

GOOD MORNING: 02/27/19 Farm Direction - Van Trump Report

1 message

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

Wed, Feb 27, 2019 at 7:09 AM

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Today In History

"Yesterday's home runs don't win today's games." - Babe Ruth

WEDNESDAY, FEBRUARY 27, 2019
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Morning Summary: Stocks struggle to find additional upside momentum as more analyst talk about slowing global growth. Keep in mind, the S&P 500 and Dow are both up +11% in 2019, the Nasdaq is up +12%, and Russell 2000 up over +16%. The indexes mentioned above have traded back near the highs achieved in November, prior to the major meltdown, but we are still a ways from the all-time highs posted back in September of 2018. Despite the Fed becoming much more "flexible" and less hawkish in nature, there's still a lot of uncertainty about future growth, shrinking corporate margins and rising debt. Home Depot disappointed investors yesterday by reporting weaker-than-expected fourth-quarter results. Both earnings and revenue were below forecasts. Home Depot also said that the company is seeing slower growth in housing metrics. At the same time Caterpillar stock was hit after UBS double downgraded the shares from a buy to a sell, citing slowing global construction demand. The bank also lowered its 12-month price target to \$125 from \$154 a share, saying the majority of the heavy equipment maker's end markets will peak this year, and that revenue and margins will come under pressure in 2020 as demand declines. The good news is, the U.S. dollar might start to weaken a bit as more market participants start to discount further Fed rate hikes. There's starting to be more talk inside the trade that the Fed might not raise rates for the next two-years. A mixture of good and bad economic data and ongoing political trade negotiations may keep the Fed on pause the remainder of 2019. And as most know, an election year in 2020 makes it difficult for the Fed to intervene unless absolutely necessary. As for today, we are digesting the latest headlines from the second meeting between President Trump and North Korean leader Kim Jong Un. The trade will also be digesting the second day of testimony by Fed Chair Jerome Powell who will be fielding questions from the House Financial Services Committee. I should also note, Michael Cohen, President Trump's former attorney, is scheduled to testify before an open House committee. Political insiders representing the "left" are saying it might be the first time we hear Cohen actually link the President to any wrong doing. If that happens to play out, I have to imagine the bulls take a couple of steps backwards, bank a few nearby profits, and take a more wait-and-see approach. A lot of human psychology starting to come into play now that we have rebounded back to these levels. Remember, the market doesn't always have to make sense...



1827, New Orleanians Take to the Streets for Mardi Gras

On this day in 1827, a group of masked and costumed students dance through the streets of New Orleans, Louisiana, marking the beginning of the city's famous Mardi Gras celebrations. The celebration of Carnival-or the weeks between Twelfth Night on January 6 and Ash Wednesday, the beginning of the Christian period of Lent-spread from Rome across Europe and later to the Americas. Nowhere in the United States is Carnival celebrated as grandly as in New Orleans, famous for its over-the-top parades and parties for Mardi Gras (or Fat Tuesday), the last day of the Carnival season. Though early French settlers brought the tradition of Mardi Gras to Louisiana at the end of the 17th century, Spanish governors of the province later banned the celebrations. After Louisiana became part of the United States in 1803, New Orleanians managed to convince the city council to lift the ban on wearing masks and partying in the streets. The city's new Mardi Gras tradition began in 1827 when the group of students, inspired by their experiences studying in Paris, donned masks and jester costumes and staged their own Fat Tuesday festivities. The parties grew more and more popular, and in 1833 a rich plantation owner named Bernard Xavier de Marigny de Mandeville raised money to fund an official Mardi Gras celebration. After rowdy revelers began to get violent during the 1850s, a secret society called the Mistick Krewe of Comus staged the first large-scale, well-organized Mardi Gras parade in 1857. Over time, hundreds of krewes formed, building elaborate and colorful floats for parades held over the two weeks leading up to Fat Tuesday. Riders on the floats are usually local citizens who toss "throws" at passersby, including metal coins, stuffed toys or those now-infamous strands of beads. Though many tourists mistakenly believe Bourbon Street and the historic French Quarter are the heart of Mardi Gras festivities, none of the major








Are We Reaching Peak "Traditional" Auto? *I thought it was interesting to read in a Bloomberg report that one of our nations most iconic and hottest selling vehicles, the Jeep Wrangler, is starting to backup in supply. Dealers had 166 days' supply of Jeep Wranglers at the beginning of this month, up from 116 days at the start of the year, and 120 days a year ago, according to data from Automotive News. Auto companies used to be in a position where demand outstripped supply," Adam Jonas, an analyst at Morgan Stanley, said by phone. "Supply is now keeping up with demand, and possibly getting to a point where it exceeds demand. We're probably not there yet, but we're getting closer." Fiat Chrysler said later Tuesday that its Jeep Cherokee plant in Belvidere, Illinois, will move to two shifts, from three, starting May 6. This will lead to indefinite layoffs for 1,371 workers. Some analyst argue that prices have simply gotten too high for their target market. A new Wrangler cost \$42,473 on average in 2018, up from \$37,460 in 2017 and \$26,721 in 2008, according to market researcher Edmunds. A few investment friends I personally consult with, wonder if Uber, Lyft and other transportation service companies are starting to have an impact on the younger generation and their buying tendencies. There's not really the need for a cool vehicle in today's world, when everywhere you go at nights and on weekends you roll in an Uber or*

Lyft. In fact, nobody hardly sees you in your own personal vehicle anymore. I just believe the entire auto industry is changing before our eyes. I don't think we recognize it from a traditional standpoint in 20-years. (Source: [Bloomberg](#))

Hulu Drops Prices: Hulu recently dropped the price of their basic streaming subscription from \$7.99 to \$5.99, and users will still have access to all the same shows, movies, and Hulu Originals. Hulu No Ads is staying at \$11.99, meaning it will cost twice as much to get its basic plan with no ads. In addition, there is a small increase for Hulu + Live TV packages increasing from \$39.99 a month to \$44.99 a month and the \$43.99 plan without ads is now \$50.99 a month. Currently, Netflix dominates the streaming game as research firm Lab42 found that 89% of streaming subscribers pay for Netflix, while about 46% use Amazon and 28% use Hulu. Keep in mind, Netflix and Amazon Prime Video are still charging \$8.99 for their basic plan. It's possible Hulu's \$2 a month price cut could change some of these numbers moving forward.

Democratic Candidates for 2020, Odds of Winning and Leadership vs. Ideology Scores: These were a couple of interesting graphics circulating this past weekend. They were passed long by "A Shot of Politics" who is part of The Daily Shot Research. The first graphic is the current odds on who will win the 2020 Democratic presidential nomination (cents = % probability). It's obviously early, but at least this helps provides us with a better understanding. The second graphics is something they titled "Candidates' Leadership vs. Ideology Scores", which helps identify how "liberal" leaning or perhaps more "middle of the road" is a candidate.

Who will win the 2020 Democratic presidential nomination?

| Contract | Latest Yes Price |
|--|------------------|
|  Kamala Harris | 23¢ NC |
|  Bernie Sanders | 20¢ 3¢↑ |
|  Joe Biden | 18¢ 1¢↓ |
|  Beto O'Rourke | 15¢ 1¢↑ |
|  Elizabeth Warren | 8¢ NC |
|  Amy Klobuchar | 8¢ NC |
|  Cory Booker | 7¢ NC |

parades have been allowed to enter the area since 1979 because of its narrow streets. In February 2006, New Orleans held its Mardi Gras celebrations despite the fact that Hurricane Katrina had devastated much of the city with massive flooding the previous August. Attendance was at only 60-70 percent of the 300,000-400,000 visitors who usually attend Mardi Gras, but the celebration marked an important step in the recovery of the city, which counts on hospitality and tourism as its single largest industry.



