

GOOD MORNING: 01/29/19 Farm Direction - Van Trump Report

1 message

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

Tue, Jan 29, 2019 at 7:22 AM

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"When I stand before God at the end of my life, I would hope that I would not have a single bit of talent left and could say, I used everything you gave me." - Erma Bombeck

TUESDAY, JANUARY 29, 2019
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Morning Summary: Morning Summary: Stock bulls pause as big name companies like Caterpillar and Nvidia deliver disappointing news. The slowdown in China, Latin America and the rest of the global economies continue to weigh on the minds of investors. Industrial equipment giant Caterpillar delivered their biggest earnings miss in a decade. Caterpillar also issued an earnings outlook for the remainder of 2019 that was also lower than Wall Street had forecast. Nvidia added to the negativity tone by coming out a few weeks early and warning that their earnings are going to be much weaker than expected, also because of the slowdown in China. Goldman Sachs warned last week that Nvidia, Broadcom, Micron Technology, Qualcomm, Qorvo, Skyworks Solutions and Wynn Resorts would struggle as they get more than half their sales from greater China. Keep in mind, we will hear from Apple this afternoon after the market closes. Apple has already warned about weaker iPhone sales in China. Tire maker Goodyear and FedEx have also said that softness in the global economies was hurting their profits. Remember, China's economic growth in 2018 cooled to its slowest pace in almost 30-years. Of China's 31 provinces, regions and municipalities, at least 23 have now cut their economic growth targets for this year. Bottom-line, slowing global economic growth continues to fuel negative headlines and dilutes forward guidance. From a technical perspective, the market seems somewhat split and in heavy debate. If we round the numbers, the S&P 500 topped out and made an all-time high at around 2941 back in September. It then fell to a low of 2346 in late-December. It has since recovered by almost exactly 50% to 2644. Bears argue the bounce has happened way too fast and is clearly a bull trap. Bulls say the sell-off towards the end of 2018 was way overdone and stoked by computer trading models, hence justifying the quick and aggressive bounce back to the upside. Oil prices were also under aggressive pressure yesterday, but recovered after Washington imposed sanctions on Venezuelan state-owned oil firm PDVSA in a step set to severely curb the OPEC member's crude exports to the U.S. The U.S. government is supporting Venezuelan opposition leader Juan Guaido, who proclaimed himself interim president last week and is demanding the resignation of current President Nicolas Maduro. Let's also not forget, the Fed will begin its two-day meeting today with Federal Open Market Committee projected to hold interest rates steady. The trade sees only a small chance of a rate increase in the first half of 2019 and only a modest possibility of a rate increase in the second half of the year. However, the trade wants to know how "flexible" they are in regards to tapering their balance sheet? Many traders want to argue that tapering is still tightening, hence a continued hawkish stance by the Fed. It will be interesting to see if they become more flexible in their language on Wednesday? I included below a simple graphic that includes the logo's of all the big names reporting corporate earnings this week. Today's highlights will include earnings from Verizon, Pulte Group, Pfizer, Allergan, eBay, Biogen, Lockheed Martin, Amgen, Harley Davidson, and Apple. Tomorrow and Thursday will be even larger wave. In summary, there are just a ton of major headlines in the air this week, continue to expect extreme swings in the stock market.

Today In History



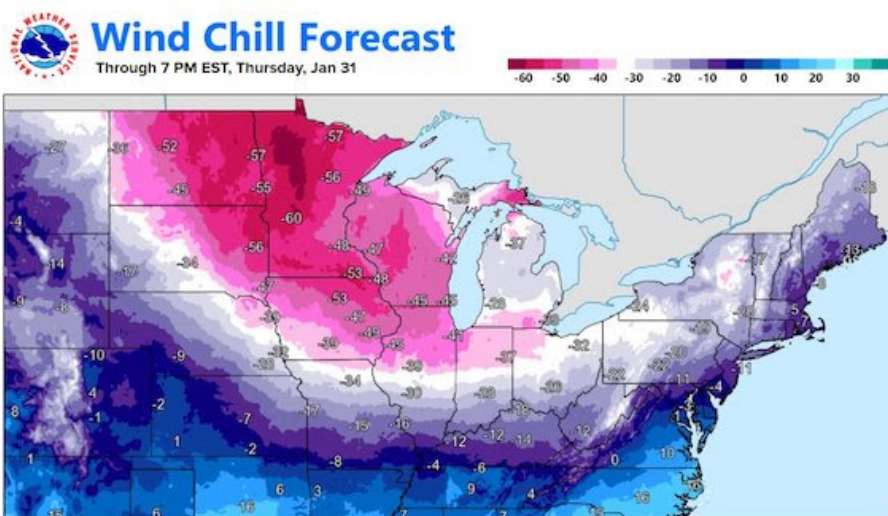
1820, King George III Dies

- Ten years after mental illness forced him to retire from public life, King George III, the British king who lost the American colonies, dies at the age of 82. In 1760, 20-year-old George succeeded his grandfather, George II, as king of Great Britain and Ireland. His life and with it his reign, which were longer than those of any of his predecessors, were marked by a series of military conflicts involving his kingdoms, much of the rest of Europe, and places farther afield in Africa, the Americas and Asia. Early in his reign, Great Britain defeated France in the Seven Years' War, becoming the dominant European power in North America and India. However, many of Britain's American colonies were soon lost in the American War of Independence. Further wars against revolutionary and Napoleonic France from 1793 concluded in the defeat of Napoleon at the Battle of Waterloo in 1815. Although he hoped to govern more directly than his predecessor had, King George III was unable to find a minister he could trust, until 1770, when he appointed Lord North as his chief minister. Lord North proved able to manage Parliament and willing to follow royal leadership, but George's policy of coercion against the American colonists led to the outbreak of the American War for Independence. The subsequent loss of England's most profitable colonies contributed to growing opposition to the king, but in 1784 his appointment as prime minister, William Pitt (the younger), succeeded in winning a majority in Parliament. After Pitt's ascendance, the king retired from active participation in government, except for occasional interference in major issues such as Catholic Emancipation, which was defeated in 1801. In 1765, the king suffered a short nervous breakdown and in the winter of 1788-89 a more prolonged mental illness. By 1810, he was permanently insane. It has been suggested that he was a victim of the hereditary disease porphyria, a defect of the blood that can cause mental illness

EARNINGS WHISPERS		Most Anticipated Earnings Releases									
for the week beginning		January 28, 2019									
Monday		Tuesday		Wednesday		Thursday		Friday			
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	
 CATERPILLAR	 AK Steel	 Verizon	 Apple	 Alibaba Group	facebook	 GE	amazon.com	 ExxonMobil			
 SCORPIO	 Whirlpool	 AMD	 Microsoft	 UPS	 Citigroup	 Edwards	 MERCK				
 Alcoa	 Celanese	 Pfizer	align	 at&t	TESLA	 Altria	DECKERS - BRANDS -	 Honeywell			
 CRANE	 3M	ebay	 McDonald's	 PayPal	VISA	 Aflac	proofpoint	 SONY			
 Bank of America	 WOODWARD	NUCOR	illumina	 SiriusXM	 Veeva	NOKIA	enova	 Cigna			
CADENCE	ETHAN ALLEN	 Biogen	AMGEN	 QUALCOMM	 Raytheon	 McKesson	 Dominion Energy				
 OpusBank	 Meta	 CORNING	stryker	 Anthem	 ServiceNow	 ABIOMED	 Symantec				
 PROVIDENT	 SAP	 JUNIPER	 ADP	 Nasdaq	 CREE	 VALERO	 Atlantic Capital				
 ORIX	 SOUTH STATE	 Allergan	 CN								
http://eps.shival		© 2019 Earnings Whispers									

