

GOOD MORNING: 01/30/19 Farm Direction - Van Trump Report

1 message

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

Wed, Jan 30, 2019 at 7:21 AM

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Today In History

"Be brave enough to live life creatively." - Alan Alda

WEDNESDAY, JANUARY 30, 2019
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock are slightly higher this morning as bulls hope to hear from a more dovish Fed, followed by perhaps more optimistic headlines surrounding Chinese trade. The Fed will wrap up their two day meeting this afternoon and Chairman Jerome Powell is expected to speak at the news conference afterward. The meeting ends and an official statement is scheduled to be released at 1:00pm CST. Powell will follow with a press briefing at about 1:30pm CST. The trade is thinking Powell will be sticking closely to the scripted plays and not trying to add a lot of his own color, which seemed to spook the market in a few previous press conferences. One recent example is after the December meeting, Powell described the Fed's program to wind down its balance sheet as being on "autopilot." That comment rattled some of the big players on Wall Street. From my perspective, market insiders are really wanting to hear more about the Fed's balance sheet plans and if "tapering" remains a must. The trade is also eager to hear more about the Fed's overall view of "flexibility" and how it relates to data dependency and overall patience in raising rates. As for Chinese trade talks, bears remain concerned about a few recent developments. On Monday of this week, the U.S. Justice Department unveiled criminal charges against Chinese business giant Huawei Technologies, which include violation of U.S. sanctions on Iran and stealing trade secrets from U.S. companies. At the same time, Chinese representatives met with the World Trade Organization on Monday, to begin the process of legally challenging U.S. tariffs on Chinese exports. China said the U.S. tariffs are "a blatant breach" of WTO policy. The timing of these events are what has the market a bit uncertain. Are the two nations just jockeying for position or are tensions starting to heat back up? Bears are also pointing to forward looking Consumer Confidence, which is future expectations relative to current conditions. When that gap widens like it has since October, rougher roads are generally ahead for the U.S. economy. In simple terms, individual consumers and business owners start to become a bit more hesitant to spend because of nervousness and uncertainty about the future of economic growth. That hesitation is what can create the headwind that many are worried about. Today will be another huge day for corporate earnings with releases scheduled for Wynn Resorts, Visa, U.S. Steel, Tesla, AT&T, PayPal, Microsoft, Mondelez, McDonalds, Alibaba, Boeing, and Facebook to name a few.

What You Need to Know About Apple Earnings: *Apple earnings rose +7% to \$4.18 a share, up +7% vs. a year earlier and +1 cent above fiscal Q1 views. Revenue fell to \$84.3 billion, narrowly topping lowered estimates. Apple sees fiscal Q2 revenue at \$55 billion to \$59 billion, with the \$57 billion midpoint well below the consensus for a -4% drop to \$58.83 billion. What I found interesting is the fact Apple showed its "services unit" had a 62.8% gross margin, which is the percentage of revenue left after subtracting the costs of goods sold. The company's overall gross margin was a whopping 38%. Services revenue climbed +19% to \$10.9 billion. Apple has said it wants to get its services revenue up closer to \$50 billion by 2020. On a conference call with analysts, Apple CEO Tim Cook did say that cloud services revenue was up 40 percent year over year, that the number of Apple Pay transactions more than doubled to 1.8 billion and that Apple News now has more than 85 million monthly active users. (Source: Investors Business Daily; CNBC, The Wall Street Journal)*

Interesting.... Smartphone Market in China Drops -14%: *Smartphone shipments in China fell to 396 million units last year, the lowest level since 2013. Also worrisome is the fact this marks the 7th straight quarterly decline. Also*




1649, King Charles I executed for treason - In London, King Charles I is beheaded for treason on January 30, 1649. Charles

ascended to the English throne in 1625 following the death of his father, King James I. In the first year of his reign, Charles offended his Protestant subjects by marrying Henrietta Maria, a Catholic French princess. He later responded to political opposition to his rule by dissolving Parliament on several occasions and in 1629 decided to rule entirely without Parliament. In 1642, the bitter struggle between king and Parliament for supremacy led to the outbreak of the first English civil war. The Parliamentarians were led by Oliver Cromwell, whose formidable Ironsides force won an important victory against the king's Royalist forces at Marston Moor in 1644 and at Naseby in 1645. As a leader of the New Model Army in the second English civil war, Cromwell helped repel the Royalist invasion of Scotland, and in 1646 Charles surrendered to a Scottish army. Charles refused to accept his captors' demands for a constitutional monarchy, and temporarily escaped captivity in November 1647. Re-imprisoned on the Isle of Wight, Charles forged an alliance with Scotland, but by the end of 1648 Oliver Cromwell's New Model Army had consolidated its control over England. In 1648, Charles was forced to appear before a high court controlled by his enemies, where he was convicted of treason and sentenced to death. Early in the next year, he was beheaded. The monarchy was abolished and a republic called the Commonwealth of England was declared. In 1658, Cromwell died and was succeeded by his eldest son, Richard, who was forced to flee to France in the next year with the restoration of the monarchy and the crowning of Charles II, the son of Charles I. Oliver Cromwell was posthumously convicted of treason, and his body was disinterred from its tomb in Westminster Abbey and hanged from the gallows at Tyburn.

interesting is the fact Huawei's market share increased by +16%, while Apple shipments fell by -13% and down for the third consecutive year. You can read the report in full detail at [Canalys](#).

Worldwide smartphone shipments and annual growth					
Canalys Smartphone Market Pulse: Q4 2018					
Vendor	Q4 2018 shipments (million)	Q4 2018 Market share	Q4 2017 shipments (million)	Q4 2017 Market share	Annual growth
Apple	71.7	19.8%	77.3	20.0%	-7.3%
Samsung	70.3	19.4%	74.2	19.2%	-5.3%
Huawei	60.5	16.7%	41.1	10.6%	+47.3%
Oppo	31.8	8.8%	26.3	6.8%	+20.6%
Xiaomi	26.4	7.3%	27.2	7.0%	-3.0%
Others	101.8	28.1%	140.7	36.4%	-27.6%
Total	362.5	100.0%	386.9	100.0%	-6.3%




Source: Canalys Smartphone Analysis (sell-in shipments), January 2019

US Home Price Growth Slumps To Multi-Year Lows: Minutes after Pulte Homes' CEO warning that 2019 will be a "challenging year" for homebuilders, Case-Shiller reports its 20-City Composite price index rose just 4.68% YoY in November. Making this the weakest home price growth since January 2015. All 20 cities in the index showed year-over-year gains, led by a 12 percent increase in Las Vegas and 8.1 percent advance in Phoenix. The weakest gains were in Washington, Chicago, and San Diego. New York also had a subdued increase, at 3.5 percent. The data further underscore a slowdown in the housing market, along with figures showing sales cooled throughout 2018 as mortgage rates increased, compounding the problem of affordability for many potential buyers already facing steep property prices and scarce supplies. Finally, as Bloomberg notes, housing will likely weigh on US growth for the first time since 2012. (Source: [ZeroHedge](#); Bloomberg)

