

## GOOD MORNING: 03/22/19 Farm Direction - Van Trump Report

1 message

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

Fri, Mar 22, 2019 at 7:17 AM

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### Today In History

*"We make a living by what we get. We make a life by what we give."* - **Winston Churchill**

**FRIDAY, MARCH 22, 2019**
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stocks are slightly lower this morning after posting a huge rally yesterday. I thought it was interesting to hear "Bond King" Jeffrey Gundlach's comments about the recent Fed flip-flop from a tightening bias to an easing bias, essentially pointing to similarities of the Fed's move back in 2007. Remember, we witnessed the Fed flip from aggressively increasing interest rates in 2004, 2005 and 2006 to almost spinning on a dime and easing 2007 with three quarter point cuts. We all know what happened after that... I should also note, the spread between three-month and 10-year Treasury notes has fallen below 10 basis points for the first time since 2007. The two maturities were last below that level in September 2007, a run of 3,009 trading days, according to Bespoke Investment Group. In afternoon trading yesterday, the spread was just 5 basis points, or as close to inversion as just before the financial crisis. I don't think Gundlach is insinuating anywhere near the same type of meltdown in the stock market that happened during the financial crisis, but rather the fact we may have recently opened the door leading to a bear market. Keep in mind, bear markets are not the same as a complete stock market meltdown. Most professionals see it as a period of time where the market needs to correct a bit because it has gotten out ahead of itself in regard to the ongoing pace of growth. In other words, corporations might not grow as fast as they have the past few years and the market will need to readjust its valuations based on slower growth and tighter profit margins. Remember, many companies were forced to massively scale back, cut costs and downsize during the financial crisis. These same companies didn't have to pay workers a ton in wages because jobs were somewhat scarce, if you had a job you felt fairly lucky. Hence, when they started to come out of the hole their pace of growth was fairly aggressive as they were lean and mean. After 10-years of climbing and exploding higher, almost doubling our previous all time stock market highs, there are now some legitimate questions about our "rate of growth" and overall profit margins. The S&P 500 posted an all-time high in October of 2007 just above 1,585, there's now a lot of talk in the market that the S&P 500 could trade north of 3,000 in 2019, that's almost double the all-time high posted back in 2017. I don't know of many traders that are wildly negative about the U.S. economy, but I know a lot of smart traders that think the stock market might have gotten out ahead of itself. Regardless of the bearish or bullish debate, one thing is for certain, the Fed's new dovish stance has certainly tampered back the "volatility" in the stock market, something many believe was important for the overall integrity of the industry. The waves were certainly starting to get much more extreme and dangerous. The Fed's new rhetoric has definitely calmed the sea! For what it's worth, I was again banking profits on yesterday's rally and trimming weight in positions that have made a huge rebound or trading at or near all-time highs. I've also been swapping out some winning positions for value stocks that have gotten beaten up as of late, i.e. buying Boeing, Conagra, Gilead, Goldman Sachs, etc... for longer-term plays that pay strong dividends. I have also accumulated more shares in energy and natural gas plays the past several weeks i.e. Exxon, Royal Dutch Shell, Clean Energy Fuels, Total, Cheniere Energy, etc... I'm also going to slowly scale into a bit of Biogen on the big break. Bottom-line, I continue to stick to the same plan, scaling back on the momentum to the upside and using some of those profits to reallocate as the underlying landscape seems to be shifting a bit. I'm hesitant in holding heavy momentum plays. Today's traditional economic headlines will focus on flash PMI's from Japan, Europe and the U.S. The flash reading of PMI is simply an estimate of the Manufacturing Purchasing Managers' Index (PMI) for a country, based on about 85% to 90% of the total PMI survey responses being accounted for. Since they are among the



### 1894, First Stanley Cup Championship

- On this day in 1894, the first championship series for Lord Stanley's Cup is played in Montreal, Canada.

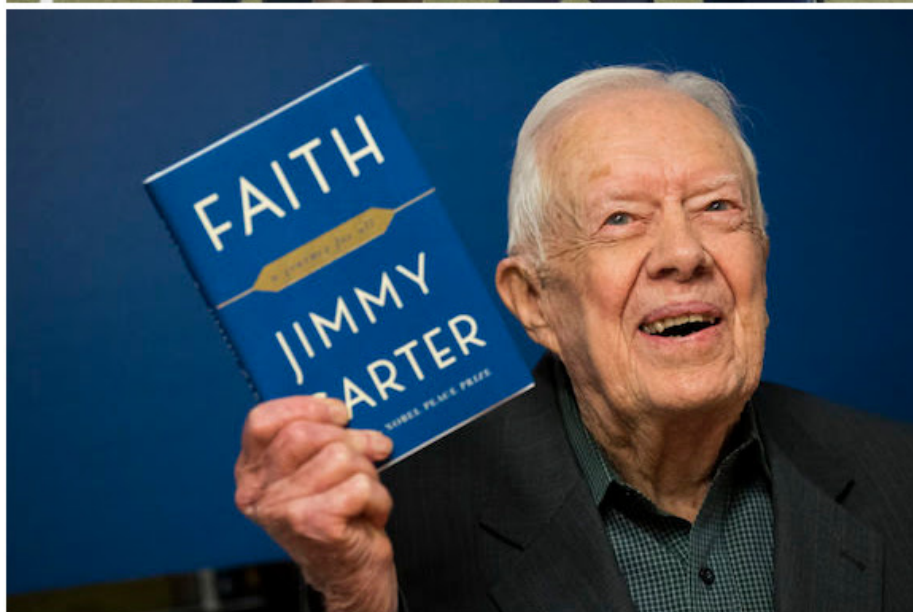
The Stanley Cup has since become one of the most cherished and recognized trophies in sport. The Stanley Cup was the creation of Sir Frederick Arthur Stanley, lord of Preston and the 16th earl of Derby. Stanley was of noble birth, the son of a three-time prime minister of England. He served in Canada's House of Commons from 1865 until he was named governor general of Canada in 1888. Stanley became an ice hockey fan after watching an 1889 game at the Montreal Winter Carnival. Stanley's family, sons and daughters alike, also became enraptured with the game that had taken Montreal's sporting public by storm since its introduction in 1875. In honor of the new sport, Lord Stanley then donated a lavish trophy to the Canadian Amateur Hockey Association. The trophy, originally called the Dominion Hockey Challenge Cup, was first presented in 1893 to the Montreal Amateur Athletic Association (AAA) team, champions of the Amateur Hockey Association. Stanley had intended for the cup to be presented to the winner of a challenge series, or tournament, so in 1894 it was given to the Montreal AAA team upon their defeat of the Ottawa Generals in the championship round of a tournament specifically created to award the Cup as Lord Stanley had intended. Since 1926, the Stanley Cup has been awarded solely by the National Hockey League every year except 2005, when the NHL was on strike. The original trophy that Lord Stanley donated was retired in 1962. Since then, only one trophy has served in its place, making the Stanley Cup the only trophy in major sports that is not reproduced each year. When a team wins the Cup, they are allowed to hold on to the trophy for one year, and the name of every player, coach and front-office employee is inscribed onto it. (In 1954, Detroit Red Wings owner Marguerite Norris, a former goaltender, became the first woman to have her

first economic indicator released for each month and provide evidence of changing economic conditions ahead of comparable government statistics, they can often have a significant impact on the trade. In an elementary definition, it's a forward-looking estimate of a country's manufacturing sector. Next week's economic calendar is fairly light. I suspect most focus will be on headlines coming from U.S. trade representatives going to China for further negotiations. There will also be several Fed speakers out on the circuit, readjusted Q4 GDP estimate, U.S. pending and new home sales, and a big Apple event on Monday.