Consumer Confidence figures are also due out this morning, which likely will reveal how much the government shutdown affected Americans. However, other economic reports are set to be delayed. The Bureau of Economic Analysis is pushing off the initial look at Q4 gross domestic product and December personal income reports scheduled for this week because of the just-ended five-week shutdown. (Source: SeekingAlpha)

Weather Update: Northern Americans know a thing or two about cold weather. But the unusually cold temperatures expected this week are extremely dangerous. Some areas of the country might see actual temperatures dip into the -30s and -40s, with a wind chill as low as the -60s. The hardest-hit zone will span from Minnesota and Iowa through Michigan, including Minneapolis, Des Moines, Green Bay, Milwaukee, Madison, Chicago, Indianapolis and Detroit. "Wind chills ... should be the coldest since the mid-1990s in parts of the eastern Dakotas, Minnesota, Iowa, Wisconsin and northern Illinois," tweeted the National Weather Service. Some areas of the country might flirt with all-time historical low temperatures. The Weather Service office serving Chicago is predicting temperatures will remain below zero for 60 consecutive hours, from Tuesday afternoon through Thursday. Only eight times since 1872 has Chicago recorded subzero highs on at least two consecutive days, the most recent being early February 1996. Milwaukee and Madison also face bone-chilling cold. In its forecast discussion for the region, the Weather Service wrote that the danger of the predicted temperatures "can't be overstated," noting they will be 30 to 40 degrees below normal. In Des Moines, where the wind chill may dip to minus-40 on Wednesday, the Weather Service is not mincing words. "THIS HAS THE POTENTIAL TO BE LIFE-THREATENING COLD AIR!!!," its forecast discussion said. "This is the coldest air many of us will have ever experienced." I urge everyone to be extremely cautious!



when not treated. He spent the rest of his life in the care of his devoted wife, Charlotte Sophia, whom he had married in 1761. Following his retirement from public life, his son, the Prince of Wales, was named regent and upon his father's death in 1820 ascended to the throne as King George IV.



1843, William McKinley

Born - On this day in 1843, future President William McKinley is born in Niles, Ohio.

McKinley fought bravely as a Union infantryman in the Civil War and was awarded a battlefield commission by Union officer and fellow future President Rutherford B. Hayes. After the war, McKinley passed the bar and practiced law in Ohio. He served as a member of Congress from 1877 to 1890. His congressional career ended with his conception of the unpopular McKinley tariff, which set import tax rates at 50 percent, placing an undue burden on working-class Americans. Despite this setback, McKinley won back public support, becoming governor of Ohio in 1891 and running for the presidency in 1896. The next year, McKinley became America's 25th president. He was joined in office by Vice President Theodore Roosevelt. Early in his first term, McKinley faced down the declining yet truculent Spanish empire in a controversial war that gained territory for the United States. The Spanish-American War began on April 25, 1898, following an explosion on the American battleship USS Maine in Cuba the previous February that killed 266 American servicemen and ignited American accusations of sabotage on the part of Spain. Though the Spanish were never proven to be responsible for the explosion (and probably were not), American newspapers pounced on the episode to drum up support for U.S. intervention in Spain's colonial affairs. Newspaper baron Randolph Hearst published exaggerated reports of Spain's brutal repression of independence movements in its Caribbean and Pacific territories to win public support for the war. After only four months of fighting, the United States gained control of Puerto Rico, Guam, Cuba and the Philippines. With the Spanish-American War, America embarked on an age of New Imperialism, during which the United States also annexed the kingdom of Hawaii. McKinley also left his imprint on the American economy through his initiation of the trust-busting era. He urged Congress to appoint the U.S. Industrial Commission of 1899-1902 to investigate corruption and greed in railroad-pricing policy, industrial monopolies and the impact of immigration on labor markets. Though McKinley, who was assassinated in 1901, did not live to see the results of the commission's work, his vice president, Theodore Roosevelt, zealously implemented the commission's anti-trust recommendations during his term in the White House. McKinley's commission ultimately contributed to the dismantling of the country's largest trusts: the Standard Oil Company and J.

FARM TANK

Tweets of the Day



Chad E. Colby
@TheChadColby

Following



P. Morgan's Northern Securities Corporation. Ironically, it was labor concerns that inspired McKinley's assassin, Leon Czolgosz. A former steelworker, Czolgosz (pronounced cholgaush) participated in labor strikes and demonstrations in the late 1800s and witnessed violent police repression and the subsequent firing of his fellow workers. Influenced by American anarchists, he adopted the philosophy that the only way to end the oppression of the working class was the complete dismantling of the government. His political beliefs turned to fanaticism, which prompted fellow radicals to officially distance themselves from him; they even declared him a government spy. The isolated Czolgosz idolized Gaetano Bresci, an anarchist who assassinated Italy's King Umberto I on July 29, 1900. The following year, on September 6, 1901, Czolgosz approached McKinley at the Pan-American Exposition in Buffalo, New York, and shot the president twice at point-blank range. The mortally wounded president lingered for a week, finally succumbing to blood poisoning on September 14. Jurors pronounced Czolgosz guilty and sentenced him to death by electrocution on October 29, 1901. Unapologetic, his last words were I killed the president because he was the enemy of the good people—the good working people. I am not sorry for my crime. McKinley became the third U.S. president to be assassinated, after Abraham Lincoln and James Garfield.



1891, Last Monarch of Hawaii Islands - Following the death of her brother, King Kalakaua, Liliuokalani becomes the last monarch of the

Hawaiian Islands. Hawaii, first settled by Polynesian voyagers sometime in the eighth century, saw a massive influx of American settlers during the 19th century, most coming to exploit Hawaii's burgeoning sugar industry. In 1887, under pressure from U.S. investors and American sugar planters, King Kalakaua agreed to a new constitution that stripped him of much of his power. However, in 1891, Liliuokalani ascended to the throne and refused to recognize the constitution of 1887, replacing it instead with a constitution that restored the monarchy's traditional authority. Two years later, a revolutionary "Committee of Safety," organized by Sanford B. Dole, a Hawaiian-born American, staged a coup against Queen Liliuokalani with the support of U.S. Minister John Stevens and a division of U.S. Marines. Stevens recognized Dole's new government on his own authority and proclaimed Hawaii a U.S. protectorate. Dole submitted a treaty of annexation to the U.S. Senate, but most Democrats opposed it, especially after it was revealed that most Hawaiians did not want annexation. President Grover Cleveland sent a new U.S. minister to Hawaii to restore Queen Liliuokalani to the throne under the 1887 constitution, but Dole refused to step aside and instead



Facts & Funny
@factsfunnyweb

Following

The lowest temperature recorded on earth was negative -133.6 degrees Fahrenheit in Antarctica. #cold #freezing #antarctica #facts



You Had One Job
@YouHadOneJOB

Following

When you're too lazy to build a snowman.



proclaimed the independent Republic of Hawaii, which was organized into a U.S. territory in 1900. Liliuokalani herself spent much of the remainder of her life in the United States, where she unsuccessfully petitioned the federal government for compensation for seized property and other losses. The territorial legislature of Hawaii finally voted her an annual pension of \$4,000 and permitted her to receive the income from a small sugar plantation. In addition to her political fame, Liliuokalani is also known for composing many Hawaiian songs, including the popular "Aloha Oe," which translates to "Farewell to Thee."

