

## GOOD MORNING: 01/31/19 Farm Direction - Van Trump Report

1 message

The Van Trump Report &lt;reply@vantrumpreport-email.com&gt;

Thu, Jan 31, 2019 at 7:13 AM

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### Today In History

"As you start your journey, the first thing you should do is throw away that store-bought map and begin to draw your own." - Michael Dell

**THURSDAY, JANUARY 31, 2019**
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stock market bulls are happy to see Fed hawks fly away. Most inside the trade are digesting the latest Fed rhetoric as an all-clear or green-light to the upside. Bulls who listened to the post FOMC meeting commentary are now calling it the "Powell Put". Saying the Fed has clearly turned dovish, will not be raising interest rates in 2019, and are now much more flexible in regards to tapering the balance sheet. Essentially the entire press conference marked a reversal from the Fed's prior comments that promised further balance-sheet shrinkage over a long period. Before we become wildly bullish, let's take a moment and think about why the Fed has so abruptly shifted or altered their tone. I suspect it's because they see many more cross-currents and areas of economic uncertainty. As I mentioned last week, I believe the market is now trapped in a range. The stock market breaks lower, the Fed becomes more dovish and bulls become more optimistic. The stock market rallies, the Fed becomes more hawkish and the bears come up to bat. Sprinkle in some positive or negative trade headlines and you have a somewhat neurotic stock market. Technically, the S&P 500 is now back into that space between 2680 and 2750 that many insiders worry could make for more difficult uphill climbing. Keep in mind, many investors will be back close to even if the S&P 500 can rally back to the 2750 area. It will be interesting to see where the buy-paper comes from at that level? As for today, all eyes are on U.S. and Chinese trade negotiations and the possibility of a joint statement or temporary compromise. The way some of the Chinese stocks have been trading it feels like some info may have already leaked. I'm personally looking for positive headlines. Let's also not forget, we have another wave of earnings being dumped on the market that will include big names like: General Electric, Sherwin-Williams, UPS, Sprint, Raytheon, MasterCard, Edwards LifeSciences, Blackstone Group, DowDuPont, and Amazon. Tomorrow we have the highly anticipated monthly employment report, which I suspect will be strong. I'm personally using the rally to reduce a bit of exposure and bank profits on bargains I picked up one the break. I'm still not real interested in buying into the upside momentum.

**Boeing**, the world's top plane-maker surpassed \$100 billion in annual revenue for the first time ever. Stock prices are strong despite the Chinese trade headwinds and economic slowdown.

**Tesla** posted its second straight profitable quarter. Unfortunately, the stock took a little hit as longtime employee and CFO Deepak Ahuja, announced he is retiring from the company.

**Facebook** delivers strong earnings as daily active users grow in every geographic area. Average revenue per user, or ARPU, crushes analyst estimates, at \$7.37 — a +21 percent increase from last quarter, and a +19 percent increase from last year. So much for the "delete Facebook" campaign....

**Death Toll Rises as Arctic Blast Hits Midwest:** A historic and deadly cold snap, fueled by the polar vortex, gripped a wide swath of the nation Wednesday, with temperatures plunging far below zero and wind chill numbers as extraordinary as they are dangerous. Chicago's temperature tumbled to -21 below Wednesday morning, a record for the date and closing in on the city's all-time record of minus-27 set in 1985. The wind chill dipped to an even more startling -51 degrees below zero. Chicago's all-time record for the coldest daytime high temperature is likely to be tied or broken, with temperatures only climbing to minus -11°F. Similar records



**1865, House Passes the 13th Amendment** - On this

day in 1865, the U.S. House of Representatives passes the 13th Amendment to the Constitution, abolishing slavery in America. The amendment read, "Neither slavery nor involuntary servitude...shall exist within the United States, or any place subject to their jurisdiction." When the Civil War began, President Abraham Lincoln's professed goal was the restoration of the Union. But early in the war, the Union began keeping escaped slaves rather than returning them to their owners, so slavery essentially ended wherever the Union army was victorious. In September 1862, Lincoln issued the Emancipation Proclamation, freeing all slaves in areas that were still in rebellion against the Union. This measure opened the issue of what to do about slavery in border states that had not seceded or in areas that had been captured by the Union before the proclamation. In 1864, an amendment abolishing slavery passed the U.S. Senate but died in the House as Democrats rallied in the name of states' rights. The election of 1864 brought Lincoln back to the White House along with significant Republican majorities in both houses, so it appeared the amendment was headed for passage when the new Congress convened in March 1865. Lincoln preferred that the amendment receive bipartisan support—some Democrats indicated support for the measure, but many still resisted. The amendment passed 119 to 56, seven votes above the necessary two-thirds majority. Several Democrats abstained, but the 13th Amendment was sent to the states for ratification, which came in December 1865. With the passage of the amendment, the institution that had indelibly shaped American history was eradicated.



**1872, Author Zane Grey is Born** - Zane Grey, author of Riders of the Purple Sage, is born in Zanesville, Ohio. The son of a successful dentist,

are in jeopardy in South Bend, Indiana, Kalamazoo, Michigan and Rockford, Illinois. The National Weather Service said the temperature reached minus-28 degrees in Minneapolis, poised to break a record dating back more than 100 years. The wind chill: minus -49. Norris Camp, Minnesota, almost made it there without allowing for wind, recording an actual air temperature of 48 degrees below zero. Wind chill temperatures in dozens of towns across Minnesota, North Dakota, Wisconsin, Michigan, Iowa and Illinois plummeted to -60 below or less, the weather service said. Officials in Minnesota pulled snowplows off the roads in 11 southeastern counties, citing mechanical problems because of the extreme cold. Des Moines, Iowa, set a daily record low with a temperature of minus -20°F, and a wind chill far colder than that. At 8 am in Iowa, wind chills were as low as minus -58°F, causing frostbite in just minutes. You can read more at [USAToday](#)

# FARM TANK

## Tweets of the Day



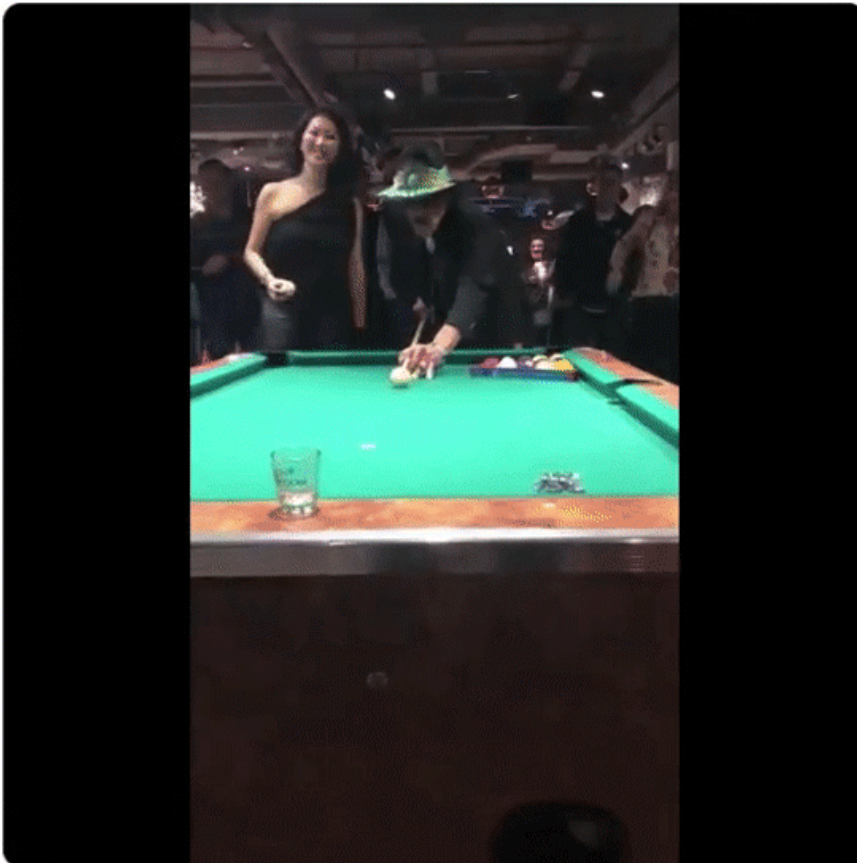
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**Richard Petty Motorsports** ✓