**Brexit Update:** *The European Union has agreed to delay the UK's exit from the bloc until April 12 if British lawmakers don't agree to Prime Minister Theresa May's exit deal and until May 22 if they do. (Source: Business Insider)*

**Pinterest IPO Could Happen in April:** *Pinterest has sped up the timing of its initial public offering as the image-search company looks to tap into a red-hot market for new issues, according to people familiar with the matter. The startup, which submitted its IPO paperwork confidentially with the Securities and Exchange Commission earlier this year, is preparing to make the filing public as early as Friday and list its shares on the New York Stock Exchange in mid-April. (Source: The Wall Street Journal)*

**Former Presidents in the Press:** *In a rare occurrence, two former U.S. Presidents found themselves in the news yesterday for some exciting reasons. First, former President Jimmy Carter passed George H.W. Bush as the longest living U.S. president at the age of 94 years and 173 days. On the same day, GHW Bush's son George W. Bush, the forty-third President made his first ever hole-in-one. Interestingly, "Dubya", who is 72 years old, posted the picture below on instagram, where after he commented on his playing partners Bush Center CEO Ken Hersh and board members Mike Meece and Bill Hickey, he went on to say his next golf goal is to live to be 100, so he can shoot his age. Congrats to both former presidents. I have to say they both look great for their respective ages!*



name engraved on the cup.) Each player and front-office employee of the champion team is given 24 hours with the Cup, which they can take anywhere, along with the its full-time escorts, provided by the Hockey Hall of Fame. Since 1895, when the Winnipeg Victorias began the tradition of drinking from the Cup, people have filled it with everything from beer to bath water as they celebrate with friends, family and the public. In its travels, the Stanley Cup has been thrown into swimming pools, taken fishing, played host to a baby's christening and been drunk from across Canada, the United States and Europe.



**1947, Best-Selling Author James Patterson** - On this day in 1947, James Patterson, one of the world's top-selling novelists, is born. Best known

for his thrillers, Patterson, the creator of the Alex Cross detective series and the Women's Murder Club series, among others, has written books in a variety of genres, from historical fiction to young adult. His novels have sold an estimated 220 million copies around the world. Patterson, who was raised in Newburgh, New York, graduated from Manhattan College in 1969 and later dropped out of Vanderbilt University's graduate program in English literature. He moved to New York City and worked as a copywriter at an advertising agency while writing his first novel in his spare time. After multiple rejections, that book, a thriller titled "The Thomas Berryman Number" was published in 1976. It won an Edgar Award for best first mystery novel by a U.S. author; however, sales were modest. Patterson continued to publish novels, with limited commercial success, until the 1993 release of his breakout hit "Along Came a Spider," featuring African-American detective and psychologist Alex Cross. Patterson had another best-seller with 1995's "Kiss the Girls," also featuring Alex Cross. In 1996, Patterson, then a top executive at the J. Walter Thompson advertising agency, retired to write full time. That same year, he published the novel "Miracle on the 17th Green" with the assistance of a co-author. Patterson eventually began collaborating with a team of co-authors on almost all his books, allowing him to publish multiple best-sellers each year. He typically comes up with the idea for the book, pens a detailed outline then revises the chapters his co-author drafts. In 2010 alone, Patterson released nine titles, including his 17th Alex Cross novel as well as books in his "Maximum Ride" young-adult fantasy and science-fiction series, his "Witch and Wizard" children's supernatural series and his Michael Bennett detective series. Whatever their genre, Patterson's books are known for being fast-paced with short chapters and little back story or description. Critics, including author Stephen King, have skewered Patterson's writing. In 2010, Patterson told Time magazine: "I am not a great prose stylist. I'm a storyteller. There are thousands of people who don't



# FARM TANK

## Tweets of the Day



**Gov. Pete Ricketts** ✓  
@GovRicketts

Following

"He estimated that there will be \$400 million to \$500 million in livestock losses and about \$400 million in crop losses because spring planting will be delayed or canceled."



**'An utter disaster': Ag losses from Nebraska flooding could top \$1 billion**

Steve Nelson, president of the Nebraska Farm Bureau, estimated that there will be \$400 million to \$500 million in livestock losses and about \$400 million in crop losses...  
[omaha.com](http://omaha.com)

like what I do. Fortunately, there are millions who do."



**1983, The Origins of the Hummer** -

On this day in 1983, the Pentagon awards a production contract worth more than \$1 billion to AM General Corporation to develop 55,000 High Mobility Multipurpose Wheeled Vehicles (HMMWV). Nicknamed the Humvee and designed to transport troops and cargo, the wide, rugged vehicles entered the spotlight when they were used by the American military during the 1989 invasion of Panama and the Persian Gulf War in the early 1990s. In 1992, a civilian version of the Humvee, known as the Hummer, went on sale. The hulking, attention-grabbing road warrior tipped the scales at some 10,000 pounds and got less than 10 miles per gallon. It was an early hit with Hollywood celebrities such as Arnold Schwarzenegger, who went on to own a fleet of Hummers. In December 1999, when the economy was strong and gas prices were relatively low, General Motors purchased the rights from AM General to market and distribute the Hummer. In 2002, the Hummer H2, a smaller (some 8,600 pounds), less expensive version of the original model, debuted. The Hummer became a symbol of America's super-sized lifestyle; however, the gas-guzzling vehicle was also a target of heavy criticism from environmentalists. According to a 2008 report on Salon.com, in August 2003, "Hummer-hating eco-vandals [struck] four car dealerships in Southern California's San Gabriel Valley, destroying, defacing and burning dozens of Hummers and other SUVs, while scrawling love notes like 'Fat, Lazy Americans' about the premises." In 2005, the Hummer H3, an even smaller (5,800 pounds), more fuel-efficient (16 to 20 miles per gallon) vehicle, was released. The following year, GM ended production of the original Hummer, due to low sales. In 2008, as Americans faced a growing economic crisis and rising gas prices, along with increasing environmental concerns, Hummer sales shrunk by more than 50 percent. In December 2008, GM, which was hard hit by the global recession and slumping auto sales, received a multi-billion-dollar federal bailout loan in order to stay afloat. On June 1, 2009, the auto giant, which until 2008 had been the world's top-selling maker of cars and trucks, filed for Chapter 11 bankruptcy protection. The following day, GM announced that as part of its reorganization plans it would sell the Hummer brand to a Chinese machinery company.