1936, Shirley Temple Receives \$50,000 Per Film -

On this day in 1936, Shirley Temple receives a new contract from 20th Century Fox that will pay the seven-year-old star \$50,000 per film. Temple was born in 1928 in Santa Monica, California, and started appearing in a series of short films spoofing current movies, called Baby Burlesks, at the age of four. At six, she attracted attention with her complex song-and-dance number "Baby Take a Bow," performed with James Dunn, in the 1934 movie Stand Up and Cheer. Based on the film's success, 20th Century Fox signed little Shirley to a seven-year contract. She would appear in a string of films that year and the next, including Little Miss Marker, Change of Heart, Bright Eyes (which featured one of her most famous songs, the bouncy tune "On the Good Ship Lollipop"), and Curly Top. At the depths of the Great Depression, Temple's films provided a cheery alternate universe for audiences suffering the effects of widespread unemployment and general economic hardship. Knowing they had a cash cow on their hands, 20th Century Fox refined the terms of Temple's contract in 1936, paying her the unprecedented sum of \$50,000 per picture. They also famously altered the year on her birth certificate, making it appear that she was a year younger in order to prolong her adorable child-star status. By 1938, Temple was the No. 1 box-office draw in America. The public loved her, and she routinely upstaged her adult counterparts on the big screen. Over the course of the 1930s, the box-office success of her more than 40 films, including Poor Little Rich Girl, Wee Willie Winkie, Heidi and Rebecca of Sunnybrook Farm, went a long way towards helping Fox weather the Depression. Temple's career began to peter out in her teenage years, however, and her later films met with less and less success with audiences. In 1950, she retired from movies, though she narrated the television series Shirley Temple's Storybook from 1957 to 1959. Also in 1950, she married naval officer Charles Black, changing her name to Shirley Temple Black. (She had been previously married to Jack Agar; they wed when she was 17 and divorced after having one child, Linda.) With Black, she had two more children, Charles Jr. and Lori. Some 20 years after retiring from Hollywood, Temple Black launched a political career, running as the Republican candidate for a congressional seat in San Mateo,

FARM TANK

Tweets of the Day

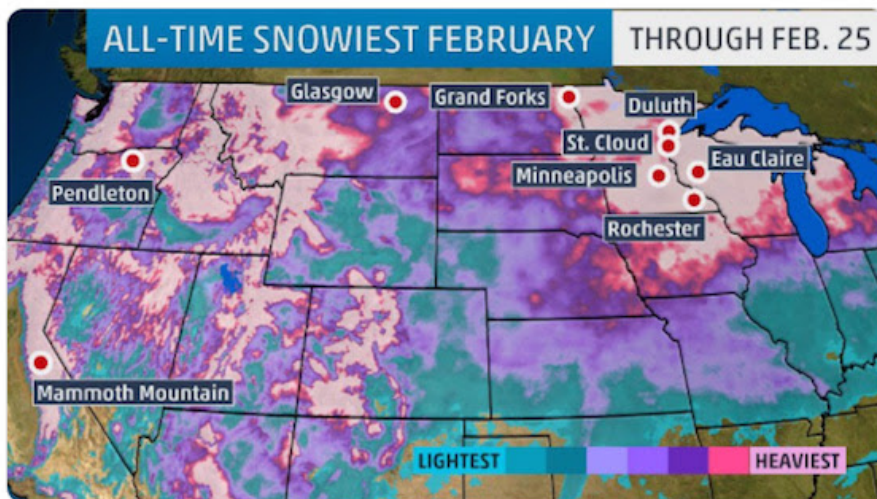


The Weather Channel

@weatherchannel

Following

All kinds of records – snow, rain and heat – were broken in the United States in February 2019: [wxch.nl/2NtiSG4](https://www.wxch.nl/2NtiSG4)



California, in 1967 and coming in second of 14 candidates. The following year, President Richard Nixon appointed her as an ambassador to the United Nations; she worked for the State Department in the United States and overseas for more than two decades. She was the first woman to ever serve as chief of protocol, a post she held for 11 years under President Gerald R. Ford, and President George H.W. Bush named her ambassador to Czechoslovakia in 1989; by the end of her term in 1993, it had become the Czech Republic. Temple Black published her autobiography, *Child Star*, in 1988. She still serves on the Institute of International Studies. The former child star also became a spokeswoman for breast cancer awareness after she discovered a malignant lump in her breast in 1972 and underwent a simple mastectomy. In 1999, at an event hosted by then-President Bill Clinton and his wife, Hillary, Temple Black received a medal from the Kennedy Center for lifetime achievement to the United States and the world.



1973, AIM occupation of Wounded Knee begins -

On the Pine Ridge Reservation in South Dakota, some 200 Sioux Native Americans, led by members of the American Indian Movement (AIM), occupy Wounded Knee, the site of the infamous 1890 massacre of 300 Sioux by the U.S. Seventh Cavalry. The AIM members, some of them armed, took 11 residents of the historic Oglala Sioux settlement hostage as local authorities and federal agents descended on the reservation. AIM was founded in 1968 by Russell Means, Dennis Banks, and other Native leaders as a militant political and civil rights organization. From November 1969 to June 1971, AIM members occupied Alcatraz Island off San Francisco, saying they had the right to it under a treaty provision granting them unused federal land. In November 1972, AIM members briefly occupied the Bureau of Indian Affairs in Washington, D.C., to protest programs controlling reservation development. Then, in early 1973, AIM prepared for its dramatic occupation of Wounded Knee. In addition to its historical significance, Wounded Knee was one of the poorest communities in the United States and shared with the other Pine Ridge settlements some of the country's lowest rates of life expectancy. The day after the Wounded Knee occupation began, AIM members traded gunfire with the federal marshals surrounding the settlement and fired on automobiles and low-flying planes that dared come within rifle range. Russell Means began negotiations for the release of the hostages, demanding that the U.S. Senate launch an investigation of the Bureau of Indian Affairs and all Sioux reservations in South Dakota, and that the Senate Foreign Relations Committee hold hearings on the scores of Indian treaties broken by the U.S. government. The Wounded Knee occupation lasted for a total of 71 days, during which time two

#Waymo is way ahead of the pack with its fleet covering 1.27 million miles last year with 11,154 miles per disengagement #Google #DriverlessCars

statista.com/chart/17144/te...

The Self-Driving Car Companies Going The Distance

Number of test miles and reportable miles per disengagement in California in 2018

| | | Miles | Miles per Disengagement* |
|---------------|---|-----------|--------------------------|
| Waymo |  | 1,271,587 | 11,154.3 |
| GM Cruise |  | 447,621 | 5,204.9 |
| Zoox |  | 30,764 | 1,922.8 |
| Nuro |  | 24,680 | 1,028.3 |
| Pony.AI |  | 16,356 | 1,022.3 |
| Nissan |  | 5,473 | 210.5 |
| Baidu |  | 18,093 | 205.6 |
| Aurora |  | 32,858 | 99.9 |
| Drive.ai |  | 4,617 | 83.9 |
| Nvidia |  | 4,142 | 20.1 |
| Mercedes-Benz |  | 1,749 | 1.5 |
| Apple |  | 79,745 | 1.1 |
| Uber |  | 26,899 | 0.4 |

* Cases where a car's software detects a failure or a driver perceived a failure, resulting in control being seized.
@StatistaCharts Source: DMV via thelastdriverlicenseholder.com

statista

Sioux men were shot to death by federal agents and several more were wounded. On May 8, the AIM leaders and their supporters surrendered after officials promised to investigate their complaints. Russell Means and Dennis Banks were arrested, but on September 16, 1973, the charges against them were dismissed by a federal judge because of the U.S. government's unlawful handling of witnesses and evidence. Violence continued on the Pine Ridge Reservation throughout the rest of the 1970s, with several more AIM members and supporters losing their lives in confrontations with the U.S. government. In 1975, two FBI agents and a Native man were killed in a shoot-out between federal agents and AIM members and local residents. In the trial that followed, AIM member Leonard Peltier was found guilty of first-degree murder and sentenced to two consecutive life terms. With many of its leaders in prison, AIM disbanded in 1978. Local AIM groups continued to function, however, and in 1981 one group occupied part of the Black Hills in South Dakota. Congress took no steps to honor broken Indian treaties, but in the courts some tribes won major settlements from federal and state governments in cases involving tribal land claims. Russell Means continued to advocate for Native rights at Pine Ridge and elsewhere and in 1988 was a presidential candidate for the Libertarian Party. In 2001, Means attempted to run for the governorship of New Mexico, but his candidacy was disallowed because procedure had not been followed. Beginning in 1992, Means appeared in several films, including Last of the Mohicans. He also had a guest spot on HBO's Curb Your Enthusiasm. His autobiography, Where White Men Fear to Tread, was published in 1997. Means died on October 12, 2012, at age 72.