Walgreens and CVS Now Fixing Teeth: You can already get checked and treated for strep throat and other viruses at many drugstores and minute clinics around the nation. Now, CVS as well as Walgreens are going to offer teeth cleaning and straightening in their stores. CVS Health is running a trial with SmileDirectClub, a start-up that sells teeth straightening kits directly to consumers over the internet, to fit people for invisible braces in CVS' drugstores. In working with SmileDirectClub, CVS has added a so-called SmileShopExpress inside six of its drugstores where people can get a 3D scan that will be used to create their invisible braces. In addition, Walgreens opened an Aspen Dental office that offers everything from cleanings to Invisalign to crowns in one of its Florida stores, which already has plans to open another this year. Looks like both of these pharmacies are committed to making "health" easier and more convenient for customers. Keep in mind, Walgreens has already added FedEx and Sprint kiosks in many stores and is currently working with Birchbox to improve their beauty aisles. CVS, meanwhile, in November closed a roughly \$70 billion acquisition of health insurer Aetna and now plans to turn its pharmacies into health hubs. (Source: CNBC)

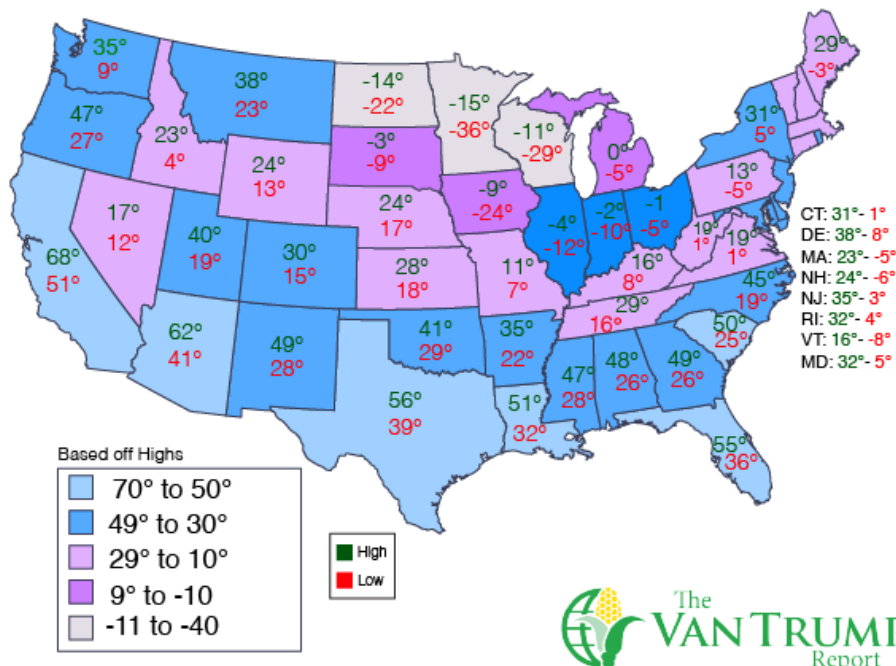
Interesting Historical Weather Data: The map below indicates the coldest temperature ever recorded in all 50 states, according to the National Oceanic and Atmospheric Administration (NOAA). One of the most interesting facts is that every state in the continental U.S. has seen temperatures drop below zero. Even Florida dropped to 2 degrees below zero on Feb. 13, 1899, in Tallahassee. This occurred during an Arctic outbreak during which numerous all-time record low temperatures were set, including Washington D.C. (15 degrees below zero); Atlanta, (9 degrees below zero); and Dallas (8 degrees below zero). Flurries were even reported from Tampa to New Orleans during that massive outbreak. The only state that has not seen a subzero temperature is Hawaii. The coldest temperature recorded in Hawaii is 12 degrees at the Mauna Kea Observatory, which is at an elevation of 13,796 feet, on May 17, 1979. Of course, as expected, the coldest temperature in the U.S. was set in Alaska. The mercury plummeted to 80 degrees below zero on Jan. 23,



1948, Gandhi Assassinated
 - Mohandas Karamchand Gandhi, the political and spiritual leader of the Indian independence movement, is assassinated in New Delhi by a Hindu fanatic. Born the son of an Indian official in 1869, Gandhi's Vaishnava mother was deeply religious and early on exposed her son to Jainism, a morally rigorous Indian religion that advocated nonviolence. Gandhi was an unremarkable student but in 1888 was given an opportunity to study law in England. In 1891, he returned to India, but failing to find regular legal work he accepted in 1893 a one-year contract in South Africa. Settling in Natal, he was subjected to racism and South African laws that restricted the rights of Indian laborers. Gandhi later recalled one such incident, in which he was removed from a first-class railway compartment and thrown off a train, as his moment of truth. From thereon, he decided to fight injustice and defend his rights as an Indian and a man. When his contract expired, he spontaneously decided to remain in South Africa and launched a campaign against legislation that would deprive Indians of the right to vote. He formed the Natal Indian Congress and drew international attention to the plight of Indians in South Africa. In 1906, the Transvaal government sought to further restrict the rights of Indians, and Gandhi organized his first campaign of satyagraha, or mass civil disobedience. After seven years of protest, he negotiated a compromise agreement with the South African government. In 1914, Gandhi returned to India and lived a life of abstinence and spirituality on the periphery of Indian politics. He supported Britain in the First World War but in 1919 launched a new satyagraha in protest of Britain's mandatory military draft of Indians. Hundreds of thousands answered his call to protest, and by 1920 he was leader of the Indian movement for independence. He reorganized the Indian National Congress as a political force and launched a massive boycott of British goods, services, and institutions in India. Then, in 1922, he abruptly called off the satyagraha when violence erupted. One month later, he was arrested by the British authorities for sedition, found guilty, and imprisoned. After his release in 1924, he led an extended fast in protest of Hindu-Muslim violence. In 1928, he returned to national politics when he demanded dominion status for India and in 1930 launched a mass protest against the British salt tax, which hurt India's poor. In his most famous campaign of civil disobedience, Gandhi and his followers marched to the Arabian Sea, where they made their own salt by evaporating sea water. The march, which resulted in the arrest of Gandhi and 60,000 others, earned new international respect and support for the leader and his movement. In 1931, Gandhi was released to attend the Round Table Conference on India in London as the sole representative of the Indian National Congress. The meeting was a great disappointment, and

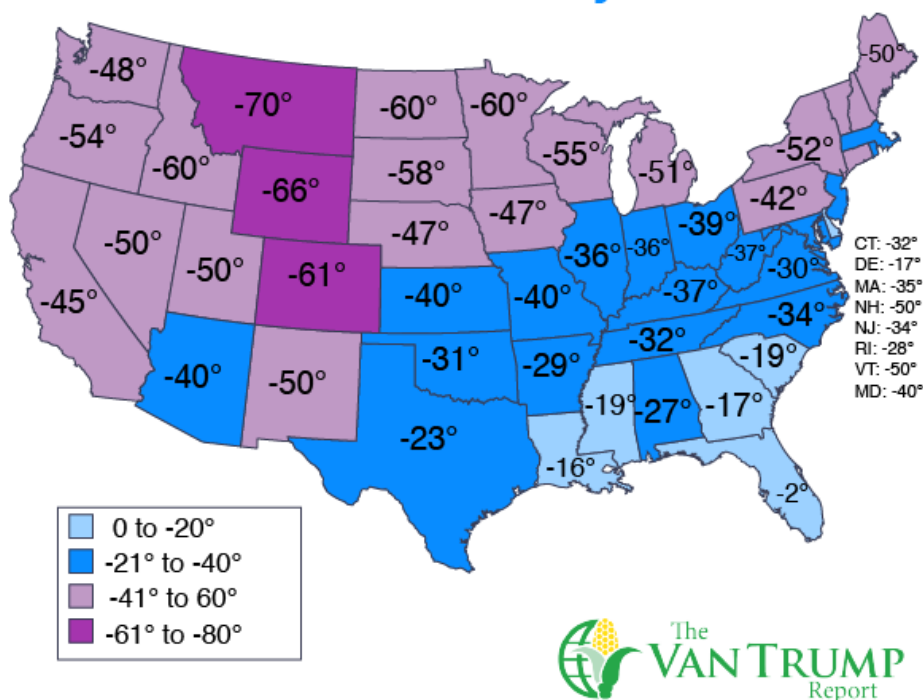
1971 in Prospect Creek in central Alaska, north of Fairbanks. The coldest temperature recorded in the contiguous U.S. is 70 degrees below zero, measured at Rogers Pass, Montana, on Jan. 20, 1954. (Source: [The Weather Channel](#))

