

GOOD MORNING: 03/06/19 Farm Direction - Van Trump Report

1 message

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

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Today In History

"We are what we repeatedly do. Excellence, then, is not an act, but a habit." - Aristotle

WEDNESDAY, MARCH 06, 2019
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock bulls are celebrating the 10-year Anniversary of one of the longest bull runs in market history. It's hard not to remember the "666" low touched by the S&P 500 on Friday afternoon, March 6 2009. This morning the S&P 500 is trading around 2,800, with several insiders thinking we could break 3,000 before yearend. What an amazing run it has been, but before you race out and invest in a major stock market ETF or Index consider a couple of data points. If you would have jumped in the S&P 500 at the beginning of 2009, rode it for 10-years, to the end of 2018, it would have compounded at an average annual return of about +13.0%. However, if you would have jumped in 20-years, from the start of 1999 to the end of 2018, you are talking more like a +5% to +6% return. Not that this is horrible, but after factoring in inflation it's not considered a significant return on your investment. All I'm saying is, it's much more difficult than just blindly throwing money into an Index or ETF. Timing, fees, commissions and compounding all matter. Something else I believe we should take a moment and consider is where we are at in the market. I included a simple 20-year chart of the S&P 500 below. As you can easily see we've added a ton of length to the upside, not only are we aggressively higher from the 2009 lows, but we are aggressively higher from the previous highs set back during the [dot.com](#) bubble and the 2007 highs. Interestingly, a few key ingredients have changed during the past decade, yet the stock market is massively higher. I listed below just a few of the reasons the bears have been beating their chest as of late and calling for a stock market pullback.

Fed's Balance Sheet is Massively Higher: *At the start of 2008, the Fed's balance sheet totaled just over +\$900 billion. By 2010, after the first round of stimulus, it had expanded to near +\$2.3 trillion. By 2015, after the second round of stimulus, the Fed balance sheet had expanded to around \$4.5 trillion. As of today, they've managed to trim that back to around \$3.9 trillion, but now seem apprehensive in trimming it back more aggressively anytime soon. You can see more details and how the Fed's balance sheet has expanded over time [HERE](#)*

U.S. Debt is Massively Higher: *After the Great Recession it seems like our National Debt has taken a oneway rocket ship ride higher. At the start of the recession in late-2007, total U.S. debt-to-GDP stood at just over +60%. This was actually slightly lower than its peak of 65% in 1995. But by late-2010 our nations debt-to-GDP expanded to 92%. We are now thought to be north of +103% with the Congressional Budget Office saying it looks to be climbing further. You can look at an interesting debt-to-GDP graphic [HERE](#)*

Much Stronger U.S. Dollar: *Let's not forget, in March of 2008 the U.S. dollar (DXY) was trading in the 71.00 to 74.00 range. By March of 2010 we were trading back to around 80.00. We stayed between 80.00 and 85.00 until late-2014. The U.S. dollar then made an aggressive jump into 2015 and has been trading somewhat comfortably between 95.00 and 101.00 ever since. Bottom-line, growth is definitely tougher with the stronger dollar.*

U.S. Credit Card Debt Closed 2018 at a Record \$870 Billion: *U.S. credit card debt hit \$870 billion -- the largest amount ever -- as of December 2018, according to the data from the Federal Reserve. Credit card balances rose by \$26 billion from the prior quarter. "The increase in credit card balances is consistent with seasonal patterns but marks the first time credit card balances re-touched the 2008 nominal peak," according to the report. Nearly 480 million credit cards are now in*


1475, Michelangelo Born -

Michelangelo Buonarroti, the greatest of the Italian Renaissance artists, is born in the small village of Caprese on March 6, 1475. The son of a government administrator, he grew up in Florence, a center of the early Renaissance movement, and became an artist's apprentice at age 13. Demonstrating obvious talent, he was taken under the wing of Lorenzo de' Medici, the ruler of the Florentine republic and a great patron of the arts. For two years beginning in 1490, he lived in the Medici palace, where he was a student of the sculptor Bertoldo di Giovanni and studied the Medici art collection, which included ancient Roman statuary. With the expulsion of the Medici family from Florence in 1494, Michelangelo traveled to Bologna and Rome, where he was commissioned to do several works. His most important early work was the Pieta (1498), a sculpture based on a traditional type of devotional image that showed the body of Christ in the lap of the Virgin Mary. Demonstrating masterful technical skill, he extracted the two perfectly balanced figures of the Pieta from a single block of marble. With the success of the Pieta, the artist was commissioned to sculpt a monumental statue of the biblical character David for the Florence cathedral. The 17-foot statue, produced in the classical style, demonstrates the artist's exhaustive knowledge of human anatomy and form. In the work, David is shown watching the approach of his foe Goliath, with every muscle tensed and a pose suggesting impending movement. Upon the completion of David in 1504, Michelangelo's reputation was firmly established. That year, he agreed to paint a mural for the Florence city hall to rest alongside one being painted by Leonardo da Vinci, another leading Renaissance artist and an influence on Michelangelo. These murals, which depicted military scenes, have not survived. In 1505, he began work on a planned group of 12 marble apostles for the Florence cathedral but abandoned the project when he was

circulation -- up by more than 100 million since hitting bottom after the recession a decade ago. In aggregate, credit card limits rose for the 24th consecutive quarter. About 37 million credit card accounts had a 90+ days delinquent mark added to their credit report last quarter, an increase of about two million from the fourth quarter of 2017. (Source: [Bloomberg](#))



Exxon and Chevron Plan for Permian Shale Boom: Two of the largest US energy groups sharply increased production targets in the heartland. ExxonMobil and Chevron have sharply lifted their expectations for production in the Permian Basin in the first half of the 2020s. In a presentation to analysts this week, Exxon is revising up its projection of oil and gas production in the Permian region of Texas and New Mexico from 600,000 barrels equivalent a day to +1 million in 2024, while Chevron has lifted its estimate from 650,000 b/d to +900,000 in 2023. You can read more at [FinancialTimes](#)

Victoria Secrets to Close 53 Stores: Once the goto lingerie chain, the company continues to lose ground to the competition. A disappointing holiday showing and continued struggle is weighing heavily on the brand. Sales at stores open at least a year fell -7% during Victoria's Secret's most recent quarter. Marketing trends in lingerie have clearly changed the past few years amongst women and it has dramatically impacted the Victoria Secret brand. The company closed 30 stores last year as it blamed weaker attendance at the malls. Now they are closing another 53 locations. It's estimated that the company has lost 3.8 million customers over the two past years to rivals. Competitors and new start-ups are clearly sending a NEW message that women prefer hearing. Again, I reference my new favorite quote, "Irrelevance happens when the speed of change outside and organization is greater than the speed of change inside an organization."

Mothers Remarkable Intuition: This has to be one of the craziest videos I've ever seen and proves the power of human intuition. This mother miraculously saved her son after they fell from the motorbike they were traveling. As the mother and son fell to the ground, a truck was traveling towards them. Moving quickly, the mother pulled the child into her lap, just moments before the wheel of the truck rolled past. Click [HERE](#), the video lasts about 25 seconds.