@RPMotorsports

Following

He can even do trick shots! #TheKing with @BlackWidow



Grey enjoyed a happy and solid upper-middle-class childhood, marred only by occasional fistfights with boys who teased him about his unusual first name, Pearl. (Grey later replaced it with his mother's maiden name, Zane.) A talented baseball player as teen, Grey caught the eye of a scout for the University of Pennsylvania college team, who convinced him to study there. In 1886, he graduated with a degree in dentistry and moved to New York to begin his practice. Grey's interest in dentistry was half-hearted at best, and he did not relish the idea of replicating his father's safe but unexciting career path. Searching for an alternative, Grey decided to try his hand at writing; his first attempt was an uninspiring historical novel about a family ancestress. At that point, Grey might well have been doomed to a life of dentistry, had he not met Colonel C. J. "Buffalo" Jones in 1908, who convinced Grey to write Jones' biography. More importantly, Jones took him out West to gather material for the book, and Grey became deeply fascinated with the people and landscape of the region. Grey's biography of Jones debuted in 1908 as *The Last of the Plainsmen* to little attention, but he was inspired to concentrate his efforts on writing historical romances of the West. In 1912, he published the novel that earned him lasting fame, *Riders of the Purple Sage*. Like the equally popular Owen Wister novel, *The Virginian* (1902), the basic theme of *Riders* revolves around the transformation of a weak and effeminate easterner into a man of character and strength through his exposure to the culture and land of the American West. Grey's protagonist, the Ohio-born Bern Venters, spends several weeks being tested by the rugged canyon country of southern Utah before finding his way back to civilization. Venters, Grey writes, "had gone away a boy-he had returned a man." Though *Riders of the Purple Sage* was Grey's most popular novel, he wrote 78 other books during his prolific career, most of them Westerns. He died in 1939, but Grey's work continued to be extraordinarily popular for decades to come, and by 1955, his books had sold more than 31 millions copies around the world. With the possible exception of *Riders*, today Grey's books are little read, and most modern readers find them insufferably pompous, moralizing, and sentimental. Nonetheless, Grey played a pivotal role in creating the Western genre that, in the hands of more recent authors like Louis L'Amour, continues to charm many dedicated fans.



**1988, Doug Williams Leads Redskins to Super Bowl victory** - On January 31, 1988,

in San Diego, California, Doug Williams of the Washington

Redskins becomes the first African-American quarterback to play in a Super Bowl, scoring four of Washington's five touchdowns in an upset 42-10 victory over the Denver Broncos in Super Bowl XXII. Denver was favored to win the game, and they started strong, as star

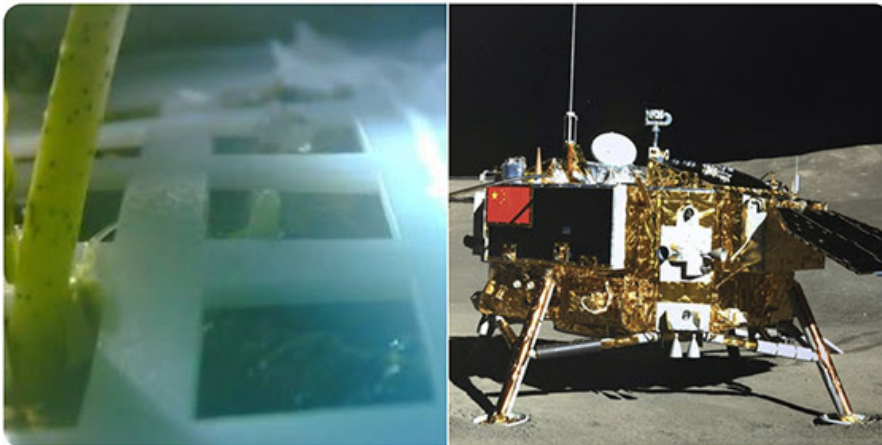




**Todd E. Gleason**  
@commodityweek

Following

China's lunar lander now on the dark side of the moon includes an agricultural experiment. A cotton-seed has sprouted reports Chongqing University, in collaboration with the China National Space Administration.



**Joe Widdup**  
@Joe\_Widdup

Following

New to me seeding tool for #plant19!



quarterback John Elway threw a 56-yard touchdown pass to Ricky Nattiel on the team's first play from scrimmage. Williams injured his knee shortly thereafter and was replaced for two plays by Jay Schroeder. By the beginning of the second quarter, the Broncos were ahead 10-0. All that changed, however, when Williams and the Redskins began to obliterate the Denver defense, scoring 35 points in the quarter, the most points ever for a single postseason quarter in National Football League (NFL) history. The scoring onslaught began with Williams' 80-yard touchdown pass to Ricky Sanders, which tied a record for longest pass in a Super Bowl game. Williams scored three more touchdowns in the period, finding Gary Clark with a 27-yard pass, hitting Sanders again for 50 yards and finishing with an eight-yard toss to Clint Didier. For the fifth score of the period, Williams handed off to the rookie running back Timmy Smith and Smith headed along the right sideline for 58 yards into the end zone. Sanders and Smith set their own Super Bowl records that day: Sanders for receiving (193 yards) and Smith for rushing (204 yards). Denver never recovered, as the Redskins scored once more in the second half to put the final score at 42-10. Though he downplayed the race issue of his legacy, telling ABC's Keith Jackson in a post-game interview that he "didn't come to the Washington Redskins as a black quarterback," Williams made history in more ways than one in Super Bowl XXII. His four touchdowns in the first half tied the Super Bowl then-record for most touchdowns thrown in an entire game. Also in the first half, he passed for 306 yards, just 25 short of the Super Bowl record for an entire game. Williams broke the record-set by Joe Montana in Super Bowl XIX-in the third period.

#### Upcoming Events

**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



**Tristen Miller**  
@tgmliller46

Following

grandpas 1971 210 that he bought new and sold it when he quit farming in 1978 we tracked it down and bought it back the summer of 2017



