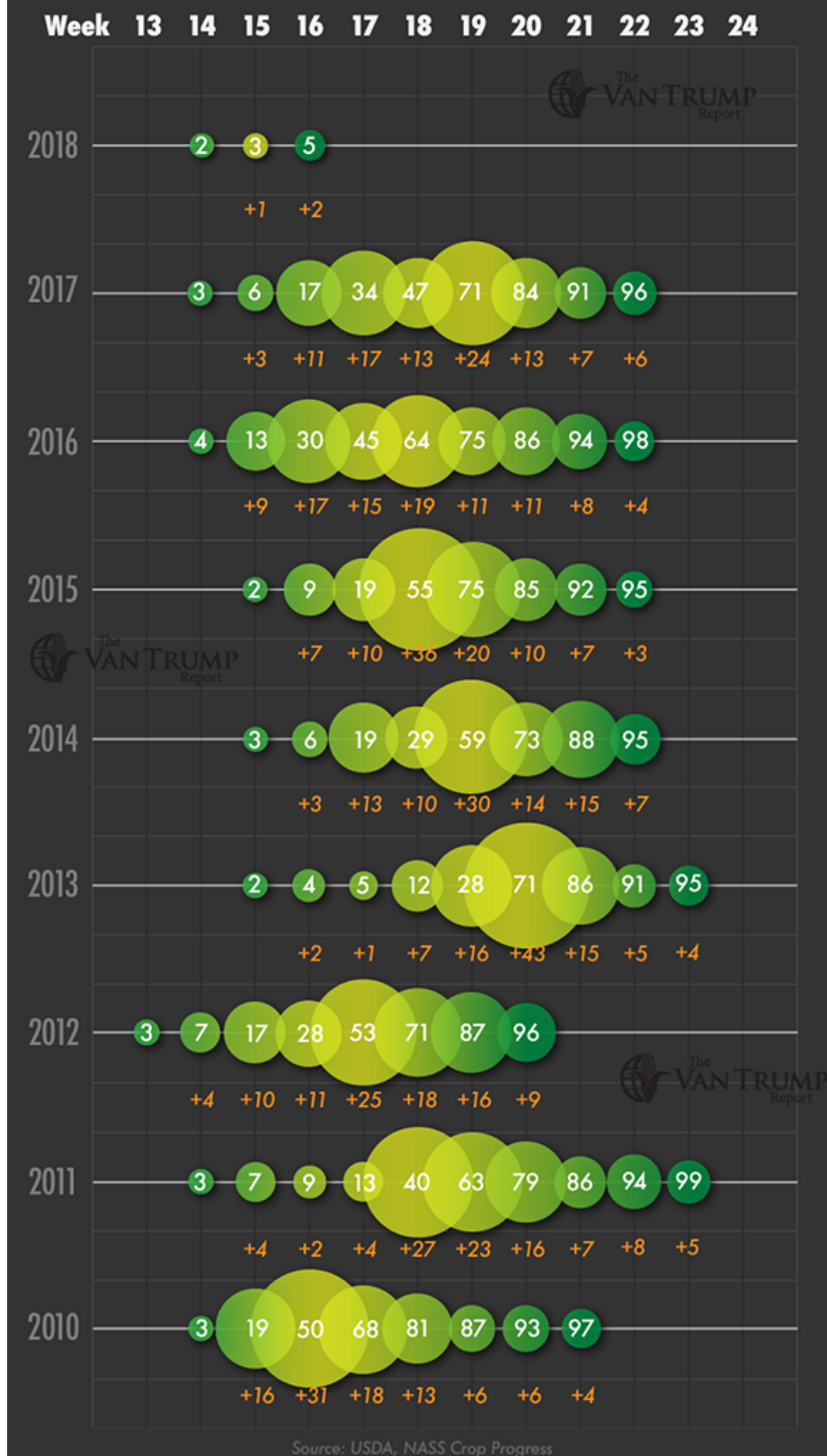
Kevin's Song of the Week



Kevin's Song of the Week

U.S. Corn Planting Pace 2010 - 2018

includes Weekly Rating and Week-over-Week Change



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

Soybean bulls are happy to see strength in the Argentine meal market. Unfortunately, as of late, we are still not seeing any Chinese demand for U.S. soybeans. Bulls are hoping to get some positive headlines out of several top U.S. leaders meeting in China later this week. I suspect if we see some type of trade resolution with the worlds top buyer of soybeans, the market will respond with a strong knee-jerk to the upside. On