Upcoming Events

Thurs 02/28 - Export Sales, Jobless Claims

Mon. 03/04 - Export Inspections

Wed. 03/05 - Ash Wednesday

Thurs. 03/07 - Export Sales, Jobless Claims, US Trade Balance

Fri. 03/08 - Crop Production, USDA Supply & Demand, Unemployment

Sat. 03/10 - Daylight Savings Time Begins(2:00 AM)

Mon. 03/11 - Export Inspections

Thurs. 03/14 - Export Sales, Jobless Claims, Retail Sales

Fri. 03/15 - NOPA Crush

Sun 03/17 - St. Patrick's Day

Mon. 03/18 - Export Inspections



State Board
@CaFood_AgBoard

Following

Celebrating the diversity of US agriculture -
La Vang pitches at NASDA's Foundation first
ever Women's Farm to Food Competition.

#womeninag #elevateagacceleratefood
#nasda



Tues.-Wed. 03/19-31/20 - FOMC Meeting

Wed. 03/20 - Spring Begins, Full Moon

Thurs. 03/21 - Export Sales, Jobless Claims

Fri. 03/22 - Cattle on Feed, Cold Storage

Mon. 03/25 - Export Inspections, New Home Sales

Thurs. 03/28 - Export Sales, Jobless Claims, Hots & Pigs Report

Fri. 03/29 - Personal Income, Grain Stock, Prospective Planting

Mon. 4/1 - April Fool's Day, Export Inspections, Crop Progress

Wed. 4/3 - US Trade Balance

Thurs. 04/04 - Export Sales, Jobless Claims

Fri. 04/05 - Unemployment Data, Consumer Credit

Mon. 04/08 - Export Inspections, Crop Progress

Tues. 04/09 - Crop Production, USDA Supply & Demand

Thurs. 04/11 - Export Sales, Jobless Claims

Mon. 04/15 - NOPA Crush, Export Inspections, Crop Progress

Tues. 04/16 - Retail Sales

Thur. 04/18 - Export Sales, Jobless Claims, Cattle on Feed

Fri. 04/19 - Good Friday, Full Moon

Mon. 04/22 - Easter Monday, Export Sales, Crop Progress

Tues. 04/23 - Cold Storage

Thurs. 04/25 - Export Sales, Jobless Claims

Mon. 04/29 - Export Inspections, Crop Progress, Personal Income

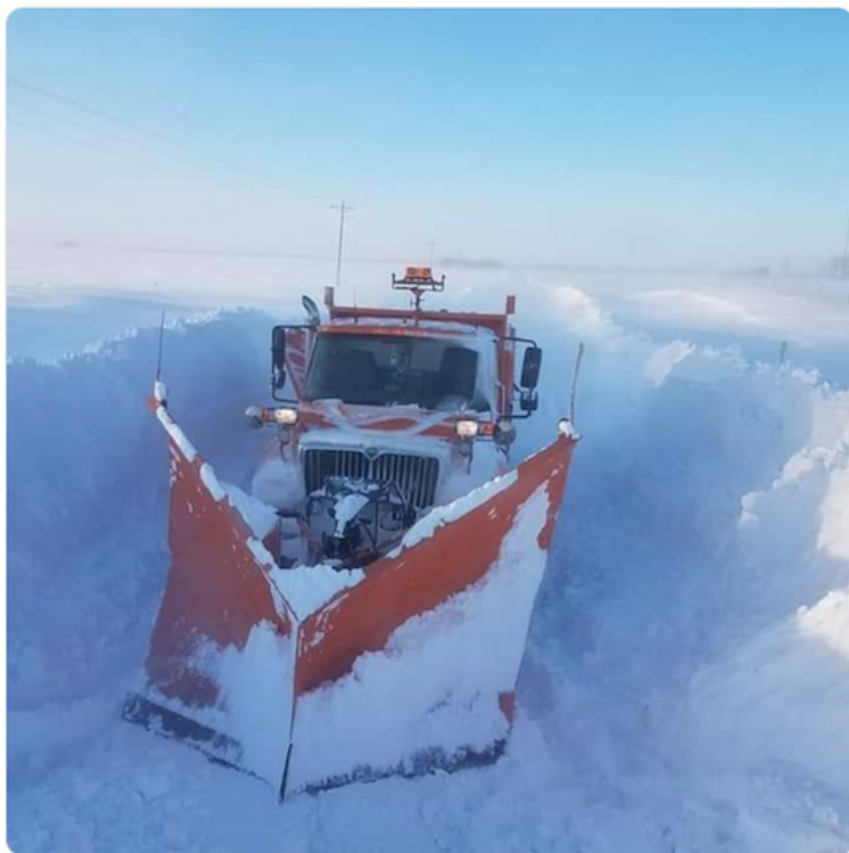
Kevin's Song of the Week



Taylor Kanost
@WxKanost

Following

It's not a good sign when the snow drifts are as big as the plows. This is from Emmetsburg, IA today. #iawx



WHAT I'M LISTENING TO:



Kenny Chesney

"No Shoes, No Shirt, No Problems"

Kevin's Song of the Week

NEXT level THINKING



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

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

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


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

Kevin Van Trump

What Others Are Saying

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



Randy Bump 
@Bumper13

Following

I've found my winter job... #beachfarming



HayMap    
@HayMapApp

Following

hay look it's a taco bale!



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

A.M., FDIC

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

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

My Own Personal Truisms

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

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

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

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

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

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

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

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



Rock 'N' Roll Pics

@DailyRockPics

Following



Johnny Cash outside Folsom Prison, 1968.



Farm Direction

RECIPES

★ **FAMILY** ★
FAVORITES

-SENT IN BY OUR READERS-

**Southern-Style
Green Beans**



CLICK TO SEE RECIPE



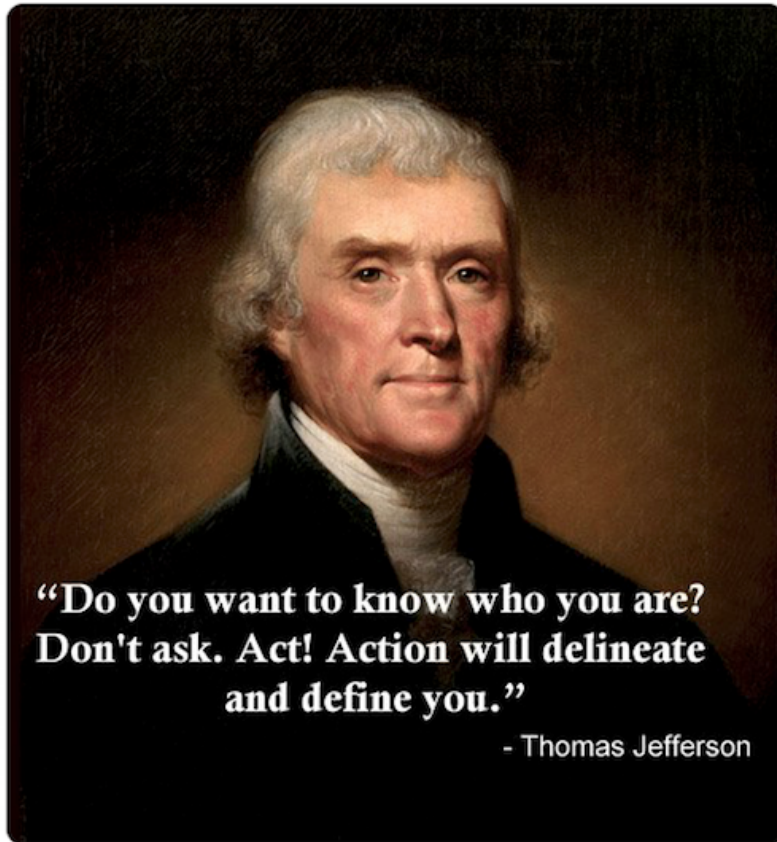
ActionComplete
@ActionComplete

Following

Do you want to know who you are? Don't ask. Act! #Action will delineate...

~Thomas Jefferson

#motivation #quotes



neuro mining



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

TODAY'S RIDDLE:

The more you work, the more I'll eat. You keep me full, I'll keep you neat. What am I?

