

GOOD MORNING: 01/28/19 Farm Direction - Van Trump Report

1 message

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

Mon, Jan 28, 2019 at 7:25 AM

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Today In History

"Winners are the ones who really listen to the truth of their hearts." - Sylvester Stallone

MONDAY, JANUARY 28, 2019
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock are slightly lower this morning, as traders brace for an extremely heavy week of headlines! There's heavy debate on Wall Street about if the current rally can continue or is it simply a bull trap? In the past 30-days the Nasdaq is up over +15%, while the S&P 500 and Dow are up +13%. Large speculative bulls are hoping to see better than expected corporate earnings from some big names this week, then by mid-February U.S. corporate buy-backs will be well underway, start to kick in and provide some additional upside traction. Bulls are pointing to the fact the Fed has turned more dovish, U.S. and Chinese leaders appear to be working towards some type of compromise, and U.S. government workers are going to get paid. Most computer based trading programs have arguably covered more than half of their net-short positions, redemption and reallocation season has mostly passed, and money seems to be flowing back into the stock market. Personally however, I remain apprehensive in buying the breakouts. I think perhaps we stay stuck in a range for an extended period. From a technical perspective the S&P 500 will soon start bouncing up against stiffer resistance on the charts. I believe it's going to be extremely tough climbing from 2680 to 2750. At the same time, there's a ton of huge money managers and large traders who believe we are extremely late-cycle, which means they will continue to move forward with their finger on the trigger and keeping a "shoot first and ask questions later" approach towards risk management. In other words, many inside the trade are going to be reducing exposure and banking profits on the rallies. I'm also worried that if U.S. corporate earnings and economic data is strong enough, it will reignite a more hawkish tone from the Fed and we could quickly find ourselves back in a similar cycle as we were in during the final quarter of 2018. On the flip side, if earnings disappoint and economic data continues to weaken then the bears will have proof and reasons to keep the upside limited. I don't think we break or tumble to any extremes. I just think we will have better opportunities to be a longer-term buyer. I just want to stick with a traders mentality, buying the deeper breaks and lightening up into the extended rallies. I suspect we could chop around for many weeks or even months just depending on how things play out with Chinese trade negotiations and the Fed's overall willingness to become more flexible in regards to future rate hikes and perceived need to continue reducing their balance sheet. With only 30-days remaining, and a week long Chinese New Year holiday in the mix, the trade is eager to know whether the U.S. and China can reach a trade agreement to resolve their deepening differences before the March 1st deadline. From what I understand, lead negotiators (Vice Premier Liu He from China and U.S. Trade Representative Robert Lighthizer) from both nations will meet in Washington on Wednesday and Thursday to discuss deeper "structural changes" to current trade relations. Neither nation wants to spook the stock market, so I suspect both sides leave the meeting acknowledging some additional progress has been made, but nothing formal or final will probably be announced until closer to the March 1 deadline. As for more traditional economic headlines, this week will be jam packed. Don't forget, the Fed will be holding their first meeting of 2019. Most everyone suspect the Fed's will leave rates "unchanged" at this meeting, but their overall tone and sense of flexibility regarding the balance sheet will be highly scrutinized. The trade seems to still be debating the next interest rate hike, will it come in the summer or will the Fed hold off until the Fall? Also this week we have a fresh U.S. GDP estimate being released and the latest U.S. monthly employment numbers. There's also a massive wave of corporate earnings scheduled to be released this week. We start things off today with earnings from Caterpillar, which were already released and a bit weaker than expected, and included conservative forward looking guidance. Remember, Caterpillar is the



1777, British Plan to Isolate New England - John

Burgoyne, poet, playwright and British general, submits an ill-fated plan to the British government to isolate New England from the other colonies on this day in 1777. Burgoyne's plan revolved around an invasion of 8,000 British troops from Canada, who would move southward through New York by way of Lake Champlain and the Mohawk River, taking the Americans by surprise. General Burgoyne believed he and his troops could then take control of the Hudson River and isolate New England from the other colonies, freeing British General William Howe to attack Philadelphia. General Burgoyne's plan went into effect during the summer of 1777 and was initially a success—the British captured Fort Ticonderoga on June 2, 1777. However, the early success failed to lead to victory, as Burgoyne overextended his supply chain, which stretched in a long, narrow strip from the northern tip of Lake Champlain south to the northern curve of the Hudson River at Fort Edward, New York. As Burgoyne's army marched south, Patriot militia circled north, cutting the British supply line. Burgoyne then suffered defeat in Bennington, Vermont, and bloody draws at Bemis Heights, New York. On October 17, 1777, a frustrated Burgoyne retreated 10 miles and surrendered his remaining 6,000 British forces to the Patriots at Saratoga. Upon hearing of the Patriot victory, France agreed to recognize the independence of the United States. It was, of course, France's eventual support that enabled the Patriots' ultimate victory.

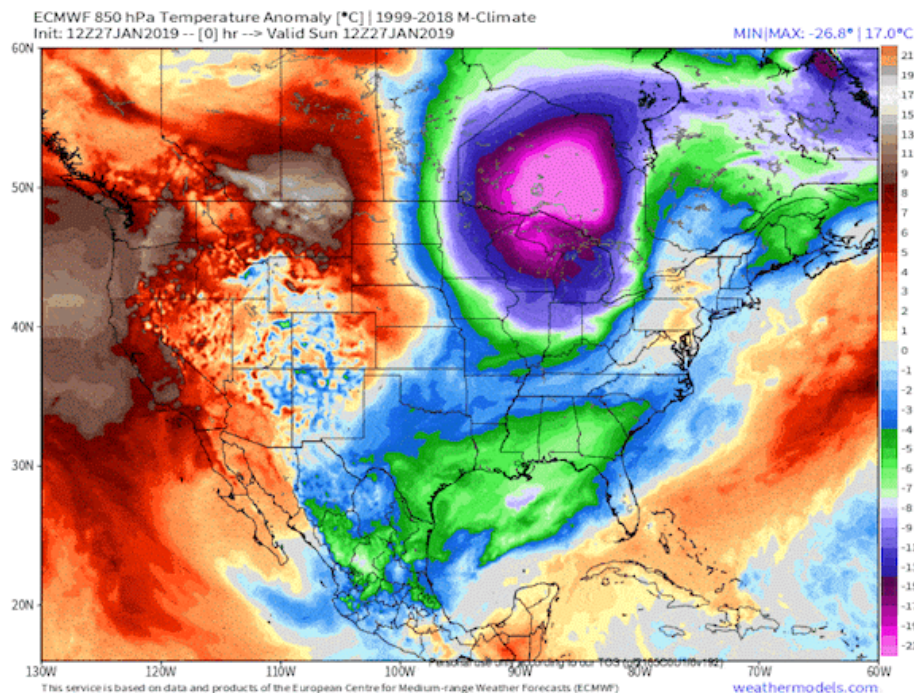


1959, Vince Lombardi hired as Packers coach - On

January 28, 1959, the Green Bay Packers of the National Football League (NFL) sign Vince Lombardi to a five-year contract as the team's coach and general manager. The Brooklyn-born Lombardi played college football at Fordham University, earning a starting spot as a guard in the

world's largest construction and mining-equipment manufacturer, so many large investors like to gauge global economic growth by looking at Caterpillars earnings for the quarter. Tuesday we will be digesting earnings from big names like Verizon, Pulte Group, Pfizer, Allergan, eBay, Biogen, Lockheed Martin, Amgen, Harley Davidson, and the most important Apple. Wednesday will be the busiest day of earnings releases with Wynn Resorts, Visa, U.S. Steel, Tesla, AT&T, PayPal, Microsoft, Mondelez, McDonalds, Alibaba, Boeing, and Facebook all reporting. Thursday will bring earnings from General Electric, Sherwin-Williams, UPS, Sprint, Raytheon, MasterCard, Edwards LifeSciences, Blackstone Group, DowDuPont, and Amazon. Friday will include earnings from Exxon, Chevron, Honeywell, and Mark.