### Upcoming Events

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

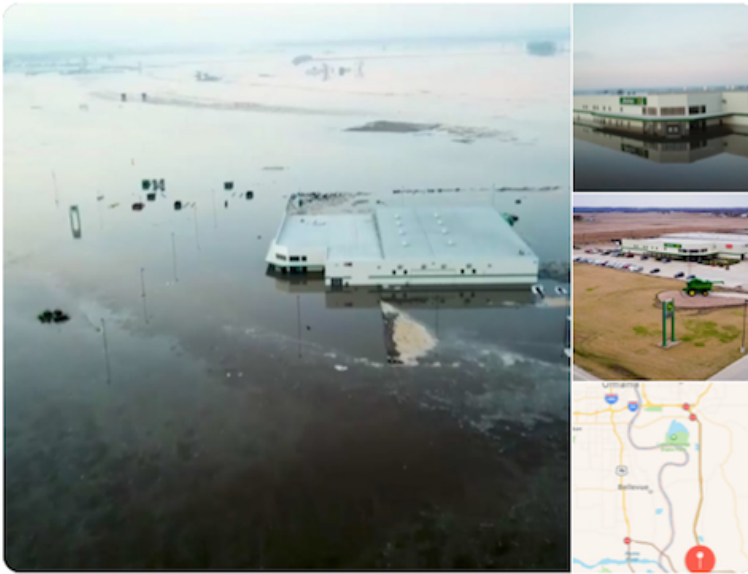
**Mon. 03/25** - Export Inspections, New Home Sales



**Chad E. Colby**  
@TheChadColby

Following

Sad, @AgriVisionEquip @JohnDeere dealership in Pacific Junction IA, they did manage to get lots of iron moved. So many people helping each other, please keep these people in your thoughts and prayers. (From flood video on Facebook by Nate Lincoln)  
@BDoeschot @maxarmstrong



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

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

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

**Wed. 4/3** - US Trade Balance

**Thurs. 04/04** - Export Sales, Jobless Claims

**Fri. 04/05** - Unemployment Data, Consumer Credit

**Mon. 04/08** - Export Inspections, Crop Progress

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

**Thurs. 04/11** - Export Sales, Jobless Claims

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

**Tues. 04/16** - Retail Sales

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

**Fri. 04/19** - Good Friday, Full Moon

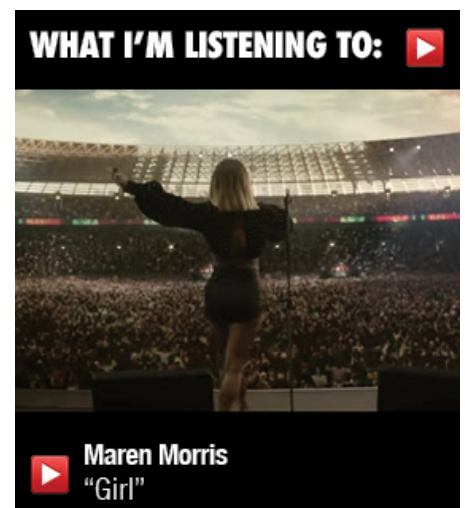
**Mon. 04/22** - Easter Monday, Export Sales, Crop Progress

**Tues. 04/23** - Cold Storage

**Thurs. 04/25** - Export Sales, Jobless Claims

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

#### Kevin's Song of the Week



#### Kevin's Song of the Week





**Brian**  
@btubbs83

Following

#flood19 still rising this afternoon, shored up low spots with sandbags and excavator, praying not too much rain tonight



## 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*

#WomenInAg recognizes the contributions of women involved in agriculture during Women's History Month. We salute Krista Swanson, an Illinois farmer and Farm Bureau leader! [bit.ly/2ukf3do](https://bit.ly/2ukf3do)



*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.*



No Machado, Harper or Judge in this year's top 10 MLB rank 🙄

11-50: [espn.com/mlb/story/\\_/id...](https://espn.com/mlb/story/_/id...)

## 2019 MLB Rank

- 1  Mike Trout / OF
- 2  Mookie Betts / OF
- 3  Max Scherzer / SP
- 4  Jacob deGrom / SP
- 5  Nolan Arenado / 3B
- 6  Alex Bregman / 3B
- 7  Christian Yelich / OF
- 8  Francisco Lindor / SS
- 9  Chris Sale / SP
- 10  Jose Altuve / 2B



Farm Direction  
RECIPES

★ FAMILY ★  
FAVORITES

-SENT IN BY OUR READERS-

Chicken Ranch  
Potato Bake



CLICK TO SEE RECIPE

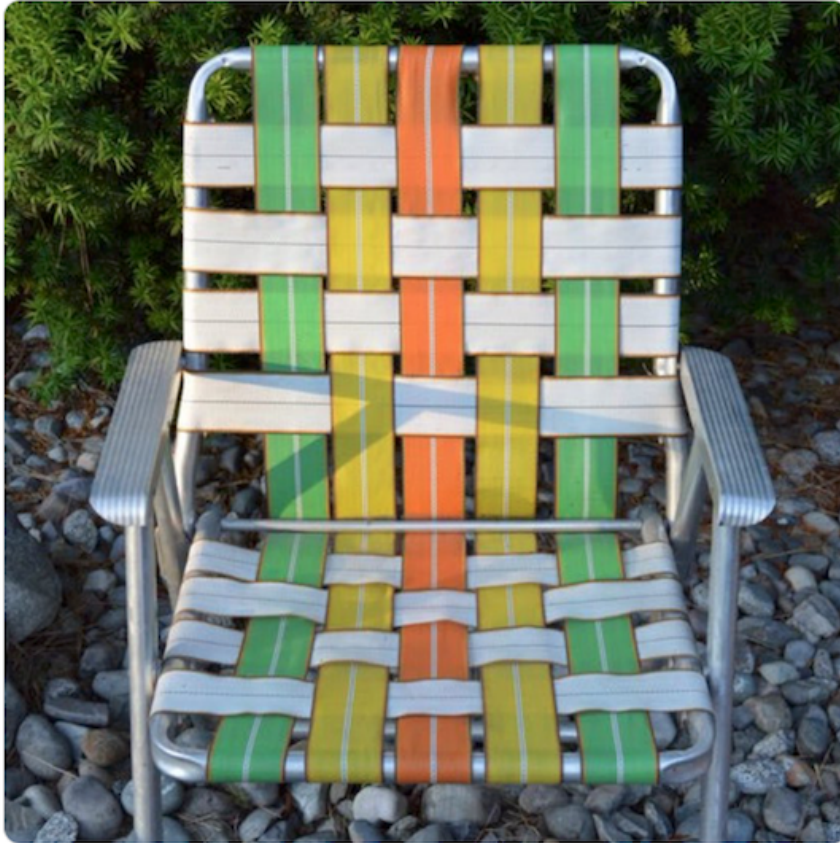


**Super 70s Sports**  
@Super70sSports

Following



You may see a lawn chair, but I see a Wiffle Ball strike zone.