commissioned to design and sculpt a massive tomb for Pope Julius II in Saint Peter's Basilica in Rome. There were to have been 40 sculptures made for the tomb, but the pope soon ran out of funds for the project, and Michelangelo left Rome. In 1508, he was called back to Rome to paint the ceiling of the Sistine Chapel—the chief consecrated space in the Vatican. Michelangelo's epic ceiling frescoes, which took several years to complete, are among his most memorable works. Central in a complex system of decoration featuring numerous figures are nine panels devoted to biblical world history. The most famous of these is The Creation of Adam, a painting in which the arms of God and Adam are outstretched toward each other. In 1512, Michelangelo completed the Sistine Chapel ceiling and returned to his work on Pope Julius II's tomb. He eventually completed a total of just three statues for the tomb, which was eventually placed in the church of San Pietro in Vincoli. The most notable of the three is Moses (1513-15), a majestic statue made from a block of marble regarded as unmanageable by other sculptors. In Moses, as in David, Michelangelo infused the stone with a powerful sense of tension and movement. Having revolutionized European sculpture and painting, Michelangelo turned to architecture in the latter half of his life. His first major architectural achievement was the Medici chapel in the Church of San Lorenzo in Florence, built to house the tombs of the two young Medici family heirs who had recently died. The chapel, which he worked on until 1534, featured many innovative architectural forms based on classical models. The Laurentian Library, which he built as an annex to the same church, is notable for its stair-hall, known as the ricetto, which is regarded as the first instance of mannerism as an architectural style. Mannerism, a successor to the Renaissance artistic movement, subverted harmonious classical forms in favor of expressiveness. In 1534, Michelangelo left Florence for the last time and traveled to Rome, where he would work and live for the rest of his life. That year saw his painting of the The Last Judgment on a wall above the altar in the Sistine Chapel for Pope Paul III. The massive painting depicts Christ's damnation of sinners and blessing of the virtuous, and is regarded as a masterpiece of early mannerism. During the last three decades of his life, Michelangelo lent his talents to the design of numerous monuments and buildings for Rome, which the pope and city leaders were determined to restore to the grandeur of its ancient past. The Capitoline Square and the dome of St. Peter's, designed by Michelangelo but not completed in his lifetime, remain two of Rome's most famous visual landmarks. Michelangelo worked until his death in 1564 at the age of 88. In addition to his major artistic works, he produced numerous other sculptures, frescoes, architectural designs, and drawings, many of which are unfinished and some of which are lost. He was also an

FARM TANK

Tweets of the Day



Statista
@StatistaCharts

Following

#Hawaii is the happiest state in the US for the 7th time in a row via **@GallupNews**

statista.com/chart/17200/ha...

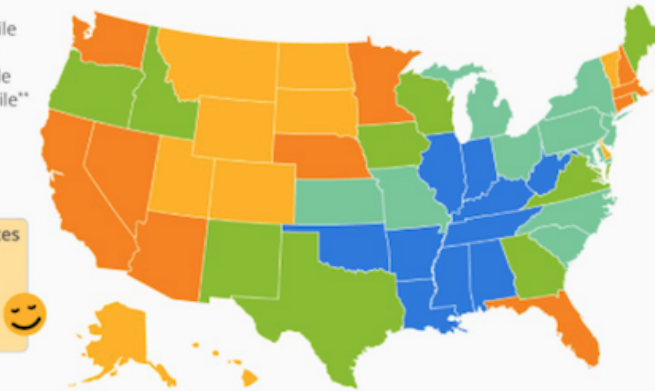
Where Are Americans the Happiest?

U.S. state ranks on the Gallup Health and Well-Being Index 2018*

- Top Quintile
- Second Quintile
- Third Quintile
- Fourth Quintile
- Bottom Quintile**

Top scoring states

1. Hawaii
2. Wyoming
3. Alaska
4. Montana
5. Utah



* 115,000 respondents / Index measures career, social, financial, community and physical health metrics

** quintiles are fifths

Source: Gallup Health and Well-Being Index

statista

accomplished poet, and some 300 of his poems are preserved. In his lifetime, he was celebrated as Europe's greatest living artist, and today he is held up as one of the greatest artists of all time, as exalted in the visual arts as William Shakespeare is in literature or Ludwig van Beethoven is in music.



1820, Monroe Signs the Missouri Compromise -

On this day in 1820, President James Monroe signs the Missouri Compromise, also known as the Compromise Bill of 1820, into law. The bill attempted to equalize the number of slave-holding states and free states in the country, allowing Missouri into the Union as a slave state while Maine joined as a free state. Additionally, portions of the Louisiana Purchase territory north of the 36-degrees-30-minutes latitude line were prohibited from engaging in slavery by the bill. Monroe, who was born into the Virginia slave-holding planter class, favored strong states' rights, but stood back and let Congress argue over the issue of slavery in the new territories. Monroe then closely scrutinized any proposed legislation for its constitutionality. He realized that slavery conflicted with the values written into the Constitution and the Declaration of Independence but, like his fellow Virginians Thomas Jefferson and James Madison, feared abolition would split apart the nation they had fought so hard to establish. Passage of the Missouri Compromise contributed to the Era of Good Feelings over which Monroe presided and facilitated his election to a second term. In his second inaugural address, Monroe optimistically pointed out that although the nation had struggled in its infancy, no serious conflict has arisen that was not solved peacefully between the federal and state governments. By steadily pursuing this course, he predicted, there is every reason to believe that our system will soon attain the highest degree of perfection of which human institutions are capable. In the end, the Missouri Compromise failed to permanently ease the underlying tensions caused by the slavery issue. The conflict that flared up during the bill's drafting presaged how the nation would eventually divide along territorial, economic and ideological lines 40 years later during the Civil War.

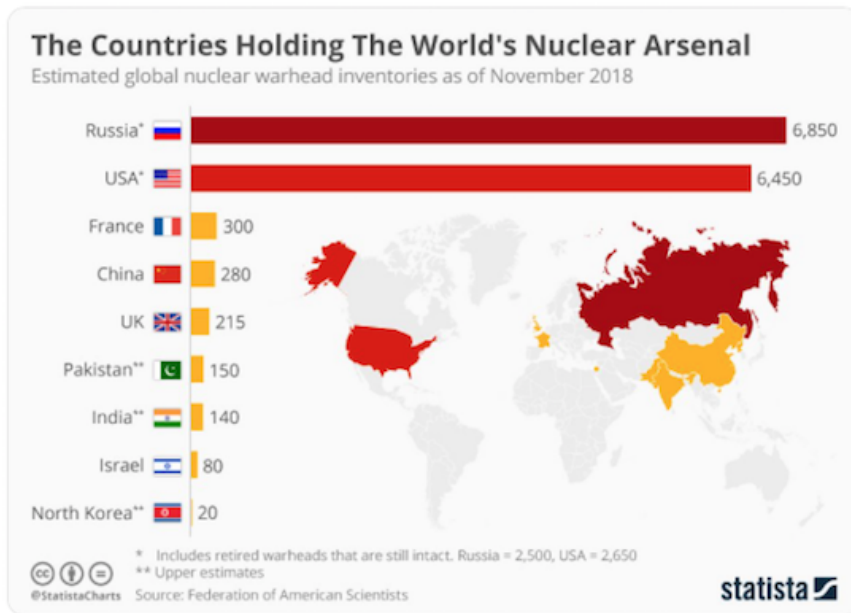


1951, The Rosenberg Trial Begins -

The trial of Ethel and Julius Rosenberg begins in New York Southern District federal court. Judge Irving R. Kaufman presides over the espionage prosecution of the couple accused of selling nuclear secrets to the Russians (treason could not be charged because the United States was not at war with the Soviet Union). The Rosenbergs, and co-defendant Morton Sobell, were defended by the father and son team of Emanuel and Alexander Bloch. The prosecution includes the infamous Roy Cohn, best known for

There are an estimated 14,485 #nuclear warheads in the hands of just nine countries via @FAScientists

statista.com/chart/8301/the...



his association with Senator Joseph McCarthy. David Greenglass was a machinist at Los Alamos, where America developed the atomic bomb. Julius Rosenberg, his brother-in-law, was a member of the American Communist Party and was fired from his government job during the Red Scare. According to Greenglass, Rosenberg asked him to pass highly confidential instructions on making atomic weapons to the Soviet Union. These materials were transferred to the Russians by Harry Gold, an acquaintance of Greenglass. The Soviets exploded their first atomic bomb (and effectively started the Cold War) in September 1949 based on information, including that from Greenglass, they had obtained from spies. The only direct evidence of the Rosenberg's involvement was the confession of Greenglass. The left-wing community believed that the Rosenbergs were prosecuted because of their membership in the Communist Party. Their case became the cause célèbre of leftists throughout the nation. The trial lasted nearly a month, finally ending on April 4 with convictions for all the defendants. The Rosenbergs were sentenced to death row on April 6. Sobell received a thirty-year sentence. Greenglass got fifteen years for his cooperation. Reportedly, the Rosenbergs were offered a deal in which their death sentences would be commuted in return for an admission of their guilt. They refused and were executed.