Coldest Temperatures in Years Years Possible this Week: *Axios reports, if you're 25 or younger and live within a large swath of the Midwest — from Minneapolis to Chicago — this week will feature the coldest temperatures of your life as a lobe of the polar vortex plunges south out of the Arctic. Late last week the weather produced an arctic blast that plunged through the Midwest, but nothing like what is now on our doorstep. This second blast is expected to sweep across the Midwest this week and may bring the coldest air we have seen in many years, perhaps even the coldest in history for some areas of the nation. By the middle of this week, daytime highs will be sub-zero in parts of the Dakotas, Minnesota, Iowa, Wisconsin, and northern Illinois. The bitter cold may be accompanied by strong winds, leading to dangerous wind chills all across the Midwest. Many places are talking about the possibility of challenging their all-time record low winter temperatures with actual temperatures falling to -20 to -30 below zero and windchills dropping to the -50's below zero. There is some extreme worry about livestock in many locations. Be extremely careful as this is a dangerous cold. In a harbinger of things to come, International Falls, Minn., has already reported its actual temperature fell to minus-46 on Sunday, the fifth-lowest temperature it has ever recorded. In Minneapolis, Milwaukee, Madison, Des Moines, Green Bay, Chicago, Indianapolis, Detroit and Chicago, the cold will peak between Tuesday and Thursday, but it will remain extremely cold throughout the week. The NWS is forecasting a low temperature in Chicago of minus 20°F on Wednesday morning. This would set a daily record low, and be one of the coldest temperatures ever recorded in the city. The last time it was this cold in Chicago was the period from Jan. 18-20, 1994, the Weather Service said. You can read more at [Axios](#)*



Fordham offensive line, dubbed the "Seven Blocks of Granite." A business major, Lombardi graduated cum laude in 1937. After working in finance and playing semi-pro football with Delaware's Wilmington Clippers, Lombardi took a teaching and coaching position at St. Cecilia High School in Englewood, New Jersey, in 1939. From there he moved on to coaching positions at Fordham and West Point before joining the staff of the NFL's New York Giants as an assistant coach under Jim Lee Howell in 1954. The deal with the Packers—a team that had finished with a 1-10-1 record the previous season—marked Lombardi's first head coaching position in the NFL. In his first season, Lombardi guided his team to a 7-5 record and a third-place finish in the Western Conference of the NFL. The following year, the Packers lost in the 1960 championship game to the Philadelphia Eagles, 17-13. Lombardi won his first championship ring in 1961, when Green Bay smashed the Giants 37-0; they repeated as champs the next year, again beating New York, 16-7. In addition to capturing three more NFL championships from 1965 to 1967, the Packers won both of the first two Super Bowls, in which the NFL champion faced the winner of the upstart American Football League (AFL). With the phenomenal play of his team, Lombardi literally became the face of professional football, gracing the cover of a December 1962 issue of TIME magazine under the headline "The Sport of the '60s." The second Super Bowl, a win over the Oakland Raiders, marked Lombardi's last game with the Packers. In 1967, he announced his retirement, leaving with an overall coaching record in Green Bay of 98-30-4. Lombardi was unable to stay retired, however, and in 1969 he accepted the head coaching position for the Washington Redskins. True to form, he led the team to its first winning record in 14 years, bringing his overall professional coaching record to 105-35-6 by January 1970, without a single losing season. Tragically, Lombardi was diagnosed with intestinal cancer that year and died in September 3, 1970, at the age of 57. He was inducted into the Pro Football Hall of Fame the following year. The Super Bowl trophy was subsequently renamed the Vince Lombardi Trophy, ensuring that Lombardi's name—and his legacy as the greatest football coach of the 20th century—will be remembered forever.



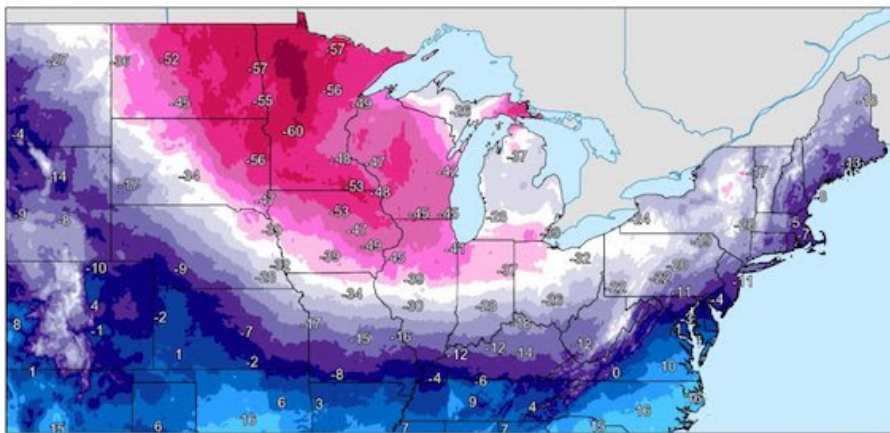
1986, Challenger Explodes -

At 11:38 a.m. EST, on January 28, 1986, the space shuttle Challenger lifts off from Cape Canaveral, Florida, and Christa McAuliffe is on her way to becoming the first ordinary U.S. civilian to travel into space. McAuliffe, a 37-year-old high school social studies teacher from New Hampshire, won a competition that earned her a place among the seven-member crew of the Challenger. She underwent months of shuttle training but then, beginning January 23, was forced to wait six long days as the Challenger's



Wind Chill Forecast

Through 7 PM EST, Thursday, Jan 31



Government to Reopen... At Least for Now: *President Trump agreed on Friday to reopen the federal government for three weeks while negotiations continued over how to secure the nation's southwestern border, backing down after a monthlong standoff failed to force Democrats to give him billions of dollars for his long-promised wall. The president's concession paved the way for the House and the Senate to both pass a stopgap spending bill by voice vote, which Mr. Trump signed on Friday night restoring normal operations at a series of federal agencies until Feb. 15. In his comments following the signing, he presented the agreement as a victory as well as indicating if Republicans and Democrats cannot reach a solution on wall money by the February deadline, he noted he was ready to renew the confrontation or declare a national emergency to bypass Congress altogether. It's worth mentioning that during the signing on Friday, Mr. Trump adopted some of the language that his Democratic adversaries have used during the longest shutdown in history. He conceded that "we do not need 2,000 miles of concrete wall from sea to shining sea — we never did" and invoked the utility of "smart walls" that substitute some physical barriers for drones and other sensors. I suspect this latest semantic evolution provides both the president and Democrats with a face-saving way forward if they want it. Read more [HERE](#).*

Venezuela Crisis Peaking as the World Chooses Sides: *Consequences of Venezuela's economic, humanitarian and political crisis have been dramatic, leaving the economy in free fall with massive food shortages, medical emergencies and millions of people displaced. It's fair to say the crisis reached a turning point last week, when opposition leader Juan Guaidó declared himself interim president. I should mention, the United States and other countries including, Argentina, Brazil, Canada and the UK recognize his new role, even as President Nicolás Maduro refused to step down. Countries supporting Maduro include China, Russia, Syria and Turkey. From an international standpoint, the time for dialogue seems to have passed, judging from US Secretary of State Mike Pompeo's address to the UN Security Council on Saturday, during which he urged members to back Guaido's transitional government. "Our nations must stand up for the rule of law and support the leader who the Venezuelan people have affirmed as their legitimate interim president," Pompeo said. "Either you stand with the forces of freedom, or you're in league with Maduro and his mayhem." It's worth noting, Maduro took a major political hit over the weekend when Venezuela's military attaché in Washington, Col. José Luis Silva Silva, said he stands "by the roadmap of acting President Juan Guaido." The map, he said, includes ending Maduro's "usurpation of executive power," beginning the transition to a new government and organizing free and fair elections. From what I understand France, Spain and Germany will add their names to the list recognizing Guaido as president unless Venezuela calls a new presidential election within eight days. For now, Venezuela defused a potential showdown with the United States, suspending a demand that U.S. diplomats leave the country as Washington called on the world to "pick a side" in the South American nation's fast-moving crisis. Keeping our eyes on all the moving pieces. The graphics below will provide a little background out Venezuela got to this point, as well as reading more [HERE](#).*

launch countdown was repeatedly delayed because of weather and technical problems. Finally, on January 28, the shuttle lifted off. Seventy-three seconds later, hundreds on the ground, including Christa's family, stared in disbelief as the shuttle broke up in a forking plume of smoke and fire. Millions more watched the wrenching tragedy unfold on live television. There were no survivors. In 1976, the National Aeronautics and Space Administration (NASA) unveiled the world's first reusable manned spacecraft, the Enterprise. Five years later, space flights of the shuttle began when Columbia traveled into space on a 54-hour mission. Launched by two solid-rocket boosters and an external tank, only the aircraft-like shuttle entered into orbit around Earth. When the mission was completed, the shuttle fired engines to reduce speed and, after descending through the atmosphere, landed like a glider. Early shuttles took satellite equipment into space and carried out various scientific experiments. The Challenger disaster was the first major shuttle accident. In the aftermath of the disaster, President Ronald Reagan appointed a special commission to determine what went wrong with Challenger and to develop future corrective measures. The presidential commission was headed by former secretary of state William Rogers, and included former astronaut Neil Armstrong and former test pilot Chuck Yeager. The investigation determined that the disaster was caused by the failure of an "O-ring" seal in one of the two solid-fuel rockets. The elastic O-ring did not respond as expected because of the cold temperature at launch time, which began a chain of events that resulted in the massive loss. As a result, NASA did not send astronauts into space for more than two years as it redesigned a number of features of the space shuttle. In September 1988, space shuttle flights resumed with the successful launching of the Discovery. Since then, the space shuttle has carried out numerous important missions, such as the repair and maintenance of the Hubble Space Telescope and the construction of the International Space Station. On February 1, 2003, a second space-shuttle disaster rocked the United States when Columbia disintegrated upon reentry of the Earth's atmosphere. All aboard were killed. Despite fears that the problems that downed Columbia had not been satisfactorily addressed, space-shuttle flights resumed on July 26, 2005, when Discovery was again put into orbit.