Upcoming Events

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

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

Fri. 02/01 - Unemployment, Grain Crashings

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



Machine Pix
@MachinePix

Following

A flame weeder for organic farming.



WHAT I'M LISTENING TO:



Brantley Gilbert, Lindsay Ell
"What Happens In A Small Town"

Kevin's Song of the Week

NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

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



Boone and Crockett

@BC_Club1887

Following

According to the Boone and Crockett Club and the Pope and Young Club this whitetail buck taken during the 2018 Illinois archery season could be the largest hunter-taken non-typical whitetail on record. #hunting #fairchase

boone-crockett.org/news/featured_...



the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

**L.T., Assistant Deputy Administrator
for Farm Programs USDA**

My Own Personal Truisms

"Not To Trade, is often considered a good trading decision..."

"First Rule of HOLES: When you are in one stop digging..."

"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."

"Bulls make money, Bears make money, but pigs get slaughtered..."

"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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

- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.



Super 70s Sports
@Super70sSports

Following

If you didn't risk your life at least twice a day growing up in the 70s, you were doing it wrong.



ActionComplete
@ActionComplete

Following

Don't ask what the world needs. Ask what makes you alive & go do it. B/c...

~Howard Thurman

[#inspiration](#) [#quotes](#)



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:

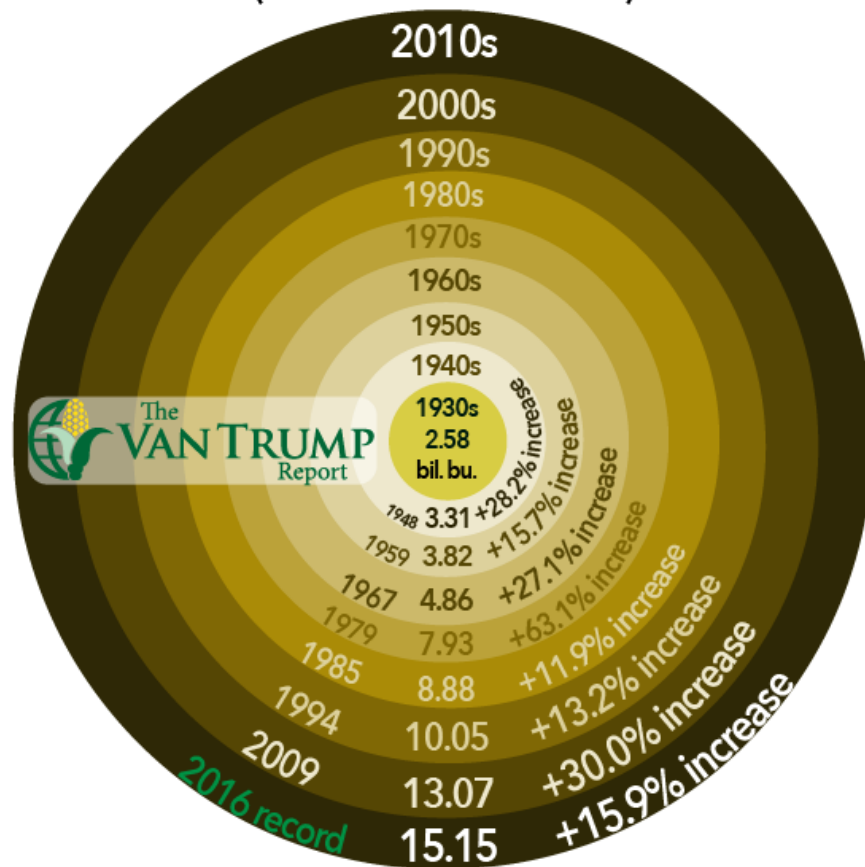
What has 3 feet but cannot walk?

Update on USDA Reports: The USDA confirmed the big reports that were scheduled to be released back on January 11th, including the quarterly Grain Stocks report, Annual Crop Production report and Winter Wheat Seedings, will all be released on February 8 along with the regularly scheduled monthly WASDE report. If the government remains open, the USDA's annual Ag Outlook Conference will go as scheduled on February 21st and 22nd. I've heard some traders say that weekly export sales data will start being released on Thursday, followed by the monthly Oilseeds and Grain Crushing reports scheduled for release on Friday. Just remember, back in 2013, it took the USDA a couple of weeks to get things back up to speed and current. The trade is also assuming the Commitments of Traders report will be released on Friday. I will update if and when I hear differently.

Corn prices remain choppy as traders wait on more detailed headlines about Chinese trade negotiations and South American weather. U.S. and Chinese trade talks are scheduled to take place in Washington on Wednesday and Thursday. Bulls are hoping to hear talk of U.S. corn, ethanol, and DDG's mentioned in conversation. Bears are pointing to a slightly improved South American weather forecast, a bit more rain in dry portions of Brazil, and a bit less in overly wet portions of Argentina. Bears are also pointing to a quicker than normal soybean harvest in several key growing regions in Brazil. Hence a quicker pace to planting second-crop corn, which ultimately helps improve the odds of rainfall running short later in the growing season. Bottom-line, there's still a ton of second-crop weather uncertainty in Brazil and that will remain the case for the next 45 to 60 days. Here at home, traders are eager to start seeing updated USDA data. There's some continued debate between the bulls and bears regarding U.S. export and ethanol demand. Bears are obviously saying the USDA might need to trim their current forecast a touch for both exports and ethanol as each have fallen a bit below expectations as of late. There's also the argument that U.S. exports will soon start running into stiffer competition from South America and Ukraine. I continue to hear debates about planted U.S. corn acres in 2019. With not a ton of fall field work done, cash-flow tight, and U.S. bankers not wanting to expand lines-of-credit, it might be tough to gain the corn acres many have been forecasting. I think it's still way too early to give a very accurate forecast, but my money's on just a slight bump higher, not nearly the jump some have been talking about. As a producer, I'm keeping hedges in place and upside potential open. End users should be looking at stepping in and taking small bites on the breaks. Technically, the market continues to feel trapped between nearby support down at \$3.75 and nearby resistance up at \$3.85. If you want to talk longer-term, simply add +20 cents to the upper-end of the range making it \$4.05 per bushel, and subtract -20 cents from the lower-end of the range making it \$3.55 per bushel.



