

GOOD MORNING: 03/08/19 Farm Direction - Van Trump Report

1 message

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Today In History

"You can never plan the future by the past." – **Edmund Burke**

FRIDAY, MARCH 08, 2019
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Morning Summary: Stock bulls have backpedaled this week as the market appears sluggish or perhaps slightly tired. There's also rumors and talk that the planned trade summit between president Trump and president Xi might be pushed back. I've mentioned several times that the technical climb for the bulls would start getting much more steep and the air much more thin up at these levels. Which makes me believe the bulls might simply be pausing for a moment to catch their breath. The S&P 500 has dropped from a Monday high of 2,819 down to sub-2,750. Several insiders believe we could continue to drift lower until we get a fresh new bullish catalyst to chew on, I'm in agreement. The big-3 catalysts or shifts to start 2019 have been improved trade talks with the Chinese, a reversal of monetary demeanor by the Fed, and surprisingly better than expected 4th quarter corporate earnings. Unfortunately, the bulls now find themselves at a much higher altitude and starting to look around for food. Some worry that the fresh headlines won't come for several more weeks, when bulls hope to see president Trump and president Xi meet in Florida to put the final touches on some type of trade compromise. Unfortunately, we are hearing rumors that the planned trade summit in Florida that was thought to happen March 27-28, now might be pushed back as the two nations continue to negotiate. Again, I have no hard proof that these are true or factual remarks, but this does seem to be creating a small buzz this morning. We are also going to start catching some headwinds as we move out of 4th quarter earnings season and into what many insiders call "warnings season", a period of time when corporations start to warn about their upcoming 1st quarter earning shortfalls. Globally, ECB president Mario Draghi tossed the market a lower-for-longer curve-ball yesterday, when he announced that the European Central Bank was extending its so-called forward guidance on ultra-low interest rates, saying it doesn't expect to begin lifting them until at least early 2020, holding interest rates at subzero levels at least through December. It also announced plans for a series of cheap long-term loans for banks, known as targeted long-term refinancing operations, or TLTROs, a stimulus tool it hasn't rolled out for three years. This was prompted by the ECB staff slashing their macroeconomic forecasts, including reducing the outlook for 2019 GDP growth to just 1.1% from a previous 1.7%. Bottom-line, the Eurozone's economy is clearly slowing down and there are a number of reasons involved. China's weaker than expected economic numbers have also prompted a pullback in their GDP growth forecasts. This again has allowed the bears to come up to bat as it brings about talk of a larger macro global economic slowdown. As for this morning, investors shift their attention to the U.S. monthly employment report. Most insiders seem to be thinking employers added roughly +185,000 new jobs in February. This would be down from the +304,000 new jobs we added back in January and the +222,000 new jobs added back in December. The last jobs report showed the share of American adults working or seeking work had increased to 63.2%, up half a percentage point from a year earlier. Most are expecting the unemployment rate to come in around 3.9%, a notch above the 49-year low of 3.7% posted last fall, but still extremely strong. Bears want to argue that a pullback in today's employment numbers could mark the beginning of a broader sentiment pointing to an economic slowdown here in the U.S. There's already questions about a drop-off in home sales, a drop off in business investment, and downtick in consumer spending. Looking to next week, the economic calendar will be fairly light. Investors will be digesting the latest CPI data on Tuesday, some fairly important Chinese economic data on Wednesday, fresh U.S. retail sales numbers on Thursday, and the Bank of Japan's latest policy decision at the end of the week. Keep in mind, there will be no Fed speakers in play next week as they enter their quiet period ahead of the next Fed meeting scheduled on March 20th. I should note, there's another nearby twist of


1917, End of Czarist Rule in Russia - In Russia, the February Revolution, known as such because of Russia's use of the Julian calendar, begins

when riots and strikes over the scarcity of food erupt in Petrograd. One week later, centuries of czarist rule in Russia ended with the abdication of Nicholas II, and Russia took a dramatic step closer toward communist revolution. By 1917, most Russians had lost faith in the leadership ability of the czarist regime. Government corruption was rampant, the Russian economy remained backward, and Nicholas repeatedly dissolved the Duma, the Russian parliament established after the Revolution of 1905, when it opposed his will. However, the immediate cause of the February Revolution—the first phase of the Russian Revolution of 1917—was Russia's disastrous involvement in World War I. Militarily, imperial Russia was no match for industrialized Germany, and Russian casualties were greater than those sustained by any nation in any previous war. Meanwhile, the economy was hopelessly disrupted by the costly war effort, and moderates joined Russian radical elements in calling for the overthrow of the czar. On March 8, 1917, demonstrators clamoring for bread took to the streets in the Russian capital of Petrograd (now known as St. Petersburg). Supported by 90,000 men and women on strike, the protesters clashed with police but refused to leave the streets. On March 10, the strike spread among all of Petrograd's workers, and irate mobs of workers destroyed police stations. Several factories elected deputies to the Petrograd Soviet, or "council," of workers' committees, following the model devised during the Revolution of 1905. On March 11, the troops of the Petrograd army garrison were called out to quell the uprising. In some encounters, regiments opened fire, killing demonstrators, but the protesters kept to the streets, and the troops began to waver. That day, Nicholas again dissolved the Duma. On March 12, the revolution triumphed when regiment after regiment of the Petrograd garrison

uncertainty being added to the equation, as word circulates that Fed Chair Jerome Powell will appear on CBS's 60-Minutes this Sunday. From what I understand, Powell was interviewed by Scott Pelley in Washington, D.C., this week, and will appear beside his predecessors, former Fed chairs Ben Bernanke and Janet Yellen. Bulls are deeply concerned, doubting anything positive for the stock market can come from the interview. In fact, most on Wall Street believe 60-Minutes will be doing nothing but trying to further stir-the-pot and create even more controversy. This could make Sunday nights opening of the market extremely interesting. It might also prompt a few bulls to pull some bets back heading into the weekend.

Household Net Worth Takes Hit in Q4: Americans' net worth fell at the highest level since the financial crisis in the fourth quarter of 2018 as sliding stock market prices ate into the household balance sheet. Net worth dropped to \$104.3 trillion as the year came to an end, a decrease of \$3.73 trillion from the third quarter, according to figures released Thursday by the Federal Reserve. The fall amounted to a drop of 3.5%, with much of the slide due to Wall Street's woes, as the stock market suffered a precipitous decline that started in October and briefly reached bear market status. Equities skidded as investors began to fear that the Fed would keep raising interest rates even as economic conditions began to deteriorate. Keep in mind, household net worth has been rising strongly since the crisis and is up 73% since 2009. Read more [HERE](#).