Upcoming Events

Wed. 03/06 - 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

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



GRAINHAULER

@kruse_tim

Following

First step for #PLANT19



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



Deere MachineFinder

@machinefinder

Following

#FlashbackFriday: Planting with the #JohnDeere 8010.



Kevin's Song of the Week



Eric Church
"Guys Like Me"

Kevin's Song of the Week



Vala Afshar ✓

@ValaAfshar

Following

Dear high school kids, learn:

- 1 public speaking
- 2 writing well
- 3 to teach (see 1-2 above)
- 4 critical thinking (not cynicism)
- 5 good manners
- 6 active listening (hear with your eyes)
- 7 networking (trust and giving)
- 8 good customer service
- 9 how to sell
- 10 fight against entitlement

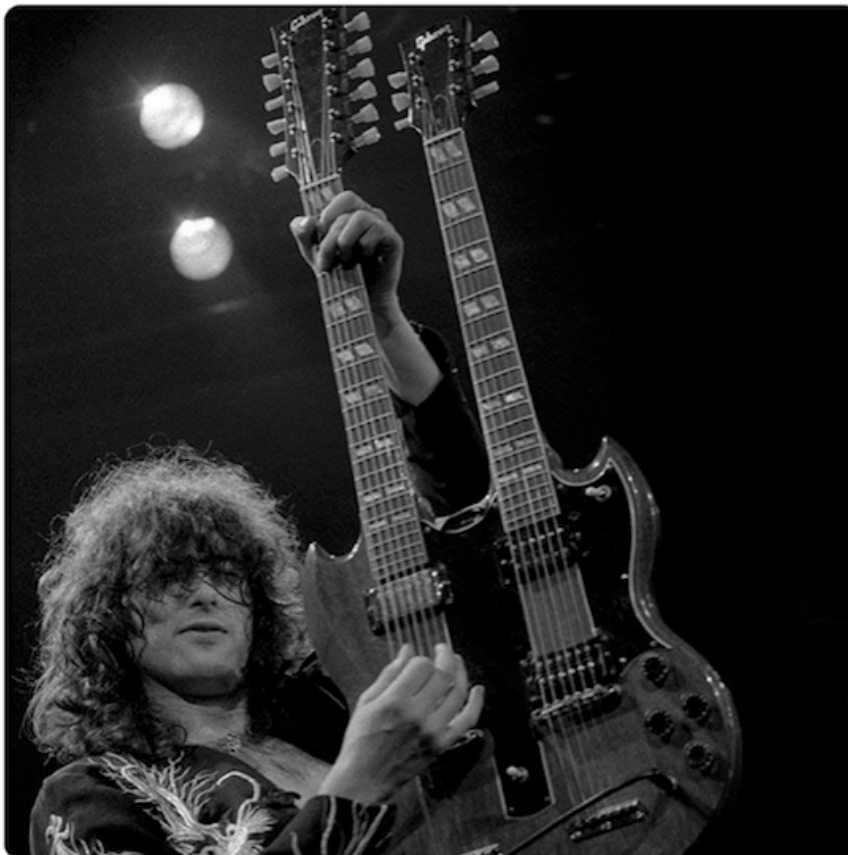


Classic Rock In Pics

@crockpics

Following

Jimmy Page performs at Earls Court, London
1975. Photographer: Michael Putland
[#ledzeppelin](#)



NEXT level THINKING



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

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

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

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

Kevin Van Trump

What Others Are Saying

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

A.M., FDIC

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really



Motivational Thoughts

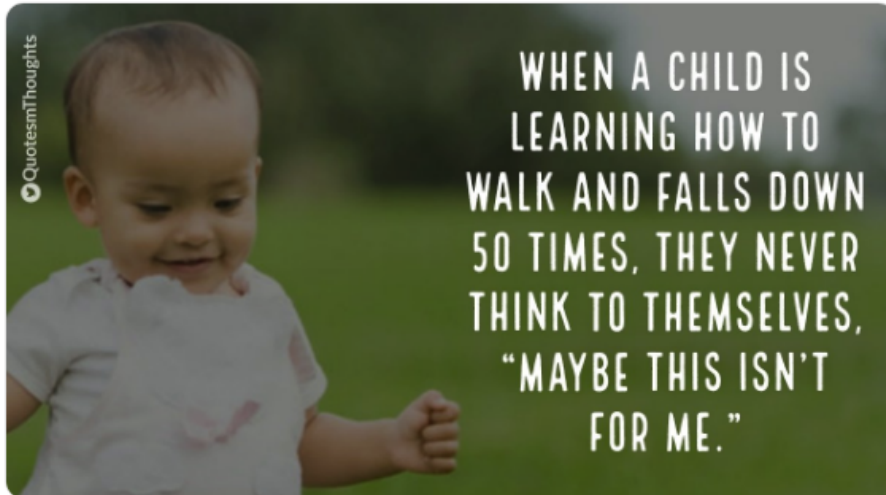
@QuotesmThoughts

Following

If you try and then fail then it's not your fault.



#motivational #iamstrong #quotestoinspire
#quotesoftheday #inspiration



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.

neuro mining

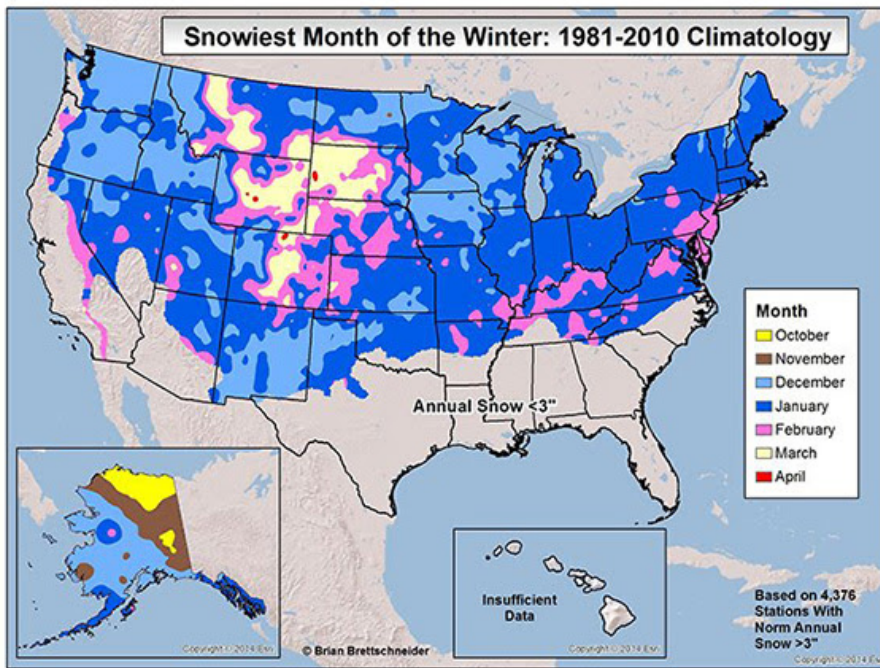


As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

TODAY'S RIDDLE:

What 3 positive numbers give the same result when multiplied and added together?

March kicked off with a major cold outbreak centered in the Plains, Midwest and northern Rockies, breaking daily records and a few monthly records in areas that shivered through much of February. The cold isn't expected to lose its grip into midweek. For much of the Plains and Midwest, this cold blast was accompanied by a March snowstorm. Most of the U.S. generally think of spring when March and April arrive, but in doing some research, I found that there are several locations where these months are actually the snowiest of the season on average. Several high-impact snowstorms have occurred in March throughout the years. Alaska-based climatologist Dr. Brian Brettschneider examined monthly snowfall data from 4,376 observation sites across the United States that receive an annual average of over 3 inches of snow. For a swath of the Rockies and High Plains, the snowiest month of the year is March, or even April.