the flip side, if negotiations breakdown and the worlds top two economies move forward with increased tariffs, the market is going to aggressively pullback in an effort to rethink some things. Keep in mind, there is still some 3 to 4 million sold but not shipped bushels of U.S. soybeans stuck in limbo. Meaning if the Chinese begin to play more hardball they could easily roll the purchases forward or perhaps even cancel the shipments all together. This would obviously add to what is already considered burdensome old-crop supply. South American headlines remain mostly mixed. Sources inside Brazil continue to forecast a record crop closer to 117 to 119 MMTs vs. the USDA current estimate of 115 MMTs. On the opposite side of the argument, the USDA has drastically reduced their Argentine crop estimate the past few months, and are now down to 40 MMTs, but many think it still needs to be lower, perhaps 38 MMTs is more realistic? I'm also keeping a close eye on the strengthening U.S. dollar, especially how it compares to the weakening Brazilian currency. The strengthening dollar could certainly create some commodity headwinds and negatively impact money-flow, so it needs to be monitored closely in the weeks ahead. Here at home we will be digesting the latest planting progress numbers. Last week the USDA showed 2% of the U.S. crop as "planted" which was right in line with our 5-year average but behind last years pace. As you can see in the graphic we included below, we are still a couple of weeks out from seeing the huge jumps in planting progress. There's a lot riding on "politics" this week, I'm just hoping the outcomes are positive. Keep a close eye on headlines surrounding NAFTA and U.S. leaders in China...

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..."

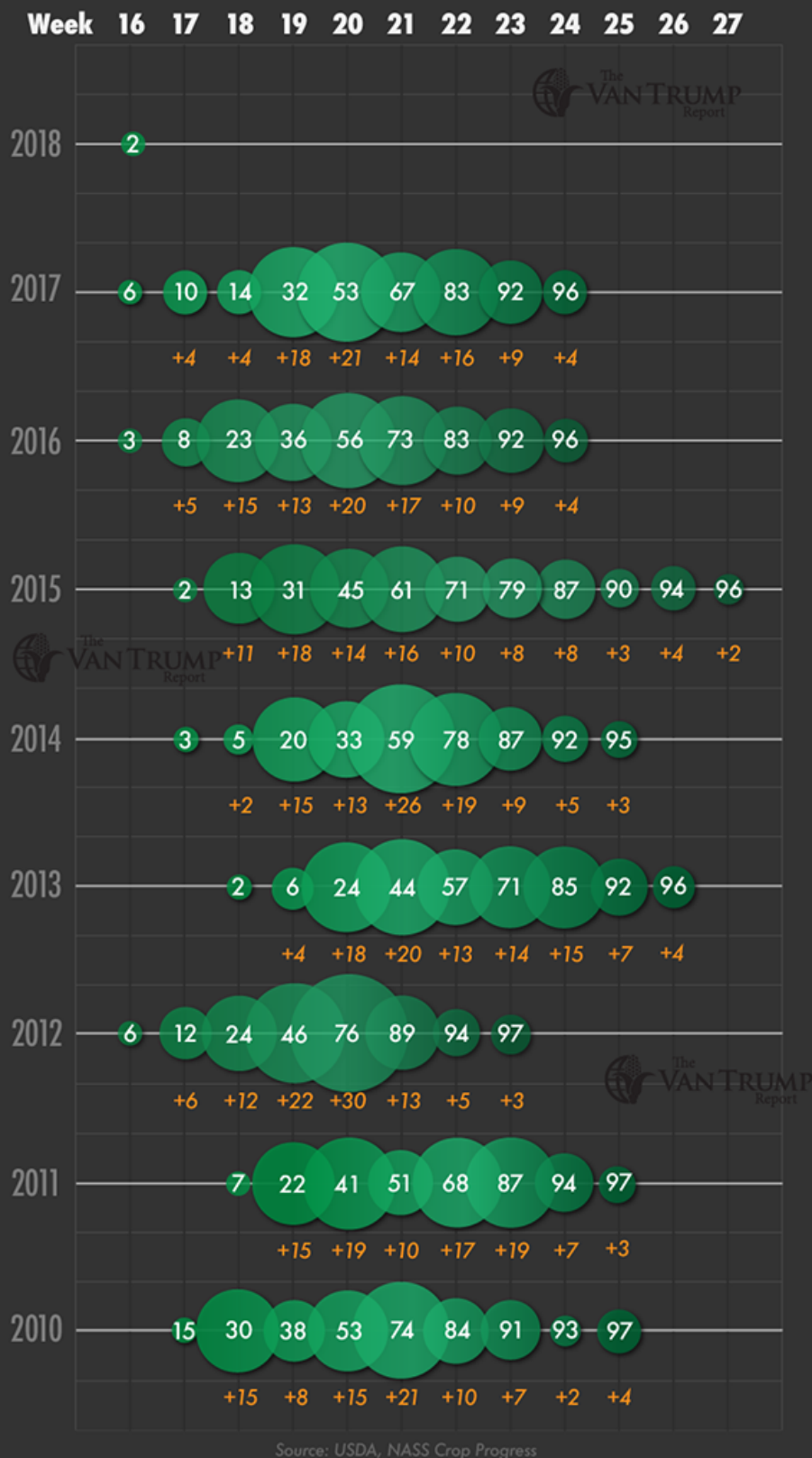
I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

- 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.