Upcoming Events

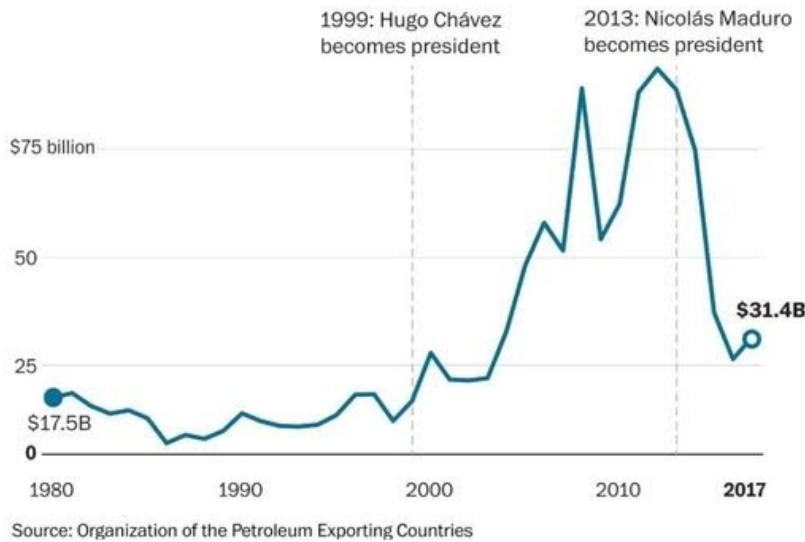
Mon. 01/28 - Export Inspections

Tues.-Wed. 01/29-01/30 - FOMC Meeting

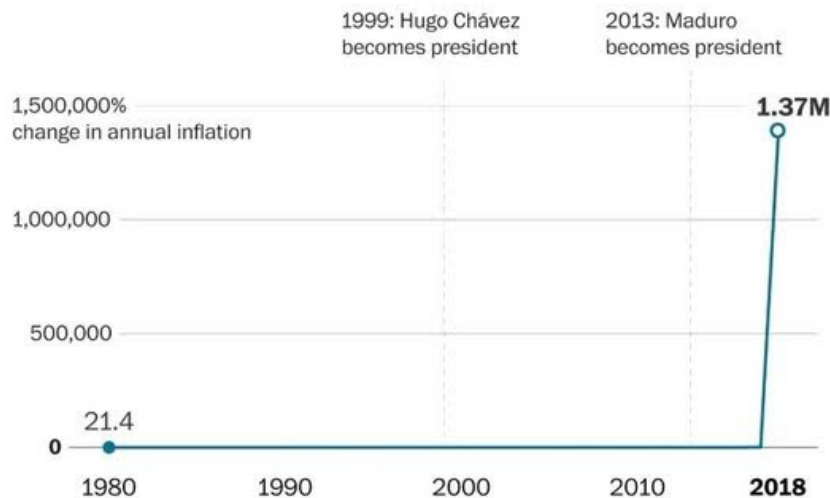
Thurs. 01/31 - Export Sales, Jobless Claims, Personal Income

Fri. 02/01 - Unemployment, Grain Crashings

Value of Venezuelan petroleum exports lowest in more than a decade



Inflation in Venezuela remains at record highs



Average consumer prices

Source: International Monetary Fund

Mon. 02/04 - Export Inspections

Tues. 02/05 - Chinese New Year

Thurs. 02/07 - Export Sales, Jobless Claims

Fri. 02/08 - Crop Productions, USDA Supply & Demand

Mon. 02/11 - Export Inspections

Thurs. 02/14 - Valentine's Day

Fri. 02/15 - Retail Sales, NOPA Crush

Mon. 02/18 - President's Day (Some Markets Closed)

Tues. 2/19 - Full Moon, Export Inspections

Wed. 02/20 - Housing Starts & Pmts

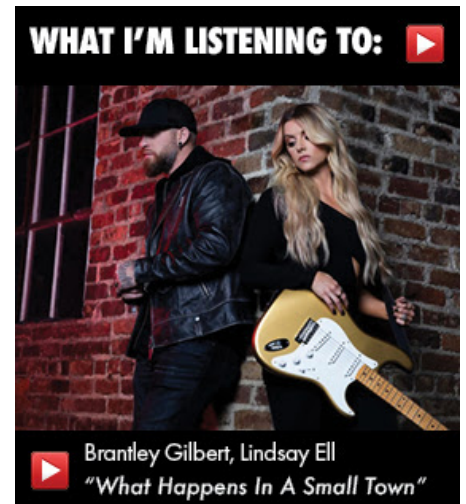
Thur. 02/21 - Jobless Claims

Fri. 02/22 - Export Sales, Cattle on Feed/Cold Storage

Mon. 02/25 - Export Inspections

Thurs 02/28 - Export Sales, Jobless Claims

Kevin's Song of the Week



Kevin's Song of the Week





Harold Sinnott 
@HaroldSinnott

Following

The rate of change is accelerating! Digital disruption is driving change in all industries
HT @JimHarris via @MikeQuindazzi >
#CES2019 #CES #MWC19 #mobile
#Smartphones #tech #innovation
#DigitalTransformation #digital > #Infographic
#FutureOfWork cc @andi_staub @jblefevre60

NUMBER OF YEARS IT TOOK FOR EACH PRODUCT TO GAIN 50 MILLION USERS:



Statista
@StatistaCharts

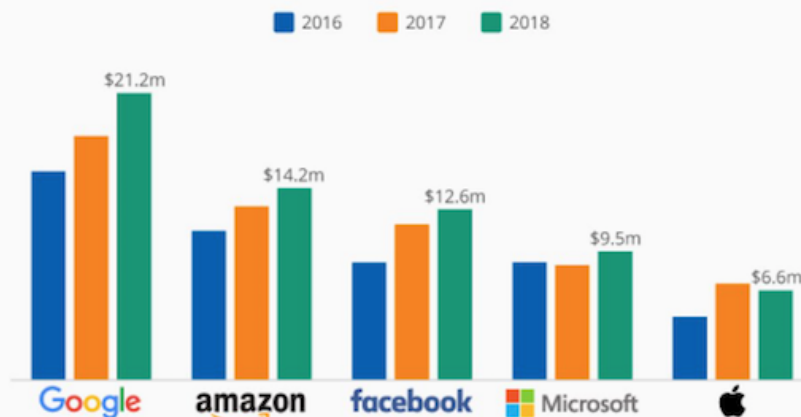
Following

#Google spent over 3 times more on #lobbying than #Apple did in 2018

bit.ly/2W6y67l

Google Outspends Its Peers on D.C. Lobbying

Annual lobbying expenditure of selected U.S. tech companies



@StatistaCharts Source: Lobbying Disclosure Act Database

statista

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

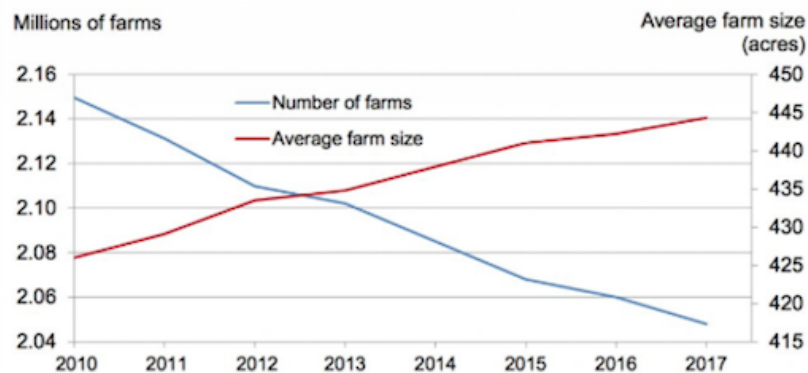
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis 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

The number of [#farms](#) in the U.S. for 2017 is estimated at 2.05 million, down 12 thousand farms from 2016. Total land in farms, at 910 million acres, decreased 1 million acres from 2016. The average farm size for 2017 is 444 acres, up 2 acres from the previous year
[@usda_nass](#)

Number of Farms and Average Farm Size – United States: 2010-2017



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.



Susie (Kinzenbaw) Veatch
@snveatch

Following

NEW 4700 Front Fold 36R20" Features: Blue Vantage & Blue Drive; Bulk-Fill& Hyd Weight Transfer; 3 Section Flex (12-12-12), 15 deg. up/down; 4000 Series Cast RowUnit; True Rate Vac Meter; True Depth or PDP; 600 gal Liquid Fert.; 16'2" Transport; Future Track option & 24R20" @Kinze



Farm Direction
RECIPES

★ **FAMILY FAVORITES** ★

-SENT IN BY OUR READERS-

**Baked Orange
Chicken Meatballs**



w/Sugar Snap Peas

CLICK TO SEE RECIPE



Tim May (Farmer Tim)
@MayMayhaven

Following

Hey #AgTwitter. I learned something new today 🍩 #TrueStory

At Tim Horton's....