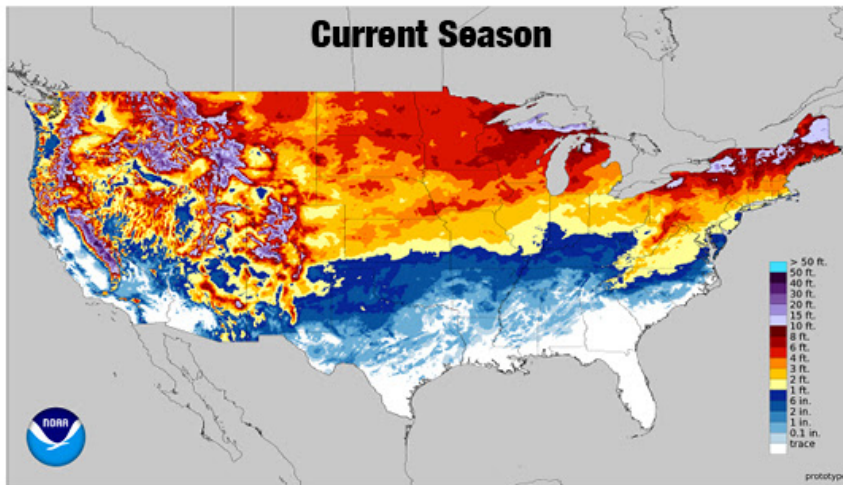


Below is a comparison of seasonal snowfall total across the U.S. Top map is the current snowfall totals since September 30, 2018 to March 4, 2019. The map below that is from almost the exact same timeframe one year ago.



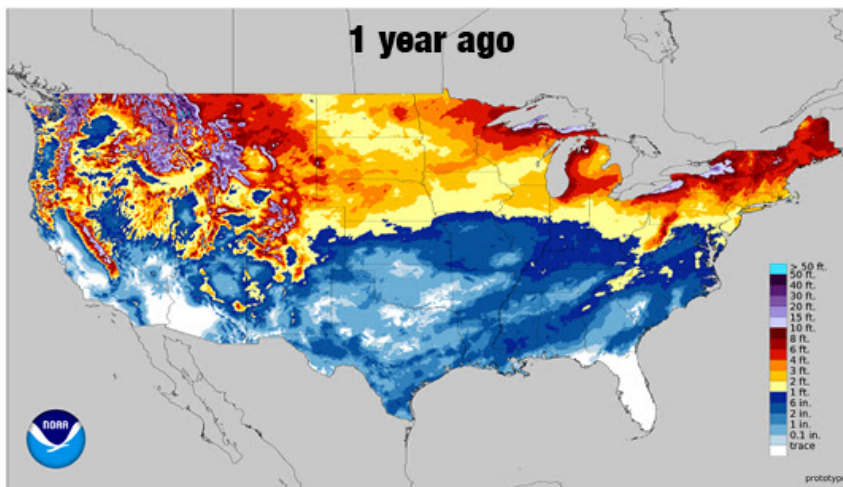
National Snowfall Analysis: accumulation from 2018-09-30 to 2019-03-04

Issued 2019-03-04 17:07:28 UTC



National Snowfall Analysis: accumulation from 2017-09-30 to 2018-03-04

Issued 2018-03-09 13:35:32 UTC



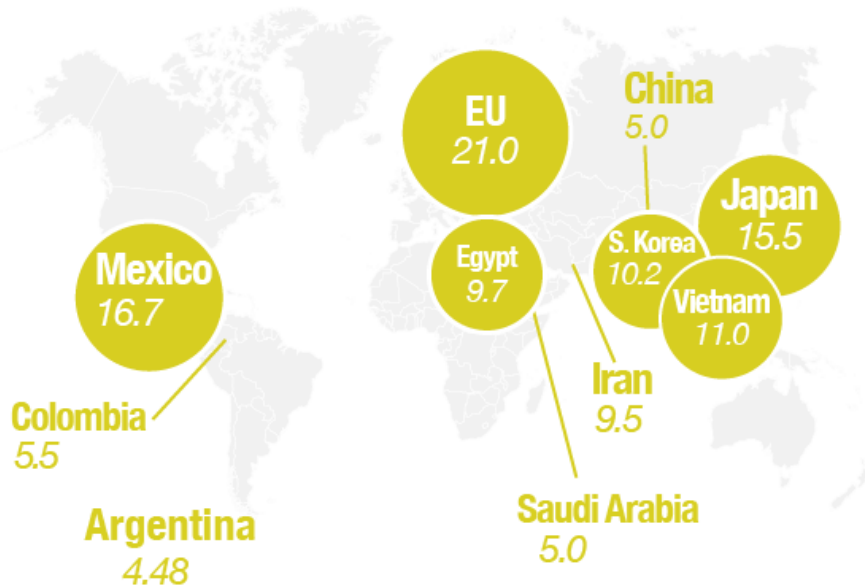
Corn bulls are trying to hold on, awaiting more specifics regarding Chinese trade and potential weather headlines hampering upcoming U.S. planting. The question is, can bulls hold on long enough for these headlines to come to fruition? Remember, we need new money and new bullish troops to show up to help fight the battle. Bears tend to believe that any bulls wanting to bet on Chinese trade headlines have already joined there bullish ranks and are currently in the fight. While those who are wanting to bet on U.S. weather might be waiting a while longer to join the bullish battle. In other words, without Chinese buying headlines, it's tough to imagine fresh new bulls entering the battle unless we see another leg lower. The weather in South America seems to be mixed at best. There's some areas of concern in Argentina, but the second-crop corn in Brazil seems to be getting adequate drinks and is off to a great start. Net-net, there's just not an overweight amount of bullish weather brewing in South America. Don't forget, most sources still see Brazil and Argentine's crop perhaps each more than +12 MMTs to +15 MMTs more than last year. Here at home, the consensus still seems to be for more corn acres being planted in 2019. Early estimates of +3 to +5 million more corn acres is tough for me to swallow when considering all variables. Lack of field work, higher input costs, lower profit margins, tight cash-flow on the farm, overly wet conditions, etc... all reasons to doubt a major jump in corn acres. I still think most producers will be sticking to traditional rotations and making game-time decisions based on weather with the variable acres. I think there are going to be more Prevent Plant acres than people are considering. I will closely be monitoring some of the early decisions being made down south. Producers in Texas should have more than 10% of the states corn planted by weekend. I'm hearing some areas are experience a few delays, but for the most part the planting season is underway and moving right along at a fairly normal pace. Producers in the Delta and Mississippi River regions will more than likely have some tough decisions to make as it looks as if they will be battling overly wet conditions. Technically, major new-crop support in the DEC19 contract is thought to be at \$3.83², the low established back in mid-September. Heavy new-crop resistance still seems to be between \$4.05 and \$4.15 per bushel. Major old-crop support in the

JUL19 contract is thought to be in the \$3.70 to \$3.75 range. Heavy upside resistance in old-crop still seems to be in the \$3.95 to \$4.05 range.