Weather for Wednesday Jan 30th Highs & Lows in Fahrenheit



after his return to India he was again imprisoned. While in jail, he led another fast in protest of the British government's treatment of the "untouchables"—the impoverished and degraded Indians who occupied the lowest tiers of the caste system. In 1934, he left the Indian Congress Party to work for the economic development of India's many poor. His protege, Jawaharlal Nehru, was named leader of the party in his place. With the outbreak of World War II, Gandhi returned to politics and called for Indian cooperation with the British war effort in exchange for independence. Britain refused and sought to divide India by supporting conservative Hindu and Muslim groups. In response, Gandhi launched the "Quit India" movement in 1942, which called for a total British withdrawal. Gandhi and other nationalist leaders were imprisoned until 1944. In 1945, a new government came to power in Britain, and negotiations for India's independence began. Gandhi sought a unified India, but the Muslim League, which had grown in influence during the war, disagreed. After protracted talks, Britain agreed to create the two new independent states of India and Pakistan on August 15, 1947. Gandhi was greatly distressed by the partition, and bloody violence soon broke out between Hindus and Muslims in India. In an effort to end India's religious strife, he resorted to fasts and visits to the troubled areas. He was on one such vigil in New Delhi when Nathuram Godse, a Hindu extremist who objected to Gandhi's tolerance for the Muslims, fatally shot him. Known as Mahatma, or "the great soul," during his lifetime, Gandhi's persuasive methods of civil disobedience influenced leaders of civil rights movements around the world, especially Martin Luther King Jr. in the United States.

Coldest Temperatures in State History



1968, Tet Offensive begins -

At dawn on the first day of the Tet holiday truce, Viet Cong forces—supported by large numbers of North Vietnamese troops—launch the largest and best coordinated offensive of the war, driving into the center of South Vietnam's seven largest cities and attacking 30 provincial capitals from the Delta to the DMZ. Among the cities taken during the first four days of the offensive were Hue, Dalat, Kontum, and Quang Tri; in the north, all five provincial capitals were overrun. At the same time, enemy forces shelled numerous Allied airfields and bases. In Saigon, a 19-man Viet Cong suicide squad seized the U.S. Embassy and held it for six hours until an assault force of U.S. paratroopers landed by helicopter on the building's roof and routed them. Nearly 1,000 Viet Cong were believed to have infiltrated Saigon, and it took a week of intense fighting by an estimated 11,000 U.S. and South Vietnamese troops to dislodge them. By February 10, the offensive was largely crushed, but with heavy casualties on both sides. The former Imperial capital of Hue took almost a month of savage

FARM TANK

Tweets of the Day



RRV&W Rail Road
@RRVWRAILROAD

Following

It's hard to capture the real feel outside today but this photo gives its a good effort. This GP 39-2 is working west of Lamoure, ND today. Wind chill is currently at -46F. [#trains](#) [#winter](#) [#grains](#) [#cold](#)



house-to-house combat to regain. Efforts to assess the offensive impact began well before the fighting ended. On February 2, President Johnson announced that the Viet Cong had suffered complete military defeat. General Westmoreland echoed that appraisal four days later in a statement declaring that Allied forces had killed more enemy troops in the previous seven days than the United States had lost in the entire war. Militarily, Tet was decidedly an Allied victory, but psychologically and politically, it was a disaster. The offensive was a crushing military defeat for the Viet Cong and the North Vietnamese, but the size and scope of the communist attacks caught the American and South Vietnamese allies by surprise. The early reporting of a smashing communist victory went largely uncorrected in the media and led to a psychological victory for the communists. The heavy U.S. and South Vietnamese casualties incurred during the offensive, coupled with the disillusionment over the earlier overly optimistic reports of progress in the war, accelerated the growing disenchantment with President Johnson's conduct of the war. Johnson, frustrated with his inability to reach a solution in Vietnam, announced on March 31, 1968, that he would neither seek nor accept the nomination of his party for re-election.

Upcoming Events

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

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

Fri. 02/01 - Unemployment, Grain Crushings

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

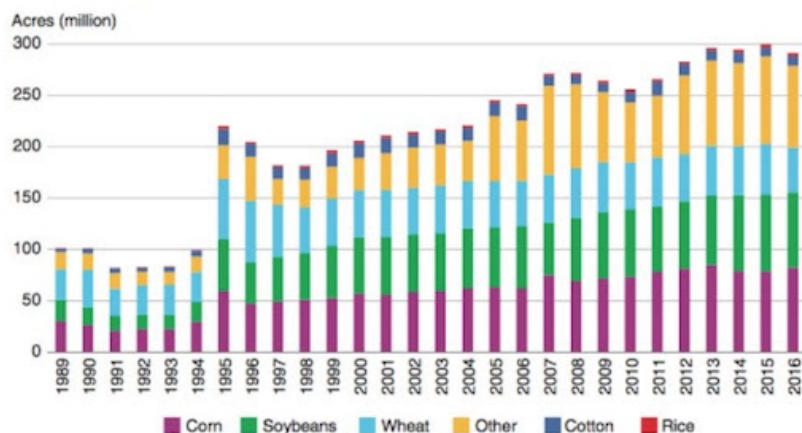
Fri. 02/22 - Export Sales, Cattle on Feed/Cold Storage

Mon. 02/25 - Export Inspections

Thurs 02/28 - Export Sales, Jobless Claims

Year-to-year changes of each crop's portion of total insured acres since 1989- #corn, #soybeans, #cotton, and #rice changed very little-Wheat's area, however, fell from 35% in 1990 to around 15% of total insured acres in 2016, as wheat plantings in the U.S. declined @USDA_ERS

Insured acres by crop, 1989-2016



Note: The category "Other" includes fruits, vegetables, nuts, seeds, other grains, tobacco, and other crops.
Source: USDA, Risk Management Agency, Summary of Business (2017b).