U.S. Decade High Corn Production (in billion bushels)



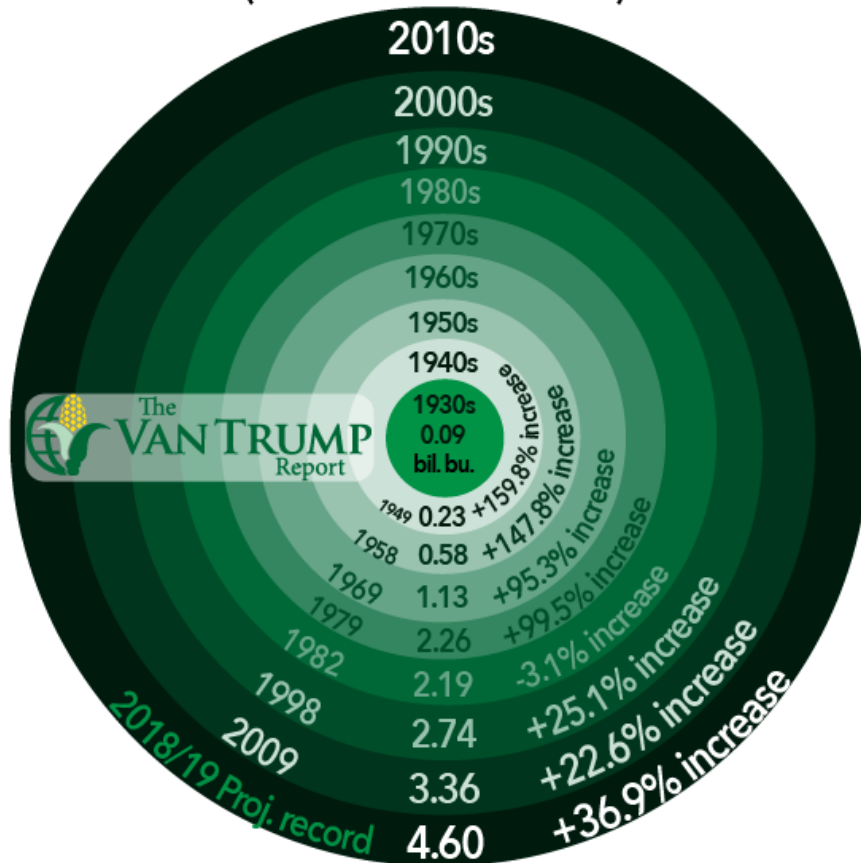
Source: USDA, Crop Production Historical Track Records

Soybean traders have paused a moment ahead of U.S. and Chinese trade talks, Bears are pointing to what appears to be a less threatening South American weather forecast. Bears are also noting a fairly aggressive harvest pace in Brazil and more stiff U.S. export competition coming online. There's was also production and export updates released from Brazil's oilseed industry association. The group cut Brazil's 2018-19 soybean production by -3 MMTs to 117.9 MMTs, which might have been a bit of a disappointment. It feels like the bulls are wanting to see a number sub-116, which I think eventually happens. Similar to corn it feels like the market wants to take a "wait-and-see" approach at the moment, especially with another round of Chinese trade talks ready to happen. As you can see from the chart I included below, we continue to bump up against nearby resistance. Since last-July, the market has spent the majority of its time oscillating between \$8.75 and \$9.25 per bushel. We certainly are at the upper-end of that range. Producers who feel they are behind in sales may want to take a long,

hard look. As a spec, I remain on the sideline, but I'm starting to like the thought of selling any type of knee-jerk reaction to the upside.



U.S. Decade High Soybean Production (in billion bushels)

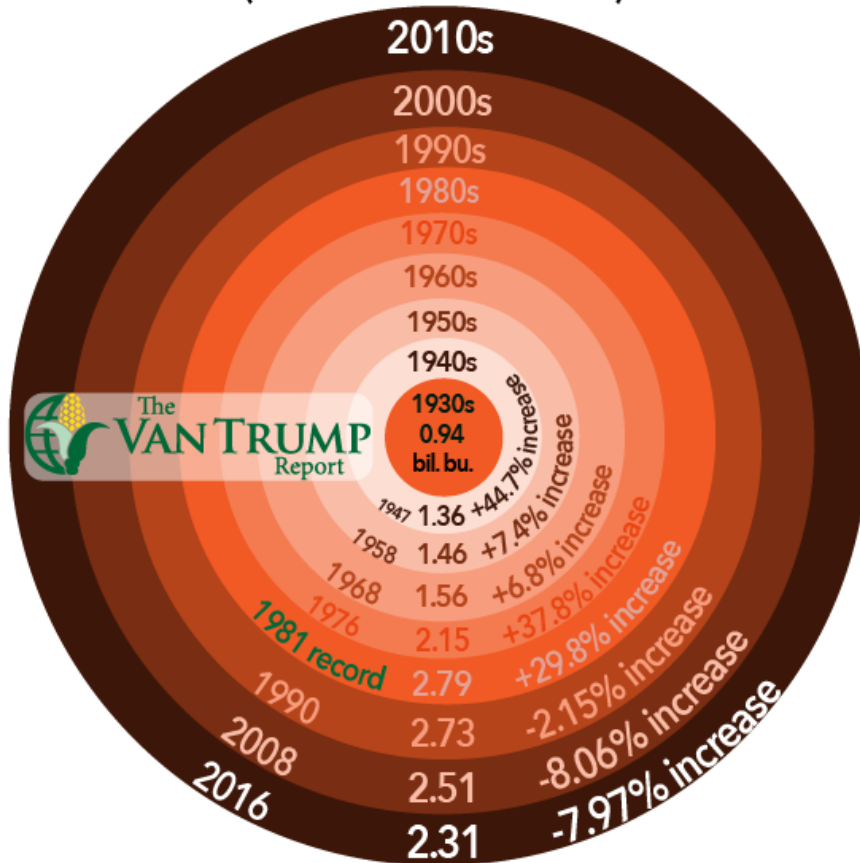


Source: USDA, Crop Production Historical Track Records

Wheat remains a market without much nearby direction. Russia's Ag Ministry lowered their export estimate for 2018/19 from 37 MMT down to 36 MMTs. This was no big news to the market as the USDA's been at 36.5 MMTs with their estimate. The Russian's also lowered their forecast for 2019/20 production. Rather than the 70 MMTs produced last year, they are talking more like 67 MMTs in the year ahead. Many inside the trade are questioning that estimate thinking it could be a bit too conservative, noting that Russia likes to toss out some conservative estimates every now and then and this might be one of them. I will be paying close attention. A Russian wheat crop sub-65 MMTs would certainly be worth a bullish nod. Egypt's GASC put out a tender for wheat yesterday for mid-March delivery. The last time Egypt made a sizable purchase it was sourced from Russia. The trade should know the results today as to who's the most competitive, so we could see a bit of volatility depending on how the U.S. fares and if Russia loses their

grip on global exports. If U.S. exporters don't start gaining more business soon the USDA will have no choice but to further reduce their export forecast, ultimately making the balance sheet more burdensome. Bulls are pointing to fewer U.S. wheat acres than expected and increasing chances of winter-kill as temperatures fall to extremes in several key locations. Bulls are focused on portions of Illinois, Indiana, Kansas, Kentucky Missouri, and Nebraska that have little to no snow-cover. I'm not exactly certain how many total acres are in harms way with the plummeting temperatures, but the market doesn't seem to be giving it much consideration at all. I remain a conservative bull but perhaps for all the wrong reason. Staying patient and sticking with my longer-term plan.

U.S. Decade High Wheat Production (in billion bushels)



> **Trade Talks With China Update:** Chinese vice premier Lui He will lead the delegation for second round of trade talks with U.S. officials Wednesday through Thursday. From what I understand, President Trump will join the talks on Thursday and meet with Liu. Remember, we are in the middle of a 90-day period in which the U.S. - China are attempting to resolve trade disputes.