UFC Heavyweights "Lewis vs. Dos Santos" in Wichita, KS Tomorrow: UFC Fight Night 146 is ready to go with a heavyweight match-up between Derrick Lewis and Junior dos Santos in Wichita, KS tomorrow at the Intrust Bank Arena starting at 7:00 PM, which will air live on the ESPN+ streaming service in the US. Dos Santos is favored with 25/48 odds as he has enjoyed back-to-back wins including a 20-5 overall record. In addition, Lewis is coming off a failed title bid against Daniel Cormier with a 21-6 overall record. My pick is with dos Santos in this fight. Could be something fun for everybody to see in the Wichita area this weekend because it should be a good fight! Click [HERE](#) to buy tickets starting at \$78 a piece!



defected to the cause of the demonstrators. The soldiers, some 150,000 men, subsequently formed committees that elected deputies to the Petrograd Soviet. The imperial government was forced to resign, and the Duma formed a provisional government that peacefully vied with the Petrograd Soviet for control of the revolution. On March 14, the Petrograd Soviet issued "Order No. 1," which instructed Russian soldiers and sailors to obey only those orders that did not conflict with the directives of the Soviet. The next day, March 15, Czar Nicholas II abdicated the throne in favor of his brother Michael, whose refusal of the crown brought an end to the czarist autocracy. The new provincial government, tolerated by the Petrograd Soviet, hoped to salvage the Russian war effort while ending the food shortage and many other domestic crises. It would prove a daunting task. Meanwhile, Vladimir Lenin, leader of the Bolshevik revolutionary party, left his exile in Switzerland and crossed German enemy lines to return home and take control of the Russian Revolution.



1968, Bill Graham's Fillmore East Opens -

Bands like the Grateful Dead, the Jefferson Airplane and Santana owe a great deal of their success to the business acumen of the legendary concert promoter Bill Graham, whose skill and creativity turned San Francisco into a musical Mecca for both fans and performers in the late 1960s. In 1966, Graham opened his own new concert venue, the Fillmore, which quickly became an important stop on the concert itinerary of nearly every great band of the era. Two years later, his psychedelic musical empire went bi-coastal with the opening of the Fillmore East in New York City on March 8, 1968. Opening night at the Fillmore East was typical of the kind of show put together by Graham, who was a pioneer in combining roots music with contemporary rock and roll in a way that became de rigueur at 1960s rock festivals. The bill featured blues guitarist Albert King, folk singer-songwriter Tim Buckley and Janis Joplin's group Big Brother and the Holding Company, who had just begun recording their landmark Cheap Thrills album. Over the course of the next two months, the Fillmore East brought some of the biggest names in late 60s rock to Manhattan's East Village: The Doors (March 22), The Who (April 5-6), Traffic (April 19-20), Jefferson Airplane (May 3-4) and Jimi Hendrix and Sly and the Family Stone (May 10) and The Byrds (May 18). With a capacity of only about 3,600 seats the Fillmore East was a far cry from the gigantic stadiums and arenas that big-name rock acts would start limiting themselves to in the 1970s. It was the beginning of that super-sizing trend that helped push Bill Graham out of the rock-promotion business temporarily after he shuttered both the Fillmore East and Fillmore West in 1971. In explaining his decision to close the venues, Graham told The Village Voice that "The rock

FARM TANK

Tweets of the Day



Statista
@StatistaCharts

Following

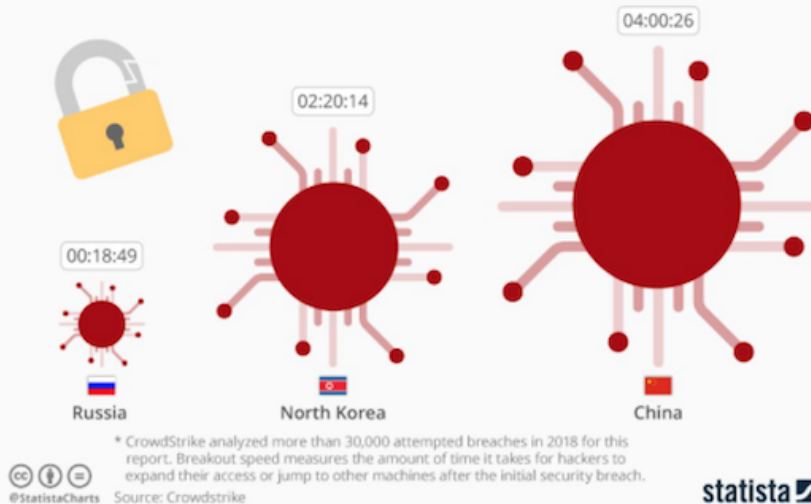
In about the time it takes to bake a tray of cookies, watch a show on Netflix, or be the shortest reigning King of France, an average [#Russian](#) [#hacker](#) can infiltrate a computer network

via [@CrowdStrike](#) [#CyberSecurity](#)

statista.com/chart/17151/go...

Russia Has the Fastest Hackers

Average breakout speed of hackers from selected countries, 2018*



scene in this country [that] was created by a need felt by the people, expressed by the musicians, and, I hope, aided to some degree by the efforts of the Fillmores...[has] turned into the music industry of festivals, 20,000 seat halls, miserable production quality, and second-rate promoters." After his early-70s hiatus, Graham would turn his attention to producing events on the scale of Rolling Stones stadium tours and the American side of Live Aid. Within that world, he was greatly respected for staging concerts that were creatively ambitious, commercially successful and professionally run. "Bill changed the way rock evolved," said The Who's Pete Townshend. "Without him, I would not be here." Bill Graham died in a helicopter crash near San Francisco on October 25, 1991, and was inducted into the Rock and Roll Hall of Fame the following year.



1971, Ali and Frazier Battle for Heavyweight Championship

- On March 8, 1971, Muhammad Ali and Joe Frazier meet for the "Fight of the Century" at Madison Square Garden in New York City. The bout marked Ali's return to the marquee three-and-a-half years after boxing commissions revoked his license over his refusal to fight in the Vietnam War. It was also Ali's first chance to win back the heavyweight championship, which had been stripped by the WBA (World Boxing Association). Both Ali and Frazier were undefeated and had won Olympic gold medals and multiple Golden Gloves championships, but their personalities were vastly different. Ali was a showboat, and his mastery of the media, his improvisational poetry during interviews and his debonair good looks separated him from every other fighter, and every other athlete, of his generation. Much to his opponent's dismay, Ali successfully painted the less popular and more reserved Frazier as an "Uncle Tom" and an instrument of the establishment. Leading up to the fight, the national press fawned over Ali, heralding "the hero's return." Ali played right along, while doing his best to knock Frazier off his game through mental intimidation. He even went so far as to repeatedly call Frazier a "gorilla." On the night of the fight, celebrities filled Madison Square Garden. Miles Davis was resplendent in a red suit. Frank Sinatra sat ringside, photographing the fight for a Life magazine article. It was said that billions of people were following the fight in person, on TV or on the radio, and most of them were cheering for Ali. The fight lived up to the hype. Ali initially landed more punches, gliding about the ring as light on his feet as he was in the prime of his career. Frazier's punches, however, seemed to have more impact. By the eighth round, Frazier was leading six rounds to two with each judge. In the 11th round, Ali staggered but fought back, forcing the action into the 12th and 13th rounds. The fight was already decided by the 15th, when Frazier landed a left hook to Ali's right chin, knocking



Steve Burns
@SJosephBurns

Following

....until the end when it bends.