U.S. Soybean Planting Pace 2010 - 2018

includes Weekly Rating and **Week-over-Week Change**



Farm Direction
RECIPES

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

Bacon Cream Cheese Bombs Recipe

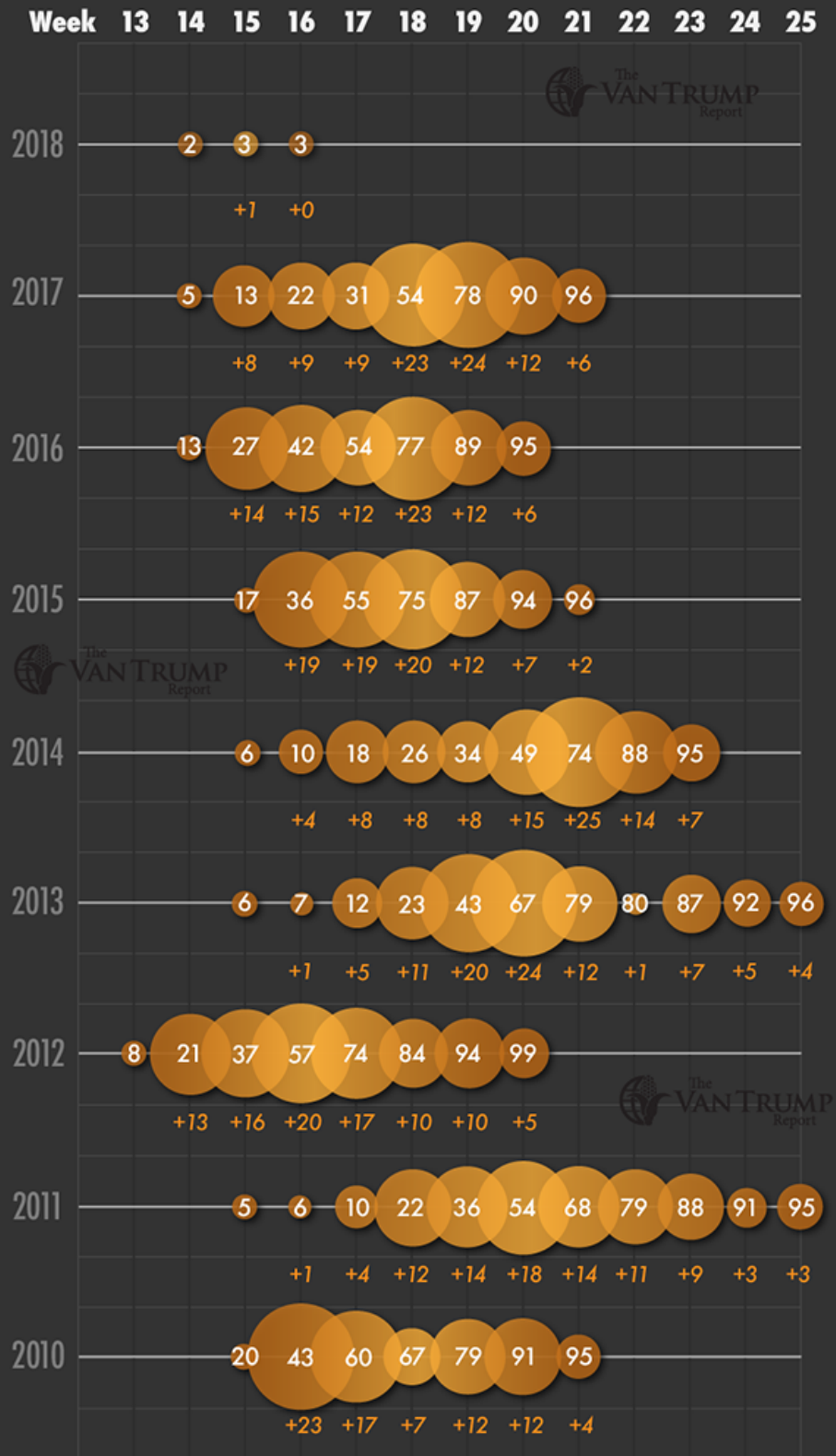
[CLICK TO SEE RECIPE](#)