Me: I'll have a Honey Cruller please.

Cashier: You mean a tractor tire donut?

Me: Really, that's what you call them? Cool!
Make mine a 20.8 R38 radial please.

Cashier: 🧑



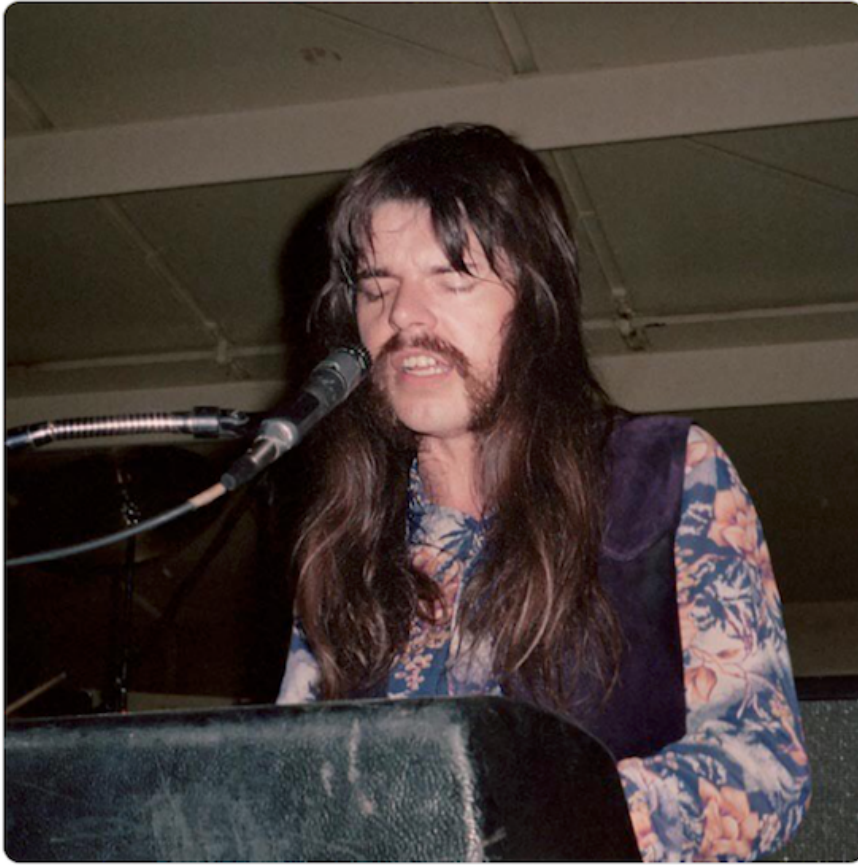


Rock History In Pics
@RockHistoryPix

Following



Bob Seger performing at a skating rink in
Plymouth, Michigan, 1974





Vala Afshar ✓
@ValaAfshar

Following

Failed key primary school test twice.
Failed middle schools three times.
Failed to work at @KFC.
Rejected from @Harvard 10 times.

Never give up.

—Jack Ma, @AlibabaGroup #WEF19

“

I **failed** a key primary school test two times. I **failed** three times for the middle schools. For three years, I tried and **failed** in the universities. So I applied for jobs 30 times, got **rejected**. I went to even KFC when they came to China. 24 people went for the job. 23 people accepted. I was the only one who got **rejected**. I applied for Harvard, for ten times, **rejected**. I think we have to get used to rejection. The only thing. Never give up.

- Jack Ma, Chairman of Alibaba Group



neuro mining



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

TODAY'S RIDDLE:

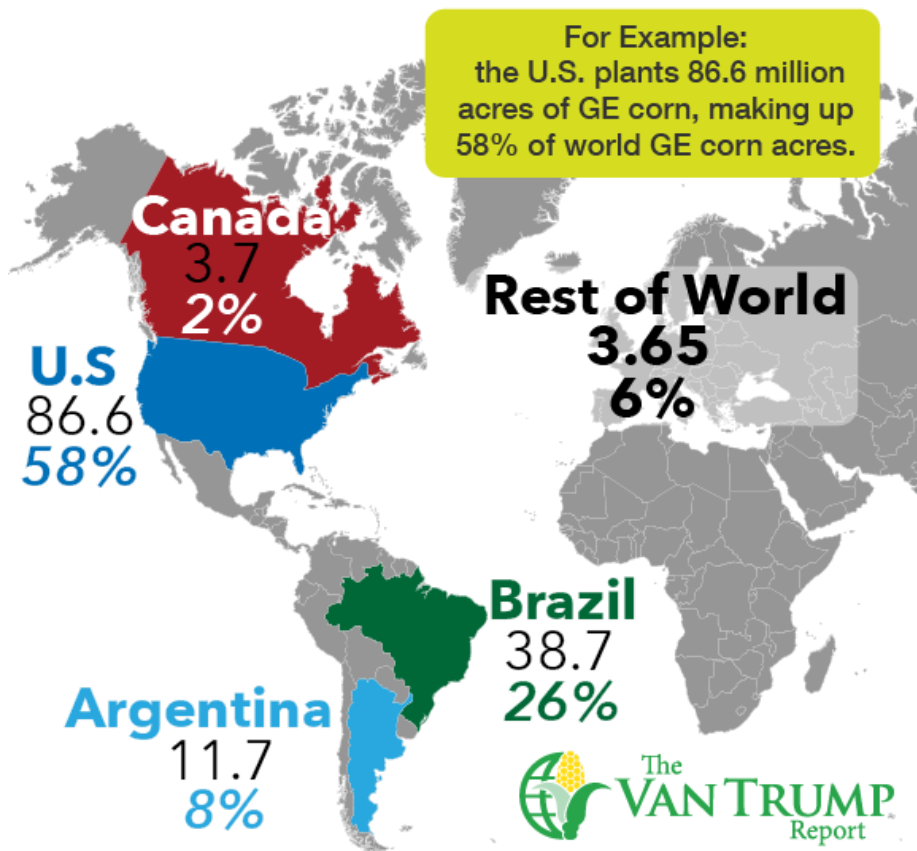
What fastens two people yet touches only one?

USDA Reports Coming Back Online: *From what I understand, the USDA will try and get things back on track by releasing their monthly WASDE report as scheduled on February 8th. They will be releasing more details and specifics about reports that were delayed and missed due to the partial government shutdown once all USDA staff return and can gather for discussions. Since the shutdown began on Dec. 22 through the close of business on Jan. 24, a total of 62 reports from NASS, FAS and ERS have gone unpublished. The report that's likely missed by the most is the January World Agricultural Supply and Demand Estimates, which is a product of WAOB and released by ERS. Beyond the WASDE, ERS hasn't released planned yearly outlook reports for oil crops, cotton, feed, rice sugar, wheat, livestock, dairy and poultry; annual yearbook data for grains, fruits and vegetables; season average price forecasts; bioenergy statistics; and the latest U.S. agricultural trade data, among other topics. Eight reports from FAS have now gone unpublished, including three weeks of export sales reports, global reports on cotton, grains and oilseeds, and a citrus report, which is only published twice per year. The global reports include the monthly data on U.S. and global trade, production, consumption and stocks that are included in the WASDE, as well as in-depth analysis of developments affecting world trade in various commodities. A whopping 32 reports have gone unpublished by NASS since the shutdown began. Some of the reports are weekly reports, like the Broiler Hatchery Report. Others, like the Cold Storage report, are published monthly. Still others, like the Winter Wheat and Canola Seedings report, are only published annually. (Source: Farm Bureau)*

Corn continues to trade in a tight, sideways channel. The old-crop MAR19 contract has essentially traded between \$3.70 and \$3.90 per bushels since late last September. Today we find ourselves dead in the middle of that range with prices trading at around \$3.80 per bushel. The DEC19 new-crop contract has essentially traded between \$3.90 and \$4.08 per bushel since late-September. In fact, our highest new-crop close since the end of October is \$4.05², which happened back on November 8th. This morning new-crop prices are trading at around \$4.03, which is very near the upper end of the range. Bulls argue that South America still has a long ways to go and a lot of weather uncertainty still ahead. The problem is they could still produce +15 to +20 MMTs more than last year. Bulls also believe the USDA will soon be releasing a more bullish perspective regarding corn. The old-crop U.S. yield is more than likely going to be trimmed. There's some questions brewing about longer-term demand but the trade doesn't seem all that concerned. It will be interesting to see updated USDA data. The trade is also eager to see if anything official comes from this week's meeting between Chinese and U.S. leaders. As a producer, I'm worried that we could test the upper limits of the current trading range, then find the road ahead much more difficult to navigate. I know there's a lot of analyst talking about a more bullish balance sheet for corn, but without some sizable buying by the Chinese the bulls could become disappointed. I believe there's going to be some upside potential for corn in 2019, I'm just worried we might be a bit early to the party. I continue to keep both old-crop and new-crop hedges in place. As a spec, I remain on the sideline, believing the market is going to continue chopping around.