> **Update on Government Market Facilitation Program:** U.S. Department of Agriculture has paid out \$5.94 billion as of Jan. 28 to farmers, a representative said on Monday, in aid designed to offset the negative impact of tariff imposition. The top five commodities that received aid were soybeans, corn, wheat, dairy and sorghum while the top five states were Illinois, Iowa, Kansas, Minnesota and Nebraska. The administration of President Donald Trump has pledged up to \$12 billion in aid to help offset losses for crops hit by retaliatory Chinese tariffs imposed in response to Washington's tariffs on Chinese goods. U.S. farmers now have until Feb. 14 to apply for federal aid designed to offset the impact of retaliatory Chinese tariffs on American

crops. The previous deadline for the aid program, officially known as the Market Facilitation Program (MFP), was Jan. 15. (Source: Reuters; USDA)

> **Abiove Cuts Brazilian Soybean Crop Forecast:** Abiove, Brazil's soybean processors association, has reduced their forecast of soybean production for the country down to 117.9 MMT, a reduction of 3 MMT. That estimate still sits on the upper end of most other projections which range from 116 MMT to 118 MMT.

> **African Swine Fever Slowing in China?** Transport restrictions have been lifted in 88 of the 105 areas where African swine fever was detected since last August, according to data from Agriculture Ministry data, which suggests the spread of the livestock disease has slowed. (Source: AgriCensus)

> **Don't Call It Meat In Nebraska:** Nebraska Senator Carol Blood reintroduced legislation to ban the use of the word meat on labels of plant-based, cell-cultured or insect-based products. If approved, the Bill will include a section that says anyone who "advertises, promotes, labels, represents illustrates, displays for sale, offers for sale, attempts to sale, or sells an insect-based, a plant-based, or lab-grown food product as meat" is in violation Nebraska's trade policies. (Source: Politico)

> **France's President Macron Said They Can't Ban Glyphosate:** At least not quickly anyway. Macron speaking recently said it is not feasible for France to eliminate the use of glyphosate within three years. Banning the herbicide would risk decimating certain ag sectors according to the French President.

> **Vital Wheat Silos Hit By Mortar-Fire:** Wheat silos in Yemen's port city of Hodeidah have been damaged by a fire caused by suspected mortar shelling, threatening food supplies for millions of hungry people. The blaze damaged two silos at the Red Sea Mills grains facility, which holds 51,000 tonnes of World Food Program (WFP) wheat — enough to feed 3.7 million people for a month in the war-torn country. Understand, this region has become the battle ground between Iranian-aligned fighters and Saudi-aligned fighters. The port used to supply food to Yemen's 30 million people became the focus of fighting last year, raising fears that a full-scale assault could cut off supply lines. (Source: Reuters)

> **South Korea Reports Foot-and-Mouth Outbreak:** South Korea has identified a case of foot-and-mouth disease at a dairy cow farm, the first discovery of the disease in the country since March last year. The affected cows at the farm will be culled and they have stepped up quarantine and disinfection measures including a temporary transport ban on livestock to contain any spread of the virus.

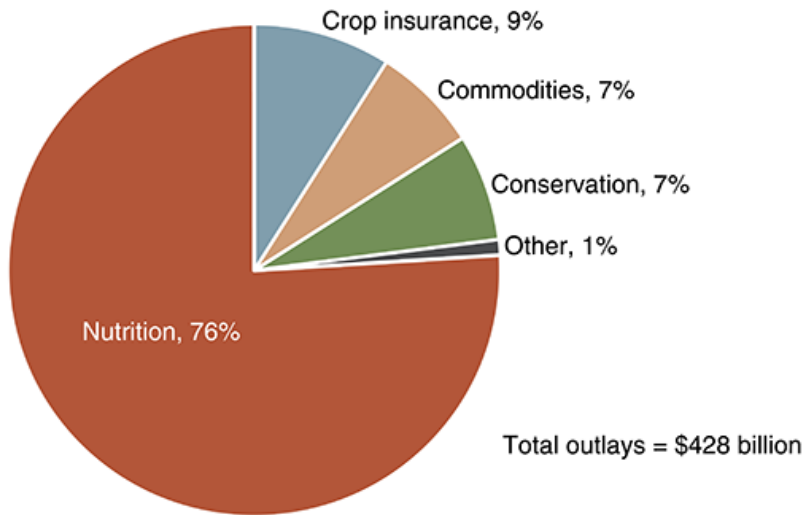
> **Dropbox Acquires Electronic Signature Start-Up HelloSign for \$230 Million:** Dropbox is now in competition with Adobe and DocuSign, and adds functionality that can potentially lure more big businesses to the company's core file sharing and collaboration products, where it contends with Apple, Google and Microsoft. Unfortunately, the stock hasn't done much to reward investors since its debut in March at \$21. (Source:CNBC)

> **Acorns is One Step Closer to a Billion-Dollar Valuation:** NBCUniversal, which is now Acorns', the investing and savings startup, biggest shareholder, will also receive a seat on the start-up's board. Series E funding round on Monday brings its valuation to \$860 million, with the new \$105 million cash injection coming from Comcast Ventures, NBCUniversal, Bain Capital Ventures, BlackRock, TPG's Rise Fund, DST and Michael Dell's MSD Capital.

> **Breakdown of 2018 Farm Act Outlays:** The Agriculture Improvement Act of 2018 (2018 fArm Act) was signed into law December 20, 2018, and will remain in force through the end of fiscal year 2023, although some provisions extend beyond 2023. The Congressional Budget Office projects that the new Farm Act will mandate spending of \$428 billion dollars over the next 5 fiscal years (2019-2023). Overall, the new Farm Act makes fewer changes to food and farm policy than the 2014 Farm Act. Nutrition, policy, particularly SNAP, will continue with minor changes. Crop insurance options and ag commodity programs will continue largely as under the 2014 Farm Act. All major conservation programs will continue, although some were modified significantly. (Source: USDA)

OVERVIEW

Projected outlays under the 2018 Farm Act, 2019-2023



Sources: USDA, Economic Research Service calculations based on Congressional Budget Office estimates.

FROM THE FIELD

Southern Indiana - *Not much is happening in this part of the world. Everyone has their grain locked away for at least the next couple of months. I'm not turning anything lose until the basis either improves or the futures market gets over \$4.00. I am hearing that some elevators are offering free DP so I just wanted to let guys know to keep their eyes open for that. We have everything on farm but we will definitely let the elevator take it if they let us store for free. Several months ago they were trying to make guys pay 40 cents up front just to store for 4 months which was complete nonsense.*

Central Kansas - *We don't farm too much but I help a few guys custom plant wheat. This year I didn't plant a single kernel that wasn't my own. We have a neighbor that usually lets us drill in about 1000 acres and he does the rest but I would say he maybe got 10% planted. The only reason we got ours planted is because we only planted two 80 acre fields this year. We are waiting for it to really freeze so we can get out there and get fertilizer put down. Right now we would just sink. We got the wheat planted but we didn't get a bit of dry fertilizer put down. The window was narrow and only allowed for a few acres.*

Northern Minnesota - *We are miserably cold up here. We are bouncing from 20-30 under to 0. Surprisingly 0 feels pretty decent. This time of year we just monitor grain while we haul to the ethanol plant. I'm going to go 50% wheat this spring, 30% corn and 20% soybeans. Right now, that soybean number is subject to change if we don't see at least a dollar under or better. We are close to being done hauling corn then it's off to Vegas for us to spend at least a few weeks in the warm weather.*

CROSSING WIRES

A place to share intelligent thoughts...