Wheat prices were able to post sizable gains last week with the SRW and HRW contracts up over +30 cents. The question is can we add to the gains this week? Not only do we have weather hiccups and production concerns still brewing here in the U.S., primarily the southwestern Plains, but now there's starting be more questions raised about production in parts of the Black Sea region, Southern Russia and parts

of Australia. With the funds holding a large net short position based on traditionally burdensome supply and demand numbers, there's talk that some have perhaps moved to the sideline. Keep in mind there are also a few U.S. wheat tours getting ready to start up, which might also be reason for the bears to lighten up a bit ahead the tweets and comments that will be circulating. U.S. demand is still less than impressive and most sources inside the trade suspect the USDA will again be forced to lower their U.S. export estimate. On the supply side, the trade will be closely monitoring today's USDA weekly crop conditions and planting progress. Last week the USDA left winter wheat conditions basically unchanged at 31% rated "good-to-excellent", 32% rated "fair", and 37% rated "poor-to-very poor". Spring wheat planting progress showed just 3% of the U.S. spring crop as planted vs. 21% last year vs. the 5-year average of 25%. In fact, this is the slowest pace to spring planting in over 30-years. As you can see in the graphic we included below, we should really start gaining some traction in regards to spring wheat planting during the next few weeks. As a producer I'm staying patient. As a spec, I'm just wondering if the bears will try and step back in and short this market at the peak of the negative crop tour headlines. In other words, traditional market action of "buy the rumor, sell the fact"...stay tuned!

U.S. Wheat Planting Pace 2010 - 2018

includes Weekly Rating and **Week-over-Week Change**



Source: USDA, NASS Crop Progress



> Jury Awards \$50 Million In Hog Case: A federal jury last week awarded more than \$50 million in damages to neighbors of an industrial hog operation found responsible for intense smells, noise and other disturbances so bad people couldn't enjoy their rural homes. I'm told 10 neighbors of the 15,000 head hog operation were awarded a total of \$750,000 in compensation, plus \$50 million in damages designed to punish Chinese-owned Smithfield Foods. Read more [HERE](#).

> Weekly Soybean Exports Down: The U.S. Department of Agriculture (USDA) said weekly export sales of soybeans came in at 537,800 tonnes, down from 2.13 million tonnes a week ago. Analysts had expected soybean export sales in a range from 800,000 tonnes to 1.4 million tonnes.

> European Wheat Production Rises: The European Commission yesterday raised their 2018/19 E.U. wheat production estimate, from 141.0 to 141.5 MMT, with common wheat exports also seen up from 25.3 to 27.0 MMT this month. '17/18 wheat exports were left unchanged at 23.0 MMT. '18/19 corn output was unchanged at 64.0 MMT (Source: INTLFCStone)

> Canadian Farmers Planting More Wheat And Barley: Nationally, farmers reported intending to seed 25.3 million acres of all varieties of wheat in 2018, up 12.8% over 2017. Seeding intentions for spring wheat indicate a 15.4% gain over 2017, to 18.2 million acres, while durum wheat acreage is expected to increase 11.0% to 5.8 million acres. Barley plantings on Canadian farms in almost every province expect to seed more in 2018 (+5.1%), which would drive up acreage to 6.1 million acres nationally.

> Russia's Grain Lowers On Decrease In Wheat: Russia's grain production in 2018-19 is forecast to drop by more than 10 million tonnes due to a decline in wheat output, according to an April 26 Global Agricultural Information Network (GAIN) report from the U.S. Department of Agriculture (USDA). Grain production is forecast at 123.7 million tonnes, down from 134 million in 2017-18. The USDA said the decline in wheat output is "due to decreased sowing area and closer-to-average yield after the 16% spike in 2017. (Source: WorldGrain)

> Highest-Ever Bitcoin Futures Volumes: Last Wednesday, two major markets for bitcoin futures contracts saw a major boost in volume. Available market data shows that CBOE saw its highest-ever volume for bitcoin futures since it first debuted the contracts back in December. 18,210 contracts for the May futures were traded, along with 703 for the June contract and 87 for the July contract. The CM saw volume double on bitcoin futures contracts from the day before, shooting past 11,000 contracts. (Source: CoinDesk)

> GMO Fish Farm Gets the Green-Light: The FDA has given the go-ahead for AquaBounty to raise genetically engineered AquaAdvantage salmon at an Indiana facility. It's a big move for the GMO salmon, long caught in regulatory limbo, but the company remains prohibited from importing the eggs necessary for producing salmon due to some rider put on the decision. (Source: Feedstuffs)

> China Lowers Tax on Ag Products... Again: China will lower their value-added tax (VAT) which is applied to sales and imports of agricultural products from 11% to 10%. In addition, the VAT rate for processed agricultural products (including food) will be lowered from 17% to 16%. The lower tax should apply to many agriculture-related products such as primary agricultural products, grains, edible vegetable oil, feeds, agricultural chemicals, fertilizers, farm machinery, agricultural film, and biogas. It is reported that domestic industries will save at least 240 billion yuan (\$38 billion USD) this year under the new policy. These savings should encourage purchases of U.S. ag products as well. (Source: USDA, GAIN report)