What Percentage of Corn Acres Around the World Are Genetically Engineered?

Total World GE Corn Acres :149.7 million acres



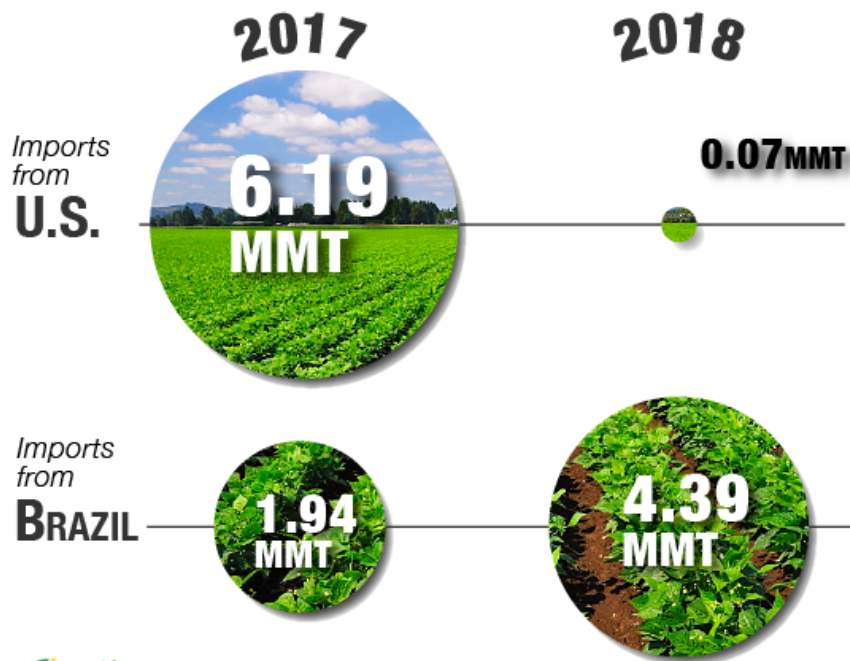
Source: Data from the 2017, ISAAA Briefs, Global Status of Commercialized Biotech/GM Crops in 2017

Soybean traders are bracing for an extremely volatile week. The USDA is back online and fresh data will soon start circulating. At the same time, the biggest meeting to date with the Chinese is scheduled to happen Wednesday and Thursday in Washington. The trade has been suspecting positive headlines to come from the event, so a surprise would be something negative or less than anticipated. South American weather is little changed from late last week and will continue to be closely monitored. Production hiccups in Brazil associated with overly dry conditions continue to trim production estimates. There's also pockets of overly wet conditions in parts of Argentina that have caused some complications. Despite the bullish optimism coming into this week, as both a producer and a spec, I worry that upside price momentum could be somewhat limited. Certainly a trade deal or compromise with the Chinese would elicit a knee-jerk to the upside, but I'm curious as to how long that momentum could be sustained? U.S. domestic demand remains strong, but without the Chinese buying U.S. supply in a big way exports will remain disappointing. Yes, total U.S. supply should pullback a bit on a lower yield estimate for this past years crop. The bulls also point to fewer U.S. soybean acres being planted in 2019, but that number seems to be growing large as new-crop NOV19 prices trade north of \$9.50 per bushel. As a producer, I will be looking to use any knee-jerk to the upside as an opportunity to reduce a bit more longer-term risk. Regardless of a trade deal, today's soybean market just isn't the place to be swinging for the fences. Staying extremely cautious...

China's 2018 U.S. Soybean Imports Drop To Lowest Since 2008: China's soybean imports from the U.S. plunged 99% in December to just 69,298 metric tons, customs data showed on Friday, taking its full-year 2018 imports to the lowest level since 2008. U.S. shipments in December fell from 6.19 million metric tons year earlier. China did not import any U.S. soybeans in November. For the full year, imports from the U.S. were at 16.6 million metric tons, about half of 2017's 32.9 million metric tons. By contrast, China brought in 4.39 million metric tons of soybeans from Brazil in December, up 126% from 1.94 million metric tons a year ago. (Source: China's General Administration of Customs, Reuters)

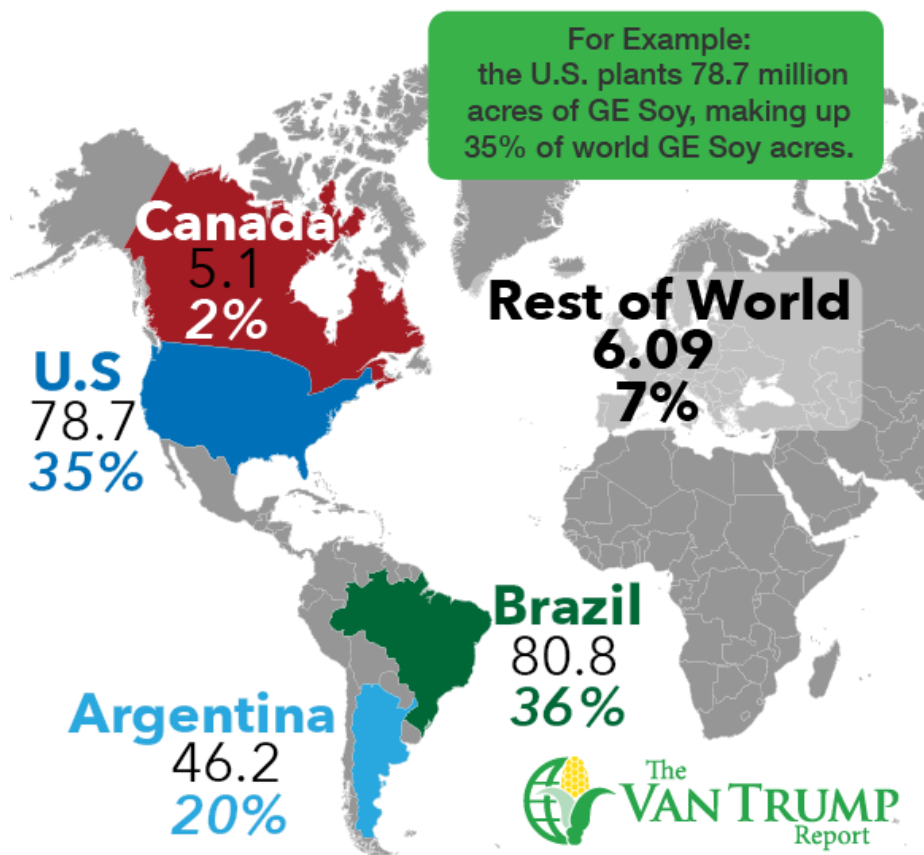
CHINA'S DECEMBER SOYBEAN IMPORTS & ORIGINS

(in million metric tons)



What Percentage of Soybean Acres Around the World Are Genetically Engineered?

Total World GE Soybean Acres :225.9 million acres

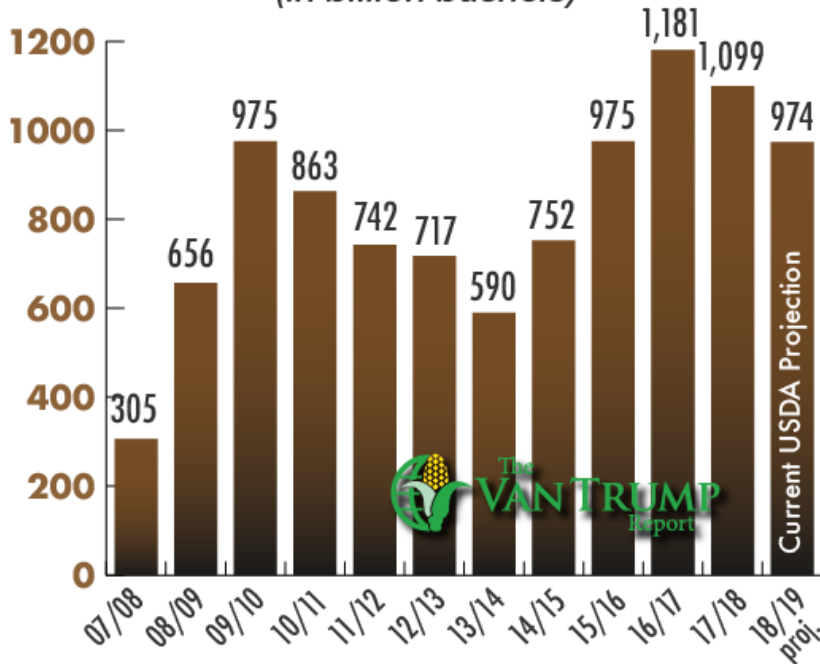


Source: Data from the 2017, ISAAA Briefs,
Global Status of Commercialized Biotech/GM Crops in 2017

Wheat bulls are talking about the extremely low U.S. temperatures and the possibility it could cause winter-kill damage in some select locations that have limited snow-cover. I hate to sound like a broken record, but bulls also continue to talk about Russian, European, and Ukraine exports slowing down, as well as the likelihood of the Chinese agreeing to buy a large dose of U.S. wheat. Bears point to the fact there's still no hard evidence that China is going to be a buyer, but remain certain that the U.S. balance sheet is burdensome. There also seems to be some renewed uncertainty surrounding the longer-term direction of the U.S. dollar, which makes the macro landscape more difficult to forecast. As both a spec and a producer, I remain conservatively bullish, hoping the funds find a reason to become more optimistic about price i.e. geopolitical cross-hedging, weather worries, less pessimistic view about global growth, more optimistic trade headlines, etc. I suspect we could see more volatility this week as media headlines start to hit more sensitive subject material.