Travis Wanoreck
@TWanoreck

Following

And we're off!! #Plant19



down the champ for the first time in his pro career. Ali got up, but Frazier won the fight by unanimous decision, retaining his title and delivering Ali the first loss of his career. The two fighters would fight twice more, in 1974 and 1975, with Ali winning both fights. The rivalry was so intense that, 20 years after their final fight, when Ali carried the torch and lit the ceremonial flame at the 1996 Olympics in Atlanta, Frazier said "If I had the chance, I would have pushed him in."

Upcoming Events

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

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



oli
@scaredofstairs

Following

farm dad paul makes me so happy



80s Sports N Stuff
@80sSportsNStuff

Following

When you're on the verge of 4,000 hits...they busted out the extra special television graphics.



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



Kevin's Song of the Week

Opportunities are like buses, there's always another one coming.

~Richard Branson

#inspiration #quotes



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

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:

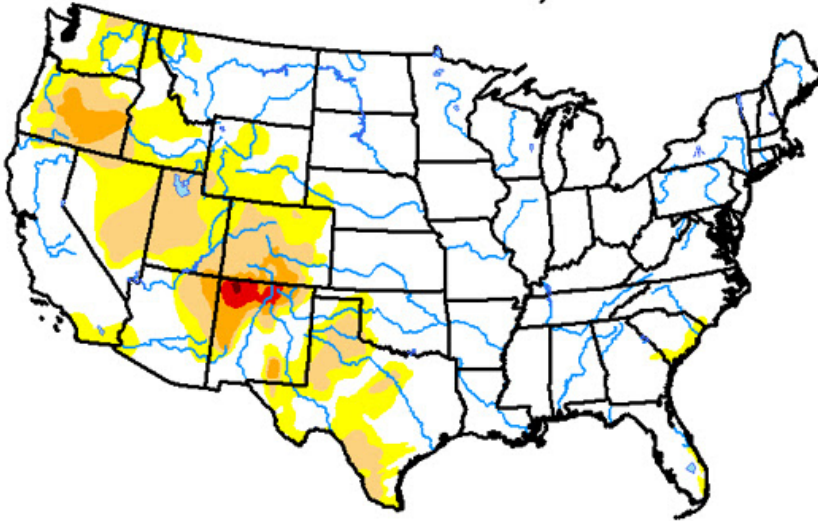
The more you take, the more you leave behind.
What are they?

Spring Planting to Begin with Zero Drought and Adequate Soil Moisture:

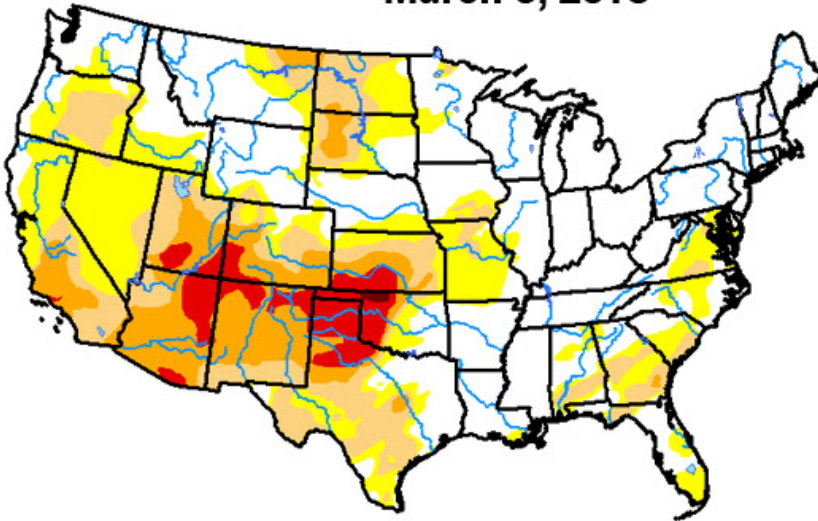
Approximately 0% of Corn and Soybeans Planting Areas are experiencing drought as we head into the spring planting season. Check out USDA's Ag In Drought publication for more on this. Below I have a comparison of the latest U.S. Drought Monitor, with the one from the same time last year. As you can see, there is quite a difference across the entire country -- particularly in the central and northern Plains and the Midwest regions.

U.S. Drought Monitor Comparison

March 5, 2019



March 6, 2018



While a little drought is definitely good news for producers, the amount of soil moisture could cause delays for planting this year. Below is a Surface Soil Moisture indicator derived from NASA's GRACE satellite. The drought indicators describe current wet or dry conditions with lower values (warm Colors) meaning dryer than normal and high values (blues) mean wetter than normal. The surface soil moisture map specifically measures the top 2 centimeters of the soil and takes into account sophisticated satellite data including energy processes impacting the soil. As you can see, we are quite wet heading into Spring.

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..."

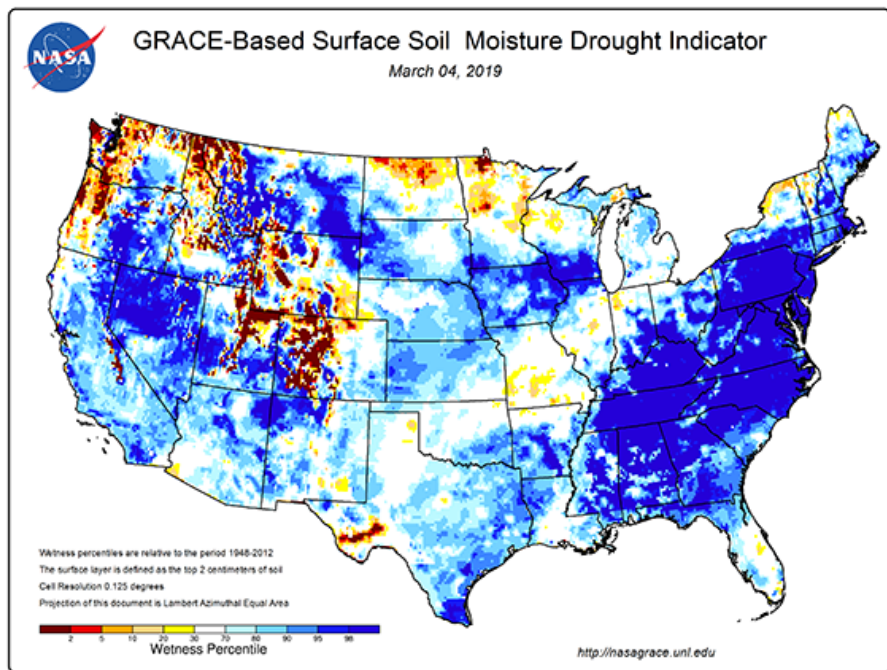
"Bulls make money, Bears make money, but pigs get slaughtered..."