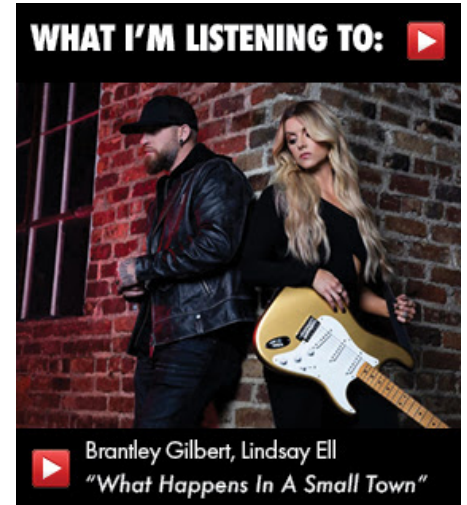
**Thur. 02/21** – Jobless Claims

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

**Mon. 02/25** – Export Inspections

**Thurs 02/28** – Export Sales, Jobless Claims

Kevin's Song of the Week

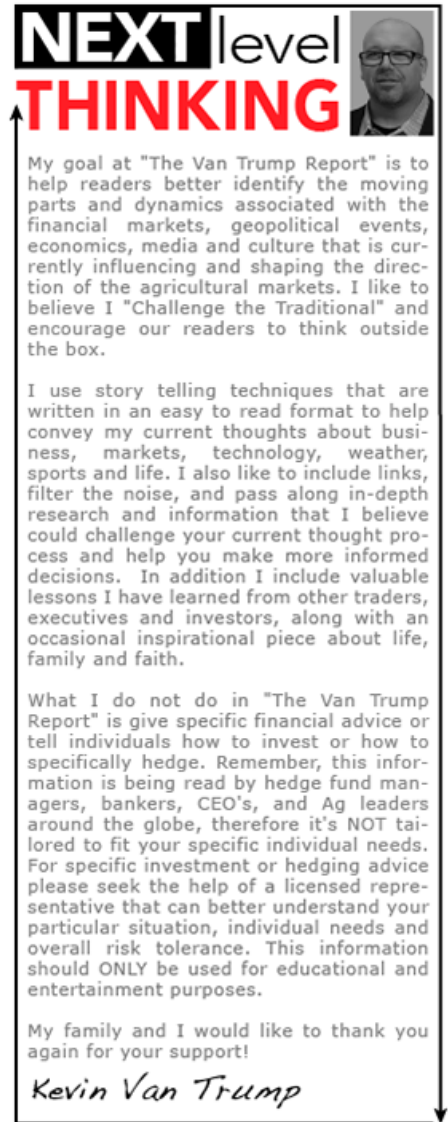


Kevin's Song of the Week



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#botany #agriculture #Science



*"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."*

*"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*





**80s Sports N Stuff**

@80sSportsNStuff

Following

The pinnacle of vending machines...



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.

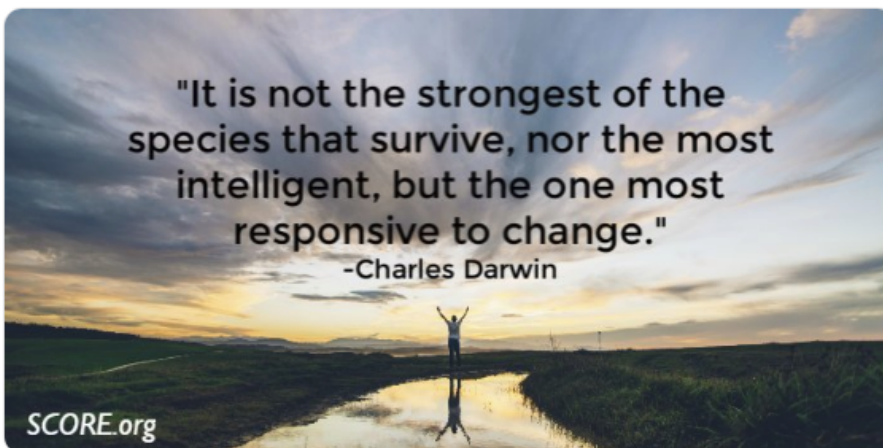


**SCORE Mentors**

@SCOREMentors

Following

Change is constant in [#smallbiz](#) life. See change as a positive in helping your business evolve. [#motivationalquotes](#)



SCORE.org

# neuro mining



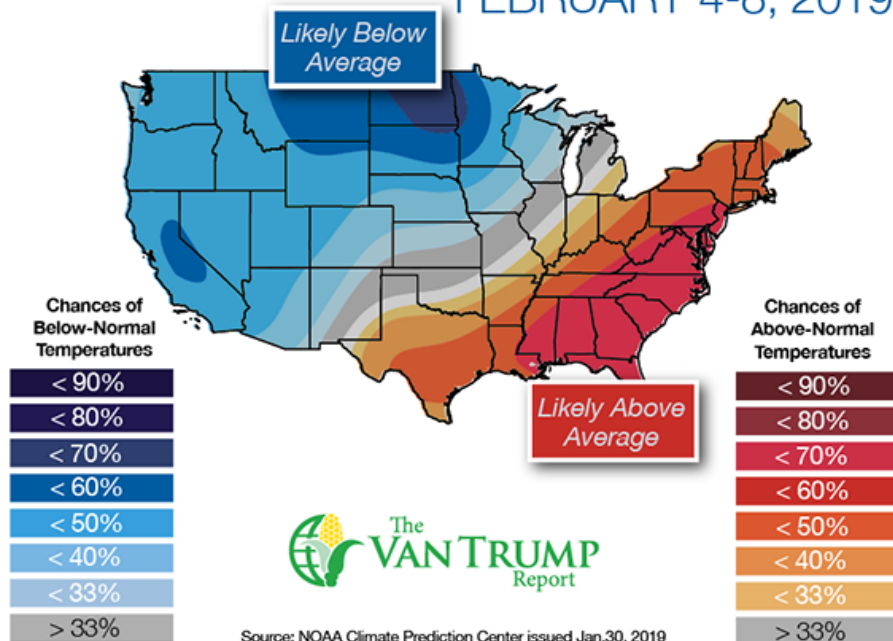
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

I run over fields and woods all day. Under the bed at night I sit not alone. My tongue hangs out, up and to the rear, awaiting to be filled in the morning.

## 6-10 DAY TEMPERATURE OUTLOOK

FEBRUARY 4-8, 2019



## Farm Direction RECIPES

### ★ FAMILY FAVORITES ★

-SENT IN BY OUR READERS-

#### Baked Orange Chicken Meatballs

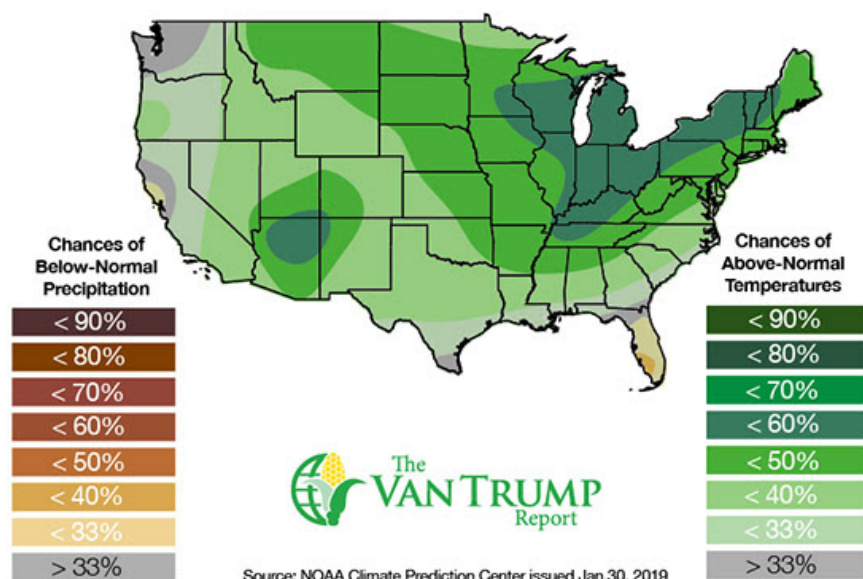


w/Sugar Snap Peas

[CLICK TO SEE RECIPE](#)

# 6-10 DAY PRECIPITATION OUTLOOK

FEBRUARY 4-8, 2019



**USDA Announces Report Dates:** The USDA has been working to reschedule several reports that were delayed because of the government shutdown. Below are a few of the more notable changes. I've also including the link where you can see details for any and all reports. Click [HERE](#). Remember, the ones scheduled out beyond February 15th could still be in jeopardy of further delays.

**Oilseeds Crushings and Grain Crushings** reports for November data to be released February 4 at 2:00 pm CST.

**Quarterly Grain Stocks, Annual Crop Production and Winter Wheat Seedings** reports will be released February 8 at 11:00 am CST.

**Oilseeds Crushings and Grain Crushings** reports for December data to be released February 22 at 2:00 pm CST.

**Cattle on Feed** report will be released February 22 at 2:00 pm CST. The next Cattle on Feed report will be released March 8 at 2:00 pm CST.

**Monthly State Reports**, providing updates for winter wheat conditions for major states are canceled and will not be released.