> Privatizing The Search For Killers? In case you missed it last week, a genealogy site was credited with helping ID the Golden State Killer suspect. After struggling for years to identify who the DNA came from, investigators got their big break when they tapped genealogical databases commonly used by consumers to search for relatives and ancestors, authorities told the Los Angeles Times. I find this intriguing as there are huge implications for where this could go for solving the millions of cold cases around the country. Personally, I don't know what's involved in the obtaining and storing DNA by private companies, but I certainly see a door open for future collaboration if both parties are willing.

> **Largest U.S. Solar Module Producer Invests \$400 Million:** First Solar CEO Mark Widmar said on the company's first-quarter earnings call that the move will "further solidify our position as the largest U.S. solar module manufacturer," adding that production will be fully ramped up by the end of 2020 and it will create 500 jobs. Funds will be used to expand production of its Series 6 thin-film PV module and tripling its production levels. Last year solar accounted for 2% of U.S. energy production. (Source: Axios)

> **Google Dominates All Search:** Talk about market domination.. since Google was founded in 1998, the company's dominance in search has been untouchable. The graph below shows just how far and above the competition they are. (VisualCapitalist)

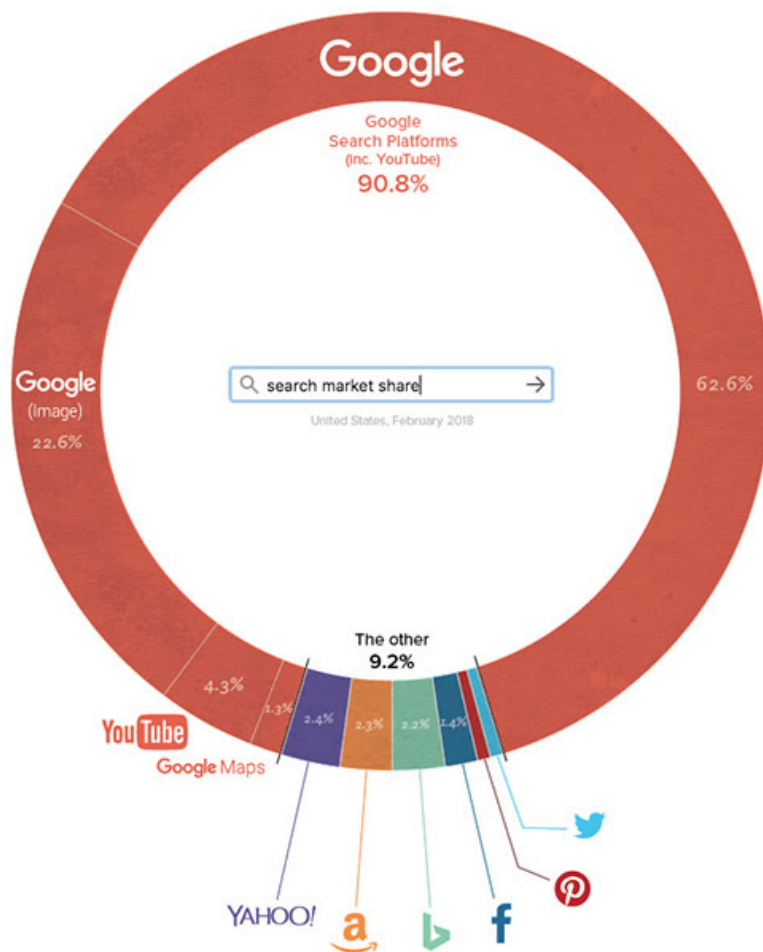
Chart of the Week

WHAT MARKET DOMINATION LOOKS LIKE

Over 90% of all searches are conducted via Google platforms

Since Google was founded in 1998, the company's dominance in search has been nothing but legendary. But just how dominant is Google? The answer might be even more than you would have expected.

How people find what they're looking for



While Google's overall search market share still dwarfs Amazon's, over half of U.S. product searches emanate from the e-commerce company.

The growing popularity of Alexa could also help Amazon grow its slice of the pie.

Though Bing is unlikely to ever really challenge Google's preeminence, the search engine contributed \$5.3B to Microsoft's bottom line in 2016.