"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.



Corn bulls fear the USDA could increase U.S. ending stocks in today's monthly supply and demand report. Most are worried that corn used for ethanol could be further reduced as the industry struggles to find growth. There had been hopes that a Chinese trade deal would solidify the export business and bring about purchases of both U.S. ethanol and DDGs in larger quantity. The trade is also eyeing the massive selloff taking place in the wheat market. I continue to hear of wheat now penciling into feed rations in several parts of the country. U.S. exports still remain strong, but it's tough to get overly excited when heavy competition is coming online from South America. Most all sources are penciling in significantly larger production numbers from both Argentina and Brazil in comparison to last year. There's really not much of a wide-spread weather story to keep the bulls attention while we transition to more U.S. centric headlines. Planted acres here at home continue to be debated. Unfortunately, if prices keep breaking lower there's not going to be much to debate. I'll be correct in my thinking that not as many corn acres are going to get in the ground as what's currently being forecast. At the most recent USDA Ag Outlook Forum, early projections forecast a jump in planted corn acres from 89.1 million in 2018 to 92.0 million acres in 2019. This led the USDA to project the U.S. corn crop in 2019 at 14.9 billion bushels, essentially +3% larger than last year, with an increase in overall planted acres more than offsetting their lower yield. The early new-crop yield projection of 176.0 bushels per acre is based on a weather-adjusted trend assuming normal planting progress and summer growing season weather. Technically, the corn charts look very worrisome. The markets closed yesterday at their lowest levels in almost six-months and are dangerously close to falling below the lows posted back on September 18th. The previous low posted in the JUL19 contract was at \$3.70 per bushel. The previous low in the new-crop DEC19 contract was posted at \$3.83². I continue to believe we test those levels and post fresh new lows while we are in this transition period.



Top Corn Producing Countries

% of Production Exported - 2018/19



(in thousand metric tons)

Country	Production	Exports	% of Production Exported
United States	366,287	62,233	17%
China	257,330	50	0.02%
Brazil	94,500	29,000	30.7%
EU	60,720	1,500	2.5%
Argentina	46,000	29,000	63.0%
Mexico	25,600	1,000	3.9%
India	26,000	500	1.9%
Ukraine	35,500	28,500	80.3%
Canada	13,900	1,600	11.5%
Indonesia	11,900	50	0.4%

Source: USDA, FAS, PS&D Updated 03/07/19

Soybean traders continue to debate Chinese trade negotiations, the impact of African Swine Fever, South American production and logistics, and upcoming U.S. planted acres. There's been nothing official released in regards to Chinese trade talk, but I have heard the meeting between President Trump and Xi might be pushed back to a later date. There are so many rumors circulating inside the trade as of late it's very hard to differentiate fact from fiction. I never like to add or pass along so called "fake news", but if the rumors circulate inside the trade long enough they could have an impact, so pay close attention. Despite disappointing export sales data yesterday, there were some rumors circulating of a few more beans being sold out of the Gulf and the PNW. Perhaps we will get confirmation of better sales today or next week? There are reports circulating that ASF has put perhaps a larger damper on feed demand in China that some have been forecasting. I would have to say I'm in agreement. I continue to be concerned about the longer-term ramifications. There's very little fresh or new to report regarding South America. The crops actually seem to be a bit bigger than what we were thinking last month at this time. The Argentine crop seems a bit stronger and the bleeding in Brazil seems to have stopped, arguably even improved a bit from earlier forecasts, which seemed to have the Brazilian crop estimated down in the 112 to 114 MMT range. Weather seems mostly cooperative and logistics always seem to be a wild-card. I will continue to monitor the South American headlines closely. Here at home, nobody seems to be looking for much change in the USDA's balance sheet. There's some arguments that the crush could be raised a touch higher, but I'm not sure the USDA makes that move at this juncture. Keep in mind, the early look at U.S. acreage is forecasting a -4.1 million acre reduction in soybeans, down from 89.2 million acres in 2018 to around 85 million in 2019. Soybean production is projected at 4.2 billion bushels, -8% below last year on lower harvested area and trend yields. The national average soybean yield of 49.5 bushels per acre they are using is -2.1 bushels below last year. Let's also keep in mind, soybean exports for 2019/20 are projected at 2.03 billion bushels, up +150 million from the 2018/19 forecast. In other words, if soybean acres end up being more than anticipated and exports don't come to fruition with the Chinese, the balance sheet could become much more burdensome. Technically, new-crop soybeans are trading right around their 200-Day Moving Average so we need to pay close attention, especially with the pressure we've seen hitting the corn and wheat markets.

Top Soybean Producing Countries

% of Production Exported - 2018/19



(in thousand metric tons)

Country	Production	Exports	% of Production Exported
United States	123,664	51,029	41.3%
Brazil	117,000	79,500	67.9%
Argentina	55,500	6,300	11.5%
China	15,900	100	0.6%
India	11,000	250	2.3%
Paraguay	9,500	5,600	58.9%
Canada	7,300	5,300	72.6%
Ukraine	4,400	2,950	67.1%
Russia	3,900	800	20.5%
Bolivia	2,700	15	0.6%