**Corn** gains a bit of its recent losses but still remains in a very narrow trading range. Bulls point to an overall risk-on attitude as the Fed appears to have much more dovish stance. This put a bit of pressure on the U.S. dollar and created a less bearish global growth story and a bit more bullish macro landscape. Weather in South America seems mostly mixed. Portions of Brazil continue to battle dry conditions, while portions of Argentina battle overly wet conditions, but the forecasts are calling for both to receive some relief. I will continue to closely monitor South American weather. Right now most of the concerns have been friarly well advertised. Bears are pointing to the fact second-crop in Brazil is going in the ground quicker than it has in the past, which means it could avoid less weather uncertainty. Here at home, bulls are pointing to improved trade talks with the Chinese and optimism surrounding purchases of U.S. corn, ethanol and DDGs. Bears are pointing to a continued slump in ethanol production. Data released yesterday showed another weekly slowdown. I heard some traders saying it was the fourth lowest weekly ethanol production number in over three years. I also heard ethanol stocks have climbed to their fourth highest level ever reported. Net-net, bears are talking more about the USDA having to further trim their corn used for ethanol estimate. Bears are also closely monitoring U.S. export competition from Ukraine and South America. The old-crop MAR19 contract will be battling nearby stiff resistance in the \$3.80 to \$3.90 range. Keep in mind, this contract has only closed above \$3.90 one time since mid-August. That occurred back on October 15th when we closed at \$390<sup>^2</sup>. The new-crop DEC19 contract will also be running into stiff nearby resistance up between \$4.05 and \$4.15 per bushel. The last time the DEC19 contract closed above \$4.15 was on June 1st of last year. As a producer, I remain patient, but looking to reduce additional risk should we catch a knee-jerk reaction to the upside on more optimistic trade headlines. Don't forget, weekly export sales data will be released today. Unfortunately, the data will be only for the week ending December 20th. From



what I understand, we won't see the most current data until February 22nd, assuming the U.S. government remains open.

## Top Exporters of Corn 2018



United States	2,449 million bushels	Serbia	106 million bushels
Brazil	1,141 million bushels	Paraguay	86.6 million bushels
Argentina	1,102 million bushels	South Africa	74.8 million bushels
Ukraine	1,102 million bushels	Canada	62.9 million bushels
Russia	118 million bushels	EU	59.1 million bushels

Source: USDA, FAS, PS&D, Updated: 01/28/19

**Soybean** prices are again pushing the upper limits of the recent channel. Bulls argue that a global demand remains extremely strong despite the setbacks in China. All eyes are on the final day of trade talks being held in Washington. From the way stocks have responded the past couple of days, especially the Chinese stocks, it feels like some type of positive headlines are going to be flowing. Perhaps something has leaked or someone knows something about the details? I'm just thinking it's going to be good news rather than bad news. With that in mind, as a producer, I will be looking to reduce a bit more long-term price risk if we catch a significant push to the upside. The old-crop MAR19 contract should start running into stiffer technical resistance between \$9.25 and \$9.45 per bushel. The last time this contract closed above \$9.45 was back in mid-June. The new-crop NOV1 contract will be battling stiff resistance up between \$9.65 to \$9.75 per bushel. Keep in mind, the last time the NOV19 contract closed above \$9.75 was back on June 8th of last year. If we happen to get a breakout to the upside, I'm still curious if we can hold? South American weather seems to have stabilized to some degree. I'm still thinking Brazil's soybean production could fall to around 114 MMTs vs. the USDA's last estimate of 122.0 MMTs. This would be well below last years crop production. Their harvest continues to run well ahead of schedule, so we should start getting more accurate production data in the next few weeks. As for Argentine production, the estimate is staying at around 55 MMTs, which despite some extreme rains, is still significantly higher than last years crop. Bulls argue that both countries may face difficulties with logistics and getting the crop out of their respective nation. As a producer, I'm wanting to reduce some additional risk into the bullish headlines. Staying patient and waiting for couple of bullish cards to be flipped over. As a spec, I have no interest in buying a breakout and may in fact consider selling a sharp knee-jerk higher.

## Top Exporters of Soybeans 2018

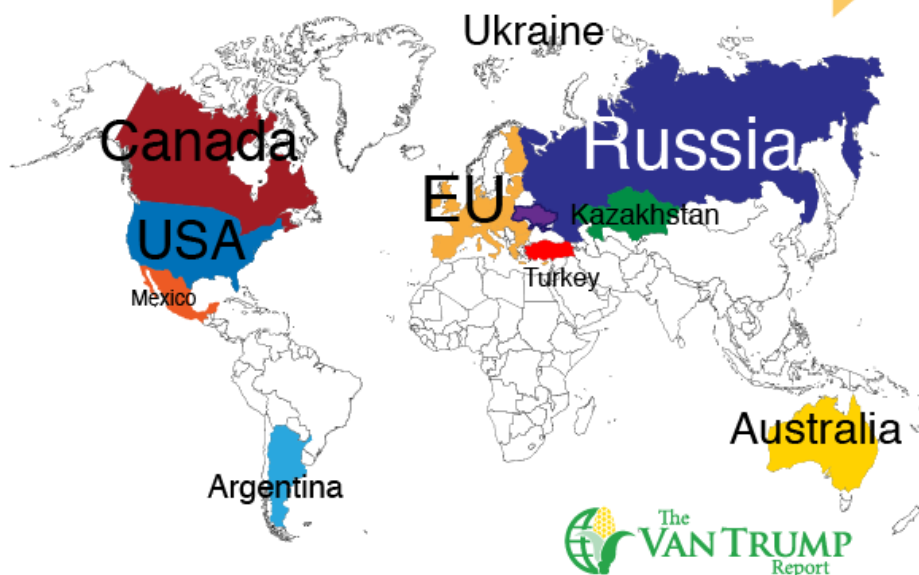


Brazil	2,976 million bushels	Ukraine	113 million bushels
United States	1,900 million bushels	Uruguay	87 million bushels
Paraguay	213 million bushels	Russia	29.3 million bushels
Canada	194 million bushels	India	9.1 million bushels
Argentina	183 million bushels	Bolivia	.5 million bushels

Source: USDA, FAS, PS&D, Updated: 01/28/19

**Wheat** continues to show very little leadership. A weaker U.S. dollar and more improved macro landscape might provide the bulls a little nearby tailwind but we still need to see improved demand for U.S. wheat. There's continued talk that we could see some fairly significant winter-kill headlines for areas of the U.S. lacking adequate snow cover. Specifically, traders are keeping a close eye on parts of Indiana and Ohio. There's really very little new or fresh to report. I remain conservatively bullish and patient in regarding to pricing more new-crop bushels.

# Top Exporters of Wheat 2018



Russia	1,341 million bushels	Argentina	521 million bushels
United States	1,000 million bushels	Australia	385 million bushels
Canada	881 million bushels	Kazakhstan	312 million bushels
EU	808 million bushels	Turkey	220 million bushels
Ukraine	606 million bushels	Mexico	36.7 million bushels

Source: USDA, FAS, PS&D, Updated: 01/28/19



**> Temperatures Shutdown Pork and Grain Operations:** Hog slaughterhouses and grain elevators were shut down in the U.S. Midwest on Wednesday as the coldest temperatures in years gripped the region. Temperatures in the Northern Plains and Great Lakes plunged to as low minus 42 Fahrenheit, making parts of the Midwest colder than the South Pole. Tyson Foods Inc canceled two shifts at a pork plant in Waterloo, Iowa, while Hormel Foods Corp halted the hog slaughter at its processor in Austin, Minnesota, according to three people familiar with the operations. (Source: Reuters)

**> Brazil To Pave Key Ag Road BR-163:** Brazil will finish paving the key agricultural highway BR-163 and another small stretch of roadway connecting it to the river port of Miritituba by the end of this year. The poor state of BR-163 has proven to be a major choke point for Brazilian grains traveling from the country's largest soy producing state, Mato Grosso, to northern Ports. The goal is to have it paved by 2021. (Source: Reuters)

**> Tyson Recalls Chicken Nuggets:** With the possibility that some chicken nuggets were manufactured contaminated with rubber, Tyson is recalling about 36,420 pounds of their 'White Meat Panko' chicken nuggets. From what I understand, the recall began after several consumers complained of extraneous material in the purchased product. At this point, there have been no confirmed reports of bad reactions after consuming the recalled panko chicken nuggets.