Men's Corner  
@Mens\_Corner\_

Following



## neuro mining



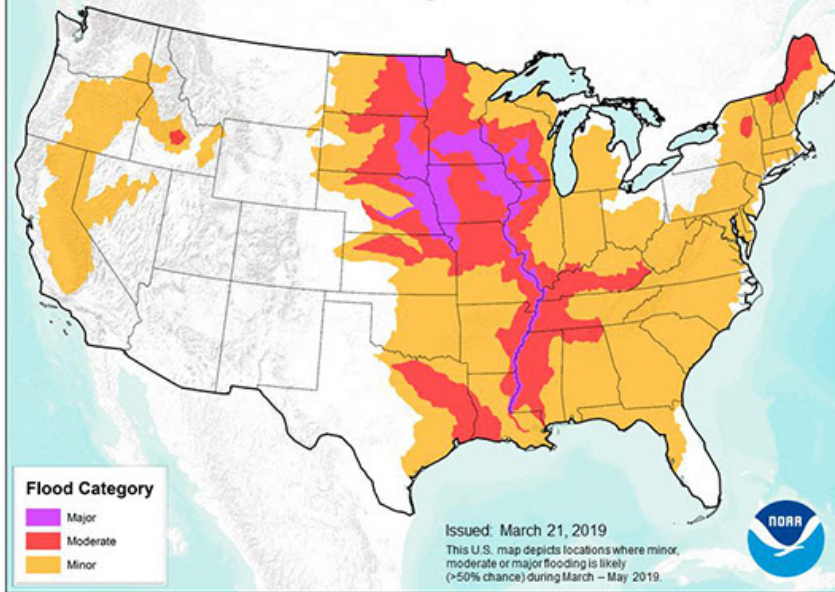
*As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

You put me in dry but then I get wet.  
The longer I stay in, the stronger it will get.  
What am I?

**U.S. Flooding To Worsen:** Officials from the NOAA are saying the extensive flooding seen in Nebraska and Iowa will continue in the wider region through May and become more dire in coming weeks as water flows downstream. Ed Clark, director of NOAA's National Water Center in Alabama described the situation as "shaping up to be a potentially unprecedented flood season."

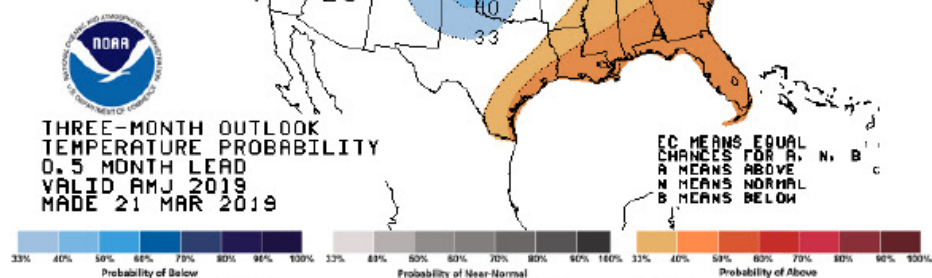
## 2019 U.S. Spring Flood Outlook



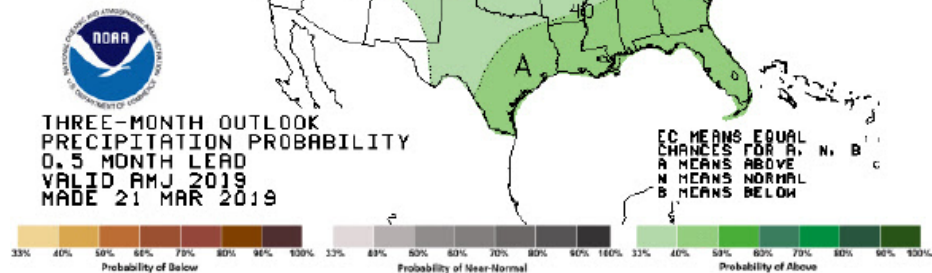


# 3 Month Outlook April - June

## Temperatures



## Precipitation



**Corn** prices are higher this morning and on the week following massive flooding in key U.S. production areas. It feels like a few more bears have moved to the sideline and a few more weather bulls have jumped in the game. There was a report circulating yesterday that Iowa had over +100,000 acres underwater. Nebraska and South Dakota are also seeing major complications. There are also flooding issues hitting portions of

Minnesota, Wisconsin, Missouri and small parts of Illinois. There's also a lot of concern regarding upcoming snow-melt and how it will play out as the floods move south. Not only are there a ton of concerns in the field about extreme conditions, but also logistical constraints being seen on the rivers and rails. Producers should be keeping a close eye on the basis as some select locations might see some big swings. There's very little movement of grain so pay close attention, there could be some good opportunity. Also keep in mind, if flat price continues to rally, the buyers might start to reduce that basis, meaning net-net no real gain to the producer holding old-crop bushels. As for next week, the trade will be monitoring headlines from U.S. trade representatives flying to China for another round of negotiations. There has been some rumors that the Chinese might step in and buy U.S. corn in a bigger fashion in late-April or May. The trade will also be eager to see the USDA's quarterly stocks and acreage estimates scheduled for release next Friday. Most seem to be looking for a sizable reduction in stocks compared to last year, but still probably one of our third largest ever. Don't forget, we are also staring at significantly more corn being harvested in South America in 2019 and more holes being shot in U.S. demand growth. As for acreage, I've been saying for weeks the early estimates have been too aggressive and the USDA will need to trim the acreage estimate. I still continue to see more "preventive plant" acres and more last minute decisions. A lot of chemical are still not purchased and very little field work has been done. Hence, it's going to be a game-time decision for many producers on their variable acres. I'm certainly seeing a lot more circles of cotton down south and clear up into parts of Kansas corn country. The big production states will more than likely try and stick with their traditional rotation. For me it's the variable acres and the peripheral states that are in question? I should mention, DEC19 corn is back above \$4.00 per bushel.