Never had so many ladies this happy to see me #ontag



WHAT I'M LISTENING TO: ▶



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

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

"I am a recent subscriber to Kevin's



Nathan Hrnicek
@NathanHrnicek

Following

3 weeks until planting here in McGregor TX.
#plant19



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 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,

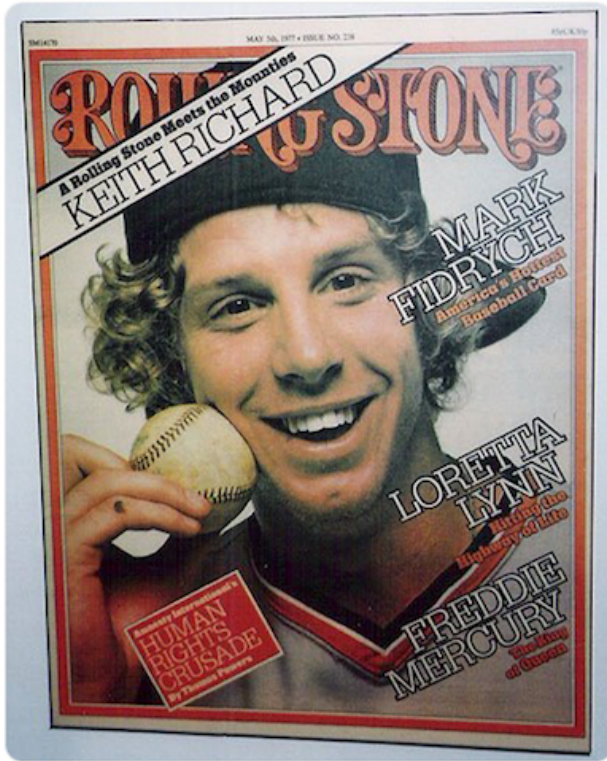


Baseball In Pics

@baseballinpix

Following

Mark "The Bird" Fidrych on the cover of Rolling Stone magazine, the only baseball player to make an appearance on the cover, May 5, 1977. #Tigers



nor do I initiate a "long" position in a market I am "bearish" longer-term.





ActionComplete
@ActionComplete

Following



The secret of getting ahead is getting started.

~Mark Twain

#quotes #motivation #action

The secret of getting ahead is
getting started

-Mark Twain

neuro mining



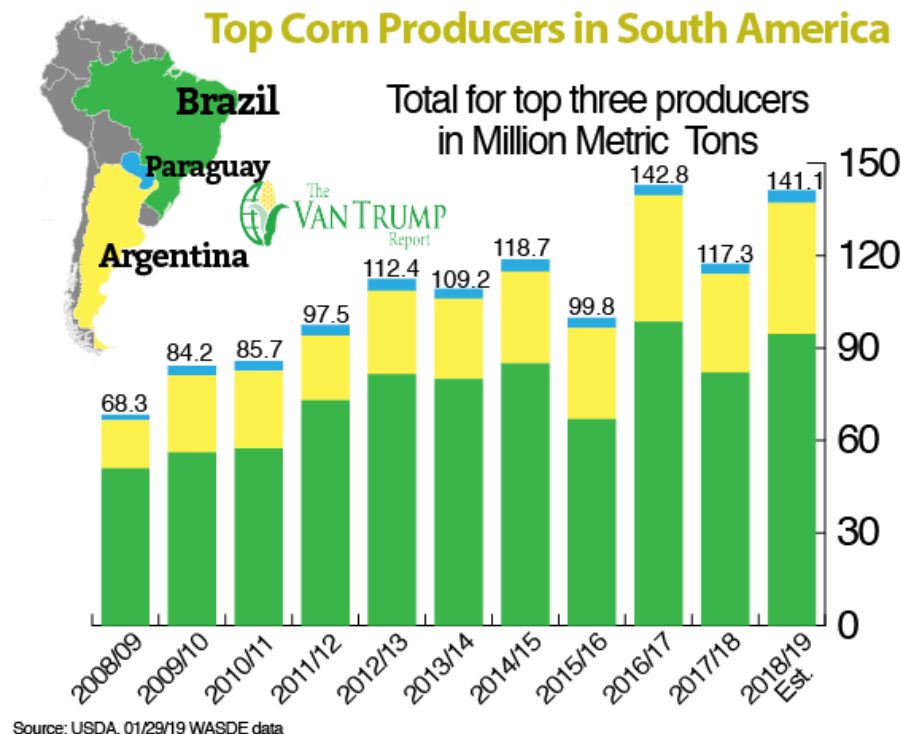
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

A magician was boasting one day at how long he could hold his breath under water. His record was 6 minutes. A kid that was listening said, "that's nothing, I can stay under water for 10 minutes using no types of equipment or air pockets!" The magician told the kid if he could do that, he'd give him \$10,000. The kid did it and won the money. Can you figure out how?

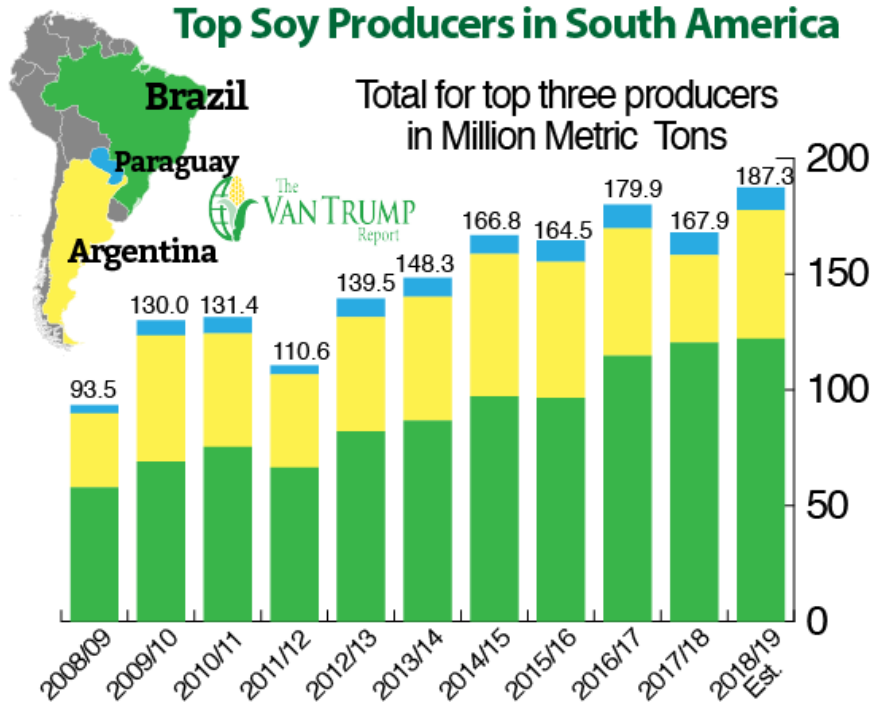
Corn price struggles to find direction and continues to chop around. Bears argue that dry conditions in parts of Brazil have improved a bit as of late and more rains have been added to the forecast. The 800-pound gorilla in the room remains Chinese trade negotiations. Another round of talks is starting today, perhaps we will know more by the end of the week. Traders also seem hesitant to jump in front of a wave of USDA data that is scheduled to be updated and released between now and February 8th, which is only seven short trading days away. I still am not certain as to when the USDA

will start releasing previously missed and current export sales data. I keep hearing different thoughts. Most all agree that some type of export data will be released on Thursday, it's just a question of what? As for basis, some areas might start seeing some strengthening as weather extremes continue to limit movement. As a producer, I continue to like the thought of reducing cash risk if the basis has strengthened significantly in your area. Re-owning the board with some type of limited risk strategy makes sense. I still feel like there's a lot of old-crop corn being held in on farm storage.