**> Purina Wants To Feed Fido Crickets:** Nestle's Purina is experimenting with a new line of pet food featuring untapped ingredients like insects and Asian carp. The menu goes against the grain in the \$90 billion business, whose growth has been driven by dog and cat owners serving up meals that increasingly resemble their own -- including organic, grain-free, vegan and even "human-grade" options. Purina believes they can feed pets high-nutrient parts that aren't palatable for humans in an attempt to pursue a more sustainable future for food. (Source: Bloomberg)



> **Interesting Look At the Pigweed States:** DTN has a three-part series looking at 28 states in the Plains, Midwest and South where Palmer amaranth, commonly called pigweed, possible the most aggressive weed American farmers have ever faced", is becoming a familiar name. Check it out [HERE](#).

> **Hearing Talk Of Winterkill:** Very cold conditions in the Midwest is likely to have resulted in damage to winter wheat in central Missouri, central Illinois, central Indiana and central and southwestern Ohio, where snow cover is too thin to protect the plants from prolonged exposure to bitter cold. (Source: Radiant)

> **Boeing Crushes Earnings:** Boeing reported a massive fourth-quarter earnings result of an adjusted \$5.48 per share, beating expectations in a Refinitiv survey of analysts by 91 cents. Revenue was also strong, at \$28.3 billion — more than \$1 billion than analysts expected. The aerospace giant reported \$101.1 billion in annual revenue, breaking the \$100 billion mark for the first time. (Source: CNBC)

> **Historic Shift in Voting Demographics:** In a major shift that appears to help Democrats and liberals, one-third of the eligible voters in the upcoming 2020 presidential election will be non-white, the first time ever, according to a new analysis of U.S. Census data. And in another first, there will be more Hispanic voters eligible to vote than African Americans, according to the analysis from Pew Research Center.

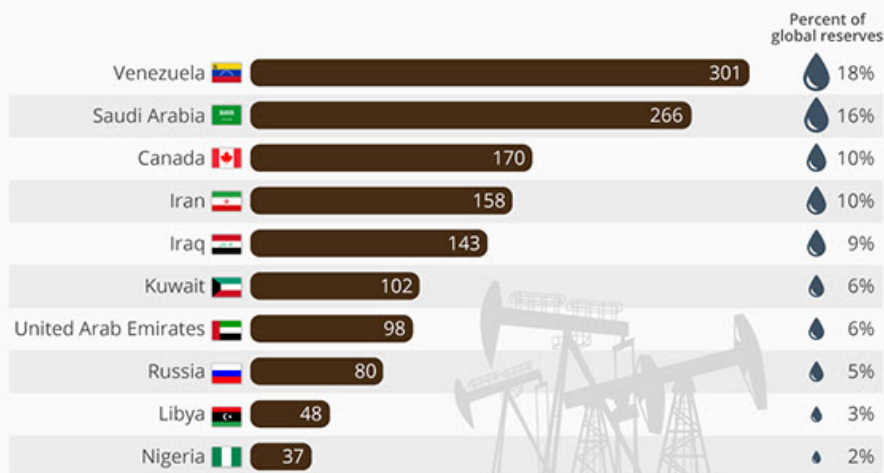
> **China Has World's Most Powerful Naval Gun:** China's railgun, thought to be the world's most powerful naval gun, was first seen in 2011 and just last month the railgun was tested and is expected to be ready for warfare by 2025. From what I understand, between 2015 and 2017, the weapon was calibrated to strike at extended ranges, increasing its lethality. By December 2017, the weapon was successfully mounted on a warship and began at-sea testing, a feat no other nation has accomplished. (Source: CNBC)

> **Private Companies Add 213,000 Jobs in January:** Private payrolls grew in January at a much faster pace than expected as the labor market shrugged off the longest U.S. government shutdown in history, according to data released Wednesday by ADP and Moody's Analytics. Companies added 213,000 jobs this month, the data show. Most economists expected payrolls to grow by 177,000.

> **Venezuela Has the World's Largest Oil Reserves:** As the situation in Venezuela continues to worry much of the watching world, the U.S. has followed through units previously state intention to "use the full weather of economic and diplomatic power to press for the restoration of Venezuelan democracy. Targeting Venezuela's oil industry is the most severe sanction the U.S. has imposed on Maduro's government so far, as the country economy is extremely dependent on oil exports. The U.S. has long been the biggest market for Venezuelan crude oil, adding weight to the recent sanctions. As the following chart shows, Venezuela has the largest proven oil reserves in the world, making the country's current state seem as unnecessary and tragic. (Source: Statista)

## Venezuela Sits Atop the World's Largest Oil Reserves

Countries with the largest proven crude oil reserves as of 2017 (in billion barrels)



©StatistaCharts Source: U.S. Energy Information Administration

statista



# FROM THE FIELD

**Northern Minnesota** – We are going heavy wheat and corn next year. Even if we liked planting soybeans, which we don't, the basis is so bad, and yields don't perform here. If we hit 45 bushels per acre, we consider that to be a great crop. More years than not we see 30-35 bushels and we constantly push the frost window. The only reason we really plant soybeans is because price and basis made more sense before China left the game. We will still plant a few for rotation purposes but otherwise it will be mostly wheat for us. We are just not going to rely on the Chinese anymore. They are building a soybean crusher right in our area so we might be looking at a better market soon, but it won't be done for the 19-20 growing season.

**Southcentral North Dakota** – We haven't been this cold in 3-4 years. This time of year, we haul grain but the elevator shut down due to the fact they didn't believe guys would be hauling grain nor did they feel it was safe to have their employees out in this cold weather. We had a fairly good bean crop this year but didn't have enough sold. The Trump payment helped make it one of our better years when it comes to dollars per acre. We look at anything we have left to sell this year as just icing on the cake. We are worried about how we make beans work next year, we are just hoping the negotiations with Trump go well.

**Central Kansas** - I've been farming here in the southcentral part of the state for +40 years and have been no-till for the last 20. I recently added cover crops to the mix as I seek to be regenerative in my farming. It's taken some time but I now have well over 3% organic matter, compared to below 2% before I added the covers. I have to tell you I am seeing a shift in the thought process of a lot of folks in this area and around the country, meaning there are a lot of folks taking care of their living soils in a whole different manner than traditional tillage and synthetic fertilizers. Depending on the time of year the covers get planted, we will use barley, turnips, radishes and legumes. I also have the benefit of neighbors with hog operations who provide me with 10,000 gallons an acre on a 150 acre field of mine. I will share with you that our process does in fact reduce input costs and will continue to save more the more I keep the soil healthy with good rotation and living materials beneath the ground. I've also found out that I am making more money by cutting back on treated seeds and less fertilizers, to the point that I can produce 25-30 bushels less and still gross more on my bottom line.



## CROSSING WIRES

A place to share intelligent thoughts...

**\$7 Billion-a-Year U.S. Baby Food Market Getting Disrupted:** Yumi, a California-based organic baby food startup is reshaping the space, reflecting the larger shift in retail, with consumers wanting less processed and more knowledge about where their food is coming from. For years baby food has been dominated by two brands: Gerber and Beech-Nut, but now a huge chunk of baby food consumption is homemade, experts say — a reflection of a mania for organic, fresh products and an increasing rejection of processed brands. Because many parents simply don't have the time to prepare every meal for their babies, those wanting something fresh are open to upstart organic food brands that will do it for them. Angela Sutherland, co-founder of Yumi raised \$4.1 million in venture capital in 2017 and since then she tells Axios, they have shipped about half a million jars, many of which are shipped overnight. Another great example of identifying a need and filling it! I suspect there is some room for a few more players in the space. Read more [HERE](#).