Seawater Seaweed Farming Pools May Have a Place: Seaweed contains numerous vitamins and minerals, including iodine, the deficiency of which is still considered a public health concern even in places like the U.S. It is high in antioxidants, and considered a good source of dietary fiber and protein, though it does tend to be high in sodium, but that doesn't stop Marine biologist Yossi Tal, the chief technology officer of algae farming company Seakura Ltd., from seeing seaweed as the future of sustainable farming. By farming on land in monitored pools, Seakura avoids polluting the sea, and the company also gets the added benefit of monitoring product quality. The seaweed produced by Seakura is 30% protein, Tal said. Seakura is currently growing 100 tons of seaweed a year. It is sold both fresh and frozen, mainly in Israel and Europe. Might be something to look into for those near the oceans. Read more [HERE](#).

Zuckerberg Pens Op-Ed Describing Companies Service "Complexities": Facebook Chief Executive Mark Zuckerberg recently wrote an op-ed in the Wall Street Journal, defending his company once again, and hitting out at "misreported" claims that the social network sells user data. The article, which is just over 1,000 words long, seeks to explain the reasoning behind Facebook's targeted advertising model and clear up confusion around its handling of people's personal information. Zuckerberg said that the lack of a price tag on Facebook's service has become an area of "complexity" when it comes to trying to understand its business model. "In an ordinary transaction, you pay a company for a product or service they provide," he wrote. "Here you get our services for free — and we work separately with advertisers to show you relevant ads. This model can feel opaque, and we're all distrustful of systems we don't understand." Read the op-ed [HERE](#).

Stuck in Your Creative Process? The first step of making art is getting an idea, then of course you have to create the art. The only problem is that making something creative has never even once been that simple. The distance between concept and execution tends to take on the jagged shape of monster teeth—and feel equally as daunting. Self-doubt, burnout, blockage, and pulling out fistfuls of one's hair are but some of the lesser-heralded symptoms of the creative process. For anyone currently lost in that liminal space where art is supposed to happen, however, help is on the way. Comedy-adjacent musicians Aimee Mann and Ted Leo have a new podcast called The Art of Process, which essentially maps out the terrain of creative limbo and guides listeners through it, with plenty of detours for funny digressions along the way. Read more [HERE](#) to find out how this new idea originated and how they hope to unlock your inner artist!

95% of Super Bowl Bets Will Be Illegally Placed: Super Bowl LIII between the New England Patriots and Los Angeles Rams will be the first NFL title game since legal sportsbooks began popping up in states outside of Nevada -- and Americans will have a lot riding on it. From friendly wagers to barroom pools, an estimated \$6 billion will be wagered by Americans on the Super Bowl, according to survey results released Monday by the American Gaming Association, a trade group representing the casino industry. Interestingly, even though there are seven more states to allow legal betting on the Super Bowl than a year ago, an overwhelming amount of bets for Sunday's game — about 95% — will continue to be made with bookies, offshore sportsbooks or acquaintances, or illegally in other words. The percentage of legal bets, 5.3% was calculated by USA TODAY Sports from a survey released Monday by the American Gaming Association. From what I'm told, some of the offshore operators are still offering attractive pricing that will keep customers engaged. If the states over-tax (bettors), it will be hard to kill the offshore business, according to insiders. Read more [HERE](#).

Boeing's Passenger Air Vehicle Takes Next Step: Boeing revealed that their autonomous "Passenger Air Vehicle" (PAV), an air taxi prototype, had successfully completed a controlled takeoff, hover and landing at their testing facilities in Manassas, Virginia on Tuesday. I should mention that there is a big reason why the idea of urban air travel gets so much investment, despite also being something of a parody at times (what, really, differs a flying car or taxi from, say, a small plane?). With estimates that 68% of us will reside in cities by 2050, and those cities are going to be big, air taxis could be considered a necessity. For now, the majority of the 120+ air taxi concepts currently in the market are just that - concepts. A handful of models have made the jump to functioning prototypes, and should Boeing's PAV pass through the next round of testing, which focuses the transition phase between vertical and forward-flight modes — historically, the biggest engineering hurdle eVTOL vehicles face — it will arguably be the most promising air tax model to grace the skies. Check out a short video [HERE](#).



Farming Simulator Steps Into the ESports Arena in 2019

Farming Simulator, a long-running video game series which allows players to farm, breed livestock, grow crops, and sell produce will now be elevated to eSports League status in 2019. From what I understand the Farming Simulator League will involve 10 tournaments taking place around Europe, and ending with the best teams competing at a final event for the 'Farming Simulator Champion' title with over \$300,000 in prize winnings. According to Esports Insider, this is certainly one of the more unusual and unpredictable event announcements for esports in recent times, especially considering the impressive prize pool. I know there are a lot of gamers in America hoping the league gains traction and moves stateside as well in the near future. I should mention Christian Ammann, CEO of GIANTS Software, creators of the game are hoping to introduce to the world to a new side of farming, believing they have found the right mix of real farming and fun to play game elements ensuring everyone will find it entertaining. I'm told, of the million plus users of Farming Simulator as many as 25% of them are connected to farming in some way, with around 8-10% being full-time, professional farmers. It's worth noting that not only will the new league be held in the brand new Farming Simulator 19, but it will also move from bale stacking to a competitive 3 vs 3 mode where teams challenge each other to determine who is the best on the field. The game will, of course, stand true to its roots in farming and combine real field work like harvesting with fun and challenging game elements. Interestingly, as the popularity grows, manufacturers are already lining up to see their farm vehicles featured in-game. There are over 300 vehicles and tools to use from all the leading brands, including John Deere, Case IH, New Holland, Challenger, Fendt, Massey Ferguson, Valtra, Krone, Deutz-Fahr, and many more, it's up to you how to specialise as you develop and expand your farm from one of three unique starting situations. All players begin with no property but plenty of money to build the farm of your dreams, or go for a more hardcore playstyle of a small starting farm with limited resources. If you or your kids have never played it before you can see how

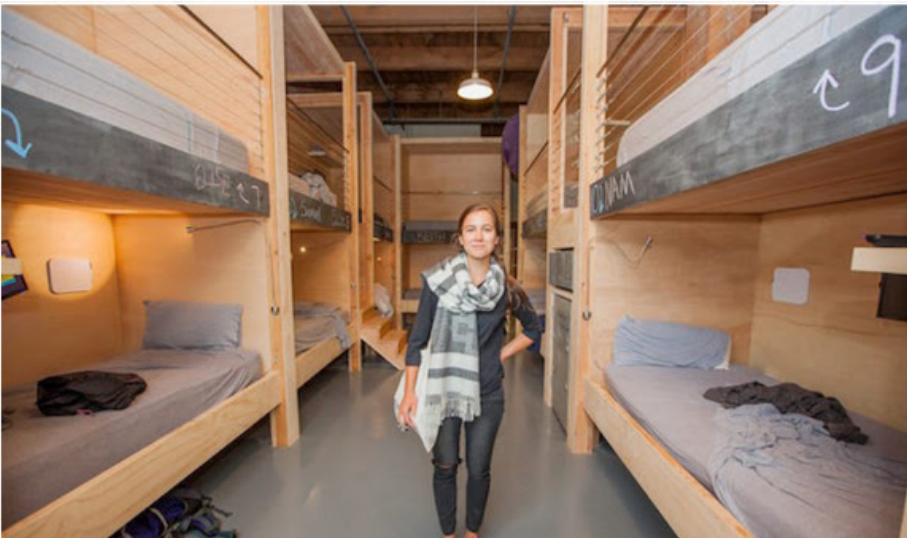
Farming Simulator 19 operates [HERE](#) . The graphics are amazing. Since I don't play video games, it truly amazes me to see how realistic the imagery is compared to games from a few years back. I included below a few screen shots. (Source: [esportinsider](#), [theguardian](#), [farming-simulator.com](#))