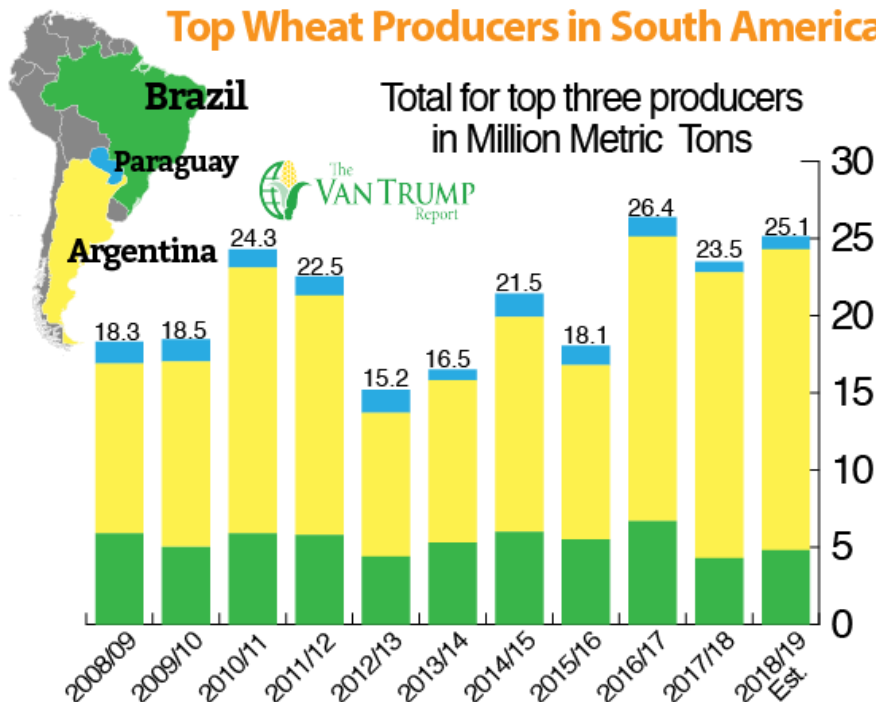
Soybean traders continue to take a "wait-and-see" approach. All eyes are on the two-day meeting which starts today in Washington. China is sending one of their top trade negotiators in Vice Premier Liu He, while U.S. Trade Representative Robert Lighthizer will lead trade discussions for the home team. Four other officials rounding out the U.S. delegation will include: Treasury Secretary Steven Mnuchin, Commerce Secretary Wilbur Ross, National Economic Council Director Larry Kudlow, and trade advisor Peter Navarro. This leadership team for the U.S. will be accompanied by senior officials from the White House, USTR, and the Departments of Agriculture, Commerce, State, and the Treasury. The group is trying to get China to agree to many structural changes that will make trade more fair for both nations. The two sides will also discuss China's pledge to purchase a substantial amount of goods and services from the U.S. i.e. energy and agriculture. Before we get overly optimistic, let's not forget, Chinese representatives met with the World Trade Organization on Monday, to begin the process of legally challenging U.S. tariffs on Chinese exports. China said the U.S. tariffs are "a blatant breach" of WTO policy. A U.S. representative at the meeting said China's claim was "unfounded" and countered that it is China to blame for "threatening the overall viability of the WTO system." Bottom-line, there's still a ton of uncertainty surrounding U.S. and Chinese trade relations. Producers should be paying extremely close attention. I personally like the thought of having sell-orders resting in place just in case we catch a major unexpected headline. As a spec, I currently like the thought of fading a sizable knee-jerk reaction to the upside. As for South America, I'm hearing Brazil will have about 15% of their soybean crop harvested this week, which is running well ahead of schedule. Areas in the southern parts of Argentina could get another round of heavy rain creating some additional complications. Bulls are willing to bet that weather and logistical uncertainty could create complications for South American exporters and that U.S. suppliers will ultimately reap the benefits. At this point, at least until I can learn more about the circumstances, I'm not willing to make that bet. I'm currently comfortable on the sideline and staying patient as the market sloshes around searching for fresh headlines.

Top Soy Producers in South America



Wheat prices remain near the lower-end of the range with most contracts now within 20 cents of their 1-year low. We continue to hear mixed data out of Russia. One day the Russian Ag Minister is saying new-crop wheat production is going to be down to around 67 MMTs. The next day we have the president of Russia's Grain Union saying wheat production could be 75 to 76 MMTs. At the same time, Egypt, the worlds largest wheat buyer, was bidding for wheat and U.S. supplies with cost and freight included were still not competitive with supplies out of France and Romania. Keep in mind, this is the first shipment of French wheat purchased by Egypt in over a year. As expected, this has bears pointing to more U.S. competition and more talk of the USDA needing to further reduce their U.S. export forecast, which ultimately creates a more burdensome balance sheet. Bulls are hoping fewer U.S. acres and extremes in weather will equate to less U.S. supply being harvested and offset the overall lack of strong demand. That story is still a long ways off on the horizon and the market is giving it very little consideration. Hence, bears continue to keep a lid on most all rallies.

Top Wheat Producers in South America





> Ethanol's Negligible Impacts On U.S. Land Use: According to new research in the *American Journal of Agricultural Economics*, U.S. production of corn ethanol has doubled since 2008 and corn prices spiked from 2008 to 2012. However, all of that had little impact on total cropland area changes. The study found that the increase in ethanol capacity alone led to a modest 3% increase in corn acreage and less than a 1% increase in total crop acreage by 2012 when compared to 2008. The effect of corn price and aggregate crop price on acreage change from 2008 to 2012 was more than twice larger than that of effective ethanol production capacity over this period. (Source: Ag & Applied Economics Association)

> CFTC's Plans to Release Commitment of Traders: From what I understand, the CFTC will release Commitment of Traders data this Friday that will show positions for the week ended 12/24/18. The following week the CFTC will release COT reports on both Tuesday and Friday until they are able to get current with the data is caught up to current.

> U.S Soybeans Approved for EU Biodiesel Use: Officials with the EU Commission have determined that the technical requirements have been met for the use of U.S. Soybeans for biofuels in the bloc. From what I understand, the action is valid until July 1, 2021, but authorization can be extended beyond 2021 if the plan puts in place the changes regarding the sustainability criteria in line with the requirements of the new revised Renewable Energy Directive, adopted last year for the period 2021-2030.

> SNAP Enrollment Lowest Since Recession: Some 38.6 million Americans were enrolled in SNAP at latest count, down by one-fifth from the peak of 47.6 million during fiscal 2013 and the slow recovery from the Great Recession. Enrollment will drop further, to 32 million people, during the coming decade, estimated the CBO in its budget outlook on Monday. (Source: CBO)

> Food Stamps Funded Through April: Under an "obscure provision" of the spending bill that ended the partial federal shutdown, USDA is empowered to pay SNAP benefits through April even if the three-week extension of funding expires on Feb. 15. (Source: Politico)

> Weakening Demand from China Hurt CAT's Profits: According to the equipment giant's last earnings report. The company said tariff-related costs totaled \$100 million over five months.