**World's Largest "Virtual Battery Plant" is now Operating:** The United Arab Emirates likes breaking world records. Flush with oil money and blessed with plenty of open land, the country has the world's tallest building, largest mall, largest desalinated water reservoir, and one of the largest solar farms. It can now add one more record to the list: the world's largest virtual battery plant. Earlier this month, the department of energy in Abu Dhabi turned on a 108 MW/648 MWh sodium-sulfur battery plant. For comparison, the storage capacity of the Abu Dhabi battery is about five times that of the lithium-ion battery system Tesla installed in Hornsdale, Australia in 2017. The country plans to spend \$160 billion by 2030 on renewable energy, setting a 2050 goal

to get more than 60% of its electricity from carbon-free sources. It appears they will be ready, should oil one day run out or be worth nothing. Read more [HERE](#).

**Zestimate Contest Winners Pick Up a Cool Million Dollars:** Zillow just announced the winners of a contest it launched to improve the accuracy of the Zestimate, the algorithm that helps approximate the value of houses. The winning team was made up of data scientists and engineers from three countries. Chahhou Mohamed of Morocco, Jordan Meyer of the United States, and Nima Shahbazi of Canada, who will be awarded \$1 million for their work, which Zillow estimates beat the existing tool by 13%. From what I understand, on average, Zillow said, the Zestimate is \$10,000 off the actual sale price for a median-priced home of about \$223,900, and the information gleaned from the Zillow Prize winnings could shave \$1,300 off that discrepancy. It also moves the Zestimate's national median error rate below 4.0%. Read more [HERE](#).

**Meet Terra, the "Roomba for Lawns":** There are worse names, of course. After all, with the Roomba line, iRobot was able to do what countless startups have tried and failed before and after — introduce a truly mainstream home robot. If the Massachusetts-based hardware company is able to do the same for yard work, it will be a truly impressive feat indeed. Like most of what iRobot does, however, work on the lawn-mowing robot has been slow and deliberate. In a closed-door meeting with the company at CES this year, CEO Colin Angle lifted the veil off of the robot. But first he explained why it had taken iRobot so long to get into the space. Lots of details like pricing are still forthcoming. Interestingly, the robot will launch first in Germany, later this year, with a beta program launching in the U.S., so the company can continue to tweak the system. Read more [HERE](#).

**Evolution of the Super Bowl Logo:** In 1967, the two competing football leagues, the AFL and NFL, faced off in what was described as the "First World Championship Game AFL vs NFL." It was a mouthful—but one that attempted to describe a very real rivalry. The NFL had run its football league for 40 years before a new league, the AFL, came around in 1960. In the months that followed the first game between the two rival leagues, a better and more succinct name was born to hype the event: The Super Bowl. The AFL and NFL merged in 1970, but the Super Bowl stuck around, eventually growing into a grand cultural spectacle that's larger than football itself. That spectacle is reflected in the Super Bowl logo itself, which has evolved right alongside the event through three distinct visual stages. Read more [HERE](#)

## — THE HISTORY OF THE SUPER BOWL LOGO: I-LIII —



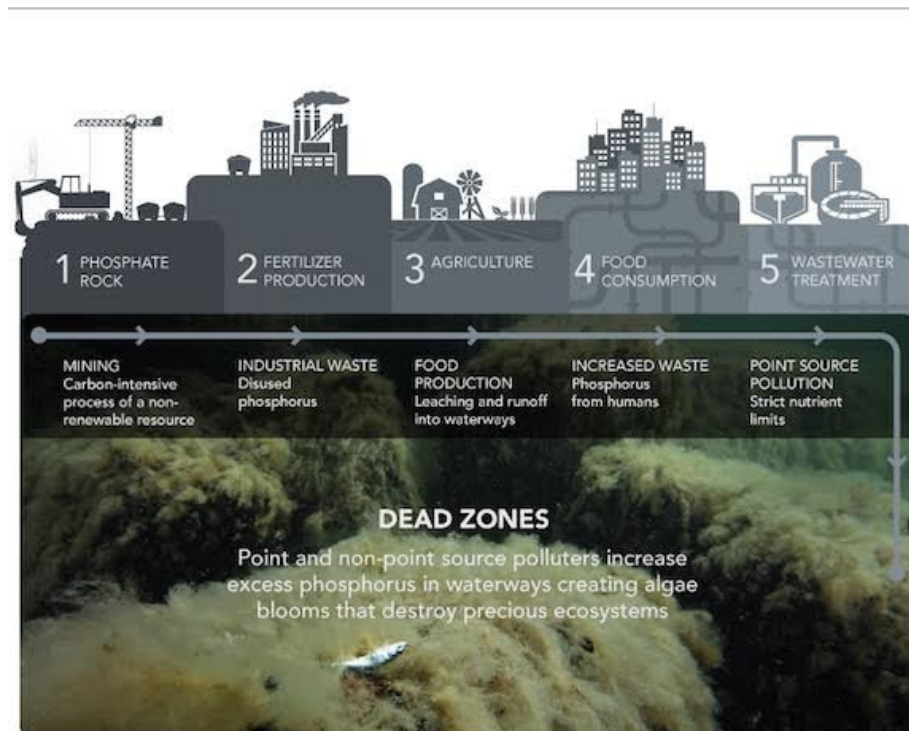




## NEW Technology Recovers Phosphorus and Nitrogen... Helps Improve Yield

Ostara, a Vancouver based nutrient management solutions company, just acquired Multiform Harvest, which has developed technology to support a sustainable manure and litter resource cycle in livestock operations for phosphorous. I should mention that Ostara has technology that recovers phosphorus and nitrogen from industrial, agricultural, and municipal water treatment facilities and transforms them into Crystal Green, which the company describes as a premium, sustainable fertilizer. By acquiring Multiform Harvest, Ostara now can use their technology to enter the small dairy, swine and poultry farm sector as well. It's worth noting that Ostara just raised \$11 million to expand the scale of production for their environmentally-friendly fertilizer called Crystal Green as well as their sales network. The acquisition looks to be a great play for Ostara as they seek to deal with the affects of years of nutrient runoff. With all the media coverage on the subject, it's a race to the top to see which companies will not only find a solution, but also one that is cost effective as well. What I like about Ostara is the their Crystal Green Product, which I understand is derived from recovered and reused nutrients in water streams and waste streams. What's really interesting and worth taking a deeper look into is the claims Crystal Green makes regarding how their fertilizer is activated and dissolves. From what I understand, Crystal Green does not dissolve in water, rather it only dissolves when the plant secretes citric acid, which indicates that it needs nutrients. Meaning, not only is Ostara managing excess nutrients both in wastewater streams due to fertilizer runoff, but with Crystal Green they are also avoiding runoff on the back end as well. Using both Ostara's and Multiform Harvest's technology, water treatment plants and smaller animal farms that produce manure can reduce nutrient management costs, meet increasingly stringent discharge limits and improve operating reliability. Also, I forgot to mention that company trials on Crystal Green indicate that the product can improve crop yields, enhance soil health and significantly reduce phosphorus tie-up, leaching, and runoff, improving food security while protecting local waterways from nutrient pollution. Sounds like a win-win to me for producers who are looking to fiscally manage manure in a sustainable manner. As the private company continues to expand its customer base in its existing markets like North America and Western Europe, Ostara is also hoping to tap into South America where Brazil's market for commodity phosphates is growing rapidly. Learn more about Ostara and what they are doing with the technology [HERE](#). (Source: Agfunder, [Ostara](#))