Corn prices are extremely close to breaking below their longer-term channel. I've

included a couple of charts below that feature the MAY19 old-crop contract. As you can see, both the 6-month and 1-year chart paint a very similar picture. The market needs to hold until the bulls can get their teeth into something more promising from the Chinese negotiations. Here at home, there's continued talk of more corn acres in 2019, and arguments being made that demand growth is weakening lead by less ethanol, more competition for U.S. exporters, and more competition from feed alternatives. Lets not forget, Brazil and Argentine's crop are estimated at perhaps each more than +12 MMTs to +15 MMTs larger than last year. Bulls are talking about dryness in southern Brazil and how more corn will stay in the country to help supply their new ethanol plants, thinking it won't impact the export markets in any major capacity. Let's hope they are correct in their thinking. I'm hearing that in Argentina some early planted corn is starting to be more heavily harvested. Meaning, we should start hearing more specifics about Argentine production and yield. Don't forget, Ukraine corn production is also forecast +10 MMTs stronger than last year. I personally think there's still a U.S. weather story brewing. Rivers in several key locations are starting flood and I suspect it gets much worse once Spring arrives and heavy snows to the north more aggressively melt. Overly wet fields at planting have never been the farmers friend, especially when prices are cheap, the basis is wider than normal, anhydrous is a \$100 per ton more than last year and cash-flow is extremely tight. As I said a few weeks back, I'm thinking we will eventually have a shot at marketing new-crop DEC19 corn up in the \$4.30 to \$4.50 area, I'm just not sure when on how we actually get there? Meaning we could take a long and winding road, perhaps even pushing significantly lower, before making the run to higher ground. As a producer, I continue to keep all hedges in place and remain patient in regard to pricing additional new-crop bushels. As a spec, I'm thinking about dipping a toe in the water and starting to leg into a longer-term bullish position. I also still believe China is going to end up being a substantial buyer of U.S. corn, ethanol and DDGs. Corn prices are now down about -9% in the past year and down about -3.5% during the past 30-days.

Corn May '19 (ZCK19)

376-05 -4-0 (-1.05%) 02/26/19 [CBOT]

INTERACTIVE CHART for Tue, Feb 26th, 2019

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Corn May '19 (ZCK19)

376-0s -4-0 (-1.05%) 02/26/19 [CBOT]

INTERACTIVE CHART for Tue, Feb 26th, 2019

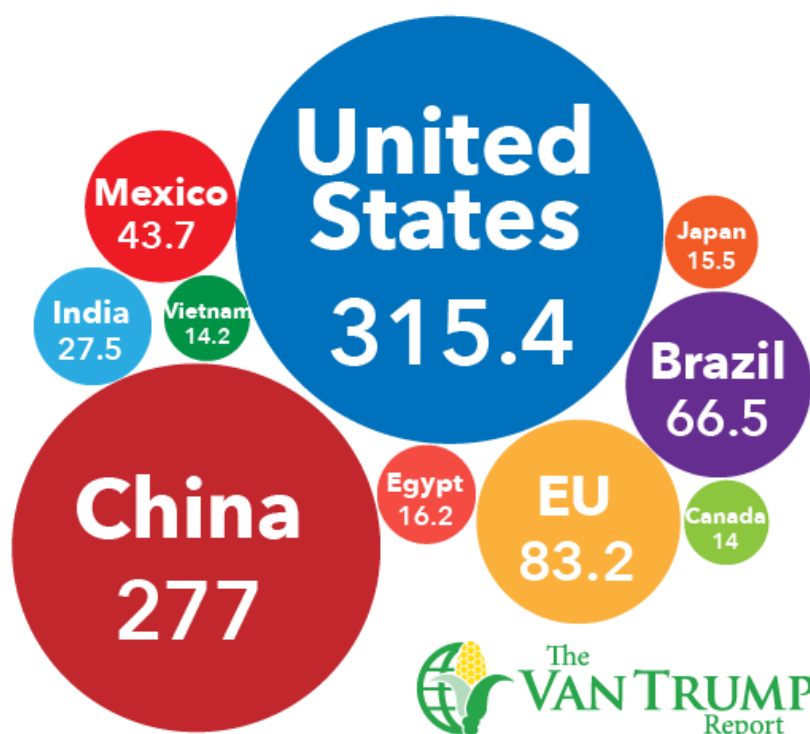
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Domestic Corn Consumption

2018/19 Projected (in million metric tons)



Source: USDA, FAS, PS&D 02/26/19

Spring Crop Revenue Insurance Guarantees: Remember these prices will update daily during the month of February as the price average is determined.

Corn - 2019 Spring Price - \$4.00 - Interestingly, this could be one of the higher corn insurance guarantees we've seen in a few years. Maybe I'm all wrong in my thinking and perhaps there will be significantly more corn acres?

2018 - Spring price \$3.96; Harvest price \$3.68

2017 - Spring price \$3.97; Harvest price \$3.49

2016 - Spring price \$3.86; Harvest price \$3.49

2015 - Spring price \$4.15; Harvest price \$3.83

2014 - Spring price \$4.62; Harvest price \$3.49

2013 - Spring price \$5.65; Harvest price \$4.39

Soybean - 2019 Spring Price - \$9.54

2018 - Spring price \$10.16; Harvest price \$8.60

2017 - Spring price \$10.19; Harvest price \$9.75

2016 - Spring price \$8.85; Harvest price \$9.75

2015 - Spring price \$9.73; Harvest price \$8.91

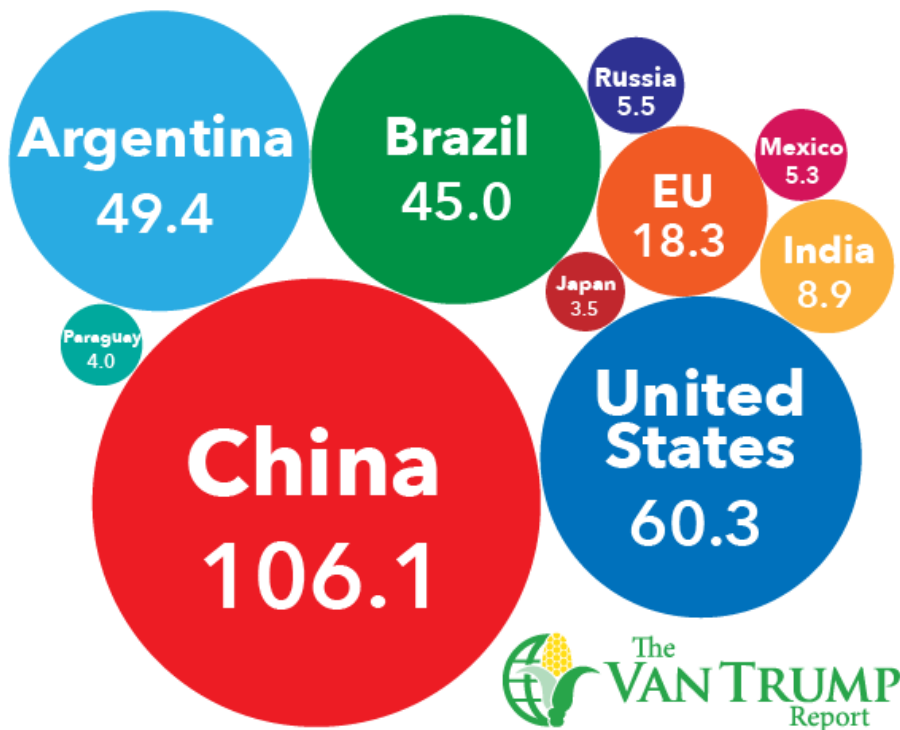
2014 - Spring price \$11.36; Harvest price \$9.65

2013 - Spring price \$12.87; Harvest price \$12.87

Soybean bulls appear to be getting tired and in desperate need of some fresh headlines. We still haven't seen the Chinese step in as big buyers of U.S. soybeans and the bears are pressing the market for more than simply talk and good intentions. There was also some talk and rumors floating around that still more negotiations need to be done before we can actually count the talk that the Chinese are going to buy billions of additional U.S. ag products. This has brought into question how soon the Chinese will be stepping forward to fulfill the recent verbal commitment for an additional 10 MMTs of U.S. Soybeans? The only buying reported yesterday was a couple of small old and new-crop purchases by Mexico. Nothing from China was announced. I suspect everyday that passes without some type of Chinese purchase announcement, the bulls will be disappointed and the market could continue to bleed. There's also nothing for the bulls to rally cheer about in South America. The setback in Brazil has been well advertised and the weather has since improved. Allowing the harvest to move along at a record setting pace, closing in on 50% complete. In addition, some of problem areas in Argentina are seeing improvements in the forecast. Bottom-line, despite perhaps a -5 MMTs setback in Brazil's production compared to last season, the Argentine crop could be +18 to +20 MMTs stronger. The good news is the fact South American supplies have been extremely depleted. I have to imagine any type of logistical constraints or geopolitical turmoil that slows exports could create a major ripple across the market and bring the bulls back up to bat. I'm not giving up on thoughts of higher prices. But as I mentioned several weeks back, prices could easily break to the downside before we catch a more significant rally higher. Without a continuing South American weather story or confirmed buying frenzy by the Chinese, the market finds itself in a land of limbo. This makes it hard to hold and build on upside momentum, especially now that we are in this period of time when we are transitioning away from South American growing headlines and get to plant the U.S. crop. Again, "market timing" becomes the critical tool for improved marketing practices. Unfortunately, most in the industry want to focus exclusively on short-term and long-term price direction. From my perspective it's all about the time left on the clock. Each producer has different amount of time on their game clock based on an array of variables, such as storage, cash-flow, etc... I remember a coach once telling me, the outcome would be so much different in every game if only the "time" was changed. If the game would have ended two-minutes earlier or perhaps two-minutes later. Think about that for a moment and reflect back on how big of an impact "time" has had on your own marketing game. They always say, the best coaches are the best time managers...