Source: USDA, FAS, PS&D Updated 03/07/19

Wheat remains in a free fall. The MAY19 SRW and HRW contracts have fallen by almost -\$1.00 per bushel since early-February. Bears are pointing to the fresh new highs posted yesterday in the U.S. dollar as adding additional headwind for U.S. exporters. Keep in mind, this is the highest level we've seen the U.S. dollar at in over a year. At the same time the Euro is posting fresh new lows. Not the combination we want to see if we are cheering for U.S. exports. Throw on top the fact U.S. exporters were already struggling to find traction in the global marketplace, and we have more reason for the bulls to backpedal and the bears to keep piling on. The technical picture shows a complete meltdown, is offering no support, and gives little reason to believe in a turnaround anytime soon. I want to step in as a bull but recognize this as trying to catch a falling knife. Perhaps, I also remember some pain I sustained back in 2016 when I rode a bullish bet all the way down into the \$3.60's before the market finally turned around and came back up for air. The good news about that was the fact we bounced back fairly aggressively, trading from \$3.60 to almost \$5.60 in less than one year. I don't want to believe that the market is targeting the \$4.00 area, but the way it's looking right now that might be our next area of major support on the front-end of the trade. As for today's USDA report, there's always a chance the USDA could trim their export estimate, perhaps raise feed and residual usage. As for production, the most recent February 8th NASS Winter Wheat and Canola Seedings report, estimated winter wheat area declined by -4% to the lowest level since 1909. These forecasts will be updated in the May 10th World Agricultural Supply and Demand Estimates (WASDE) report. The May WASDE will incorporate farmers' 2019 planting intentions as indicated in the March 29th NASS Prospective Plantings report and survey-based forecasts for winter wheat production, as well as global, country-by-country supply and demand projections. I'm thinking it could be a tough road for the bulls between now and then. I'm licking my wounds and being extremely cautious when thinking about jumping back in the ring.

Top Wheat Producing Countries

% of Production Exported - 2018/19



(in thousand metric tons)

Country	Production	Exports	% of Production Exported
EU	137,600	22,000	16%
China	131,430	1,200	0.9%
India	99,700	500	0.5%
Russia	71,600	37,000	51.7%
United States	51,287	27,216	53.1%
Canada	31,800	24,000	75.5%
Pakistan	25,500	1,700	6.7%
Ukraine	25,000	16,500	66%
Argentina	19,200	14,000	72.9%
Turkey	19,000	6,300	33.2%

Source: USDA, FAS, PS&D Updated 03/07/19

U.S. Ending Stocks 2018/19 (in billion bushels)

	March Est.	Trade Avg.	Trade Range	Feb. USDA
Corn	???	1.736	1.680 - 1.795	1.735
Soybeans	???	0.902	0.860 - 0.940	0.910
Wheat	???	1.020	1.010 - 1.050	1.010

World Ending Stocks 2018/19 (in million metric tons)

	March Est.	Trade Avg.	Trade Range	Feb. USDA
Corn	???	309.06	306.30 - 312.00	309.78
Soybeans	???	106.33	104.40 - 113.57	106.72
Wheat	???	267.47	266.00 - 269.00	267.53

South American Production (in million metric tons)

	March Est.	Trade Avg.	Trade Range	Feb. USDA
Argentina Corn	???	45.92	44.00 - 47.00	46.00
Argentina Soybeans	???	55.23	56.70 - 54.00	55.00
Brazil Corn	???	94.66	93.00 - 96.00	94.50
Brazil Soybeans	???	115.73	115.00 - 118.50	117.00



> **China Buys More Beans:** Bloomberg reported that China purchased 2 MMT of the oilseed, while Reuters reported that Chinese firms bought at least 500,000 MT of U.S. soybeans. From what I understand, China purchased at least eight bulk cargoes, while a third source says China bought at least 15 cargoes. I'm told that delivery will most likely be between June and September.

> **Cattle on Feed February Numbers Just Ahead of Last Year:** Reuters reports that analysts expect Friday's Cattle on Feed Report to show there were about 11.647 million head of cattle on feed as of Feb. 1, which finishes just above levels from a year-ago. I should mention that placements are expected to have dropped notably from year-ago levels during January, with marketings expected to have climbed.

> **China Makes Largest U.S. Sorghum Purchase Since Last Summer:** China bought U.S. sorghum for the first time since August last week, fueling hopes for more deals as Beijing and Washington see to resolve their trade dispute. The sale of 65,000 million metric tons of U.S. sorghum marked China's biggest purchase since Beijing imposed a 25% tariff on imports of American grains in July. (Source: Reuters)

> **December Ag Trade Balance Falls Well Short of Previous Month:** With exports reaching \$11.277 billion worth of ag goods during December and importing \$10.680 billion of such goods, the U.S. ended with an ag trade balance of \$597.182 million. That figure is less than a third of the \$1.862 billion trade surplus notched in November.

> **USDA Says Debt Is On The Rise:** USDA estimates farm debt will reach \$426.7 billion this year, that would mark the highest total since 1982. The debt-to-asset ratio, which has been rising since 2012, is expected to increase again in 2019 but remain low relative to historic levels. The sector's risk of insolvency is now at its highest level since 2009, but it is not close to the debt-to-asset levels of the 1980s farm crisis.

> **Actual Growth In Global Trade Does Not Come from U.S.:** Of course, the U.S. is the world's largest exporter of corn. Although the U.S. is likely to remain the leading corn exporter for years to come, little of the global growth in corn trade since 2010 can be attributed to the U.S., compared to the gains of its closest competitors. Collectively, Argentina, Brazil and Ukraine have nearly tripled their exports, growing from 30 million metric tons in 2010 to over 86 million metric tons in 2018. In contrast, U.S. exports grew from 47 million metric tons in 2010 to 62 million metric tons in 2018, an increase of 34%. From 2010 to 2018, global corn trade increased from 92 million metric tons to 167 million, an increase of 75 million metric tons. Of that 75 million, 80% of the gains can be attributed to Argentina, Brazil, and Ukraine while the remaining 20% came from the United States. (Source: USDA, ERS)

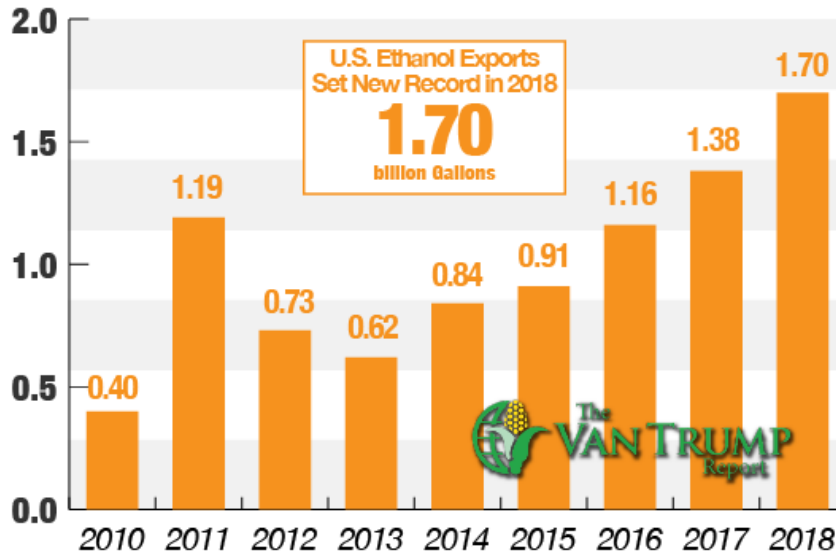
> **Airbnb Buys HotelTonight:** Airbnb's acquisition of the hotel-booking app could make it more attractive to investors ahead of a public offering. The San Francisco-based service that lets people book discounted hotel rooms last minute in 40 countries around the world. The purchase price was undisclosed.