## THE PHOSPHORUS CYCLE TODAY



## THE OSTARA SOLUTION



### Historical Oil and the NEW Shale Cowboys

This is a little history lesson about how oil drilling first started along with a very interesting youtube video called "Shale Cowboys" that goes into detail about the NEW oil revolution. Deutsche Bank's Jim Reid wrote in a note to investors that showed if you look at oil prices through an adjusted "real-money" type lens, meaning one adjusted to today's value of money, you will see oil prices dating clear back to 1861 have averaged around \$47 per barrel. The 1861 date intrigued me, so I went out and researched the significance. I learned that in 1861 Edwin Laurentine Drake, drilled the first productive oil well in Titusville, Pennsylvania. Drake was a conductor on the New York and New Haven Railroad, but had to retire for health reasons. In 1857, while living in New Haven, Connecticut, Drake met stockholders of the Pennsylvania Rock Oil Company, which claimed a lease on land near Titusville, Pennsylvania, where oil had been gathered from ground-level seepages for medicinal uses. The company hoped to make money selling the oil for lighting, and to this end the stockholders sent Drake to Titusville to assess the viability of the enterprise. Letters of introduction to businessmen in the area referred to Drake as "Colonel," and for the rest of his life he was known as "Colonel Drake". After Drake returned to New Haven with a favorable report, the New Haven stockholders formed a new company, the Seneca Oil Company, sold some stock to Drake, and sent him back to develop the site. Seeing the futility of gathering oil from surface seeps or trying to mine it from excavated shafts, Drake studied the techniques of drilling salt wells and decided to bore for the oil. He began drilling in May 1858 and almost immediately found it impossible to maintain a borehole in the loose rock and soil just below the surface. He solved the problem by driving sections of pipe into the ground until bedrock was struck, and from there the drilling continued until the top of an oil deposit was reached at a depth of 69 feet on August 27, 1859. With the spread of Drake's drilling techniques, Titusville and other northwestern Pennsylvania communities became boomtowns. Drake drilled two more wells for the Seneca company, but he failed to patent his drill-pipe methods and never became a success in oil speculation. He worked at various jobs in Titusville, then moved to New York City, Vermont, and New Jersey. In 1870, after years of poverty, he returned to Pennsylvania, where he was eventually awarded a pension by the state legislature. In 1901 an executive of the Standard Oil Company paid to erect a monumental tomb in Drake's honor at a cemetery in Titusville, where Drake's body was buried. Remember, John D. Rockefeller started Standard Oil Company in 1870, it went on to become the largest oil refinery in the world. Rockefeller ran the company as its chairman, until his retirement in 1897. He remained the major shareholder, and in 1911, with the forced breakup of the Standard Oil into 34 smaller companies, Rockefeller became the richest man in the world. Keep in mind, from Standard Oil came Exxon, Chevron, Texaco, Mobil, BP, Amoco, and Marathon Petroleum. Keep in mind it wasn't until March 3, 1938 that Saudi Arabia first discovered oil, eventually revealing the largest source of crude oil in the world. Then in 1949, J. Paul Getty negotiated a series of lucrative oil leases with Saudi Arabia and

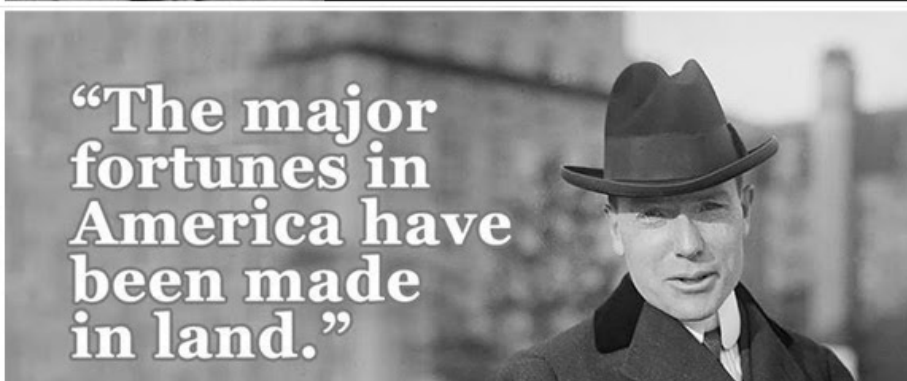
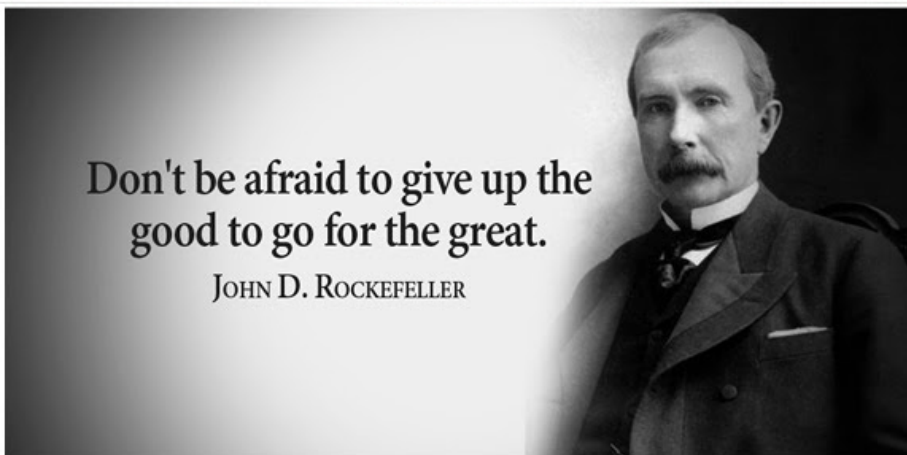
Kuwait. By 1957 he founded the Getty Oil Company, later that year Fortune magazine named him the richest living American, while the 1966 Guinness Book of Records named him the world's richest ever private citizen. In the past decade we've seen a new oil revolution taking hold. Shale stone was once considered worthless by the oil and gas industry. It wasn't until a small Texan gas company found a way in the late 1990's to win gas from hard-shelled rock. By making deep boreholes in the stone layers of the soil and injecting a large amount of water and chemicals under high pressure, shale gas and shale oil are now creating the next wave of billionaires. With this method, later known as fracking, the energy market has changed forever. The video "Shale Cowboys" explains how this controversial innovation has turned the world of energy upside down and is creating massive wealth in America. Click [HERE](#) (Source: VPRO Broadcast; [Brittanica American Oil Driller](#))



**"Buy when everyone  
else is selling and  
hold until everyone  
else is buying."**

**J. PAUL GETTY**  
GETTY OIL





- John D. Rockefeller



### What You Might Not Know About The Beatles and Their Last Performance

The last time all the members of the Beatles ever performed together it happened on this day back in 1969 atop the roof of Apple Corps in London. I always considered myself a fan of the Beatles and an avid listener of their music. In fact, I've read several books that have tried to explain their massive success and worldwide popularity. For me, I believe it's an unexplainable mix of both art and science. They were incredibly savvy with some of their strategies, but perhaps, more importantly, they were extremely blessed in the way of talent and timing. Making for a recipe that many in the world had never had the chance to taste. Below are just a few interesting facts surrounding the Beatles and that famous final performance.