U.S. Wheat Ending Stocks

(in billion bushels)



Source: USDA, WASDE numbers from December report



> **Travel Restrictions Lifted For Most Areas Affected by ASF:** 88 of the 105 areas that had reported African Swine Flu outbreaks since August last year have removed their travel restrictions on pigs into or out of the area under the approval from the Chinese government. Officials are hoping the trend continues as no new outbreaks have been reported since last week.

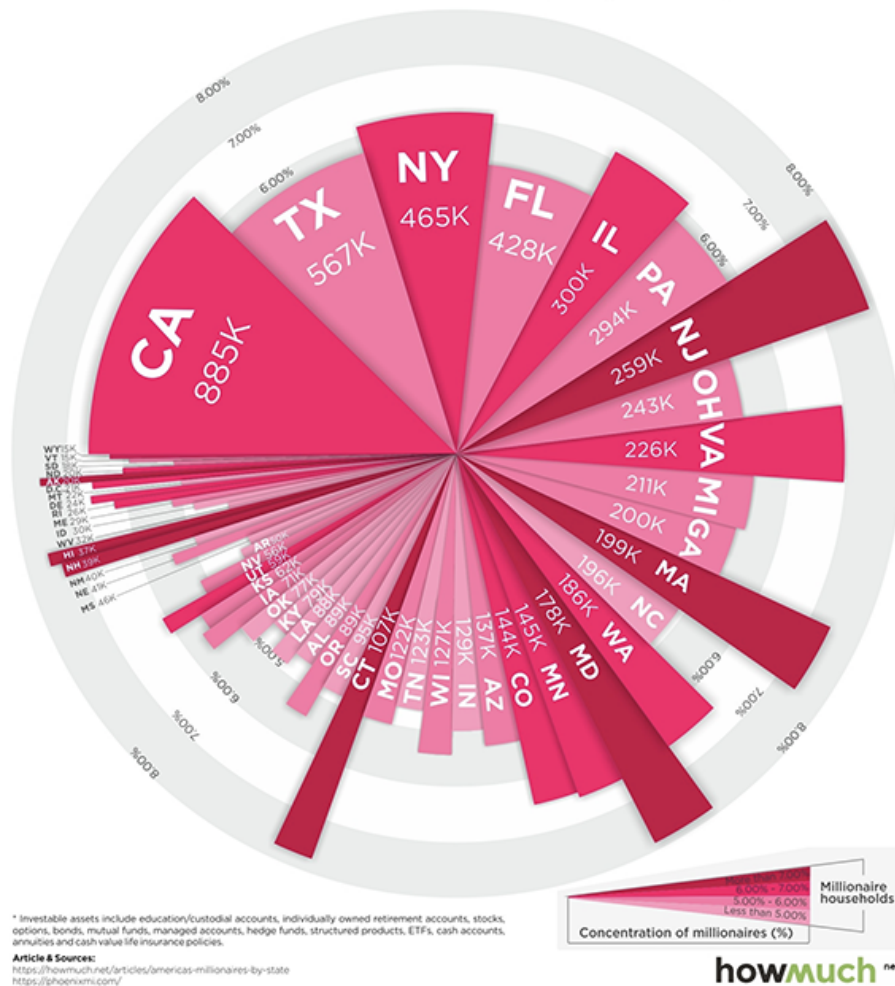
> **IGC Says Soybean Inventory Will Double This Year:** World soybean production is expected to set a new high this season despite drought in Brazil. At the same time, the trade war will push U.S exports "well below the peaks of earlier seasons" and result in a doubling in U.S. inventories in one year. (Source: IGC)

> **General Mills Recalls Flour:** The company voluntarily issued a nationwide recall of five-pound bags of its Gold Medal Unbleached Flour with a use-by date of April 20, 2020, because tests detected the potential presence of salmonella. This recall is being issued out of an abundance of care as General Mills has not received any direct consumer reports of confirmed illnesses related to this product. (Source: FDA)

> **Impossible Burger 2.0:** Impossible Burger, creator of plant-based burgers, is upgrading its recipe. The "Impossible Burger 2.0" patty reportedly tastes better, has less fat, and is gluten free, as well as having a heartier structure that can be cooked in more ways. The meat-free burger is made from ingredients including peas, brown rice, and mung beans, and uses beet juice to get the juiciness of a meat-based burger. A 4 oz. patty has the same amount of iron (4.2g) and protein (19g) as a beef burger. After debuting 2.0 at the Consumer Electronics Show, the company announced they would accelerate their launch due to heightened demand. It is now available in 200 restaurants nationwide, with placement in grocery stores to come. (Source: Forbes)

> **The Move to more Environmentally Friendly:** It's the latest international company to reduce its plastic waste footprint. Samsung will soon begin packaging its phones, tablets, wearables and appliances in paper, pulp molds and bio-based or recycled plastics. It will also alter the design of its phone charger, replacing the glossy exterior with a matte finish and ditching plastic protection films. (SeekingAlpha)

> Visualizing U.S. Millionaires by State of Residence: *There are literally millions of millionaires in the U.S. In fact, there are 7.1 million households in the country that have investable assets of \$1 million or more. Impressively, this gives the U.S. a higher total population of millionaires than any other country in the world even though China's rapidly rising wealth is also quite notable. Today's visualization comes from HowMuch.net and it breaks down U.S. millionaires by state. (Source: [HowMuch](#))*



Southwest Ohio – *We still have corn standing in the field. There is still also a lot of beans in the field as well. This week we are going to be exceptionally cold but it should warm up by the weekend so we think we can get the corn harvested. It's coming out of the field at about 19% moisture. We have enough corn left to fill our last bin twice. We've never really had to dry corn when it's this cold. It is probably going to take a lot*

of gas to heat the air but the low humidity should take the moisture out of the corn. Hopefully this is our first and last year that we have to dry corn at this temperature in the month of January.

Central North Carolina – We have been farming no-till for a number of years now. We have a nice soil base on our ground. The problem that we have been facing is not being able to yield more than 40 bushels per acre on soybeans since we started no-tilling. We plant in 20" rows because the plants canopy quicker which seems to shade the dirt and provide us with a little moisture conservation during the dry times. What we plan to do is widen out the rows to 30" rows, run our fertilizer into the ground deeper so we get a deeper root base and hopefully this will bring our yield up over time. We may even consider twin row fertilization. We just feel like wider rows and better placement of our fertilizer would help on our heavy red clay soil.

Northern Illinois – We have about 8-12 inches of snow, depending on where you're located. In our town, the snow plows are running out of places to put the snow. It seems like it snows every day. We're supposed to see temperatures in the negative twenties at least one day this week. They are sending out e-mails saying they may cancel school because it is "too cold." I'm not one of those guys who had to walk uphill both ways to get to school but I have never heard of a school cancellation because of temperature. We are 100% done with our harvest. Because of the extreme temperatures, we are going to spend the next couple of days giving our cattle double rations and checking on them every couple of hours. We plan to stay corn on corn next year.



New Study Shows Nature May not be Able to Keep Up With CO2 Removal:

Scientists and engineers are spending a significant amount of time developing new technologies that remove harmful greenhouse gas emissions from the atmosphere. A new study explains why that's a good idea: We might not be able to rely on nature's own carbon-removal tools, plants, to save us from climate change. A group of researchers from Columbia University looked at how plants handle changing climates, and the results are not good. According to the study, plants that live in extreme conditions, with frequent droughts or heat waves, are not able to absorb as much CO2 as plants that exist in stable environments. The takeaway: Plants get worse at absorbing CO2 the more severe the climate gets. This is bad news, as scientists predict extreme weather events are only becoming more common. Find out what scientists are doing about it [HERE](#).

End of an Era for the Rothschilds in Austria: Once the Habsburg empire's top financier, the family that started to do business in Vienna around 1815 is selling its last piece of land in Austria, closing a 200-yearlong history that included booms, busts, crashes and wars. From what I understand, the family branch represented by heir Bettina Burr has agreed to sell two trusts that own about 17,300 acres of forest in the Lower Austria region to the Vienna-based packaging firm Prinzhorn Holding GmbH. The forest -- about 20 times the size of New York's Central Park -- is part of an estate Baron Albert von Rothschild bought in 1875. The Nazis seized the land after Germany occupied Austria in 1938, and it was partially returned to the family after World War II. Rothschild heir Bettina Looram moved back to live there until her death in 2012. Read more on the Rothschild's legacy [HERE](#).