FROM THE FIELD

Western Iowa - There is not much planting going on here yet as the weather is not allowing it. We will get fairly close to have good ground conditions and then we will get some type of weather event. The latest was a day and a half of rains and last week it was cold temps and snow. I would say that 50% of the guys don't even have field work or fertilizer down. There is still snow on the ground, with a fair amount of frost still in the ground. At the earliest guys will be able to get in most fields will be at least May 1, maybe later. The problem is that the forecast out into the first week of May is not very good. Most of the guys I talk to will not switch any acres over from corn to beans unless we get out past mid-May. At that point, the market should take notice and push prices higher.

Central Alabama - I would say that guys are only 50% planted down in this part of the country. We have been wet during the winter and getting more rains this week. There is more rain in the forecast and guys are starting to get a little nervous about not having things in the ground. Most are thinking that you will see corn acres switch over to beans if we go much later. I am also hearing that you may see more preventive plant acres if this weather does not straighten out soon. Guys are making some sales but most need to get caught up on the marketing side of things.

Central Illinois - We are trying to stay busy while we wait to plant, doing fieldwork and leveling some tile lines. In this part of the country, we would like to be planting, but there was snow on the ground a week ago. Things are starting to be more spring-like with warmer temps. Our rotation is typically 60/40 corn to beans, with the corn on corn acres always getting a good dose of chicken manure. I like to follow the corn on corn acres with well-fed beans that will make a good mid to high 60bpa yield number. There has not been much done here until the past few days. Guys that put on spring anhydrous have been waiting for things to warm up. Last year's corn crop was good but the test weights really bailed us out. I hope to get the planters rolling soon. I know that last year at this time we were mostly planted.



Why Big Oil Is Holding Cash: Big oil just had their best first quarter earnings in years, with combined, profits at Exxon, Chevron, Shell and Total at \$16.8 billion, numbers they haven't seen since 2014. What's interesting or concerning is despite a 50% surge in prices since last year, drilling budgets at the largest oil-and-gas companies are up only about 7%, according to consultancy Wood Mackenzie. Investors are keeping tabs on companies as they remember the meager returns following \$100 oil. As the behemoths move slowly those backed by private equity—have seized on the opportunity to ramp up drilling and gain market share. Experts are worried if big oil doesn't step-up spending on new oil production, the world could flip from abundance to supply crunch by 2020. See what that means [HERE](#).

Insights From An Icon: Microsofts cofounder Bill Gates spoke at Harvard recently, and one subject that brought a twinkle to his eye was when he shared what he would do if he was headed to school. Gates, being passionate about science and math, said he would study software, meaning artificial intelligence. Gates wants to make sure everyone understands there are plenty of complex problems left to solve. He believes one day AI will be able to read and pass a test on that material and someone has to solve that problem. His passion for the subject is obvious as he shared his vision of the future creativity and productivity we will enjoy. Read more insights [HERE](#).

50 Ways the World Is Getting Better: If you have read my report for any amount of time, you know that I believe this is the greatest time in history to be alive. The world has seen an unbelievable amount of progress and just about any measurement will reveal that fact. It's just that bad news is an event or headline while good news is a process. Bad news makes for a better story and stories are what stick with us. Ben Carlson over at A Wealth of Common Sense has put together 50 amazing facts taken from some fantastic analysts that align with what I so strongly believe, specifically that human ingenuity and innovation have created massive progress around the globe. Read the list [HERE](#).

Seeing Patterns Everywhere...The Tetris Effect: It's exactly what it sounds like and is now being studied for its affect on our lives. If you've never played Tetris you may struggle to understand the concept of pattern recognition that was the premise to the game itself. But researchers eventually took notice of the phenomenon of seeing patterns in every area of your life. For example seeing how the cereal boxes at the grocery store would fit better on the shelf below etc. There are some interesting takeaways in the article [HERE](#).

ABBA... Coming Of Age With New Songs: It's hard to believe that it has been almost 40 years since the Swedish Pop group, ABBA disbanded. Which makes this recent collaboration not only surprising but pretty cool. Apparently, the group was working on a virtual ABBA experience when they realized it could be fun to work together again. Time is a wonderful thing and it's always good to see people work things out. The Swedish hitmakers, which include Björn Ulvæus, Agnetha Fältskog, Benny Andersson and Anni-Frid Lyngstad said it was like "time stood still and that they were only on a short holiday." Listen to one of their biggest hits [HERE](#).