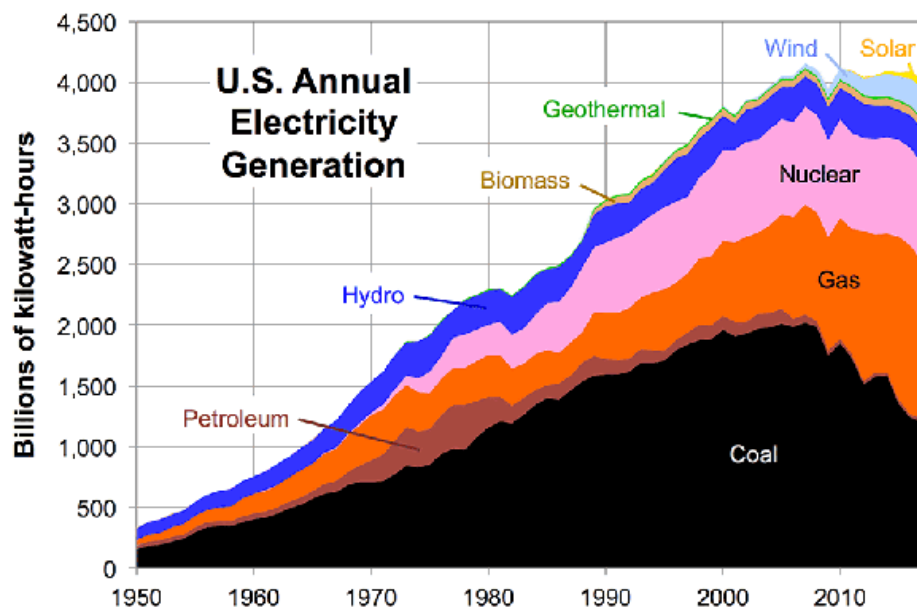
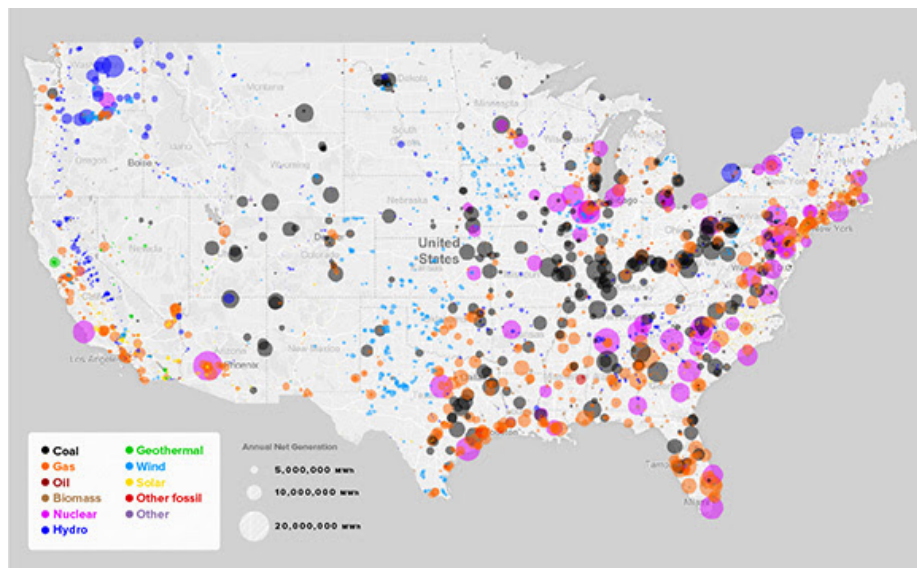
> Apple and Aetna Team Up on New Healthy Behavior App: Apple and insurance giant Aetna have teamed up on an iPhone and Apple Watch app that provides rewards to members who engage in healthy behaviors like getting regular exercise and more hours of sleep. Apple has also made clear that health care is a key area of future growth. The company has a variety of health-related initiatives in progress, ranging from software to collect medical information to biomedical sensors.

> Amazon Pushes into the Middle East: Amazon plans to launch a new Middle East marketplace as they search for growth outside the U.S. Keep in mind, this comes two years after Amazon purchased Souq.com, the Dubai-based online retailer that's one of the largest in the region, for \$580 million in 2017. In addition, this is the highest international price acquisition for the company. Amazon plans to start in the United Arab Emirates and then move into Saudi Arabia to establish this marketplace. Right now, the U.K., Germany, and Japan account for the majority of Amazon's international sales.

> Porsche Offers Three Years of Free Charging: Porsche recently announced that buyers of its new all-electric Taycan model will get three years of unlimited free charging up to 30-minutes at a time at stations across the United States, which comes with their deal with Electrify America. that operates almost 500 highway charging stations spread across America. Keep in mind, these companies claim these charging points will become the fastest at recharging across the U.S. as four minutes of charging would allow drivers to add 60 miles of range. There's no official price for the Porsche Taycan but it was reported that the car will range from \$90,000 to \$140,000.

> Map Shows Every Power Plant in the U.S.: Every year, the U.S. generates 4,000 million MWh of electricity from utility-scale sources. Today's series of maps come from Weber State University and they use information from the EPA's eGRID database to show every utility-scale power plant in the country. Below is also a look at how the energy mix has changed in the U.S. over the last 70 years. Up until the 21st century, power almost always came from fossil fuels, nuclear, or hydro sources. More recently,

we can see different stream of renewables making a dent in the mix. (Source: VisualCapitalist)



Northern North Dakota - We are in the polar vortex that the weather channel is warning everyone about. We are going to be pushing negative 60 degrees by early morning with the actual temperatures negative 35 degrees. This is the kind of weather that you only do what you need to do outside. We don't want to haul grain even though the roads will be clear because the temperature will cause the trucks to break down much easier. I heard on the radio that school is postponed until at least Thursday. We rarely cancel school for snow let alone temperatures but this is extreme, even for us. We are going to be checking and feeding cattle every 3-4 hours for the next 48 hours or until the temperatures come back up, otherwise we are probably just going to stay hunkered down.

Northcentral Kansas - The wheat is variable here. You might see a field that you know was planted but you can barely see green and 3 miles down the road you will find a field that looks as good as one could expect. The temperature swings are not doing the good looking wheat any favors as we swing 50+ degrees over 5 days. A common misconception is the wheat goes into dormancy but we believe that the growth just

substantially slows causing it to seem like it's in dormancy. When the temperatures goes from sub zero to over 50 by Saturday it kind of confuses the growing process a little ,causing damage. The wheat that looks dead will probably be the better wheat because it's not reacting much to the temperature swings.

Western Illinois - We are looking at -50 degree windchills here today. Not much will be moving in the state under these conditions. We had a good season and finished a lot of field work before winter hit us. We normally do two-thirds in fall and rest in spring but wanted to get it all done this year as input prices were jumping up pretty good. Personally, I beleive we will see more corn acres in our area, making it a bit difficult to get bulled up on selling the remaining corn I have in storage. We keep getting close to the target price at the high-end of the current range, but just can't finish it off. We have good sales made for the majority of production, so we can sit on things a bit. We do not have on site storage so our plans must take that into consideration. We also grow food grade pumpkins which assist us with our corn, soybean rotations, giving the ground a break.



New Research Suggests Artificial Photosynthesis Could Halt Climate Change:

Plants are humanity's greatest ally in the fight against climate change, as they soak up carbon dioxide and turn it into leaves and branches. The more trees humans plant, the less heat-trapping carbon pollution in the air. Unfortunately, plants require a lot of water and land, so much that humans might need to find a new ally to help draw down all that carbon. New research from a team of German scientists suggests that artificial photosynthesis could help. Scientists are urging the world to invest in the technology, which remains too costly to be practical for now. Like the real thing, the technology uses carbon dioxide and water as food, and sunlight as an energy source. But rather than turn that carbon dioxide and water into leaves and branches, it produces carbon-rich products, such as alcohol. The process uses a special kind of solar cell that absorbs sunlight and conveys electricity to a pool of carbon dioxide dissolved in water. Read more [HERE](#).

Ford Looking to VR to Take Design Time From Weeks to Hours: Ford is looking into the possibility of designing cars in virtual reality. The automaker has started experimenting with Gravity Sketch, a tool that allows its designers to draw 3D cars in VR and thereby saving them lots of time in the process. Normally, vehicle designers start with 2D sketches, which are scanned and rendered in 3D by software to determine if they're feasible. Using Gravity Sketch will give them the power to skip that first step completely and dive straight into 3D -- all they have to do is wear a VR headset and use a controller. From what I understand, what used to take weeks will only take hours. Using a 3D drawing tool, designers will be able to work from any angle, since they can rotate the model for the best view. They can even step inside the 3D model and tweak elements once they see the driver's or passenger's POV. Read more [HERE](#) on what will most likely be the norm soon.