Domestic Soybean Consumption

2018/19 Projected (in million metric tons)

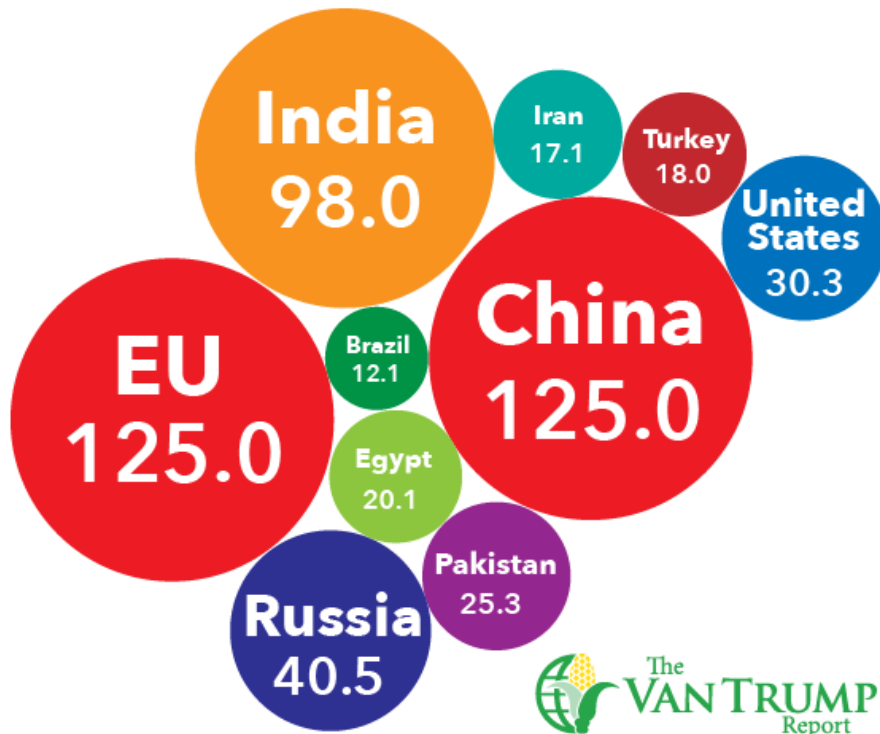


Source: USDA, FAS, PS&D 02/26/19

Wheat trades to lowest level since late-April of last year. Technically, the charts have been destroyed, with most contracts now trading well below all meaningful moving-averages. Funds are now thought to be holding a net-short position of more than -100,000 contracts. There's just very little fresh global fundamental news to feed the bulls. U.S. suppliers are sitting on a glut of wheat, patently waiting for lower-cost producers like Russia, Ukraine, Romanian and some in the European Union to fumble the ball, but nothing major has developed or happened to shift the bearish momentum. Now it becomes somewhat of a game for the bears, seeing how much pain they can inflict on the stubbornest of bulls. I remind everyone of the famous John Maynard Keynes quote, "The market can remain irrational longer than you can remain solvent". Don't allow it to become personal. I mentioned, and I heard a lot of others mentioning yesterday that U.S. winter wheat conditions have started to dramatically deteriorate. Just keep in mind, they are still nowhere near the poor crop condition levels we were seeing reported last year at this time. This allows the bears to believe it's all going to work out fine... Perhaps they will be correct. Personally, I'm sticking with my scaled down buying approach on the breaks. Technically, it looks like the SRW contract could challenge the \$4.40 to \$4.50 area. The next major line of support below that is probably the \$4.10 to \$4.20 area. For what it's worth HRW wheat is now down almost -15% in the past 30-days and down over -21% in the past year. SRW wheat is down about -15% in the past year and about -11% in the past 30-days. Spring wheat is also down about -15% during the past year.

Domestic Wheat Consumption

2018/19 Projected (in million metric tons)



Source: USDA, FAS, PS&D 02/26/19



> **Large Cuts To USDA Are Coming?** Well, Ag Sec. Sonny Perdue seemed to say that Monday. We are hearing that President Trump's fiscal 2020 budget request will propose slashing non-defense programs by 5%. But the Agriculture Department could be looking at an even steeper proposed cut as Perdue said "I wish they would give us a 5% cut." Of course, Congress usually disregards the president's budget request, which in recent years has unsuccessfully called for cuts to USDA.

> **The FDA's New Plan To Import Safe Food:** About 32% of fresh vegetables, 55% of fresh fruit and 94% of the seafood Americans consume is now imported according to the FDA. On Monday, the agency laid out a new plan for ensuring imported foods are safe to eat. You can check out their new plan [HERE](#).

> **Brazil Health Officials Find Glyphosate Non-Cancerous:** Analysts at Brazil health agency Anvisa have determined that the weed-killer glyphosate does not cause cancer while recommending a series of precautions be adopted in its use, amid growing international pressure to reduce use of the chemical. Brazil bans any agrochemicals found to cause cancer and the findings would allow sales of glyphosate, the most widely sold herbicide in the country, to continue. (Source: Reuters)

> **U.S. Asks China to Reduce Tariffs on Ethanol:** Agriculture Secretary Sonny Perdue said on Tuesday that U.S. trade negotiators have asked China to reduce tariffs on U.S. ethanol, but it was not immediately clear whether Beijing was willing to oblige. "They are engaged in conversation, they listen and hear us, but we are at this stage unable to determine the willingness factor," he told reporters on the sidelines of an event in Washington. Remember that last summer Beijing imposed retaliatory tariffs of up to 70% on U.S. ethanol shipments, making exports to the key market uneconomical.

> **India Pushes Back Implementation of Retaliatory Tariffs on U.S.:** India has once again delayed implementation of higher tariffs on some goods imported from the United States to April 1, according to a government order issued on Tuesday. I'm told the new tariff structure was to come into force from March 2. Angered by Washington's refusal to exempt it from new steel and aluminium tariffs, New Delhi decided in June to raise the import tax from Aug. 4 on some U.S. products including almonds, walnuts and apples, but has since repeatedly delayed the implementation of the new tariff.

> El Nino Probability Near 60% by May: El Nino weather conditions associated with droughts and flooding have a 50-60% probability of developing by May this year, the U.N. World Meteorological Organization (WMO) said on Tuesday, but any El Nino that does develop is not expected to be strong. Keep in mind, the WMO recently confirmed 2015, 2016, 2017 and 2018 as the four warmest years on record. But I'm hearing that even a weak El Niño is likely to make 2019 warmer than 2018.