2018/19 Global Corn Importers

Total Global Imports 159.7 Million Metric Tons

(in Million Metric Tons)



Source: USDA, February 8, 2019 WASDE data,
Showing just the top 10 importers

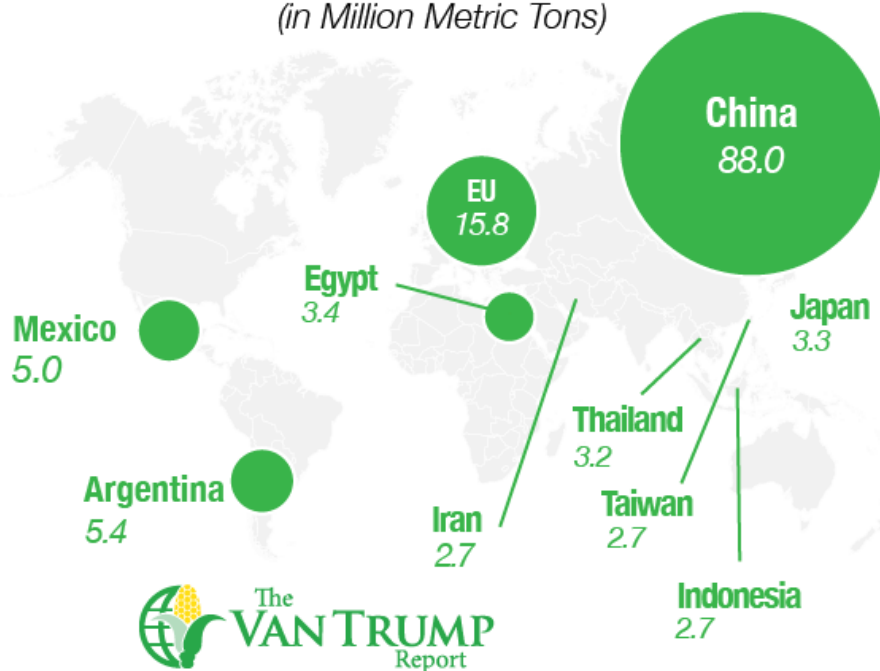


Soybean traders seem to have paused, awaiting more details and direction regarding Chinese trade negotiations. Most sources are thinking President Trump and Xi will meet in Florida towards the end of March to try and hammer out more details and finalize some specifics. There's not much in the way of weather headlines in South America and the U.S. crop is still in the bag. I've said several times, without positive headlines surrounding Chinese trade, and no new weather stories to worry about in South American, it's going to be tough to build upside momentum in this market while we transition into U.S. headlines. I'm worried it could be 1-step forward and 2-steps backwards until we get some positive trade headlines or evidence of more heavy buying by the Chinese. Most inside the trade are looking for the USDA to once again trim their Brazilian crop production estimate in Friday's report, but I suspect this is so well advertised it will have very little impact on the market. The trade is not looking for many other major adjustments and is expecting the U.S. balance sheet to remain burdensome. As a producer, I continue to stay patient, wanting to price more bushels on the next major leg higher. As a spec, I would like to start being a small buyer on the next major leg lower. I see no reason to get chewed up as the market searches for direction trying to outguess both Washington and the Weather.

2018/19 Global Soybean Importers

Total Global Imports 151.4 Million Metric Tons

(in Million Metric Tons)



Source: USDA, February 8, 2019 WASDE data,
Showing just the top 10 importers

Wheat traders continue to debate global production in 2019, especially the upcoming Russian crop. There's more talk inside Russia that the wheat crop could perhaps push to +75 to 80 MMTs vs. 71.5 MMTs produced this past year. This would obviously give the bears more to cheer about as low-cost producers in Russia would more than likely gain more global marketshare in the export space. In theory, this would weigh on U.S. exporters and keep the U.S. balance sheet overly burdensome. Don't forget the European Union is also talking about a +10 to +12 MMTs jump in production. Here at home, I still believe there's an interesting story brewing with the lowest wheat acres planted in over 100 years, but the trade is giving it little credit. There's also talk that cold and wet conditions could delay spring wheat planting and push even more acres out of production. There's very little fresh or new to report. The USDA will update monthly supply and demand numbers on Friday. Nobody seems to be expecting any major changes to the global or domestic balance sheet. I remain conservatively bullish and looking to scale in additional length on deeper breaks in prices. As a producer, I remain extremely patient. I included below a recent graphic from our contacts at CRM AgriCommodities - A UK based grains and oilseeds price risk management company providing marketing and risk management solutions to farms, consumers and agribusinesses across the UK, Europe, and The Black Sea. I like their work.

Russia Wheat Production

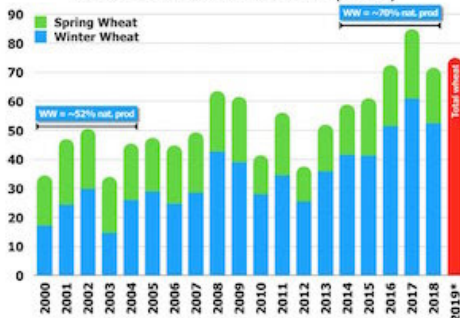
Good conditions across Russia so far



5-yr avg Russia W. Wheat Prod. (in MMT)



Russia Wheat Production since 2000 (in MMT)



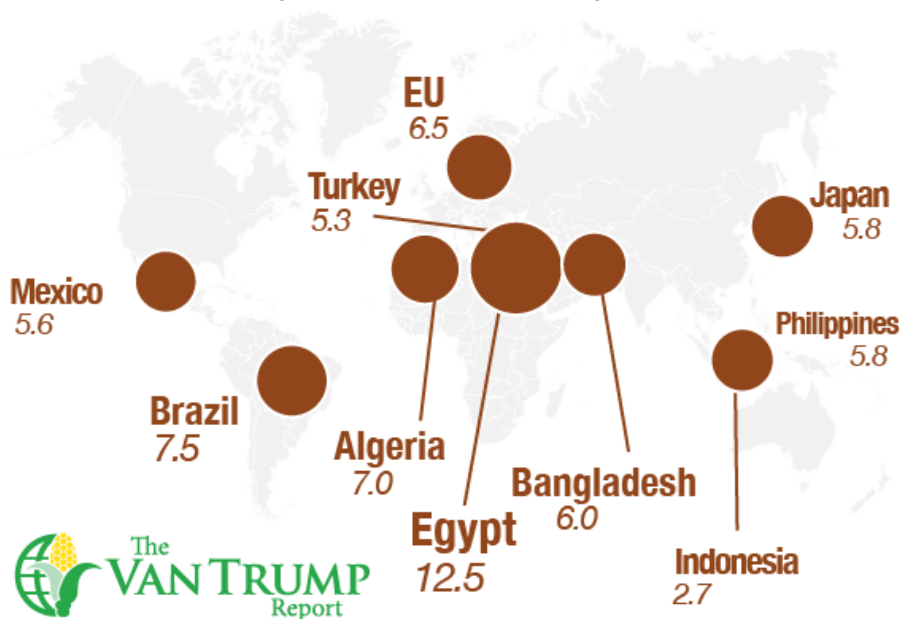
Source: ROSSTAT, CRM AgriCommodities

Source: ROSSTAT, Russia Ag Ministry

2018/19 Global Wheat Importers

Total Global Imports 176.2 Million Metric Tons

(in Million Metric Tons)



Source: USDA, February 8, 2019 WASDE data,
Showing just the top 10 importers



> **Canadian Canola Shipments Blocked by China:** China has cancelled Canadian agribusiness Richardson International Ltd's registration to ship canola to China, the company said on Tuesday, the latest sign of tensions between Ottawa and Beijing. I suspect the cancelation could have something to do with the fact Canada and China are locked in a dispute over trade and telecoms technology that has ensnared the chief financial officer of Huawei Technologies Ltd, the world's largest telecommunications equipment maker, who faces U.S. criminal charges. Oilseeds like canola, fruit and grain are Canada's biggest China export category, making up nearly 17% of all exports in 2017, the latest annual data available, according to the Asia Pacific Foundation of Canada. (Source: Reuters)

> **U.S. and Europe Still Haggling on Trade:** With talks ongoing, the U.S. is still seeking to make agriculture a part of the negotiations with Europe. At stake is the flow of farm products to automobiles and the White House is threatening to impose duties on U.S. car and auto-parts imports starting in May. If done, it could hit \$60 billion in annual European Union exports and would trigger retaliation from Brussels. I'm told the EU is refusing to engage on agriculture, saying any talks should focus on industrial goods specifically.