The World's Fastest Drone Does Some Amazing Things

A group of engineers from SpaceX, Boeing, Google and Willow Garage, started a company named Zipline in 2011, looking to make and use drones for social good. the company is touted to have beat Amazon and FedEx to the punch, firing up drone-based logistics in 2016. In two years, they have logged more than 186,000 miles and over 4,000 deliveries. Zipline has created what they call the fastest commercial delivery drone in the world. It can hit 80 mph, fly 100 miles at a time, carry 3.8 pounds. And it's designed for easy assembly and repairs in the field. While that is impressive, Zipline's real edge is in logistics. Where other talk of drone delivery networks, Zipline already has built one: For the past 18 months, it has been delivering blood for transfusions to remote clinics in Rwanda. Launching from a base in the capital, Kigali, Zipline drones fly over impassable mountains and roads that turn into mud in the rainy season, easily making trips that cars and trucks can't. Zipline operates the entire chain, from the medical worker sending in an order for blood, to locating the right product in its distribution center, programming the flight path into a drone, and launching it. Now, Zipline wants to get work here at home. Within the next month, the FAA is due to announce that it will allow wider-scale testing of delivery systems in American airspace. The new unmanned Aircraft System Integration Pilot Program is designed to allow state and local governments, working with private companies, more leeway to run experiments over the next few years. The FAA will use what it learns from those programs to make national rules for everyone. Zipline hopes to be one of the five proposals approved for real commercial service in American airspace. They believe they could be of great benefit to rural healthcare here in the U.S. The drone operation sounds incredible. The aircraft is fully autonomous, following a pre-programmed route, a few hundred feet up. Instructions are flashed onto memory cards. When the drone reaches its destination, it drops to about 100 feet and opens its belly flap, letting loose its payload and its parachute. Zipline says it can reliably place a package within a few parking spots. Then it climbs back to cruising altitude and heads home. All of this is expected to happen with a half hour or less to people in the defined service area. One service area would have a 99 mile diameter and encompass a population of about 10 million people. It's a fascinating concept and another step in the journey of autonomous drone deliveries here in the U.S. (Source: Wired)







The Future of Healthcare is Out for Delivery

Groundbreaking Peanut Allergy Treatment Clears Critical Trial

A new treatment for people suffering from peanut allergies may be on the horizon, promising to deliver a much welcome peace of mind to millions of people that are at risk. Aimmune Therapeutics just cleared a critical step in gaining approval for its AR101 treatment, potentially making it the world's first peanut allergy drug. AR101 contains a calculated amount of peanut flour that is increased incrementally over time. The idea is to desensitize patients through consistent exposure and lessening the chance that accidental exposure will lead to a severe, life-threatening reaction. Peanut allergy is one of the most common food allergies in the world and has been on a steady rise in children. According to a FARE-funded study, the number of children in the U.S. with peanut allergy more than tripled between 1997 and 2008. Peanuts are also one of the food allergens that most commonly causes anaphylaxis, an acute and potentially deadly allergic reaction that can occur within seconds of exposure. Unfortunately for these allergy sufferers, peanuts and peanut products are extremely common ingredients and avoiding them can be very difficult. Even foods that don't contain peanut products can be contaminated during the manufacturing or preparation process. Aimmune's AR101 just completed the Phase 3 PALISADE efficacy trial - which is a global, randomized, double-blind, placebo-controlled type of clinical trial essential to gaining FDA approval. 372 of 500 children with severe peanut allergies were given the treatment, with the amount of peanut flour steadily increasing over the course of the first six months, then held steady the rest of the year. The remaining 124 participants were given a placebo. By the end of the trial, 67% of participants receiving AR101 could tolerate at least a 600-milligram dose of peanut protein, which is roughly equivalent to two peanuts or a small bite from a peanut butter sandwich. In comparison, before treatment these "severe" allergy sufferers were unable to tolerate anything more than a tenth of a single peanut. Only 4% of the placebo receivers could tolerate that much exposure by the end of the trial. In order to receive FDA approval, a drug must outperform a placebo by 15%. Aimmune plans to seek FDA approval before the end of the year and with EU regulators in early 2019. Analysts expect the drug could generate as much as \$1 billion in annual sales. (Sources: Investor's Business Daily, Financial Times)