> Alibaba Using Facial Recognition Tech on China's Swine Epidemic: *Alibaba is adapting facial recognition tech to address China's swine shortage. With pork production imperiled by a recent outbreak of disease, China's tech giants have turned to AI to keep pigs healthy. Swine fever, which spreads through live pigs and pork products such as ham and sausage, has led to the mass slaughter of more than 1m sick pig and if the supply continues to fall, global pork prices will rise. So to fix the problem, Alibaba, JD.com, and other startups use facial recognition to monitor pig health and prevent disease. (Source: The Hustle)*

> Facebook Finally to Launch Clear History Feature: *Facebook CFO David Wehner on Tuesday said Facebook will launch its clear history feature later this year. First announced by Facebook in early 2018, the feature will allow users to see information about apps and web sites they've interacted with and delete this information from their Facebook accounts. Wehner said the feature will make it harder for Facebook to use data collected by third parties to target ads to users. (Source: CNBC)*

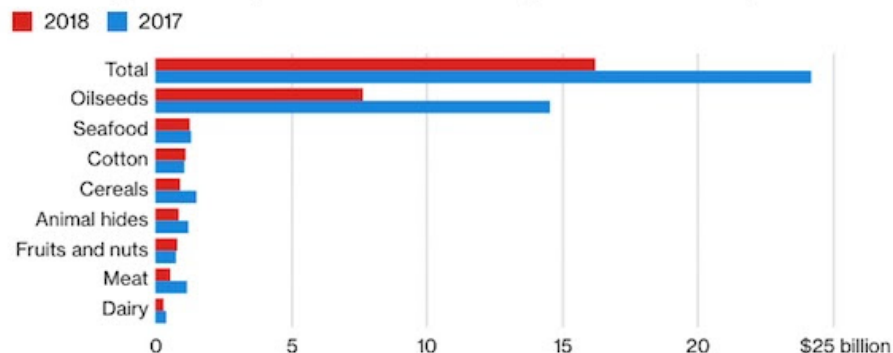
> Philadelphia Phillies Reportedly Offering Outfielder Bryce Harper \$300 million: *MLB Network's Jon Heyman tweeted Tuesday that "others are over \$300M, too." Meaning multiple teams have indicated a willingness to exceed the record-setting 10-year, \$300 million free agent deal Manny Machado signed last week with the San Diego Padres. It's worth mentioning that the average annual value for position players was nudged higher Tuesday with reports Colorado Rockies All-Star third baseman agreed to an eight-year, \$260 million contract. The AAV for Arenado would be \$32.5 million, exceeding the \$30 million per season the Padres doled out for Machado.*

> Apple Watch Could Start Helping to Track Our Sleep: *The company has been using the sleep-tracking feature for several months with testers at secret sites around its Cupertino, California, headquarters, according to people familiar with the work. If the functionality is successful in the testing stages, the company plans to add it to the Apple Watch by 2020. A feature that would bolster the company in the health-and-fitness-tracking market. Since the Watch went on sale in April 2015, it has become one of the most popular smartwatches. However, it's just one part of the company's Wearables, Home and Accessories category, which generated \$17.4 billion in 2018 revenue compared with \$164.9 billion from the iPhone. (Source: Bloomberg)*

> Farmers Are Worried How President Trump is Dealing With WTO: *Donald Trump's attack on the World Trade Organization has U.S. farmers worried that the president's 'America first' foreign policy approach will hamstring efforts to defend their interests. At issue is the fact the U.S. is strangling the ability of the WTO, which oversees the rules for nearly \$23 trillion in commerce every year, to resolve disputes among its 164 members. But when the WTO's appellate body becomes incapacitated later this year, even the U.S. cases, of which there are at least two pending meant to protect American agriculture, would be derailed. Read more [HERE](#).*

Farmers' Loss

China's agricultural imports from the U.S. slump due to the trade spat



Sources: China Customs Administration, Bloomberg



FROM THE FIELD

Northeast Missouri - We farmed almost all our corn in the frozen tundra, so we have no field tracks to speak of, so we are very happy about that. We have one small field that's rutted up, but we can deal with that in the grand scheme of things. We are going to plant 42% corn this next year and 29% will go to wheat and soybeans double crop. The last 29% will go to straight soybeans where we hope to get at least 60 bushels but that might be wishful thinking.

Southeast Kentucky - We had a wet harvest, and we followed that by a wet wheat planting. We followed that with a wet winter. The wheat looks like crap and we got less than 60% of our normal wheat planted. We probably got as much or more than anyone else planted as a percentage. We were still attempting to plant the first week of December and we don't normally plant after November. We could literally be too wet right now, but 2-4 weeks and we could be on the drier side.

Northern Illinois - We are beyond wet and it seems to keep raining and or snowing. We are getting more rain at this point and I don't see it stopping in the near future for some reason. I just feel are not done with the struggles of wetness. I think guys will struggle to get corn planted here and they might have to switch their crop to soybeans.



CROSSING WIRES

A place to share intelligent thoughts...

Benson Hill to Breed Industrial Hemp: Partnering with the California Hemp Corp., Benson Hill, the computational crop design company has entered into a sponsored research agreement with a laboratory at the University of California, Davis to begin breeding industrial hemp. I'm told the multiyear project seeks to create a commercial portfolio of field-grown types of the crop to be used for health, food and fiber products. Hemp is a versatile crop that has not been fully optimized for industrial food and fiber uses," said Matt Crisp, CEO and co-founder of Benson Hill. From what I understand, the data analytics and machine learning capabilities of CropOS will tap the rich genetic diversity within hemp to develop improved varieties for use in nutritional and wellness products. The research agreement marks the first major cannabis research undertaken by the University of California system, and will begin immediately. I'll say it again, things are moving fast in the hemp space so if you are considering getting on board, make sure you understand your states regulation on the matter. Read more [HERE](#).

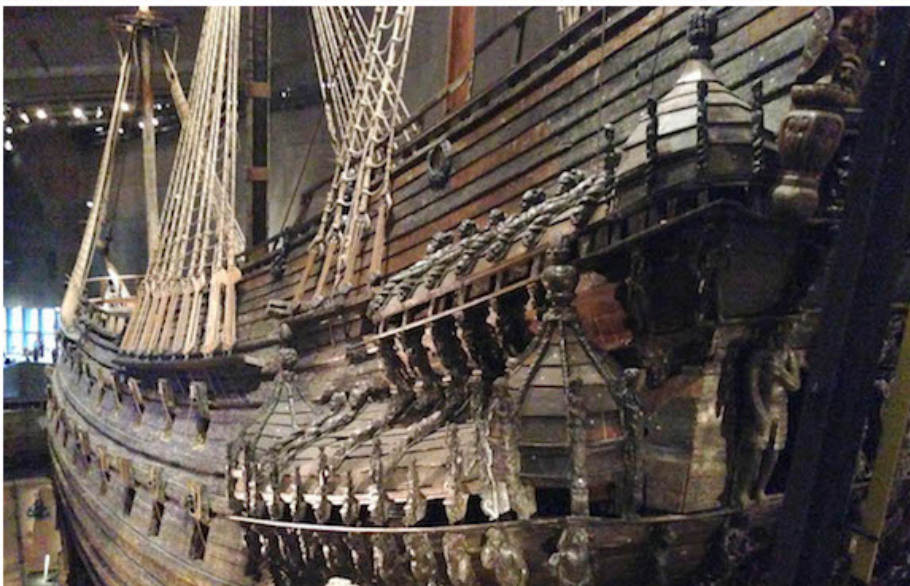
Valuing Time More Than Money Could Lead You to Greater Happiness: Money is deeply rooted in how we've evolved and it continues to produce powerful effects on our behavior, as we spend a great deal of time thinking about it. We talk about it, worry over it, stress over it, and wonder if we have enough to meet our immediate needs now and in the future. Also, most of us never seem to have enough time, and we're spending a good chunk of it earning money. I doubt anyone would argue that an additional \$5,000 a year could make a huge difference in your life. But, according to research, people who value time more than money are happier and more productive in life. Simply stated, prioritizing time is associated with greater happiness and scientists ran several studies, both online and in-person with over 4,000 people being asked the same question. Though more people answered practically saying that they preferred more money but the people who said they'd prefer more time were generally happier. Interestingly, the study found that, beyond the amount of these resources people have, happiness is linked to the resource people want. Read more [HERE](#).