## How Much U.S. Corn Is Exported?

Production and Export data taken from March 8, 2019 WASDE



Source: USDA, WASDE,  
Global Ag Trade System

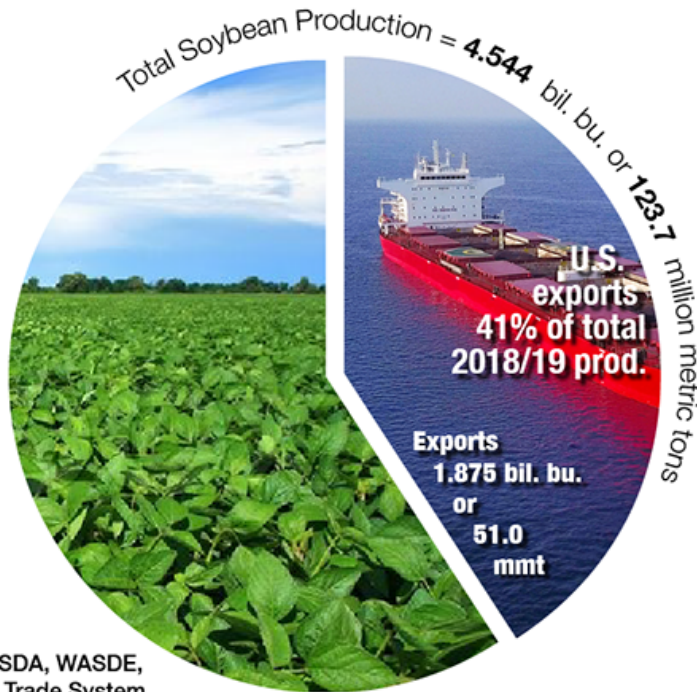
**Soybeans** prices have rallied back +30 cents from the mid-March lows and seem content trading in their current channel. New-crop NOV19 prices between \$9.25 and \$9.65 per bushel. old-crop JUL19 prices between \$9.00 and \$9.50. All eyes remains on U.S. and Chinese trade talks. Perhaps we will learn more next week when U.S. trade representative head back to China for another round of negotiations? From a fundamental perspective, bears continue to point massive domestic supply. I also believe there's goofing to be more soybean acres than most are currently forecasting. Bulls are thinking many of the soybean acres that have been added the past few years in states that have been battling extremely wide-basis levels will start to come out of production. I'm not arguing that fact, I just see many variable acres going into soybean at the last moment, especially for operators who might be cash strapped and looking at late-planting dates. The USDA's quarterly stocks report scheduled for release next Friday should further confirm massive supply. Don't forget, bulls are also battling the negative headlines associated with African Swine Fever in China and the massive reduction in their hog population. The good news, Rabobank reported earlier this week



that the Chinese could double their pork imports in 2019. It's just tough to get wildly bullish soybeans without a major longer-term commitment from the Chinese. Staying patient and keeping all hedges in place.

## How Much U.S. Soybeans Are Exported?

Production and Export data taken from March 8, 2019 WASDE

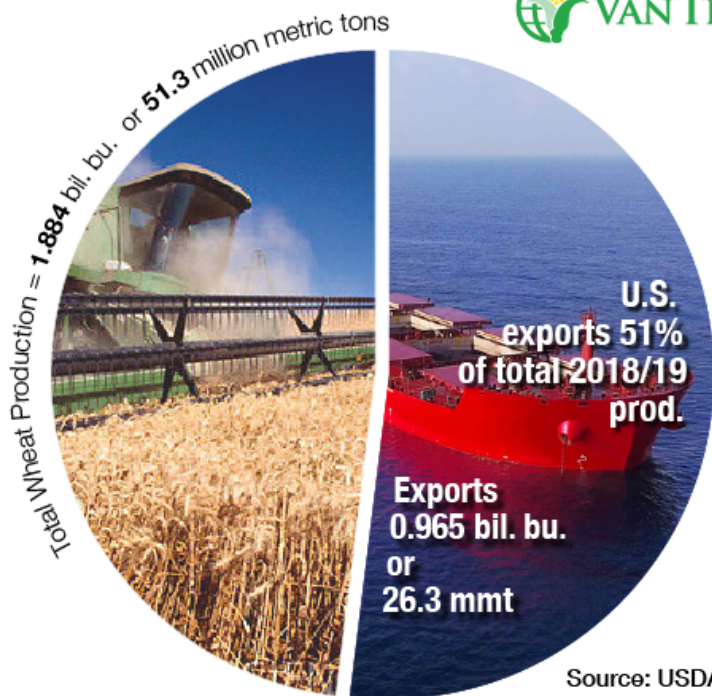


Source: USDA, WASDE,  
Global Ag Trade System

**Wheat** prices have rallied a bit on continued fund short-covering and some new weather bulls entering the market. There's also talk that exports out of the Black Sea region have started to slow and they might be running low on surplus ahead of their new-crop production. This could open a small window for U.S. exporters, but we've all heard this story several times the past few months, and recognize that freight costs are adding to U.S. export headwinds. Keep in mind, there's still plenty of competition from other sources floating around in the global marketplace. Here at home, there are some obvious weather concerns associated with flooding fields but to what extent will the damage be still remains a big question? As you can see, the market doesn't seem to get overly nervous when we are sitting on more than +1.0 billion in ending stocks. As a producer and a spec, I remain optimistic longer-term, but recognize it will more than likely be a slow boat to China... no pun intended!

# How Much U.S. Wheat Is Exported?

Production and Export data taken from March 8, 2019 WASDE



Source: USDA, WASDE, Global Ag Trade System



> **U.S. To Begin Trade Talks With Japan:** We are hearing that President Trump's trade team will formally launch trade talks with Japan soon. Insiders are citing Canada's success in the 11-nation Trans-Pacific Partnership. Remember, the U.S. is not apart of the TPP. Canadian producers are already seeing boosted sales to Japan while U.S. producers are struggling to hang onto their share of that lucrative market. Understand, Japan has cut its U.S. beef import tariffs from 38.5% to 27.5% and will cut again in April. Since there is no deal with the U.S. this has given a major leg up to Canada and other ag export powerhouses like Australia and New Zealand. (Source: Politico)

> **Ukraine Grain Exports Might Be Running Out of Steam:** Ukraine's grain exports have reached 35.6 million tonnes so far in the 2018/19 season compared with 29.5 million tonnes at the same point last season, the agriculture ministry said on Wednesday. Ukraine has said it harvested a record 70 million tonnes of grain last year, up from 61.3 million in 2017. (Source: Reuters)

> **Long Range Forecast Could Push Plantings Back:** April looks to bring more showers as the National Weather Service is calling for above normal precipitations and below-normal temps. Conditions will affect most of the western Corn Belt and extend down into the Southern Plains.

> **Monsanto Wants to Expand Dicamba Use To GMO Corn:** Ag giant Monsanto has requested federal approval to sell the herbicide dicamba for use on GMO corn. Over the past two years, dicamba drifting from fields of Monsanto's GMO soybeans and cotton has damaged crops, gardens, wild plants and trees on a large scale. Many are concerned at the prospect of dicamba being widely sprayed on America's largest-acreage crop, corn.