> **NASA Plans First All-Female Space Walk:** For the first time, two female astronauts, Chistine Hammock and Anne McClain will conduct routine tests outside the International Space Station later this month while a team of women at NASA direct the work from the ground.

> **U.S. Ethanol Exports Set New Record:** U.S. ethanol exports reached a record 1.7 billion gallons in 2018 according to data released by the USDA's Foreign Ag Service on March 6. When compared to 2017, ethanol exports increased by 23%. Exports of distillers grains also increased last year. According to the data, the U.S. exported ethanol to more than 80 countries last year. Brazil, Canada and India were the top export destinations for U.S. ethanol, with volumes reaching 513, 349, and 156 million gallons, respectively. The value of those ethanol exports reached \$2.75 billion, up from \$2.42 billion in 2017.

U.S. Ethanol Exports

(in Billion bushels)



Source: USDA, GATS, U.S. Census Bureau Data



Central Michigan - It was barely up at the freeze point. I've had this before and sometimes it can really surprise you when it warms up. Here, I think it's almost a blessing that we have not gotten a warm spell (which normally occurs by now) and is covered and froze. Ordinarily I'd be top dressing. I'm waiting. I'll top dress on dry ground when I know something is out there. I know wheat isn't hardly worth anything but here locally that market can change quickly (I grow soft white wheat). What I really don't want is 200 more acres of corn or soybeans. I guess we will wait and see.

Central Minnesota - Most of the unworked stalks will go to beans this year but hoping some will go back to corn. I'm looking at doing vertical till, looking at either a Salford or an Exceleator maybe a high-speed disk. My biggest concern is if it stays wet and we go in with the wrong tool our fields will turn into parking lots. We would like to hit once or twice and then plant. Time will tell.

Central Kansas - We are a little worried about our wheat. It was more or less drown out by the time we got a stand. I am going to see if it starts to come up when the ground unfreezes. We still have snow in places but it's rapidly melting off at this point. I have seen the crop look worse and still make a decent crop before. You can't count wheat out until it's sprayed or burnt down in my opinion.



Square Roots Partners to Go Nationwide: Farming incubator Square Roots is announcing a new partnership today with food distribution giant Gordon Food Service. Remember, Square Roots has built urban farming facilities in refurbished, climate-controlled shipping containers, which it uses to grow food and train farmers in a year-long program. Until now, it has operated out of a single location in Brooklyn, which meant you could only purchase Square Roots from select locations in New York City, and it was only working with 10 farmers in each cohort. But this new partnership could be a game changer for the company. The idea is to open Square Roots locations in or near Gordon Food Service's distribution centers and retail stores across North America, and then to sell the resulting

produce through the food distributor's channels. In my opinion, this is a great partnership that should allow the company to gain greater market share while meeting the desire of consumers for locally-grown food in a sustainable manner. Read more [HERE](#) on the partnership and keep your mind open to similar plays in your area.

How Adaptive Thinking Leads to High Performance: In 1968, at the height of the Vietnam War, US Navy fighter pilots started losing ground to their North Vietnamese counterparts. During the previous few years, US fighter pilots had been shooting down about two North Vietnamese aircraft for every one they lost, a 2:1 ratio. But by the first few months of 1968, the ratio had dropped to 1:1. This was the impetus for the creation of the famous Top Gun school that took the best US Navy fighter pilots, trained them to fly and fight like enemy fighter pilots, and used them as instructors for new Navy fighter pilots. The results of the Top Gun training program were impressive: By the early 1970s, US Navy fighter pilots were shooting down just over 12 enemy aircraft for every one they lost, a dramatically improved 12:1 ratio. Critically, the success of the Top Gun training program lay in its rigorous application of the principles of Deliberate Practice, especially, a specific approach to the mental aspects of high-performance called Adaptive Thinking. Read [HERE](#) how to apply the principles and reap the benefits.

Amazon Seeking Greater Control With Latest Moves: On Monday, tens of thousands of Amazon vendors didn't receive their weekly purchase order replenishments from the retailer, according to several Amazon-specialized agency executives working with brand clients with wholesale businesses on Amazon. The move appears to be permanent, according to some vendors, and signals one more way Amazon is seeking to control how companies sell on its platform. According to agency execs, there are several characteristics tying together vendors whose purchase orders got pulled: They're businesses doing \$10 million or less in sales volume on Amazon per year, and they don't have assigned vendor managers at Amazon. Many of them also specialize in "oversized" goods, selling bigger, bulkier products that have a higher cost to ship. From what I understand, the days of 'If you want to be first party, third party or both, that's up to you as a brand' are over, instead it's mostly financial data behind the decision making: Total revenue, catalog size, profitability. Read more [HERE](#) on Amazon's latest moves to cut costs and remain in control.

Algorithms... Are We Still Making Our Own Decisions? Consider this scenario that I'm sure has happened to most all of us at one point... suppose you have a big meeting at work tomorrow. Ideally, you want to spend some time preparing for it in the evening and then get a good night's rest. But before you can do either, a notification pops up on your phone indicating that a friend tagged you on Facebook. "This will take a minute," you tell yourself as you click on it. But after logging in, you discover a long feed of posts by friends. A few clicks later, you find yourself watching a YouTube video that one of them shared. As soon as the video ends, YouTube suggests other related and interesting videos. Before you know it, it's 1:00 a.m., and it's clear that you will need an all-nighter to get ready for the following morning's meeting. Keep in mind, the reason this behavior is so common, as some product designers have noted, is that popular design approaches—such as the use of notifications and gamification to increase user engagement—exploit and amplify human vulnerabilities, such as our need for social approval or our inability to resist immediate gratification even when we recognize that it comes with long-term costs. While we might feel as if we are making our own choices, we're often nudged or even tricked into making them. Read more [HERE](#) for interesting insights on our decisions.

What You Should Know About Data Brokers and Your Information: It's no secret that your personal data is routinely bought and sold by dozens, possibly hundreds, of companies, but what's less known is who those companies are, and what exactly they do. Recently, Vermont passed a new law that requires companies that purchase and sell your third-party data to register with the Secretary of State, making their information now accessible to the public. I'm told the authors were able to dig around and create a list of over 120 data brokers who operate in the U.S. From what I understand, this is a rare opportunity to peek behind the curtains of industry that traditionally operates in the shadows. Interestingly, even the new law doesn't require data brokers to disclose who's in their databases, what data they collect, or who buys it. Nor does it require brokers to give consumers access to their own data or opt out of data collection, but brokers are required to provide some information about their opt-out systems under the law—assuming they provide one. Read more [HERE](#) on what goes on in the not so public space of data collection companies and what you can do if you choose to.