Adult Like Dorms... Sharing is Becoming More Popular

California Landmark Group is dipping a toe into the "co-living" market, which means they are providing shared living spaces and amenities to renters in their new complex called C1 that's located at [4210 Del Rey Avenue](#) near Marina del Rey. Typically, a co-living renter has a private bedroom and can pay a bit more for a private bathroom, but shares the kitchen, living room and other communal spaces with other renters. These shared

living units will come furnished with granite countertops, big-screen HD television sets, and ice makers. These co-living units average around 1,650 square feet and the price per tenant is about \$2,000 per month. Unlike rent in the standard units, the cost of rent in a co-living unit includes all utilities, special events, building-wide WiFi, and services like home cleaning, etc. Co-living residents can also pay extra for services, including wash-and-fold laundry, dog walking, and maid services. Residents of the co-living units also have access to regular resident amenities like the rooftop patios, 24-hour fitness centers, tanning booths, billiards, barbecues, and resort-style pools with cabanas. Keep in mind, it has been announced the world's largest dorm-style co-living apartment building will soon be coming to San Jose, CA, which will nearly be an 800-unit building with rent ranging between \$800 to \$2,500. I've also read Medici Living Group has raised \$300 million as they plan to add 1,300 co-living units across various U.S. cities this year. In addition, a recent poll conducted by Development Finance Today revealed that 76% of industry professionals believed there would be a steady rise in co-living developments in 2019. Co-living complexes seem to be growing the most in European cities such as Berlin, London, and Dublin and are now starting to spring up in New York, Seattle, San Francisco, Los Angeles, and other American urban areas. It seems like this trend is growing due to millennials seeking experiences rather than possessions while having an appetite for more sociable lifestyles than previous generations as they continue to blur the lines between work, home, and play. Co-living also seems to be taking off because many college graduates are facing steep rents in desirable urban neighborhoods. I suspect this continues to become a trend in the future as the younger generations look to save as much money as possible to experience as much as they can in life. I find it interesting from a builder and developers perspective. If I could build large multi-tenant units but only have to finish out one massive kitchen, a theater room, business center, health facility, etc... it would provide huge cost savings. I've heard of some being built in New York that will be extremely nice, with tenants renting just a bedroom with a closet and bathroom attached. They say some are being planned that will have large community showers on each floor and you simply pay rent for your own bed. The old college days are coming back in style, perhaps they will have a ping-pong and foosball table in the dinning hall:)

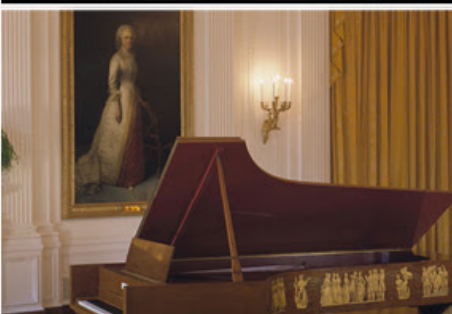
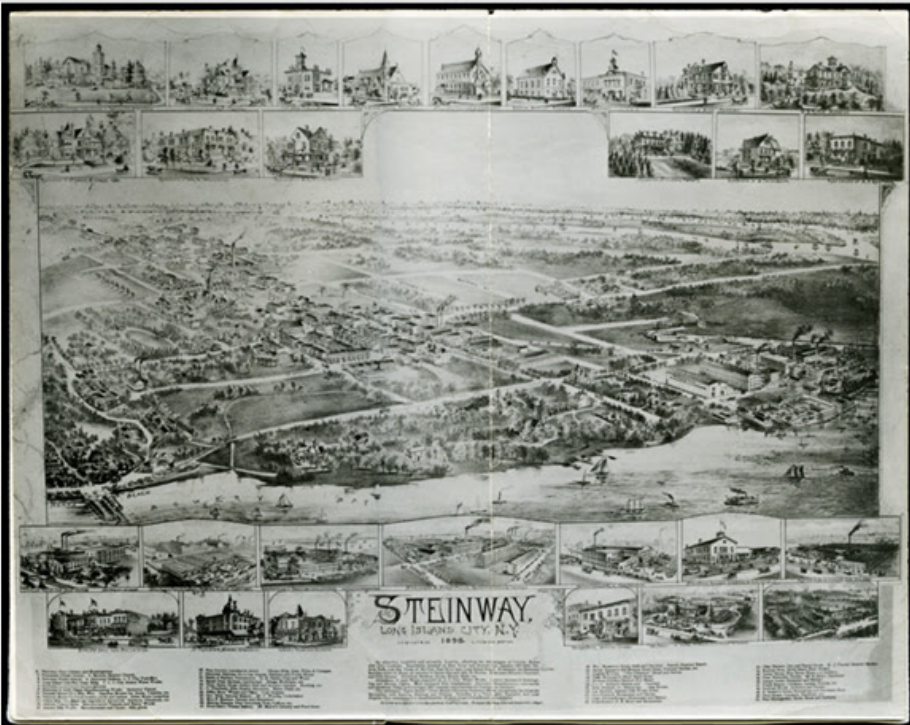