> **Judge Blocks Oil and Gas Drill in Wyoming:** A federal judge has ruled that the Department of the Interior "did not sufficiently consider climate change" when auctioning off federal land in that state. The ruling temporarily bans oil and gas drilling on 300,000 acres of land in Wyoming. The governor of Wyoming has suggested that they might appeal the federal decision. (Source: Wash Post)

**> Record Number Of Americans Want Marijuana Legalized:** According to the General Social Survey, a record number of Americans think marijuana should be legal. 61% are in favor of legalization, up 4 points from two years ago. And the support has a broad base: 54% of Republicans, 76% of Democrats, 75% of those 18 to 34, and 46% of those 65 and older. (Source: AP)

**> CVS to Stock CBD Products in 800 Stores:** U.S. cannabis retailer Curaleaf Holdings Inc. disclosed the move late Wednesday, saying that CVS will carry its line of CBD products. CVS — the largest drugstore chain by total sales in the U.S. — said in an emailed statement that it has already started to sell CBD products in eight states as of last week, including creams, sprays, roll-ons, lotions and salves. I'm told that Curaleaf stock has gained 50% in the past three months, closing yesterday's session at \$6.86, giving it a market capitalization of more than \$3 billion.

**> MillerCoors Sues Anheuser-Busch:** Following allegations that the rival brewer's ad campaign associating Miller Lite and Coors Light with corn syrup is false and misleading, MillerCoors LLC filed a lawsuit. You'll remember, the dispute began when AB InBev ran several ads during the Super Bowl pointing out that Miller Lite and Coors Light use corn syrup in their brewing processes. It continued after the game, including on billboards describing Bud Light as having "100 percent less corn syrup" than either competing brand. I'm told MillerCoors is seeking an order barring Bud Light from repeating corn-syrup claims against Coors Light or Miller Lite and compelling Bud Light to run "corrective" advertising. (Source: Marketwatch)

**> IPO Proceeds Could Hit \$100 Billion This Year:** After months of waiting, the 2019 IPO pipeline opened yesterday with Levi Strauss. It is a perfect moment for the long-stalled IPO market, as investors are salivating at the ocean of well-known names seeking to go public: The IPO market has continued to rebound since February, and the Renaissance Capital IPO ETF (IPO) is up a whopping 32% this year, more than double the S&P 500. Keep in mind the following IPO's are waiting for their moment in the sun: Uber \$76 billion, WeWork \$47 billion, Palantir \$41 billion, AirBNB \$31 billion, Pinterest \$12.3 billion, Robinhood \$5.6 billion, Peloton \$4.1 billion, Postmates \$1.9 billion. I'm told the real question is, are there going to be enough investors to take in the flood of stock hitting the market, especially in this era of indexing and passive investing. (Source: CNBC)

**> The Investor's Cheat Sheet:** I came across this and thought it was very insightful. In investing, there are good trades and there are bad trades. In using the word "trades" this is actually referring to all aspects of the investment decision making process. All choices, in markets and in life, are an exercise in balancing trade-offs. To that end, this little cheat sheet can help improve your odds of being on the right side of the trade more often than not. Of course, these aren't ironclad rules, rather tendencies that tend to pay off on average and over time. This won't get you rich quick; but if you end up on the left column more than the right, you have a high degree of confidence that you'll be better off in the end than most. Please, read this over, maybe even print it out and put it near your desk as a reminder the next time you are wrestling with an investment or life decision. (Source: [bpsandpieces.com](https://bpsandpieces.com))



Good Trade	Bad Trade
Cheap	Expensive
Positive Trend	Negative Trend
Recent Winners	Recent Losers
Quality	Junk
Providing Liquidity	Demanding Liquidity
Selling Insurance	Buying Insurance
Avoiding Lottery Tickets	Chasing Lottery Tickets
High Carry	Low Carry
Returning Cash	Burning Cash
Productive Assets	Unproductive Assets
Unpopular	Popular
Patience	Immediacy
Uncomfortable	Comfortable
Scarcity	Abundance
Optimism	Pessimism
Betting on Human Ingenuity	Betting Against It
Faith in Capitalism	Faith in the Alternatives
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**Northern Illinois** – We are still wet enough here that guys won't probably be in the field for at least another 10 days under the best of conditions. We are right in the flood zone that the media is talking about. We don't want rapid snow melt coming out of the North or the excessive rain they are calling for up to this point. We have rain on the radar 5 of the next 10 days. Guys are so behind on field work at this point that I think we would need another 10 days just complete all the fertilizer applications. I don't see us getting out there in the near future unless we miss almost all the rains and we dramatically heat up through the end of the month, beginning of next month.

**Southwest Kansas** – We are at the state where night is dropping into the 30's and 40's but the day is mid to high 60's. We are going to see a good shower that should really kickstart the wheat. The wheat that got planted around here, which is a little less than normal, looks pretty good. If we get a nice rain on Friday and the temperatures jump up to like there supposed to, we will be getting in the fields before long. Most guys will wait until April 10th to 15th to start planting corn but I wouldn't be surprised to see a few guys try and push the envelope as the window seems a little narrower this year.

**Northwest Iowa** - Many grain bins on farms and also elevators full of grain in bins, silos, and outdoor piles are being affected by flooding around us. They are not the only ones. Some farmers have it there as deferred pricing and many other options. There's going to be a lot of farmers left holding the bag on this flood. There are also crops around Omaha that never could get combined from last fall due to wet conditions, then snow, and now there completely under water. Sad to think of all this and how it will affect farmers in the short and long-term.

# CROSSING WIRES

A place to share intelligent thoughts...

**Will Renewable Energy Pick Up the Pace of Adoption:** According to a new EIA report, U.S. renewable power over the last decade has doubled, last year alone we generated 742 million megawatt-hours of power in 2018 — roughly double the amount from 2008. Despite this, the growth of renewables counted for 17.6% of U.S. generation last year. Meaning, backers of more aggressive measures of emission cuts like proponents of the Green New Deal, have more work to do to reach their goals. I should mention that a new Bloomberg NEF report underscores how EVs have barely begun denting oil use so far. Looking deeper at the report, they forecast that gasoline and diesel fuels displaced by electric cars and buses will be 352,000 barrels per day this year. That's a huge jump from the 23,000 barrels per day displaced 5 years ago, however, it's all just a small slice of the roughly 100 million barrel-per-day global oil market. Read more [HERE](#) on what we should expect from renewables moving forward.