The "Shep Gordon" Story... One To Share

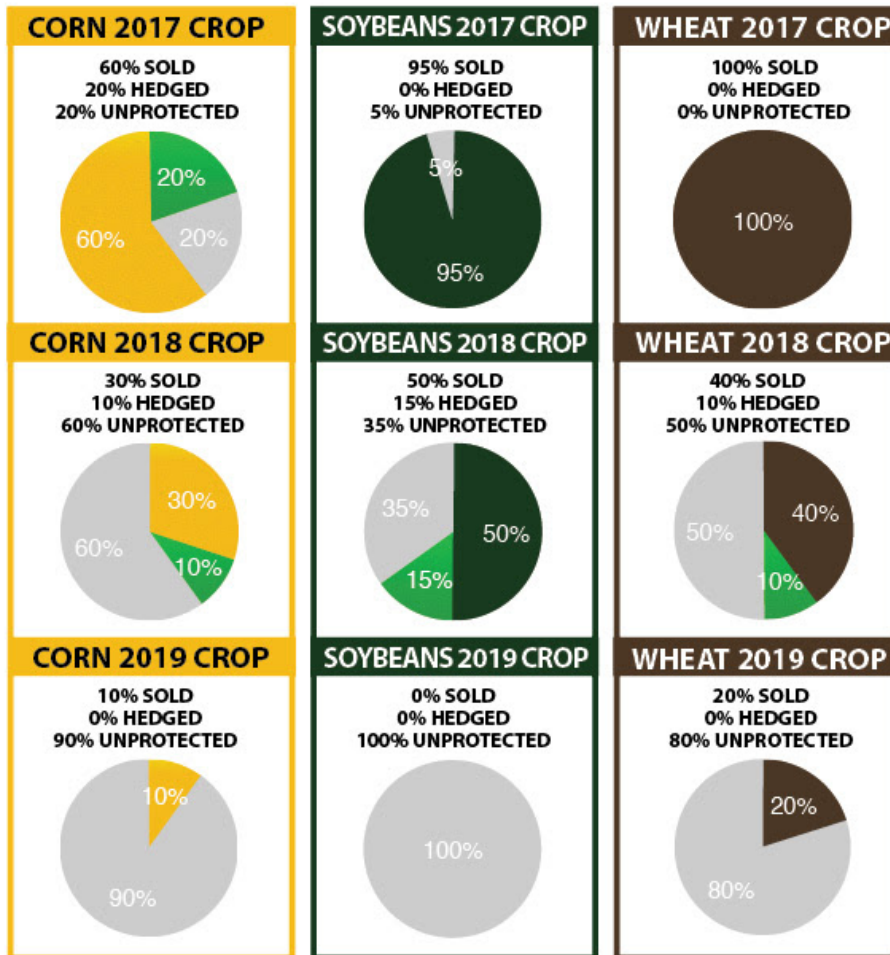
With the kids getting ready to graduate from high schools and college I wanted to share a great story about life and the crazy twists and turns it can hold. I also wanted to remind everyone not to pigeonhole the kids into one particular thought or line of work. We just never know how the cards will all play out...

Being in the trading and investment industry for a majority of my life, I've had the opportunity to come across some very unique individuals who possess some amazing life stories. I often find myself intrigued by the path and travels that lead individuals to huge success and epic failures. It seems like there are a few defining moments along all of our journeys that have the ability to propel us in either one direction or another. None may be more apparent than those told about the life of Shep Gordon, and his path to becoming one of Hollywood's most prolific and successful talent agents. The setting is the summer of 1968 and recent college graduate, Shep Gordon, travels across the country to take a job in the California prison system. He had a degree in sociology and wanted to help change the world. On his first day of work, some underprivileged juvenile offenders showed Shep the ropes by beating him silly. He left the job a bloody mess and checked into the first motel he saw, called the Landmark Motor Hotel located in Hollywood California. Rumor is he dropped some acid to take the edge off, and went to sleep. He woke up a few hours later to the sounds of a woman screaming. Running out of his room, he saw a couple on the ground. He pulled the guy off and paused to ask the woman if she was ok. She punched him right in the face. He crawled back to his room, nursing a fresh black eye to accompany his prison beating. The next morning he made his way out to the motel pool and the same woman from the night before walked up: "Hi, my name is Janis Joplin. This is the guy I was with last night...Jimi Hendrix." A few days later, Shep Gordon was not only friends with Janis and Jimi, but they also introduced him to a couple of their other buddies named Jim Morrison and Alice Cooper. It was later reported that Hendrix, in a religious conversation, asked Gordon if he was Jewish. Gordon confirmed that yes he was Jewish and Hendrix followed by saying, "you must want to be an agent, you would look like a good one." The rest is history... Shep Gordon went on to become one of the biggest talent agents in the business working with legends like Alice Cooper, Anne Murray, Groucho Marx, Blondie, Pink Floyd, Kenny Loggins, Teddy Pendergrass, Raquel Welch and the late Luther Vandross to name a few. I should also point out that Mr. Gordon is also credited with creating the celebrity chef, which revolutionized the food industry and turned the culinary arts into the multi-billion-dollar industry it is today. His culinary clients include such legends as Wolfgang Puck and Emeril Lagasse. Shep Gordon is also highly regarded for his philanthropic endeavors, and was named one of the 100 most influential people by Rolling Stone. Moral of the story, at least in my opinion, you never know the path God has planned for you. It might take time to find out why you have met a certain person or been redirected by failure down a different path. I always tell the kids, "keep your faith and continue to play the cards you are dealt to the best of your ability!" Shep Gordon had never in his wildest dreams planned on becoming an agent for the stars...but in the midst of mass defeat arose an amazing story.



ANSWER to riddle: A sponge

CASH SALES & HEDGING TOTALS



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