What Successful and Happy People do Differently... and Consistently: Researchers from the Harvard Business School found that people who were both successful and happy over the long term intentionally structured their activities around four major needs: Happiness, Achievement, Significance and Legacy. Research continues to show that lasting fulfillment comes when you pursue activities that address all four of these needs. When any one of them is missing, you get a nagging sense that you should be doing more or something different. The behaviors that follow are the hallmarks of people who are successful and happy because they intentionally address these four needs. Click [HERE](#) to try them out and see what they do for you.

Digital Marketplace Hush Hush is Amazon for Millionaires: Shopping around for your next private island? It might be time to start browsing online. New digital luxury marketplace Hush Hush launched to the public this week with over 200,000 items, from property, to yachts, supercars, jets, homeware and jewellery available to buy online. Claiming to have one of the largest luxury offerings online, it pits itself as "Amazon for millionaires." 29-year-old CEO Aaron Harpin, who lives between London and Monaco says "It's a solution for the cash rich, time poor. For millionaires and billionaires,.". From what I'm hearing, it's already going well; Harpin says he's had a number of sales since launch, with one customer splashing \$131,000 on a hovercraft. Once his operation hits full swing, he hopes to see an average basket of \$13,000 - a lofty aim, even in the luxury sector. Read more [HERE](#).

Supreme Skate Deck Collections Sells For a record \$800,000: Sotheby's announced Friday morning that a young Vancouver collector, named Carson Guo, bought the set of 248 skate decks made by Supreme, the streetwear brand by British designer James Jebbia. I'm told the collection included all of the decks produced by Supreme between 1998 and 2018. Supreme brand and skate culture in general have quickly become collector's items among the young rich, and I should mention that both Sotheby's and Christie's have held auctions featuring products made by Supreme with this being the highest price ever paid for a skate-deck collection at auction. Starting in 1998, Supreme started creating limited-edition decks designed by famous artists like Jeff Koons and George Condo. From what I understand, the Supreme collection was assembled by Los Angeles collector Ryan Fuller, who spend 13 years finding and buying the decks. Read more [HERE](#).



Source: Sotheby's



Source: Sotheby's



Source: Sotheby's



Source: Sotheby's

Supreme once released unauthorized skate decks with a Louis Vuitton monogram, which were recalled when the luxury brand threatened legal action. Later the two companies collaborated.



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During 2019, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aquaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

Join us each Thursday at 3pm CT for [Agrifood Conversations](#).

REGISTER NOW



Learn More About "New West Genetics"

Title: Genetics, Breeding, and Production Solutions for High-Quality Hemp

Time: Thursday, January 31 @ 3:00 pm CT

Plant breeding is nothing new, dating back to early human interventions around 10,000 years ago. Today's breeders, however, combine molecular biology and statistical genetics in order to more effectively identify and select desirable genotypes in breeding populations. The fundamental process of cross-pollination among desirable breeding lines has not changed, but the paradigm shift is in the ability to rapidly and accurately select the most desirable genotypes. Building on its experience breeding plants like rice and canola, New West Genetics is now using its proprietary methods and knowledge base to improve the genetics and growing processes of Cannabis sativa, initially starting with hemp and eventually expanding to higher THC varieties as regulation eases. Its varieties are bred with the mission of improving economic access to this versatile and valuable plant while building a sustainable foundation within the cannabis production industry. New West Genetics is partnering with diverse companies to breed genetically stable cannabis varieties with specific agronomic traits and chemotypic profiles to suit their brands and product development needs. Keep in mind, New West Genetics is paving the way for large-scale cannabinoid production by using data-driven discovery and conventional breeding to create high performing, sustainable hemp varieties. One variety the company has developed is a proprietary, custom bred hemp called Brewer's Hemp, which is specially formulated, ground for the flavoring and coloring of beer, wine, distilled beverages and/or soft drinks. Learn how one company is bringing this technology to the rapidly-growing cannabis industry at "Genetics, Breeding and Production Solutions for High-Quality Hemp," a webinar to be held at 3 pm CT on January 31st featuring Wendy Mosher, president and CEO of New West Genetics. Even if you can't make the live broadcast, registered users will be emailed a recording after the fact.





Questions About Dow-DuPont Stock?

We've had some readers write in and ask if I knew any of the details surrounding Dow-DuPont stock. For full disclosure, I currently own the stock and am currently up about +8% on the position. Following the merger, the stock has drifted lower, from a high set back in early 2018 just north of \$77 per share, to a low on Dec 24 at just under \$49 per share. Below is some insight on the stock that Barron's recently shared from an interview with Bill Priest, CEO and co-CIO at Epoch Investment Partners in New York. I thought it would provide some additional insight. DowDuPont (stock symbol: DWDP), was formed by the merger of two mega conglomerates, Dow Chemical and DuPont, essentially a megamerger of two chemical giants. This created the largest chemical company in the U.S. by market cap, surpassing 3M. To obtain regulatory approval for the merger, the combined company agreed with regulators that it would split into three separate companies: Dow, which will retain the materials science business; Corteva Agriscience, the company's agricultural arm; and DuPont, which basically gets everything else. After the breakup, I am told there will be three separate, focused, and rationalized companies with new management teams. Compensation incentives are going to be returns-focused. The stock lost over -20% in 2018 and bulls argue trading at a level that reflects fears of a trade war and slowing global growth. There's also now a bullish argument that a sum-of-the-parts analysis suggest there is an ultimate value target in the low-\$70s, compared with a current stock price in the mid-\$50s. The new Dow will be spun out first, in April. It has built-in growth as new project start-ups mature over the next two years and begin returning cash to shareholders. It will probably have the lowest valuation of the three new companies. Investors will also get the new DuPont and Corteva Agriscience, an agrichemical and seed company; both units will be spun out in June. For those who don't know, Corteva Agriscience, is intended to become an independent, publicly traded company when the previously announced spinoff is complete by June 2019. The division combines the strengths of DuPont Pioneer, DuPont Crop Protection and Dow AgroSciences. Corteva Agriscience provides growers around the world with a complete portfolio -- including some of the most recognized brands in agriculture: Pioneer(R), Encirca(R), the newly launched Brevant(TM) seed brand, as well as award-winning Crop Protection products -- while bringing new products to market through our solid pipeline of active chemistry and technologies. The new DuPont has four segments with no real synergistic value among them. It is possible that new DuPont could be split again as early as September, surfacing the value of the nutrition and biosciences businesses. Corteva has a strong pipeline in both seeds and crop protection and could trade at a high multiple of earnings. This situation is complex, but the story is largely independent of the market's direction. (Source: Barron's)