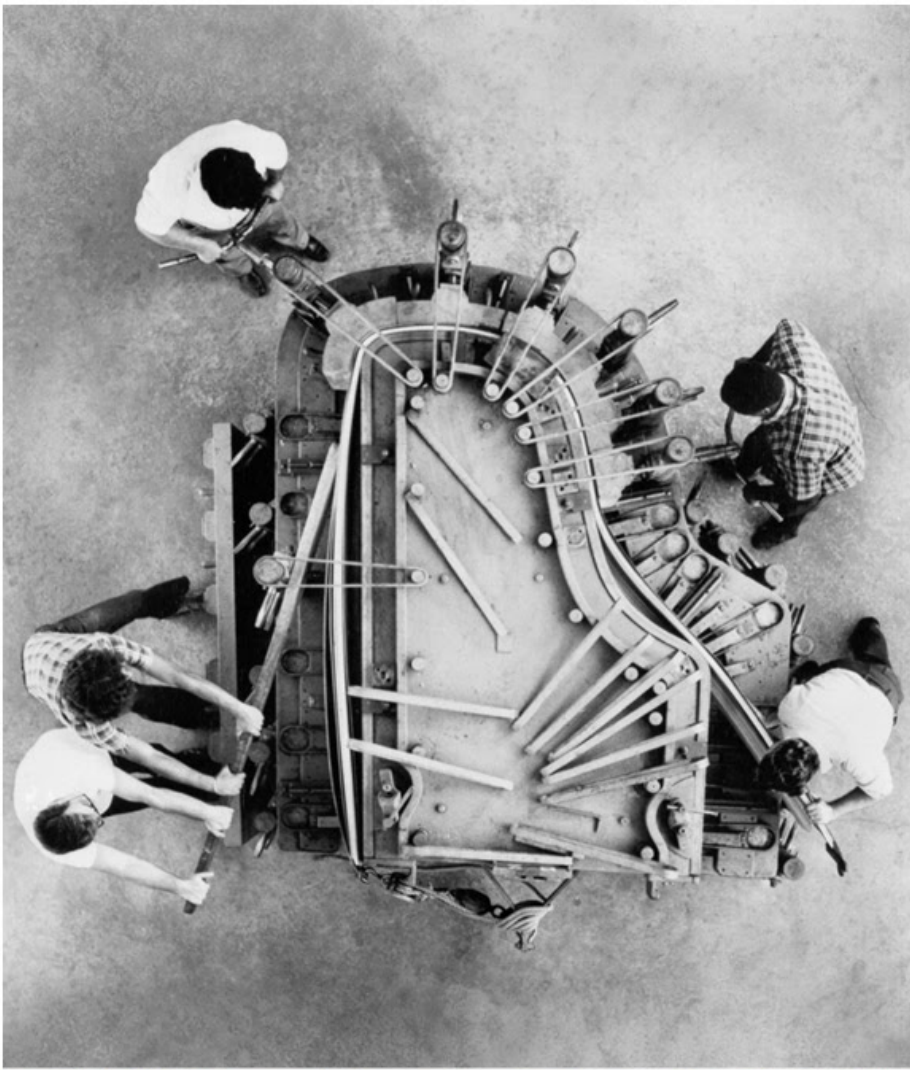


Great American Business Story... The Steinway

My wife and I were out the other night and a gentleman was playing the piano. No singing, no other instruments, just the piano... it was awesome! I always want to learn how to play the piano and may eventually give it a shot. I was watching him play on a Steinway & Sons and started thinking about the business. From what I learned, in 1850 a gentleman by the name of Heinrich Engelhard Steinweg immigrated to America with his sons. Upon arrival he changed his name to Henry E. Steinway. Three years later, in 1853, after building his first piano in the kitchen of his home, an American-German piano company was found and one of America's greatest success stories began. His first workshop in America was in a small loft at the back of [85 Varick Street](#) in the borough of Manhattan in New York City. From 1855 to 1862, Steinway pianos received numerous medals and awards for building one of the finest instruments in the world. By the mid-1860s, demand for Steinway pianos exploded, so the family built a new factory at Park Avenue between 52nd and 53rd Street where it covered an entire city block. They hired more than 350 employees, mostly German immigrants and the official language of the company was actually German. In the 1870's, son William Steinway established a company town called Steinway Village, in what is now the Astoria neighborhood of Queens in New York City. The employees of Steinway actually built their own town called Steinway Village, and it included a new factory that is still used today with its own foundry and sawmill, houses for employees, kindergarten, lending library, post office, volunteer fire department, parks, etc. Steinway Village later became part of Long Island City. Steinway Street, one of the major streets in the Astoria and Long Island City neighborhoods of Queens, is named after the company. As the company's success spread around the globe, and to service the high demand from European customers, the family established a new piano factory in the German city of Hamburg in 1880. In 1903, the 100,000th Steinway grand piano was given as a gift to the White House and President Theodore Roosevelt. The 100,000th Steinway grand piano was replaced in 1938 by the 300,000th, and given as a gift to President Franklin D. Roosevelt, which remains in use in the White House. Between 1941 and 1953, Steinway & Sons parachuted an estimated 3,000 specially designed upright pianos known as "Victory Verticals" to American soldiers fighting abroad in World War II. The soldiers would gather around the Steinway and sing popular American tunes reminding them of home. This not only united them but lifted their spirits during the war. In 1988, Steinway made its 500,000th piano which carries inscriptions of the names of famous artists that play Steinways including big names like, Irving Berlin, George Gershwin, Harry Connick, Jr., and Billy Joel. In 2003, Steinway celebrated its 150th anniversary at Carnegie Hall with a three-day concert series. Until his death on September 18, 2008 at the age of 93, Henry Z. Steinway, the great-grandson of the Steinway founder, still worked for Steinway and put his signature on custom-made limited edition pianos. At several public occasions, Henry Z. Steinway represented the Steinway family. He started at the company in 1937 after graduating from Harvard University. He was president of the company from 1955 to 1977 and was the last Steinway family member to be president of Steinway. In June 2013, private equity firm Kohlberg & Company offered to buy Steinway parent company Steinway Musical Instruments for \$438 million. Two months later hedge fund Paulson & Co. Inc. made a higher offer, \$512 million, to take the company private. The Steinway Musical Instruments board recommended that shareholders accept this, and in September 2013 Paulson announced completion of the acquisition. Throughout American history, the Steinway name has woven itself into the hearts of the American people through its dedication to high quality and pride in workmanship. Remember, each Steinway & Sons piano undergoes an intense three year journey when being built. The company will only use Sitka Spruce and Hard Rock Maple woods. Today, the Steinway & Sons piano has become a center for music and culture, and provides an outlet for all creative minds. What an amazing success story! I've included below some amazing pictures and a link to short video that showcases the piano presented to the Whitehouse back in 1938 . Click [HERE](#)





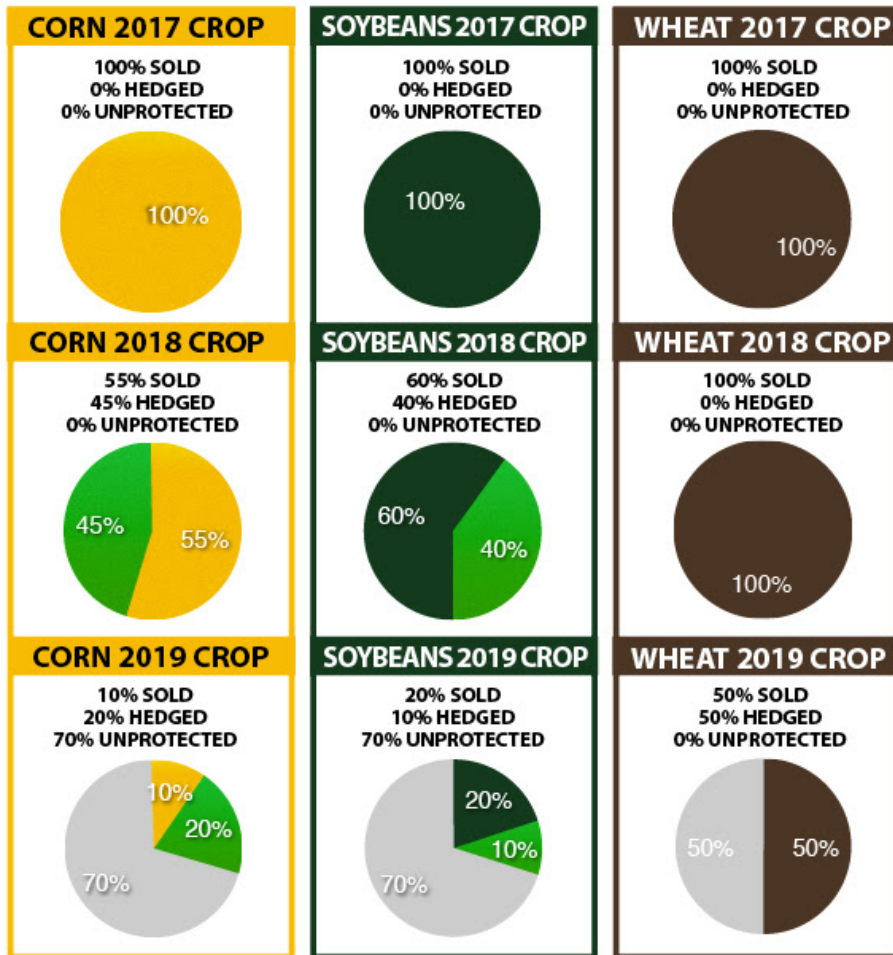




ANSWER to riddle: A yardstick.

CASH SALES & HEDGING TOTALS

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