> **FDA Commissioner Scott Gottlieb Calls it Quits:** Scott Gottlieb, the commissioner of the Food and Drug Administration, unexpectedly resigned Tuesday, the Washington Post first reported. The regulator, who took office May 11, 2017, has been a steady figure at the agency throughout President Donald Trump's tenure. He has supported food safety and labeling initiatives already in place. Gottlieb also has pushed forward with regulatory issues dealing with standards of identity, food technology and CBD. I'm told that he will remain in his position for about a month. Officials told the newspaper that Gottlieb wanted to spend more time with his family, and the White House had not sought his resignation. (Source: fooddive)

> **Natural Gas Trade With China Could Come with the Right Deal:** If current negotiations come to fruition, there stands to be a rosy path for natural gas years down the road. Natural gas is one industry that could see China commit to nearly \$18 billion

worth of the product from U.S. exporter Cheniere Energy Inc. There could be losers in the game if the right deal is struck as major LNG exporting projects are in the pipeline in Canada, while Australia has been counting on its rising LNG exports to China to offset falling coal revenues.

> Purdue University Ag Barometer Drops Seven Points From January: Reflecting near-term stress from financial matters but still holding on to long-term optimism, the Ag Economy Barometer which Purdue University publishes along with the CME, dropped down seven points from January and stands at 143. I'm told, the change lower in the reading was primarily the result of weakness in producers' perception of current economic conditions on their farms as the Index of Current Conditions fell from a reading of 132 in January to 119 in February.

> New Home Sales Hit 7-Month High: According to sources at the Commerce Department, new home sales increased 3.7% to a seasonally adjusted annual rate of 621,000 units, the highest level since May 2018. Also, November's sales pace was revised down to 599,000 units from the previously reported 657,000 units.

> Credit Card Debt in U.S. Hits Record \$870 Billion: According to the Fed, as of December 2018, Americans are holding the largest amount ever. Credit card balances rose by \$26 billion from the prior quarter. I'm told the increase in credit card balances is consistent with seasonal patterns but marks the first time credit card balances re-touched the 2008 nominal peak. It's worth noting that nearly 480 million credit cards are now in circulation -- up by more than 100 million since hitting bottom after the recession a decade ago. (Source: Bloomberg)

> Bloomberg Withdraws Name From Presidential Run: In a statement posted online yesterday Michael Bloomberg wrote "I am clear-eyed about the difficulty of winning the Democratic nomination in such a crowded field," and thus withdrew from consideration. He did go on to say he would expand his environmental philanthropy, and announced the launch of a new project, Beyond Carbon, that he described as a "grassroots effort to begin moving America as quickly as possible away from oil and gas and toward a 100 percent clean energy economy." (Source: CNBC)

> Disappointing Earnings Doesn't Slow Dominoes Down: Domino's opens its 16,000th store despite disappointing earnings. Although Domino's stock recently posted its worst performance in more than a year, the chain still sits atop the throne of big pizza, as it outpaces the industry in same-store sales numbers. Now, Domino's is opening its 16kth store, gaining market share as it remains the market leader for "fast" pizza, with Pizza Hut in 2nd place, Little Caesars in 3rd, and Papa John's in 4th. Domino's has grown by nearly 50% over the past 5 years, rapidly adding 4.8k stores since 2014. It has plans to add thousands more as the battle for pizza supremacy continues to sizzle. (Source: TheHustle)

> American Eagle Will Sell \$50,000 Sneakers in New York: Starting March 9, customers at American Eagle's Soho store in New York will be able to shop the new Urban Necessities pop-up. Urban Necessities, which hails from Las Vegas, is a trendy resale sneaker store that sells special-edition sneakers from brands that include Nike, Adidas, and Supreme. The collection at American Eagle will feature sneakers that cost between \$150 and \$50,000.

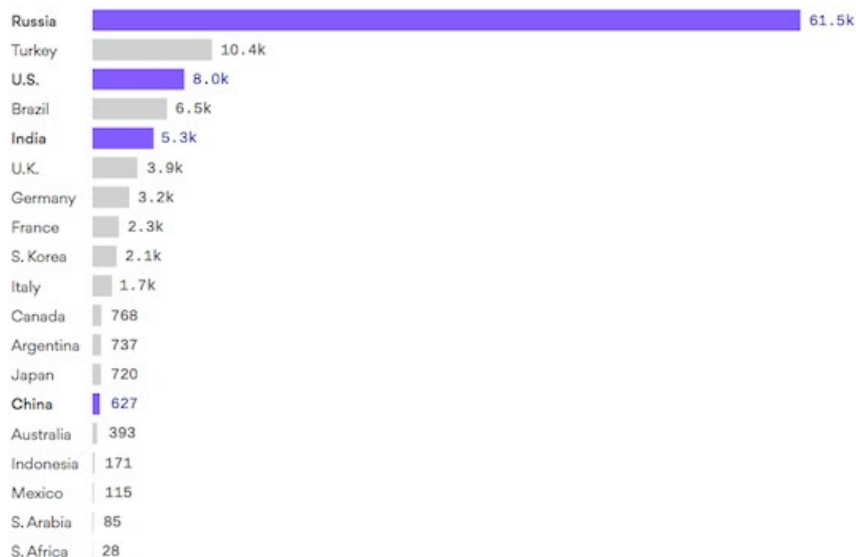
> OECD trims its global growth forecast. The Organization for Economic Cooperation and Development on Wednesday cut its global growth forecast to 3.3% from 3.5%, saying the global economy is "facing increasingly serious headwinds." (Source: BusinessInsider)

> First New Depression Drug in Decades Released: The FDA has approved the first drug to treat depression in decades, paving the way for Johnson & Johnson to sell a nasal spray based on ketamine, which is often used as a party drug with the nickname "Special K". Esketamine, which will be sold under the brand name Spravato, will be available for adults who have already tried at least two other antidepressant treatments. The fast-acting drug will cost between \$590 and \$885 (before discounts and rebates) depending on the dosage. (Source: SeekingAlpha)

> U.S. Takes Third Place Among G20 Nations in Google Censorship Requests: While not a perfect barometer for web freedoms, Google's annual transparency report provides one of the oldest and most comprehensive datasets of government requests to censor or take down content. A source tell us the trend lines are similar to requests other big web platforms have experienced. Data from 2009 to 2018 show that certain countries are much more aggressive in their asks to take content down.

Number of G20 government requests to Google to remove content

From 2009 to June 2018



Data: [Google Transparency Report](#); Chart: Andrew Witherspoon/Axios



Northcentral Illinois – We got all our anhydrous on early this year just by a little luck which saved us a chunk. Most guys in this area, did not get anything on. The price has jumped up dramatically since this fall so I'm sure that has really put people in a pinch. I have seen a lot of guys out spreading dry in the last few days, probably because the ground is going to unthaw in the next week. Guys should have plenty of time around here to get their nitrogen on as long as we don't see it pick-up and start non-stop raining.

Eastern Kansas – I think we made it through the extreme cold. We are supposed to be warmer tomorrow and we should start to see snow melt. All our wheat got planted this year, we did 350 acres, so it wasn't too difficult. It's rowed nicely and still looks good where we can see it. We got a little dose of the recent snow but not enough to completely cover everything especially after the wind blew everything into the ditches. I plan to double soy behind the wheat and plant a few acres to yellow corn and a few to white corn.

Southern Texas – We farm about three-quarters the way down the state. I don't know if many people saw the temperatures here, but we dropped below freezing. The corn wilted a little and the soil temperatures dropped into the 40's but bounced back up to the 50's later in the day. We feel like the corn will be okay here but there is some places that will need replanted because it dropped too far too long.