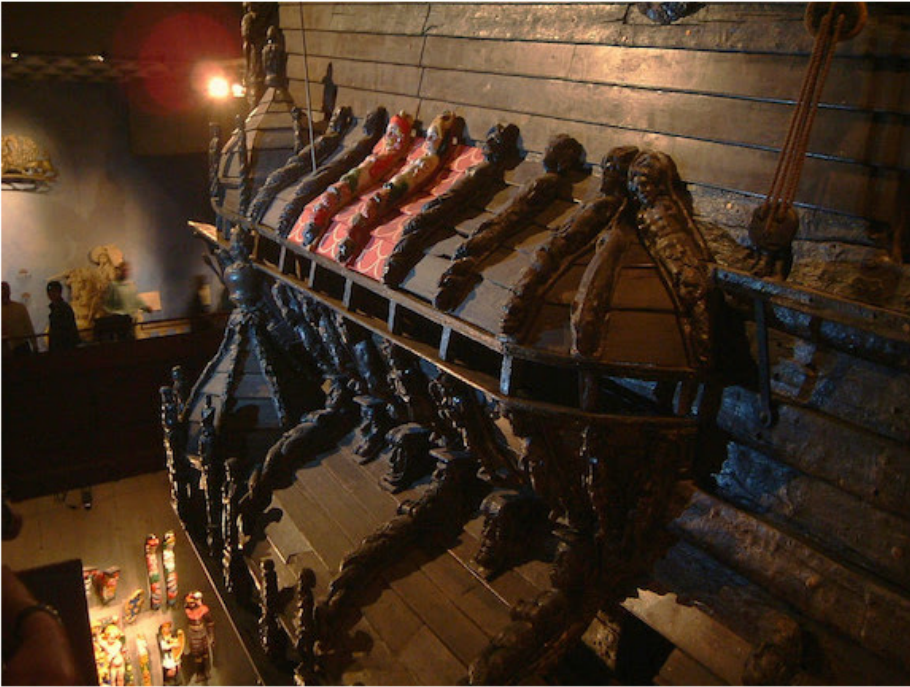
New Technology Turns Sunlight and Air in Hydrogen Energy: Earlier this month, Toyota announced a research project that could help make hydrogen an energy game changer. In partnership with the Dutch Institute for Fundamental Energy Research, Toyota Motor Europe is developing a device that uses sunlight to produce hydrogen from humid air. If improved and scaled up, the solid-state photoelectrochemical cell might eventually power homes or cars. It's one of the many promising technologies surrounding hydrogen, an energy source proponents say could help reduce our dependence on polluting fossil fuels. While dirty energy has been used to make hydrogen, the Toyota project, which has a grant from the Netherlands Organization for Scientific Research, would only use sunlight and air. Keep in mind, there are hurdles to overcome as hydrogen must be produced, it can be difficult to transport and store, and

fuel cells remain expensive and relatively inefficient. Despite these obstacles there is a lot of money entering the space. Read more [HERE](#).

Some Are Asking If Technology Will Preserve Humanity or Itself: In mid-February, a new website made the rounds and if you hit refresh on the site thispersondoesnotexist.com, you'll see a human face, but not a face that actually belongs to a human. Instead, it's a nearly-perfect computer-generated image, at a glance imperceptibly different than a genuine photograph. Phillip Wang, a software engineer at Uber, built on work by researchers at Nvidia and created the site to "raise some public awareness" for the technology that creates these images: generative adversarial networks, or GANs. These are programs with two neural networks. One of them generates an image; another determines how realistic they are and challenges the first to improve on its output. The goal is to create something that's virtually indistinguishable from a real-life human face. The people Wang's site creates look real and they could be anyone. But they are no one. There is no real way to separate humanity from its technology. Throughout history, technology has been adopted to both enhance and progress the human experience. And it has served another important purpose, too: technology has, in many cases, been created to preserve humanity. Read more [HERE](#) how some are concerned whose side technology will be on.

333 Year-Old Swedish Warship Found Fully Intact: The Swedish Navy of the 1600s was a military force to be reckoned with, and it dominated most of the Baltic Sea during the reign of King Gustavus Adolphus. Ironically, their most prized ship, the Vasa, the glory of the Swedish fleet, sank just minutes after setting sail on her maiden voyage. Yet it was recovered from the bottom of the ocean 333 years later, in the mid-20th century, and restored, and today it remains one of the most well-preserved ships ever, from that era. She was 226 feet in length, 164 feet high, weighed over 1,200 tons, and was outfitted with an arsenal of some 64 cannons, leading many to dub her as the most capable warship in the fleet. And with literally hundreds of sculptures on board as well as 100 tons of ballast, the Vasa ended up much heavier than originally intended—a likely contribution to her untimely demise. Read more [HERE](#) to learn some cool history of the time the Vasa was built.





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CREATING A GLOBAL MARKETPLACE FOR AGRICULTURE TRADING

WEBINAR | 2/28 AT 3PM CT
PRESENTED BY: AGREE MARKET

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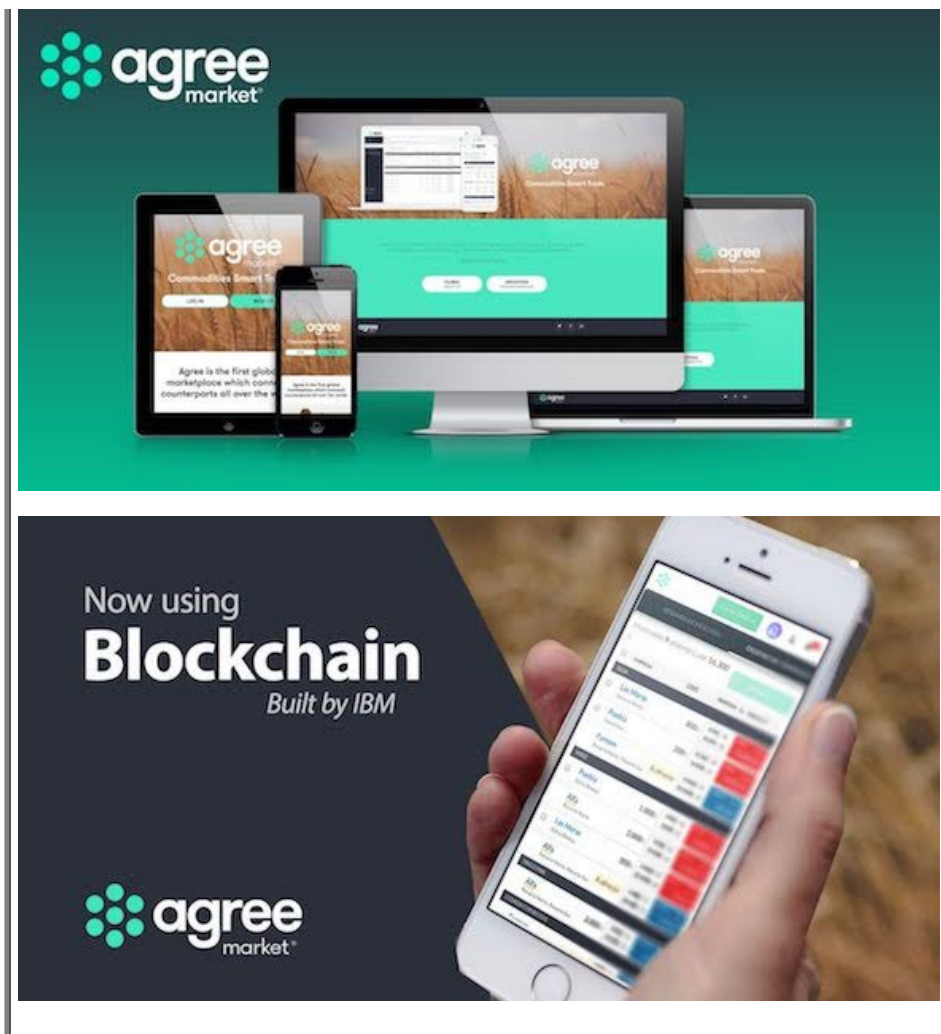


Learn More About "Agree Market"

Title: Creating a Global Marketplace for Agriculture Trading

Time: Thursday, February 28 @ 3:00 pm CT

Agriculture, by its very nature is a local industry. Crops are grown in the field, sold to nearby wholesalers, and then progress through a supply chain of middlemen and other vendors. What farmers need is "direct access" to the worldwide market. Agree Market is the first global agri commodities marketplace that has built a trading platform that allows users to buy or sell grains, oilseeds, byproducts, and specialty crops anywhere, anytime. It's a global marketplace that connects counterparts all over the world. Traders can place orders in an open or private market, negotiate pricing, and in real time, sign contracts with shipment details outlined. Agree Market allows users to manage risk, minimize adverse price movements in cash markets, and track records of all transaction placed. By digitalizing the commodity trading experience Agree Market allows users, from global trading houses to small farmers, to commercialize agri commodities, manage risk, minimize adverse price movements, and generate track records of all transaction in Blockchain. In addition, Agree Market has been nominated for the Annual AgFunder AgriFood Tech Innovation Awards this year, which features 60 AgriFood Tech Startups. Learn how one company is making that a reality with a new digital platform at "Creating a Global Marketplace for Agriculture Trading," a webinar to be held at 3 pm CT on February 28th featuring Rogier Kievit, International Market Director of Agree Market.



CONTROVERSIAL Gene-Editing... Coming to a Baby Near You!