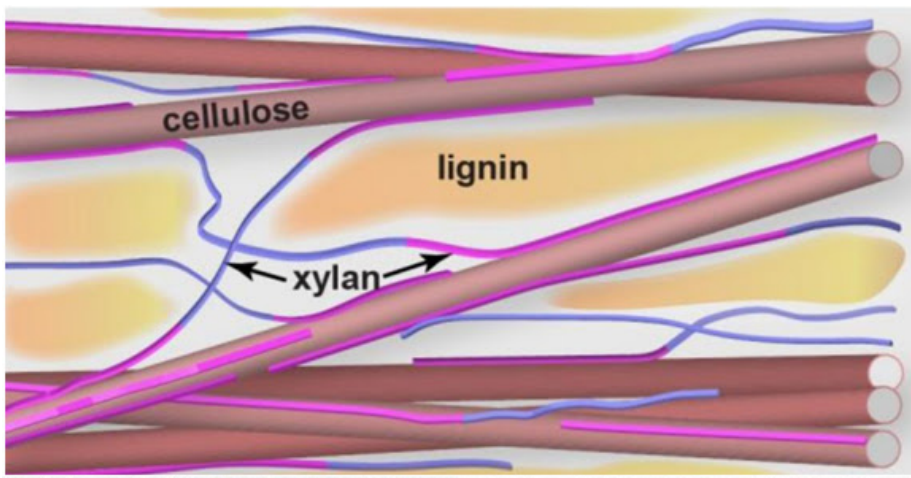


In 2017, data giant Axiom provided up to 3,000 attributes on 700 million people. In 2018, the number was 10,000, on 2.5 billion consumers [Image by Cracked Labs]



New 'Architectural' Structure Discovered in Corn

I am fascinated with the new scientific discoveries constantly happening in agriculture. The latest research I've seen comes out of Louisiana State University and deals with the U.S.'s most economically important agricultural crop — corn. What they have revealed is a different internal architectural structure of the plant than previously thought, which can help optimize how corn is converted into ethanol. With our country relying so heavily on ethanol, researchers are intensely engaged in finding new discoveries about the nature of corn-based ethanol. Almost all gasoline contains about 10% ethanol in the country and one-third of all corn production is used for ethanol production. Researchers believe that even if they can improve ethanol production efficiency by 1 or 2%, it could provide a significant benefit to society. Without getting too much in the weeds, LSU researchers, using high-resolution technique at the atomic level studied corn plant stalks. It had been previously thought that cellulose connected directly to a waterproof polymer called lignin. However, the researchers discovered that lignin actually has limited contact with cellulose inside a plant. Instead, the wiry complex carbohydrate called xylan connects cellulose and lining as the glue. Lignin with its waterproof properties is a key structural component in plants. Lignin also poses a challenge to ethanol production because it prevents sugar from being converted to ethanol within a plant. Now that they are getting a clearer picture of the plants' molecular structure, they will now be able to produce better enzymes or chemicals that can more efficiently break down the plant's biomass. These new findings open doors for new opportunities to improve the way we process this valuable product. In addition to corn, the researchers analyzed three other plant species: rice, switchgrass that is also used for biofuels production and a flower plant related to cabbage called Arabidopsis. They found that the molecular structure among the four plants are quite similar. Understand, this is the first research of its kind where scientists were able to directly measure the molecular structure of intact plants. In the end, the discovery gets scientists one step close to producing more efficient ethanol, which in turn opens up more demand for high quality U.S. corn. For more on this, you can check out the study, published in [Nature Communications](#). (Source: [LSU](#); Science Daily)



Second Person may be "Cured" of HIV

In the history of HIV/AIDS, only a single person is believed to have been cured of the virus. Timothy Ray Brown, an American known as the "Berlin patient," had HIV for more than a decade, until two stem cell transplants in 2007 and 2008 reportedly cleared it from his body. Now, according to a paper published earlier this week in ["Nature, International Journal of Science,"](#) there might finally be a second such patient. The breakthrough suggests first case was not a one-off and could pave way for future treatments. Bottom-line, we now have a second person with full-blown HIV that appears to be free of the virus after receiving a stem-cell transplant that replaced their white blood cells with HIV-resistant versions. The second patient — whose identity hasn't been disclosed — was able to stop taking antiretroviral drugs, with no sign of the virus returning 18 months later. This patient, similar to the one a decade ago, also had a form of blood cancer that wasn't responding to chemotherapy. This required a bone-marrow transplant, in which their blood cells would be destroyed and replenished with stem cells transplanted from a healthy donor. But rather than choosing just any suitable donor, the team, led by Ravindra Gupta, an infectious diseases physician at the University of Cambridge, UK, picked a donor who had two copies of a mutation in the CCR5 gene, which gives people resistance to HIV infection. This gene codes for a receptor which sits on the surface of white blood cells involved in the body's immune response. Normally, the HIV binds to these receptors and attacks the cells, but a deletion in the CCR5 gene stops the receptors from functioning properly. It's believed

that about 1% of people from European descent have two copies of this mutation and are resistant to HIV infection. The downside that many doctors are pointing out is if you're well, and don't have bone cancer, the risk of having a bone-marrow transplant is far greater than the risk of staying on a few antiretroviral tablets every day. Bottom-line, this exact procedure might not be the ultimate solution, but it sounds like we might now be on a much better path for finding a cure. Keep in mind, during the three and a half decades since HIV was discovered and began spreading around the world, it has killed roughly 35 million people. You can read the entire Study [HERE](#) (Source: Natures; Vox, The Wall Street Journal)



Donald J. Trump ✓
@realDonaldTrump

Following

"HIV Is Cured In 2nd Patient, Doctors Report." [@nytimes](#) Such great news for so many. Tremendous progress being made!