Argentine Billionaire Says He Can Transform Fracking Industry: After making his fortune in oil before transitioning to vineyards and olive groves, billionaire Alejandro Bulgheroni is funding a new fracking method that he asserts is cleaner and could transform the industry. The 76-year-old Argentinian made the bulk of his estimated \$3.5 billion fortune in the international oil and gas industry, eventually adding wind power and other renewable power arenas to his portfolio. From what I understand, from the drill to the fluid injection to the oil collection, Bulgheroni has figured out how to have the mechanisms run on electrical power produced by a turbine fueled by natural gas released during the fracking process--redirected from the drilling field back into the fracking process rather than getting burned off as waste. Read more [HERE](#).

MoviePass Will Try Again... After running out of money, putting customers through a Ferris wheel of service changes, and even reactivating canceled accounts of former users who didn't opt out in time, MoviePass has a plan for rising from the ashes. Unwilling to be weighted down by its troubled past, the theater subscription service is returning to its roots, relaunching the unlimited plan that first caught the attention of millions of subscribers, according to a report in Variety. While the membership level will do away with any limits on how many movies a person can see in a month, no price for

the unlimited plan has been announced. If you're eager to sign up, you won't have to wait for long. The new secret service will be launching next week, Executive Vice President Khalid Itum told Variety. You may remember that, in its heyday, MoviePass attracted millions of subscribers for offering the opportunity to see unlimited movies for just \$9.99 a month, less than it costs to buy a single ticket in many U.S. markets. Read more [HERE](#).

Did You Know, 60 Years ago Two Hydrogen Bombs Were Dropped on U.S.?

Nearly 60 years ago, a U.S. B-52 bomber carrying two hydrogen bombs broke apart over rural North Carolina. From what I understand, the bombs fell into a tobacco field and didn't go off, but if they had, each 3.8-megaton weapon would've been 250 times more destructive than the atomic bomb dropped on Hiroshima. Lt. Jack ReVelle, then a 25-year-old Air Force munitions expert, was called to the scene. His job: make sure the bombs did not explode. "What the status of the weapons were at that time was unknown, so we were working in the dark," Jack, now 83, tells his daughter, Karen, 47, at StoryCorps. Of the two bombs, one had its parachute deploy, and it landed in one piece. For Jack and his 10-person crew, it was much easier to deactivate and haul away than the other bomb, whose parachute had not opened. "This huge, multi-ton weapon penetrated the ground at 700 miles an hour and buried itself in the swamp," Jack says. The crew set out on the harrowing task of digging it up. Many details about what happened were not released until they were declassified in 2013. Read the rest of the story [HERE](#).





Cargill's Cattle Driving Droid Introduced

Cargill has developed an industry-first robotic cattle driver aimed at improving animal welfare and employee safety. When you consider there are over 5,000 head of cattle, each weighing over 1,300 pounds being moved through the Schuyler, Nebraska plant daily, the "R2DMoo", which some have affectionately dubbed the robot, is a welcome tool. Just like their human counterparts, the robot's basic job is to make sure the herd clears from each pen, as the gates are secured behind them. At the same time workers move outside a series of rails, waving plastic bags tied to sticks and calling out commands to help push the cattle forward through the next gate. It goes without saying that the potential for injury is high, especially when you consider that there is no way of knowing what the animal may do. I'm told that Cargill Protein spent two years developing the prototype, with significant input from animal welfare experts such as Grandin, beef plant employees, and engineers from equipment supplier Flock Free. I should mention, by using robotics there are no delays in operations as the robot operates the same in all weather conditions and doesn't need a break! With the innovation, employees can now remain safe as they remotely operate the units from catwalks above the pens. The idea to use a robot for herding cattle, came after a vendor sent plant operations manager, Brad Churchill, a link to a video showing the robot which was designed to work as a security device. So the unit you see in the video is the end product of modifications suggested by Churchill and his gang. I'm told the original didn't last long as it was made of plastic, which was instantly upgraded to metal as well as redesigning the wheels to move more easily along the trampled and sometimes muddy ground. The team then added a blower to press the cows forward without actually touching the animals, and incorporated wiry waving arms with plastic bags tied to the ends to whip back and forth, mimicking the sound and motion of the workers waving theirs. Finally, adding a personal touch the robot was given a voice to prompt the animals by saying, "Hey! Hey! Hey! Come on. Let's move it!" We keep seeing new ways robotics and AI are changing the landscape for agri-business operations. I thought this was worth passing along. You can learn more [HERE](#) and watch a short video of the robot at work. (Source: feedstuff, Cargill)





A New Era of Electric Trucks

Ford has been the king of pickup truck sales in the U.S. for the past 40 years and they want it to stay that way. Despite it not initially being very popular amongst the farming crowd, the company is moving forward with their plans to make an all-electric version of its F-150 truck series. Remember, the top 3 best selling trucks in the U.S. last year was the Ford F Series coming in first, followed by Ram Trucks, then the Chevy Silverado. Keep in mind, Ford's recent move taking their trucks electric might be due to companies like Tesla, Atlys, and Rivian also releasing statements that they are entering the U.S. truck market, planning to introduce electric trucks to drivers across America. To this point, electric trucks have been much less receptive than electric cars. Many industry experts argue it's because companies like Ford, Chevy, and Dodge have been slow to move. There's also a lot more loyalty and tradition amongst drivers of trucks. Interestingly however, it feels like we are finally at a tipping point and traditional auto makers are making the jump. Bottom-line, I suspect we start to see a lot more electric trucks on the road and on the farm moving forward. Below is a preview of some of the new electric trucks that plan on coming to market in the next 12 to 24 months.

Ford Electric F-150 Pickup Truck: Ford finally has confirmed that an all-electric F-150 pickup is in the works. Not many details have been released about this truck yet, but Ford says its electric line will deliver both fuel efficiency and power that they claim will be able to tow 5,000 lbs. and perform as well as diesel and gas trucks. Ford's target market on these trucks seems to be customers who don't need to travel long distances in a single day, but for drivers looking to easily tow and haul shorter distances without using gas or diesel. Ford is also planning to build a 300-mile off-road-capable electric crossover SUV in 2020, so this truck could have a lot of similar details. Keep in mind, four years ago, Ford gambled on truck lovers embracing an aluminum-bodied F-150, and they did. Ford is a huge player in the truck market coming in as the best-selling individual vehicle in America with the F-150, which racked up more than 900,000 sales in 2018. The F-series also accounts for more than 1/3 of Ford's sales, and an even higher percentage of its profits. It seems most likely that the electric F-150 would debut in 2020 and have the biggest influence on early adopters of electric trucks.



Rivian R1T: The Rivian R1T might be the most anticipated electric truck on this list after making its debut at the 2018 L.A. Autoshow, which will start at a price of \$69,000. This is definitely a luxury truck at its finest, but Rivian is giving it the name "The World's First Electric Adventure Vehicle." The Rivian R1T is set to come with three battery options including a 105 kWh, 135 kWh, and a massive 180 kWh. These translate to 230 miles, 300+ miles, and 400+ miles of range. Keep in mind, the largest battery currently on the market is by Tesla at 100 kWh capacity and a 335-mile range. The Rivian also plans to be able to charge 200 miles in 30 minutes. This truck also features an acceleration of 0-60 in 3 seconds, 750 horsepower with 4 motors, a payload capacity of over 1,750 pounds, and a towing capacity of over 11,000 pounds. This may not be the largest truck on the market when you first look at it, but definitely has a good amount of storage. The truck bed is not the largest at 55 inches, but Rivian has found other storage solutions including a front trunk measuring at 11.6 cubic feet of space, a "gear tunnel" meant for things such as snowboards, fishing rods, or golf bags that adds 12 cubic feet of space, and under the bed is a lockable compartment with a full-sized spare tire. If you choose not to carry a spare, the compartment can hold another 7 cubic feet of space. The R1T will also be equipped with cameras, 3 massive screens, LIDAR radar, and ultrasonic sensors for level 3 autonomous driving. With 600 employees, 4 facilities, and \$450 million in backing, this truck will most likely be the first electric truck to actually hit the market.



Atlis XT: The Arizona based company is considered as the markets underdog by many experts in the truck industry due to the fraction of workforce they have compared to other companies and their very little funding. The Atlis XT will be available in a 2 and 4 door option with a base price of \$45,000, which will include features like up to a 500-mile range, a 15 minute charge time, a 0-60 of 5 seconds, and a top speed of 120 mph. The truck will also feature trailer hitch towing capabilities of up to 17,000 pounds, fifth wheel towing capabilities up to 35,000 pounds, and 5,000-pound payload capacity. The XT Pickup also offers the largest usable front-trunk storage area ever, which is capable of handling two large suitcases, your groceries, tool boxes, and more. Atlis also plans to add a bit of tech to their electric work truck by replacing rear view mirrors with side cameras that drivers can view on screens displayed on both sides of their steering wheel. The company also plans on having an adaptive cruise control option and adding advanced autonomous capabilities in the future. Atlis plans to hit the truck market by 2020, but customers have yet to show a prototype or any actual numbers.