**Want Your Car to Pull You Over When You are Distracted?** As soon as next year, Volvo's cars will be able to pull over automatically — thanks to cameras that watch you as you drive. Earlier this month, the Swedish company announced its future cars will have a max speed limit of 112 mph. Now, the company says it's introducing in-car cameras and sensors that monitor the driver for signs of distraction or intoxication — which include looking away from the road for too long, keeping your hands off the steering wheel, weaving through lanes, or reacting too slowly while driving. I'm told, depending on the severity of the distraction level, the car will first warn the driver, then call a Volvo support center, and then reduce the speed of the car. If the behavior continues, the car will pull over in a safe location and stop driving. Should it be needed, a Volvo support call will alert any emergency responders or others as needed. Read more [HERE](#) on how tech will seek to keep us safe.

**Growing Numbers Feel AI Could Make Better Policy Decisions:** Around the world, citizens have expressed a growing disillusionment with democracy, and an increased skepticism that their voice has an impact on political decisions. In a recently released survey on Europeans' attitudes towards technology, it was shown that that a quarter of people would prefer it if policy decisions were made by artificial intelligence instead of politicians. It appears that more and more people are becoming worried that jobs would be replaced by robots, and 70% saying that unchecked technological innovation could do more harm than good to society. Keep in mind, algorithmic decisions aren't a problem-free solution: they can be embedded with the prejudice and bias of their programmers or manipulated to achieve specific outcomes, making the results as potentially problematic as the ones made by humans. Read more [HERE](#) on the growing trend.

**Breakthrough Science Turns Seawater to Hydrogen Fuel:** Thanks to Stanford researchers, there might be a new recipe for hydrogen fuel: saltwater, electrodes and solar power. The researchers have developed a proof-of-concept for separating hydrogen and oxygen gas from seawater via electricity. It's far cheaper than the current methods, which rely on creating hydrogen fuel from purified water. Breaking up a substance like water to create hydrogen and oxygen is called electrolysis and is a scientific technique centuries old. It was first codified by British scientific legend Michael Faraday, whose two laws of electrolysis from 1834 still guide scientists today. With a power source connecting to two water-based electrodes, scientists can get hydrogen bubbles to come out of an end called a cathode, while oxygen comes out of an end called an anode. That works fine for fresh water, but saltwater is trickier because of its ability to corrode electrodes with chloride, which would limit a system's lifespan. The trick for Hongjie Dai, a professor of chemistry at Stanford, and his team was a change in materials. Read more [HERE](#) on the future of hydrogen as a fuel source.

**"Bored" Mega Millions Lottery Winner Selling His Exclusive Mountain Estate:** In 2014, Rick Knudson won the \$180 million California Mega Millions jackpot and promptly quit his job and bought what is considered Southern California's most exclusive and elevated mountain estate, which was under construction at the time, for \$5.5 million. Now, Knudson is selling the prolific property for \$26 million five years later. Why? I am told he is bored and looking for a new project! In the time Knudson owned the home he also went on to buy an adjacent buffalo ranch and another swath of land, piecing together 845 acres in total. The estate also includes commercial property in the nearby town of Oak Glen, where he established a steakhouse and saloon. The impressive property includes a 16,000-square-foot house with a sauna, a 17-seat movie theater, a three-story elevator, and a 4,000-square-foot garage. Click [HERE](#) for more beautiful pictures.









### Diversifying Farm Revenue... Turning Waste into Profits

I came across a very interesting story of an Illinois farmer who transforms unwanted organic materials into treasure. Nearly 30 years ago, Paul Rosenbohm, a Peoria County Illinois farmer, and his brother needed more land to spread the manure from their cows. When the farm adjacent came up for auction, Rosenbohm bought it primarily for a manure repository. From there, Rosenbohm spread a particularly aromatic load of manure on his new fields on the first warm day of summer. Needless to say, the neighbors were not happy about the smell. In trying to get back into good graces with his neighbors, Rosenbohm began looking into composting as a way to utilize the manure. After working with successful composers, including an expert at Illinois State University, Rosenbohm began making his own compost and incorporated a business, LHF Compost, also known as [BetterEarthCompost](#). The compost materials are made from yard waste, food scraps (from restaurants, grocery stores and university and corporate food services) and pumpkin waste from processors. Understand, composting is recycling. Over a period of months, organic material, such as grass, leaves and food scraps, decomposes. Adding water and turning the material regularly using windrows helps speed things up, but the entire process depends on microorganisms to break down the organic matter into compost. Rosenbohm receives about 60,000 cubic yards of material a year, and after the microbes do their job, the company has between 15,000 and 20,000 cubic yards of compost. He sells BetterEarth in bags at retailers throughout central Illinois and in bulk to homeowners, landscapers and contractors. His product is EPA approved which Rosenbohm estimates has prevented more than 20,000 tons of material from going into landfills. What might take 30 or more years to break down in a landfill, can be done in three months at Rosenbohm's compost yard. What I love about this story is that Rosenbohm credits his father for teaching him to respect the

land and to make good soil even better. He was big on soil conservation and instilled in his son a duty to take care of what you have, whether that's animals, a farm or the environment. The process of composting is really something to marvel. I love it when I see farmers find ways to diversify their family revenue and at the same time help and improve our environment. I've always liked investing in businesses that create a win-win for all parties involved. I encourage you to visit their Facebook site [HERE](#) (Source: Illinois Farm Bureau)







### **"Opening Day"... What You Need To Know About The 2019 MLB Season**

The 2019 Major League Baseball season starts tomorrow with the unofficial opening day kicking off with the Seattle Mariners vs. Oakland Athletics in a two-game series in Tokyo, Japan. Here at home, "Opening Day" will start next Thursday, March 28th as all 30 MLB teams will be in action. In addition, the MLB season begins earlier than ever this year as March 28th is the earliest opening day in history outside of international openers. The full slate of games begins on ESPN at 12:00 p.m., when the New York Yankees host the Baltimore Orioles. The Washington Nationals will also be hosting the New York Mets at the same time. Below are a few interesting facts and thoughts:

**The Regular Season:** *As has been the case since 2013, all teams will play their four division opponents 19 times each for a total of 76 games. They will play six or seven games against each of the other 10 same-league opponents for a total of 66 games, and an additional 20 inter-league games, for a total of 162 games.*

**Can the Boston Red Sox Repeat As Champions?** *It always feels like a safe bet to side with the defending champs, even though the last team to win consecutive titles was the New York Yankees, who won three straight from 1998-2000. The Red Sox had one of the most potent offense in the majors last season and should be among the highest-scoring teams again, barring any major injuries or drop-offs in production. Boston has the potential to be a powerhouse for the foreseeable future, especially with its core of Xander Bogaerts, Steve Pearce, Andrew Benintendi, Mookie Betts, Jackie Bradley Jr., and J.D. Martinez. In addition, the Red Sox are returning a strong pitching rotation including Chris Sale, David Price, Nathan Eovaldi, and Eduardo Rodriguez. I have Boston as one of my top picks to win it all.*