**Location:** *The final performance was held on the roof of Apple Corps Ltd, a multimedia corporation founded in London in January 1968 by the members of the Beatles to replace their earlier company. Its chief division is Apple Records, which was launched in the same year. Their Apple headquarters in the late 1960s was at the upper floors of [94 Baker Street](#). In 2010, Apple Corps ranked #2 on the Fast Company magazine's list of the world's most innovative companies in the music industry, thanks to the release of The Beatles: Rock Band video game and the remastering of the Beatles' catalogue.*

**Poor Conditions:** *From what I've heard the band almost didn't take the stage as it was only 45 degrees and the wind was whistling. There's also talk there were a bit nervous as it was their first live performance in over two years when they played to a packed house at San Francisco's Candlestick Park. Lennon and Harrison were constantly complaining about their hands being too cold to play the chords. In fact, those on the roof reported that Apple Corps exec Ken Mansfield held a constant stream of lit cigarettes so they could warm his fingertips. To ward off the winter chill, Lennon borrowed Yoko Ono's fur coat, while Ringo donned his wife Maureen's red raincoat. The cold gusts also had havoc on the studio microphones. In need of a quick shield to minimize wind noise, tape engineer (and future Pink Floyd cohort) Alan Parsons was dispatched to find some women's pantyhose to place over the mic's.*

**The Actual Concert:** *While 21 minutes of the concert made it into the final Let It Be film, the actual performance was twice as long. During the 42-minute set, the Beatles played "One After 909," two complete versions each of "Don't Let Me Down," "Dig a Pony" and "I've Got a Feeling," and three versions of "Get Back" — plus various incomplete takes, including a line from the Irish folk song "Danny Boy."*

**What About The Cops?** *The West End Central Police Station is located at [27 Savile Row](#) — mere feet from Apple headquarters. The authorities obviously must have heard the loud rock music wafting down the street. Windows rattled, floors shook, and horns blared from the resulting traffic jams. If they wanted to, the police could have walked over and shut things down before the first song was over. Instead, they let the concert continue for 42 minutes. It was only when the noise complaints began to flood in from stuffy local businesses that they felt compelled to act. Because the concert was cut short by the police, fans have spent decades theorizing what other songs — if any — the Beatles might have performed had they continued. Some eagle-eyed rock scholars have noticed equipment in the background of the Apple roof set that went unused, including an extra keyboard, a*

lap-steel guitar and what appears to be an acoustic-guitar microphone positioned by McCartney. Were folk songs like "Two of Us" originally in the mix? Was McCartney going to try out some of his piano-based ballads like "Let It Be" and "The Long and Winding Road"?

**Lennon Needed Cue Cards:** John Lennon always had a problem with lyrics. Wanting to get things reasonably correct, McCartney and the other Beatles asked assistants to kneel just out of view of the cameras and fans and hold up a lyric sheet for Lennon, who still managed a memorable flub during "Don't Let Me Down," singing something like, "And only reese we got the blootchy-koo."

**A Special Guitar For Harrison:** The Telecaster that Harrison played throughout the rooftop concert was custom made for him by master builders Roger Rossmeisl and Philip Kubicki as a gift from Fender. The company was launching a new line of all-rosewood guitars, and presenting the prototype to a Beatle was good publicity. After many hours of labor, the guitar was flown to England in its own seat and hand-delivered to Apple headquarters.

**The Sounds You Hear From The Beatles:** Although Abbey Road was the final album to be recorded by the four Beatles, Let It Be was the last to be issued in May 1970, weeks after the group's split made headlines around the world. The black-trimmed cover gave it funereal quality, and fans anxiously studied to the parting message from the foursome that defined the Sixties. As "Get Back," the last track, draws to a close, the sound of John Lennon's voice can be heard: "I'd like to say thank you on behalf of the group and ourselves, and I hope we passed the audition." It was a self-effacing remark made at the end of the rooftop show, poking fun at the many auditions the band failed over the years. It was also a humble nod to the band's unprecedented success — and, inadvertently, the perfect Beatles epitaph.

**Concert Shot By Secret Son Of Orson Welles?** Having worked with the Beatles on their recent promotional videos for "Hey Jude" and "Revolution," American filmmaker Lindsay-Hogg was the logical choice to direct their rooftop gig. He arranged an army of cameras to capture the moment from all angles, sending a crew into the street, the adjacent building, and the Apple reception area — not to mention the five cameras on the roof itself. The result is some of the most iconic concert footage in history. Film prowess may be in his blood. In his 2011 autobiography, Lindsay-Hogg revealed that he believes himself to be the only son of cinema giant Orson Welles. His mother, actress Geraldine Fitzgerald, publically denied the rampant rumors, but she allegedly acknowledged the truth to family friend Gloria Vanderbilt. When Welles' oldest daughter supported Lindsay-Hogg's claim, he submitted to a DNA test. The results were inconclusive.

**Beatles Weren't The First To Perform On NY Rooftop:** The Beatles racked up many firsts over the course of their career, but they were not the first band to hold an unauthorized concert on a metropolitan rooftop. That distinction goes to Jefferson Airplane, who climbed to the top of midtown's Schuyler Hotel on December 7th, 1968 and surprised the city with cries of "Hello, New York!" Lacking permits, they would only make it through one song — a blistering version of "The House at Pooneil Corners" — before the NYPD threatened arrest for noise disturbance. The band went peacefully, but their friend, actor Rip Torn, was busted for harassing an officer and taken away in a cruiser

Click [HERE](#) to see the last video of The Beatles singing "Don't Let Me Down"

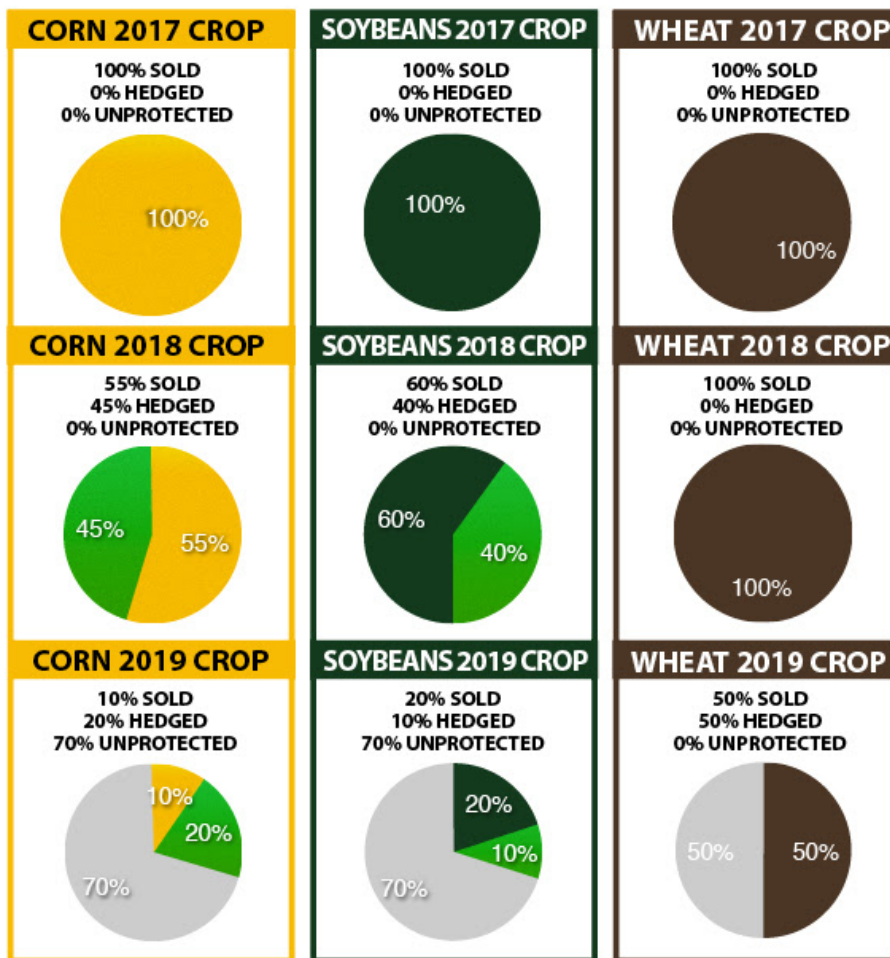




ANSWER to riddle: A shoe.

## CASH SALES & HEDGING TOTALS

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