Telsa Truck: We don't know much about the upcoming Tesla truck yet, but we do know is last year Elon Musk said we might get an unveil this year. Musk stated at one point the Tesla pickup could possibly go over the current 100 kWh battery packs, include a 240V power outlets for work tools, and will be made with all-wheel drive and have a dynamic suspension that adjusts per load. Musk also went into some design details in a podcast he participated in stating, "Well I can't talk about the details, but it's gonna be like a really futuristic like cyberpunk, "Blade Runner" pickup truck. It's gonna be awesome, it's gonna be amazing. This will be heart-stopping. It stops my heart. We wanna get gasoline, diesel pickup trucks off the road. It's gonna have a lot of titanium." Many experts are speculating this truck will be on the pricier and larger side of pickup trucks, which many are saying could very well be comparable in size with a Ford F350 or F450. Musk has even talked about this truck being a 6-seater with an option for 400 to 500 miles of range or higher. If I had to guess, I would say Telsa is waiting for the Rivian to be released so they can blow it away with their model. Musk continues to say the pickup is going to be a priority after the Model Y, but Tesla wants to debut its pickup in 2019.



The Letter Your Teenager Can't Write You

One of my wife's girlfriends passed this around and I thought it was worth sharing. When I first got out of college I had the opportunity to work with troubled and challenged youths. One commonality I found was that most of all seemed to lack what I call a strong "anchor" or "north star". I've learned in life that we all need an "anchor" or "north star" in place to help hold us steady and provide a sense of direction as we are blown, tumbled, and turned in the heavy winds of life. Just my two cents, but kids don't need parents who want to simply be their friends, kids need parents who want to act like parents, be their "north star", be their "anchor" and hold them accountable for doing the tough things in life! I believe the letter below, which was written by Harvard graduate Gretchen Schmelzer, helps solidify and more eloquently explain my overall thoughts...

Dear Parent:

This is the letter that I wish I could write.

This fight we are in right now. I need it. I need this fight. I can't tell you this because I don't have the language for it and it wouldn't make sense anyway. But I need this fight. Badly. I need to hate you right now and I need you to survive it. I need you to survive my hating you and you hating me. I need this fight even though I hate it too. It doesn't matter what this fight is even about: curfew, homework, laundry, my messy room, going out, staying in, leaving, not leaving, boyfriend, girlfriend, no friends, bad friends. It doesn't matter. I need to fight you on it and I need you to fight me back.

I desperately need you to hold the other end of the rope. To hang on tightly while I thrash on the other end—while I find the handholds and footholds in this new world I feel like I am in. I used to know who I was, who you were, who we were. But right now I don't. Right now I am looking for my edges and I can sometimes only find them when I am pulling on you. When I push everything I used to know to its edge. Then I feel like I exist and for a minute I can breathe. I know you long for the sweeter kid that I was. I know this because I long for that kid too, and some of that longing is what is so painful for me right now.

I need this fight and I need to see that no matter how bad or big my feelings are—they won't destroy you or me. I need you to love me even at my worst, even when it looks like I don't love you. I need you to love yourself and me for the both of us right now. I know it sucks to be disliked and labeled the bad guy. I feel the same way on the inside, but I need you to tolerate it and get other grownups to help you. Because I can't right now. If you want to get all of your grown-up friends together and have a 'surviving-your-teenager-support-group-rage-fest' that's fine with me. Or talk about me behind my back—I don't care. Just don't give up on me. Don't give up on this fight. I need it.

This is the fight that will teach me that my shadow is not bigger than my light. This is the fight that will teach me that bad feelings don't mean the end of a relationship. This is the fight that will teach me how to listen to myself, even when it might disappoint others.

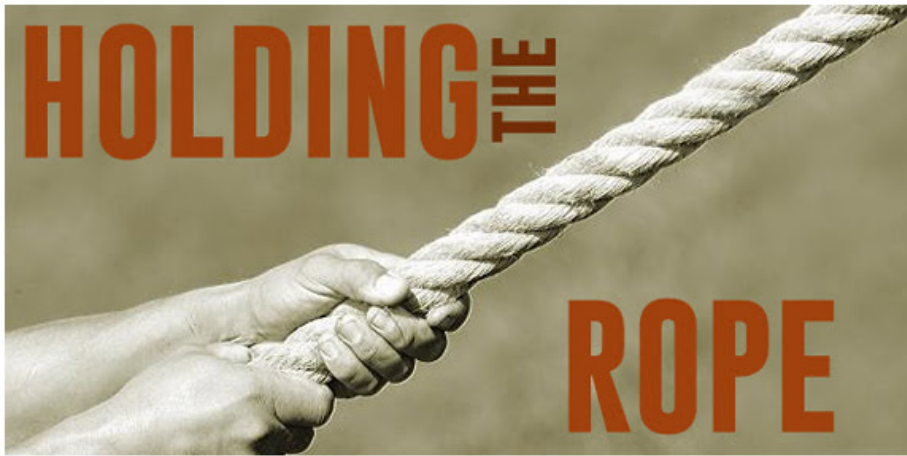
And this particular fight will end. Like any storm, it will blow over. And I will forget and you will forget. And then it will come back. And I will need you to hang on to the rope again. I will need this over and over for years.

I know there is nothing inherently satisfying in this job for you. I know I will likely never thank you for it or even acknowledge your side of it. In fact, I will probably

criticize you for all this hard work. It will seem like nothing you do will be enough. And yet, I am relying entirely on your ability to stay in this fight. No matter how much I argue. No matter how much I sulk. No matter how silent I get.

Please hang on to the other end of the rope. And know that you are doing the most important job that anyone could possibly be doing for me right now.

Love, Your Teenager



THEY DON'T NEED PERFECT.
THEY JUST NEED YOU!



TO BE IN YOUR
CHILDREN'S MEMORIES
TOMORROW, YOU HAVE

TO BE IN THEIR LIVES
TODAY.

- BARBARA JOHNSON



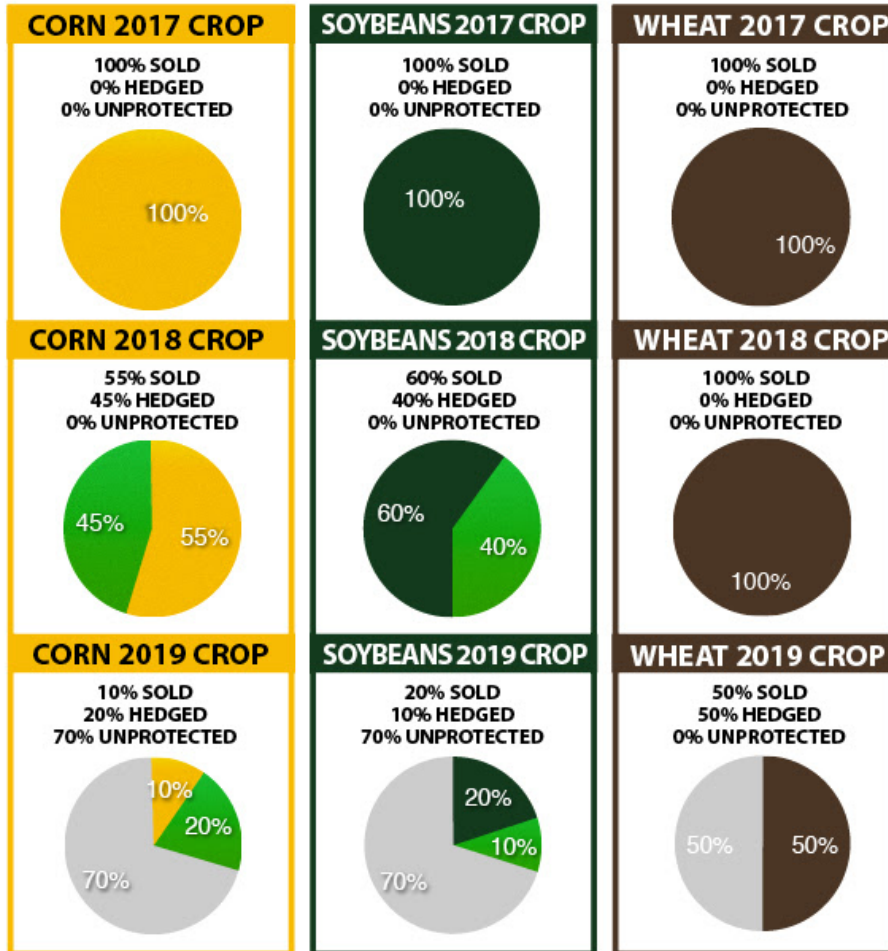
It is not what you do for
your children,
but what you have taught
them to do for themselves,
that will make them
successful human beings.

Ann Landers

ANSWER to riddle: A Wedding Ring.

CASH SALES & HEDGING TOTALS

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