The Super Bowl Commercials Everyone Will Be Talking About

Plenty of people would argue that America's Super Bowl tradition revolves equally around the game and the commercials. There's no doubt that the ads start garnering

attention weeks, even months before game day. Some companies have even started running commercials that essentially advertise their Super Bowl ads. This year, CBS was asking anywhere from \$5.1 million and \$5.3 million for a 30-second ad spot, and it's easy to understand why. Over the last five years, television viewership for the Super Bowl averaged more than 111 million people and peaked in 2015 with 114 million viewers. Keep in mind, of the more than 100 players on the Super Bowl rosters, only 13 made at least \$5 million in salary this season. With that many consumers tuning in, it makes sense that this year's ad spending is estimated to hit a record \$500 million. To really put that in perspective, that's more than the \$299 million spent on Super Bowl ads in the entire 1960s, '70s, and '80s COMBINED! With the pervasiveness of social media in our everyday lives, advertisers have been searching for even more novel ideas on how to get the biggest bang for their buck in regards to creating some of the most watched and talked about ads for this huge American event. The goal is generally to create buzz around their promos and teasers, garnering them free advertising via media outlets and public sharing on networks like Facebook and Twitter. Below are some of the advertisements and campaigns that are already garnering a bit of pre-game buzz. I hope this gives you a little insight and background information for the big Super Bowl party! A few of the all-time favorites from years past are: Coca-Cola's "[Mean Joe Green](#)" (1979); Apples "[Introduction of Macintosh](#)" (1984); Wendy's "[Wheres' the Beef](#)" (1984); McDonald's "[The Showdown](#)" [Bird vs. Jordan](#)" (1993); Budweiser "[Frogs](#)" (1995); Pepsi's "[Your Cheating Heart](#)" (1996); Budweiser "[Wassup](#)" (1999); Reebok's "[Office Linebacker with Terry Tate](#)" (2003). I'll be releasing my annual pick for the winner of the game in tomorrow's report. To watch the ads included below, just click on the blue links. Enjoy!

Budweiser: "*Wind Never Felt Better*" highlights the use of wind-power in its brewing operations. Bob Dylan's "*Blowin' in the Wind*" plays in the background, which also includes a Dalmatian and the brands iconic Clydesdales. It will run as a 45-second spot in the game as the company believes the time has come to take action and help build a better future for us all. Click [HERE](#) to watch!



Pepsi: "*Acting Lessons*" will include Lil Jon giving a long pour of Pepsi. The company has released a number of teasers, which includes a very short one starring a bedazzled Cardi B and a 26-second teaser with comedian/actor Steve Carrel called "*Steve Carrel's Big Decision*." There are questions if these stars will be in three separate ads or if they are joining forces in one commercial? Rumors have said Pepsi will air only one 30-second spot. Click [HERE](#) to watch the teaser of Lil Jon.



Burger King: The home of the Whopper is back in the Super Bowl for the first time since 2006 with a 45-second spot set to run during the fourth quarter with an ad called "Art takes time." Not much has been rumored about this commercial, so far. Click [HERE](#) to watch the teaser!



Avocados From Mexico: The company's fifth consecutive Super Bowl appearance will allow Kristin Chenoweth to star in her first Super Bowl commercial. The teaser clip from the commercial shows Chenoweth standing alongside three dogs in a museum and looking up at a piece of artwork that shows people playing poker with a bowl of guacamole at the center of the table. The 30-second spot will run in the second quarter of the game broadcast and will be the first time Avocados From Mexico has used a female in the lead of its commercial. Click [HERE](#) to watch!



M&M's: Christina Applegate stars in M&M's Super Bowl ad, which will be the fifth time the company will have a commercial at the Big Game in the past decade. The biggest question in the teaser is who is locking Christina Applegate out of her car? Many rumors are saying the green M&M. Click [HERE](#) to watch!



Doritos: The company known for putting out very entertaining commercials during previous Super Bowl's will promote its newest flavor, Flamin' Hot Nachos with the Backstreet Boys and Chance the Rapper. In another teaser released Chance the Rapper tries to learn some of Backstreet Boys signature dance moves. It hasn't been said when the 30-second spot will air, but if I had to guess it would be during halftime. Click [HERE](#) to watch!



Expensify: The company has released the world's first music video you can expense called "Expensify This." In the video, there are "receipts" for various items that appear on the screen that viewers can take a picture of and then upload into the Expensify app for a chance to win cash or the items themselves. 2 Chainz claims when you live the life of a baller like him, you've got better things to do than collect receipts and fill out spreadsheets. Click [HERE](#) to watch!



Amazon: Amazon has recently released teasers for a program that employs celebrities to beta test Alexa-enabled technologies. Special guests include Harrison Ford, Forest Whitaker, Ilana Glazer, Abbi Jacobson, and the Kelly Brothers. Keep in mind, Amazon still hasn't confirmed if they will air a Super Bowl commercial. Click [HERE](#) to watch!



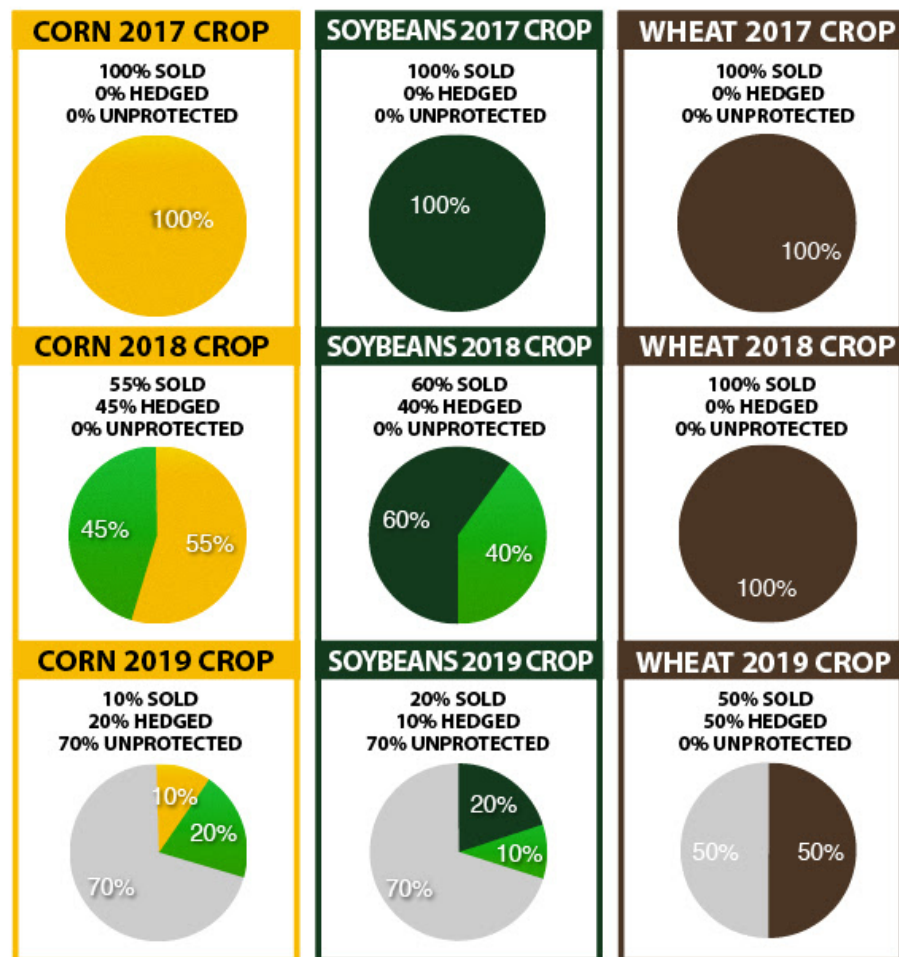
Unnamed Big Lebowski Return: No one is sure what's going on or why Jeff Bridges has returned to full *The Dude* status, but if I had to guess I think it's fair to say that you can expect a *Big Lebowski* return on Super Bowl Sunday. It's still extremely unclear which brand locked in the iconic character, but I hope it's an advertisement for a new movie! Click [HERE](#) to watch!



ANSWER to riddle: The kid filled a glass of water and held it over his head for 10 minutes.

CASH SALES & HEDGING TOTALS

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