"South by Southwest" is Starting Today

The South by Southwest (SXSW) Conference & Festivals starts this weekend and runs through March 17th in Austin, TX. The event is meant to celebrate the convergence of the film, music, and interactive media industries with a main goal of fostering creative and professional growth. SXSW is Austin's biggest revenue-producing event and considered one of the most important conference gatherings in the United States. Many actually place SXSW in the same camp of importance with the annual CES (Consumer Electronics Show) held in Vegas every year. Keep in mind, this festival is where some of the year's hottest films will debut, where the most innovative technology is first seen, and where some of the most talked-about musical performances take place. The event is broken down into "SXSW Music" that includes 2,000-plus acts performing across the city; "SXSW Film" including screenings of anticipated movie hits, workshops; and the increasingly popular "SXSW Interactive," which features speakers, panels, and a pitch competition. Interestingly, there are tons of great speakers and subject matter discussed while in a party type atmosphere. I was looking at this years schedule of events and there are over 30 presentations and panel discussions on "cryptocurrency and blockchain". There's also a ton of scheduled expert discussion and presentations based around Artificial Intelligence, the Cannabis business, eSports, the future of transportation, etc... The conference typically lasts for 10-days. Past musical performers at the festival have included Billy Ray Cyrus, Dixie Chicks, Everclear, Beck, Black Eyed Peas, Queens of the Stone Age, Spoon, John Mayer, James Blunt, The Black Keys, Arctic Monkeys, Kid Cudi, J. Cole, Skrillex, and Khalid. Keep in mind, this where most artists come to get discovered due to the fact bands perform for free and must cover their own expenses for travel along with lodging at the event. Last year, SXSW Film featured films like "A Quiet Place," "Blockers," and "Ready Player One," which is meant to celebrate raw innovation and emerging talent both behind and in front of the camera. In addition, keynote speakers last year included entrepreneur Elon Musk, actor and former Governor of California Arnold Schwarzenegger, film producer/director Steven Spielberg, and actor and comedian Bill Murray. This year there will be presentations from Instagram founders Kevin Systrom and Mike Krieger, podcast sensation Tim Ferris, Chairman of Starbucks, Howard Schultz, Roger McNamee, an early mentor to Mark Zuckerberg,

Chief Policy Officer of Bird, David Estrada, and CEO of Monday Motorbikes, Josh Rasmussen to name a few. I've included below more events scheduled at this years SXSW conference. Michelle and I have never been to this event, but she's trying to get me to check it out. I suspect I will be making the trip either this year or next. I always find it interesting to hear and see different perspectives, I'm certain this is going to be a bit more artsy and left leaning than I'm accustomed. I'm also certain it will help provide some additional insight and thought. Plus, I think she's been looking for a good reason to drag me down to Austin, TX. The kids have been down there a few times as of late and told her there's some great shopping and lots of fun places to visit. I encourage you to check out the massive schedule of events by clicking [HERE](#). It's crazy how much is going on and how diverse the subject matter.

Music

Japanese Breakfast

Bailey Bryan

Welles

Kevin Galloway

Abhi the Nomad

Ruby Jane

Film

"The Beach Bum" with Matthew McConaughey

"Extra Ordinary" with Mike Ahern and Enda Loughman

"Us" written and directed by the creator of "Get Out," Jordan Peele

"True Stories" led by Swoosie Kurtz, Spalding Gray, and John Goodman

"Sword of Trust" with Marc Maron, Jillian Bell, Michaela Watkins, and Jon Bass.

Keynote Speakers

Adam Horovitz and Michael Diamond of the Beastie Boys

Kevin Murphy, CEO of the largest multi-state cannabis operator Acreage Holdings

David Byrne of Talking Heads

Cameron and Tyler Winklevoss

Matt Lieber co-founder of Gimlet

JC Curleigh, Gibson guitars CEO

Kevin Reilly, President of TBS & TNT

Nile Rodgers and Merck Mercuriadis

Dawn Ostroff, Spotify's chief content officer

Roger McNamee, Silicon Valley investor for 35 years

Editor-in-chief of WIRED Nicholas Thompson will speak with Roger McNamee,

Silicon Valley investor, author, bassist and business partner to Bono

Immersive Activations

HBO's Game of Thrones

Netflix's The Highwaymen

Michelob Ultra's SXSW Meditation

Uber Eats House

Bumble's The Hive

Facebook's Art Department

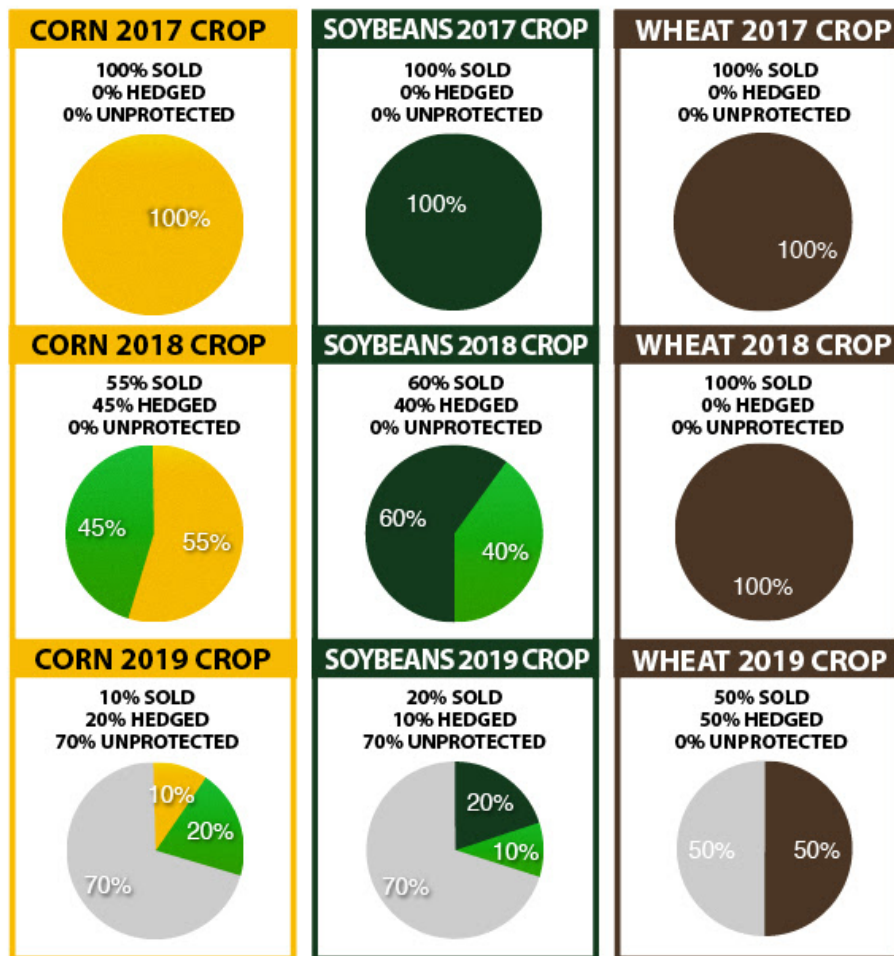




ANSWER to riddle: Steps

CASH SALES & HEDGING TOTALS

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