It's hard to believe how far we've come in such a short period of time. Do realize, it was late-February 1953, Cambridge University scientists James D. Watson and Francis H.C. Crick first announced they had figured out the double-helix structure of DNA, the molecule containing human genes. According to their findings, DNA replicated itself by separating into individual strands, each of which became the template for a new double helix. In his best-selling book, *The Double Helix* (1968), Watson later claimed that Crick announced the discovery by walking into the nearby Eagle Pub and blurting out that "we had found the secret of life." The truth wasn't that far off, as Watson and Crick had solved a fundamental mystery of science—how it was possible for genetic instructions to be held inside organisms and passed from generation to generation. The finding revolutionized the study of biology and medicine. Among the developments that followed directly from it were pre-natal screening for disease genes; the ability to identify human remains; genetically engineered foods and much more. Fast forward to 2019, Chinese researcher, He Jiankui, announces that he altered the embryos of seven pregnancies during fertility treatments, producing the world's first gene-edited babies, hence opening perhaps Pandora's box to "human gene-editing". He Jiankui was an invited guest speaker at Second International Summit on Human Genome Editing at Hong Kong University last month where his presentation left scores of researchers speechless as it seemed that he and his team had pushed beyond current ethical standards without anyone knowing about it. By the summit's end, the organizing panel, which had representatives from eight countries, concluded that He Jiankui's experiment was irresponsible, violated international norms, failed to meet ethical standards, did not have a sufficient medical justification, and lacked transparency. From what I understand, the Chinese scientist used CRISPR-cas9 technology to operate on the embryos DNA to supply a needed gene or disable one that's causing problems. He worked in collaboration with an American partner, Rice University physics and bioengineering professor Michael Deem. The team's goal was not to cure or prevent an inherited disease, but to try to bestow a trait in the embryo that few people naturally have, an ability to resist possible future infection with HIV, the AIDS virus. Apparently, in China it's not uncommon for people with HIV to lose jobs or have trouble getting medical care if their infections are revealed. Regardless of intentions, the experiment has created a universal uproar in the scientific community that has triggered widespread calls for mechanisms to prevent others from germline editing humans until there's an international consensus that the CRISPR technology has matured and there's

a convincing medical need. Current use of the genetic tool in humans has only recently been tried in adults to treat deadly diseases, and the changes are confined to that person, but once you start editing sperm, eggs or embryos is different — the changes can then be inherited by future offspring. In the United States, Congress has barred the Food and Drug Administration from even considering clinical trials involving human embryo editing. The National Institutes of Health is prohibited from funding such research. The National Academies of Science, Engineering, and Medicine issued a report in 2017 concluding that editing the genes of human embryos should only be acceptable in the narrowest of circumstances. At the moment, China also outlaws human cloning but not specifically "gene editing". In fact, Japan has actually issued draft guidelines that will allow the use of gene-editing tools in human embryos. Some worry that this is the first step toward using gene editing to create people with extreme intelligence, beauty or athletic ability. I should note, twin girls were born last month who were part of He Jiankui's experiment. To this point, tests are insufficient and unable to say if the editing worked or to rule out harm. (Source: AP, Wired, Time)



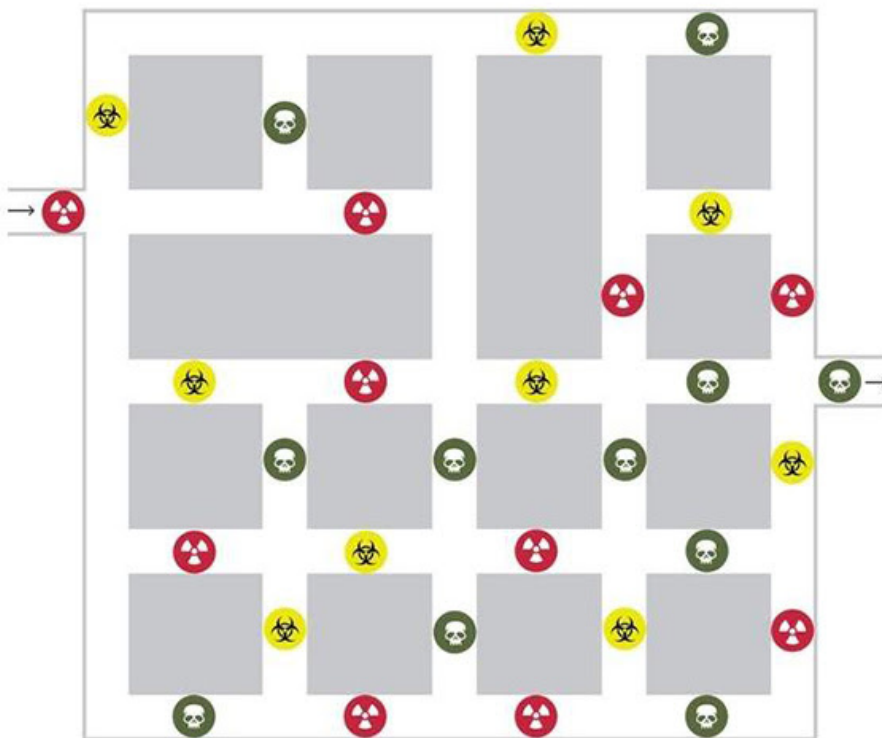
TO CRISPR OR NOT TO CRISPR?

Examining the ongoing ethical debate
surrounding embryonic gene editing



Can You Make it Through One of the World's Hardest Maze?

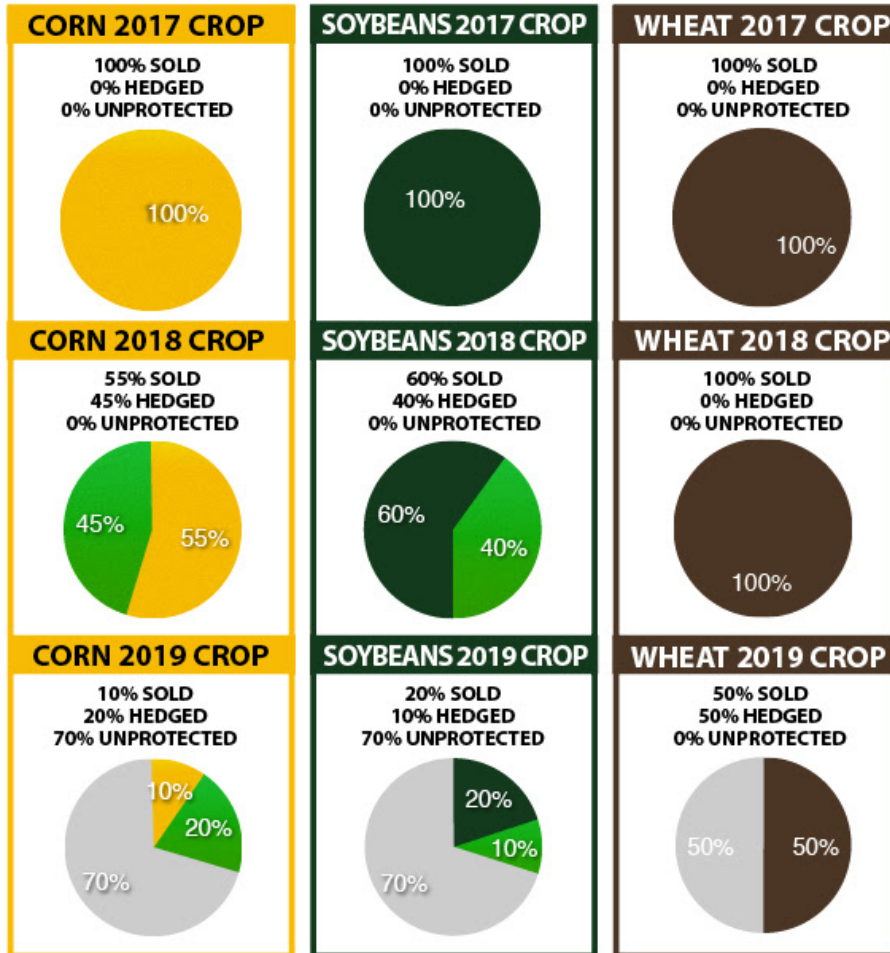
This was sent my direction the other day. It made me think and I thought it was fun to figure out. In a typical maze, the entrance leads to the exit. This one is bit different. Rules determine where and how you can move. You must follow this color order as you meander: red, green, yellow. You can pass through any dot as often as you want, but you must stay within the color pattern or red, then green, then yellow... and you can't double back through the same dot twice in a row. I'll give you a couple of days to work on it, and I'll pass long the answer on Friday. This is a fun one that will help keep the grandkids busy... (Source: Popular Mechanics)



ANSWER to riddle: A pencil sharpener

CASH SALES & HEDGING TOTALS

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