Producers are Becoming More Accepting of Growing and Using Cannabis: As cannabis becomes more mainstream, there's increasing acceptance of growing and using the plant – even among conventional farmers and ranchers. In a recent *Farm Journal* survey, respondents said they were more comfortable with CBD and medical applications of cannabis than THC and recreational applications. Survey respondents also were more agreeable to growing than consuming cannabis. Nearly a third of the 950 farmers and ranchers surveyed indicated that farmers should grow recreational marijuana, while 10% said they would use it themselves. Not only are farming and

ranching among the more conservative professions, survey respondents represent older generations, with 80% of them 55 and older. The survey results are reflective of the nation's increasing acceptance of cannabis as an industrial, pharmaceutical and recreational product. Read more survey insights [HERE](#).

Can Science Really Cure Aging? The longevity sector is showing signs of being taken more seriously. On Tuesday, Mehmood Khan, vice chairman and chief scientific officer of PepsiCo, announced he's joining Life Biosciences, a startup dedicated to "age-reversal." Khan will become the startup's CEO and a member of its board of directors. Life Biosciences raised more than \$75 million to research treatments for age-related decline. The company says it brings together the world's leading scientists and researchers to increase life-spans and reduce disease for everyone. Keep in mind, humanity may be far from cracking the immortality code, but there has been progress, consider that in 1776, the average life expectancy was just 35 years. By 1900, that number grew to 47.3 years. Soon after 2000, it inched past 77, reports the National Center for Health Statistics. Read more [HERE](#) on where the longevity sector is heading.

Missing Gold From SS Central America Coming to Auction: Next week, [Heritage Auctions](#) in Dallas, Texas, will sell three gold blocks that sank on board the SS Central America in September 1857, along with 425 people and the rest of the 10-ton golden cargo. This shipwreck's story goes well beyond the initial finding of the gold that finally occurred more than a century later in 1988, when the Columbus-America Discovery Group recovered the wreck. JustCollecting called the find "the greatest treasure discovery in American history" which also netted the group's leader, Tommy Gregory Thompson, \$52 million in sales. Among them was "Eureka," an ingot that weighed 80 pounds and sold for eight million dollars, which was then a world record price for sold pieces of currency. It's worth mentioning that the vessel was on the way to the U.S. on a mission to help relieve the United States from the deepening "Panic of 1857," which had begun on August 24, 1857, when the New York branch of the Ohio Life Insurance and Trust Company folded. But the saga doesn't end with the recovery... read what happened [HERE](#).

Why Are Americans Staying Put More Now? For years, economists and other experts have been puzzled by a uniquely American anomaly: after centuries as probably the most restless place on the planet — its people shifting often thousands of miles around the country for a better life — the U.S. has at once become much more stationary. The explanations for all this stillness vary, but the most compelling are perhaps the simplest: people have dug in because there appears to be nowhere to go — no "promised land" of relatively high wages on which they can build greater dreams. A much overlooked difference from the times of wagon trains and the Dust Bowl: The internet, which leaves very little mystery as to what lies at the other end of almost any road taken. In a paper released last week, David Autor, a pioneering labor economist at MIT, said the geography of jobs has changed. Cities, once the hope of people seeking a middle-class life, are now a symbol of the disappearance of well-paid, middle-skill work. Read [more HERE](#).

Pininfarina Battista Debuts With 1,874 HP Of Electric Power: Six months after completing its world tour of private viewings for supercar retailers and potential customers, Automobili Pininfarina's Battista battery-electric (BEV) hypercar recently debuted in Geneva. Delivery of the first of the maximum of 150 Battistas will begin in the second half of 2020. With financial backing from its parent, Mahindra & Mahindra, Pininfarina has collected an impressive cast of engineers, designers and executive marketing men to launch that most wonderful of contradictions: the most storied, famous and well established all-new automotive brand in history. Pininfarina became an automotive legend designing most Ferrari road cars for a half century. Battista "Pinin" Farina and Enzo Ferrari were simpatico. But in three generations of family ownership over nearly 90 years—Battista, Sergio and now Paolo Pininfarina—the firm never created a sports car under its own brand. Read more [HERE](#) on what owners can expect from their new ride.



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Thinking About Hemp... Look Towards Kentucky!

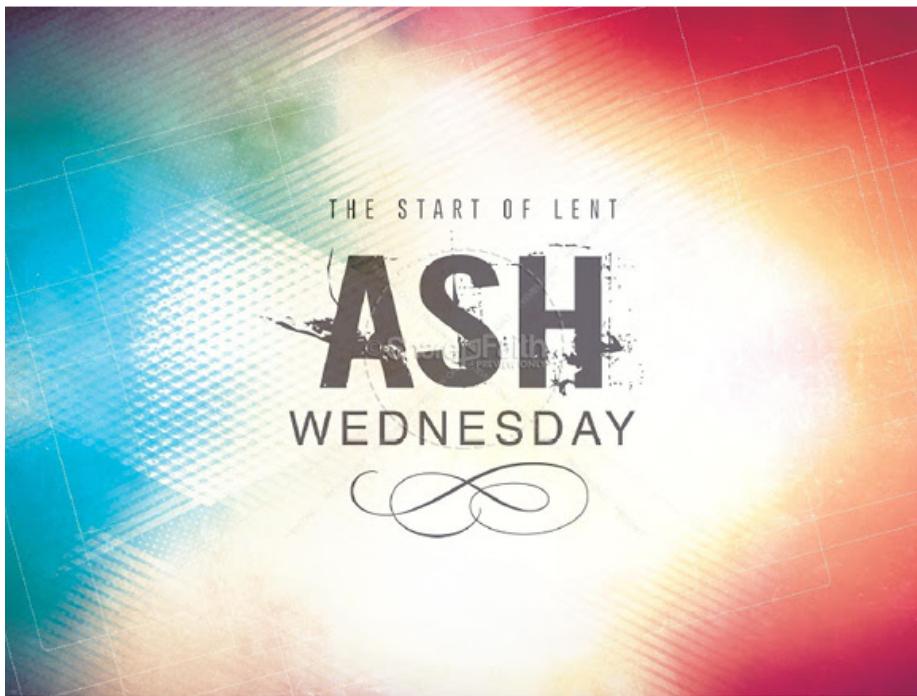
As many of you are well aware, the farm bill, which President Trump signed back in December, makes growing hemp in the U.S. legal again. Kentucky, which the Brookings Institution called one of the best places to cultivate hemp in the world, is returning to its roots. Kentucky was the country's greatest producer of hemp in both the 19th and 20th centuries. But two legislative efforts limited production: A 1937 marijuana taxation law characterized hemp as a narcotic and required growers to hold a federal registration and special tax stamp. And the Controlled Substances act of 1970 made hemp illegal to grow without a permit from the US Drug Enforcement Administration. Farmers all across the South are now looking for ways to diversify away from tobacco and have big expectations and hope that hemp can fill that void. Several experts and farmers now worry that without specific regulations in place, the waters might be tough to navigate. Since Kentucky is further along in the transition, thanks to its five-year-old pilot program, many other producers will be looking to the Bluegrass State for guidance and to see how well its policies are working. Before December, federal law treated hemp as a quasi-controlled substance, due to its relation to marijuana. Farmers couldn't grow hemp at all until 2014 when the farm bill allowed limited cultivation under tightly regulated state research and pilot programs. Kentucky that year began its industrial hemp pilot program to study hemp's environmental impacts and potential as an energy source for biofuel. Kentucky has been a leader in developing an industrial hemp sector, taking a highly regulated approach that it revised during the test phase. Under the new federal rules, other states are following Kentucky's lead in encouraging hemp. From what I understand, forty-one states have enacted legislation to establish industrial hemp cultivation and production programs. In 2018, 62% of Kentucky's 210 hemp farmers grew the crop to have it processed into CBD. While the latest farm bill makes hemp eligible for crop insurance, CBD is still under the preview of the FDA, which could put CBD back on the list of scheduled drugs. So how stable is the market for CBD and hemp? There's no solid answer to that question. But the Kentucky Department of Ag has approved 42,086 acres of industrial hemp for 2019, up from 16,000 in 2018, plus 2.9 million square feet of greenhouse space for hemp cultivation. Licensed processors paid Kentucky growers \$7.5 million for harvested hemp in 2017 and took in \$16.7 million in sales. Folks in Kentucky are convinced there's cash-value in this crop. If you're looking to grow hemp in some capacity, we've heard that some of the best seeds are available from sources in Kentucky. If you need any help or direction feel free to call our office. Among the states that continue to outlaw growing hemp are, Georgia, Idaho, Iowa, Louisiana, Mississippi, New Hampshire, Ohio, South Dakota and Texas. I've heard these states have actually introduced new hemp bills this legislative session to better align themselves with federal law. Before you jump in and start planting, make sure you check with your local state officials, there's still a ton of regulations and paperwork that must be filled out and approved before growing. (Source: Daily Yonder)





Ash Wednesday... What You Need to Know

Originating with the goal to unite both Christians and Pagans into a peaceable unit, "Ash Wednesday" was introduced by Constantine and accepted into the Christian community at the Council of Nicea in 325 AD. From what I understand, the church fathers agreed upon a 40-day fast period known as Lent, which starts with Ash Wednesday and is meant to commemorate the 40 days Jesus spent fasting in the desert, being tempted by Satan. I should mention that Ash Wednesday, being celebrated on March 6th this year, to Holy Saturday is actually 46 days, only because many Christians do not count the Sundays during Lent. Making Ash Wednesday most recognizable is the ashes on the foreheads of participants who generally leave them on throughout the remainder of the day as a sign of humility. The ashes that are used on Ash Wednesday are usually obtained by burning palm branches that are left over from Palm Sunday of the previous year. When the priest applies the ashes to our forehead, they generally speak the words, "Repent, and believe in the Gospel" or the dictum "Remember that you are dust, and to dust you shall return." Ash Wednesday then kicks off Lent, which is simply the 40-days prior to Easter that Christians come to terms with the human condition and are attempting to open the doors of their hearts a little wider and understand our Lord a little deeper, so that when Good Friday and eventually Easter comes, it is not just another day at church but an opportunity to receive the overflowing of graces God has to offer. FYI, Easter this year will be celebrated on Sunday, April 21. Another common tradition that sets Ash Wednesday apart is that it marks the beginning of personal sacrifice, usually in the form of fasting on Fridays, but also consisting of giving up various "things" and or behaviours for the entire 40-days. Though it is not required by any form of Christianity, most participants voluntarily choose 1-2 things to give up as they seek greater spiritual discipline, and a growth in their faith. From what I can tell, some of the most widely chosen items to "sacrifice" beginning on Ash Wednesday are Facebook, Twitter, alcohol, chocolate, swearing, meat, soda, coffee and fast food to name a few. Bottom line, whether you observe Ash Wednesday or not, I am a big believer in self-reflection as a regular process in life's journey. I would also suggest considering the claims and actions of Jesus as you look for an anchor in life. (Source: Wiki, insider, USA Today, thought.com)



“LET TODAY BE
THE DAY YOU
GIVE UP WHO
YOU’VE BEEN
FOR WHO YOU
CAN BECOME.”

Grandpa The Gambler

With tax-season on our doorstep, this old e-mail has resurfaced and always brings a chuckle...Thought I would pass along.

The IRS decides to audit Grandpa, and summons him to the IRS office. The auditor was not surprised when Grandpa showed up with his attorney.

The auditor said, "Well, sir, you have an extravagant lifestyle and no full-time employment, which you explain by saying that you win money gambling. I'm not sure the IRS finds that believable."

"I'm a great gambler, and I can prove it," says Grandpa. "How about a demonstration?"

The auditor thinks for a moment and said, "Okay. Go ahead."

Grandpa says, "I'll bet you a thousand dollars that I can bite my own eye."

The auditor thinks a moment and says, "It's a bet."

Grandpa removes his glass eye and bites it. The auditor's jaw drops.

Grandpa says, "Now, I'll bet you two thousand dollars that I can bite my other eye."

Now the auditor can tell Grandpa isn't blind, so he takes the bet. Grandpa removes his dentures and bites his good eye.

The stunned auditor now realizes he has wagered and lost three grand, with Grandpa's attorney as a witness. He starts to get nervous.

"Want to go double or nothing?" Grandpa asks. "I'll bet you six thousand dollars that I can stand on one side of your desk, and pee into that wastebasket on the other side, and never get a drop anywhere in between."

The auditor, twice burned, is cautious now, but he looks carefully and decides there's no way this old guy could possibly manage that stunt, so he agrees again.

Grandpa stands beside the desk and unzips his pants, but although he strains mightily, he can't make the stream reach the wastebasket on the other side, so he ends up urinating all over the auditor's desk.

The auditor leaps with joy, realizing that he has just turned a major loss into a huge win. But Grandpa's own attorney moans and puts his head in his hands.

"Are you okay?" the auditor asks.

"Not really," says the attorney. "This morning, when Grandpa told me he'd been summoned for an audit, he bet me twenty-five thousand dollars that he could come in here and pee all over your desk and that you'd be happy about it!"



Farmers Helping Farmers

February 21 at 6:08 AM · 🌐

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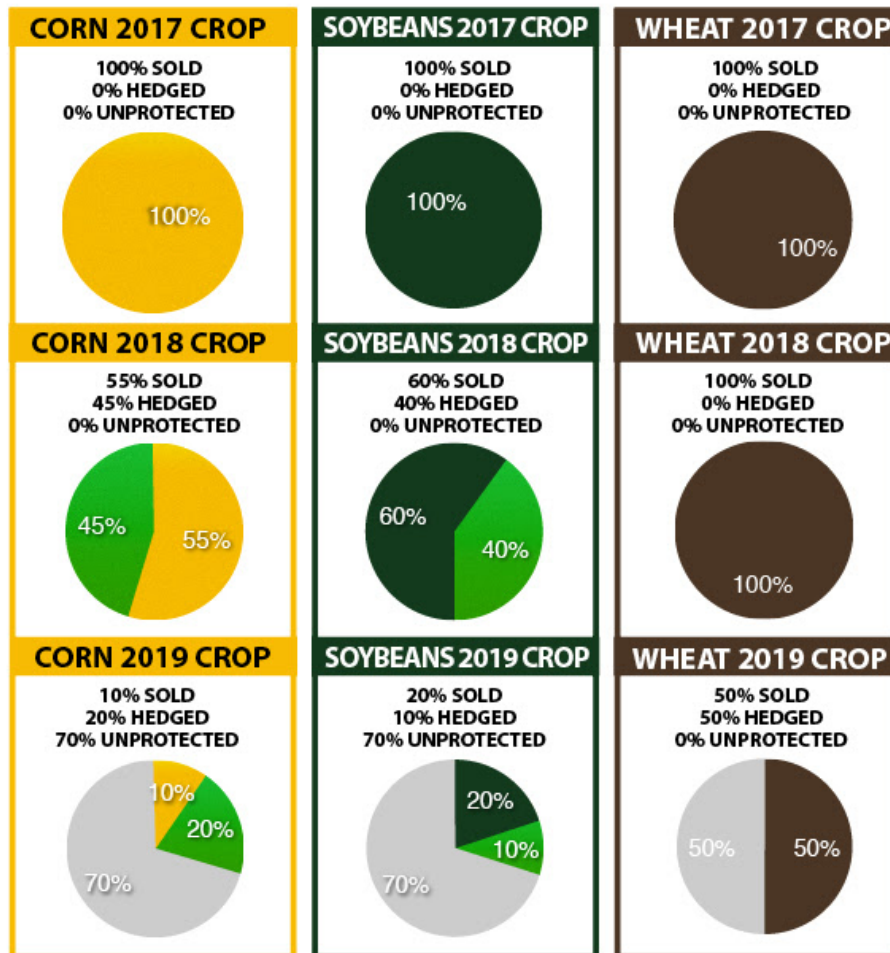
When the tax man is snooping why you wrote off the RV...



ANSWER to riddle: 1, 2, and 3

CASH SALES & HEDGING TOTALS

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