**Nationals Going For the Best Rotation in Baseball?** *The Nationals went after more pitching this off-season by adding former Diamondback ace and last year's Cy Young nominee, Patrick Corbin, and former Phillies ace and rookie of the year, Jeremy Hellickson, to a team that's already boasted with three-time Cy Young winner Max Scherzer and three-time All-Star Stephen Strasburg. The Nationals now have four pitchers with the potential to win over 15 games this season. Below is a look back in history at a few teams that had four all-star starting pitchers on their staff. I think the Nationals might have a chance at making it to the World Series.*

**2016 Cubs:** Jon Lester (19-5), Jake Arrieta (18-8), Kyle Hendricks (16-8), and Jason Hammel (15-10)

**2003 Yankees:** Mike Mussina (17-8), David Wells (15-7), Roger Clemens (17-9), and Andy Pettitte (21-8)

**2001 Mariners:** Jamie Moyer (20-6), Freddy Garcia (18-6), Aaron Sele (15-5) and Paul Abbott (17-4)

**1998 Braves:** Greg Maddux (18-9), Tom Glavine (20-6), Denny Neagle (16-11), Kevin Millwood (17-8), and John Smoltz (17-3)

**1986 Mets:** Dwight Gooden (17-6), Ron Darling (15-6), Bob Ojeda (18-5) and Sid Fernandez (16-6)



**Miguel Cabrera Joins Elite Crowd** - *The Tigers' Miguel Cabrera currently has 2,676 hits with 465 career home runs, which would allow him to join Willie Mays, Hank Aaron, Albert Pujols, Eddie Murray, Rafael Palmeiro, and Alex Rodriguez as the only players in history with 500 home runs and 3,000 hits. In addition, his current .315 career average would rank fourth among 500-homer hitters behind Ted Williams, Babe Ruth and Jimmie Foxx.*

**Pujols Joins Ruth and Aaron in RBIs** - *Albert Pujols is at the doorstep of 2,000 RBIs, which is a figure only four players have reached since the RBI became an official stat in 1920 including Hank Aaron, Babe Ruth, Cap Anson, and Alex Rodriguez. Pujols is currently sitting at 1,982 RBIs.*

**Verlander and Sabathia to Join Strikeout Kings** - *CC Sabathia and Justin Verlander are both closing in on 3,000 career strikeouts. This is a bigger deal than you might think because only 16 pitchers have notched 3,000 punchouts, which is fewer members than the 3,000-hit club, the 500-homer club, and the 300-win club. The Yankees left-hander needs just 14 strikeouts to join this group, and don't sleep on Verlander either because he's 294 strikeouts shy of 3,000 as he punched out a career-high 290 in 2018.*

**Big Names with NEW Homes** - *There was a lot of offseason movement, below are a few of the highlights:*

**Bryce Harper**, outfielder, Philadelphia Phillies (from Washington Nationals)  
**Manny Machado**, shortstop, San Diego Padres (from Los Angeles Dodgers)  
**Patrick Corbin**, pitcher, Washington Nationals (from Arizona Diamondbacks)  
**Paul Goldschmidt**, first baseman, St. Louis Cardinals (from Arizona Diamondbacks)  
**A.J. Pollock**, outfielder, Los Angeles Dodgers (from Arizona Diamondbacks)  
**Andrew McCutchen**, outfielder, Philadelphia Phillies (from New York Yankees)  
**Josh Donaldson**, third baseman, Atlanta Braves (from Cleveland Indians)  
**Nelson Cruz**, designated hitter, Minnesota Twins (from Seattle Mariners)  
**Charlie Morton**, pitcher, Tampa Bay Rays (from Houston Astros)  
**Andrew Miller**, pitcher, St. Louis Cardinals (from Cleveland Indians)

**2019 World Series, MLB Draft & All-Star Game** - *The Postseason will begin on October 1st. The 2019 World Series is set to begin on October 22nd, and a potential Game 7 is scheduled on October 30th. The 2019 MLB Draft will be held from June 3 to 5 in Secaucus, New Jersey. The 90th Major League Baseball All-Star Game will be held on July 9th at Progressive Field, the home of the Cleveland Indians. In addition, we could see a cool Home Run Derby this year as the MLB incentivizing the Home Run Derby winner with a cool \$1 million dollar bonus.*

**Odd of Your Favorite Team Winning It All** - *World Series odds in parentheses, courtesy of OddsShark.com. In other words, bet a \$100 to win the number in parentheses. Example: Bet \$100 on my KC Royal's and you could win \$25,000. My Royals look bad on paper this year, so you would probably be donating that \$100.*

1. Boston Red Sox (+600)
2. New York Yankees (+600)
3. Houston Astros (+600)
4. Los Angeles Dodgers (+700)
5. Philadelphia Phillies (+850)
6. Chicago Cubs (+1,100)
7. St. Louis Cardinals (+1,200)
8. Cleveland Indians (+1,400)
9. Milwaukee Brewers (+1,400)
10. Atlanta Braves (+1,400)
11. Washington Nationals (+1,800)
12. Colorado Rockies (+2,000)
13. New York Mets (+2,200)
14. Oakland Athletics (+2,700)
15. Tampa Bay Rays (+3,500)
16. San Diego Padres (+4,000)
17. Los Angeles Angels (+5,000)
18. Minnesota Twins (+5,000)
19. Seattle Mariners (+6,000)
20. Arizona Diamondbacks (+6,600)
21. Cincinnati Reds (+6,600)
22. Pittsburgh Pirates (+7,000)
23. Chicago White Sox (+7,500)
24. Toronto Blue Jays (+9,000)
25. San Francisco Giants (+10,000)
26. Texas Rangers (+20,000)
27. Kansas City Royals (+25,000)
28. Detroit Tigers (+25,000)

29. Miami Marlins (+35,000)  
30. Baltimore Orioles (+60,000)



#### **Slowdown a Moment and Think...**

The image below was passed along to me from an old friend in the trading world. It makes me stop and think... are my wife and I, and our kids, doing enough to help others and leave the world in a better place? I'd like to believe we are. In fact, Michelle and I have made it more of a concerted effort in 2019 to try and do more to help those who need it most. Oscar Hammerstein once said, "There is a very real relationship, both quantitatively and qualitatively, between what you contribute and what you get out of this world." Unfortunately, as political views and algorithms continue to divide your nation, it's easy to get tripped up in grabbing for what you believe is yours. Just remember, it's not about what you get from this world, but what you give back and leave behind to better it for others. As you can see in the pic below, having the number 24 suggests he's an elite runner. Holding the young man's hand suggests he's an elite human being! I challenge all of us who have become "elite" in our respective fields to not lose site of those who need our help... Just something to think about and a quality we all want to pass along to our children. Hope everyone has a safe and happy weekend!

Every now and again, I see an image on my feed that speaks to me. A picture that must be shared. It requires no words.

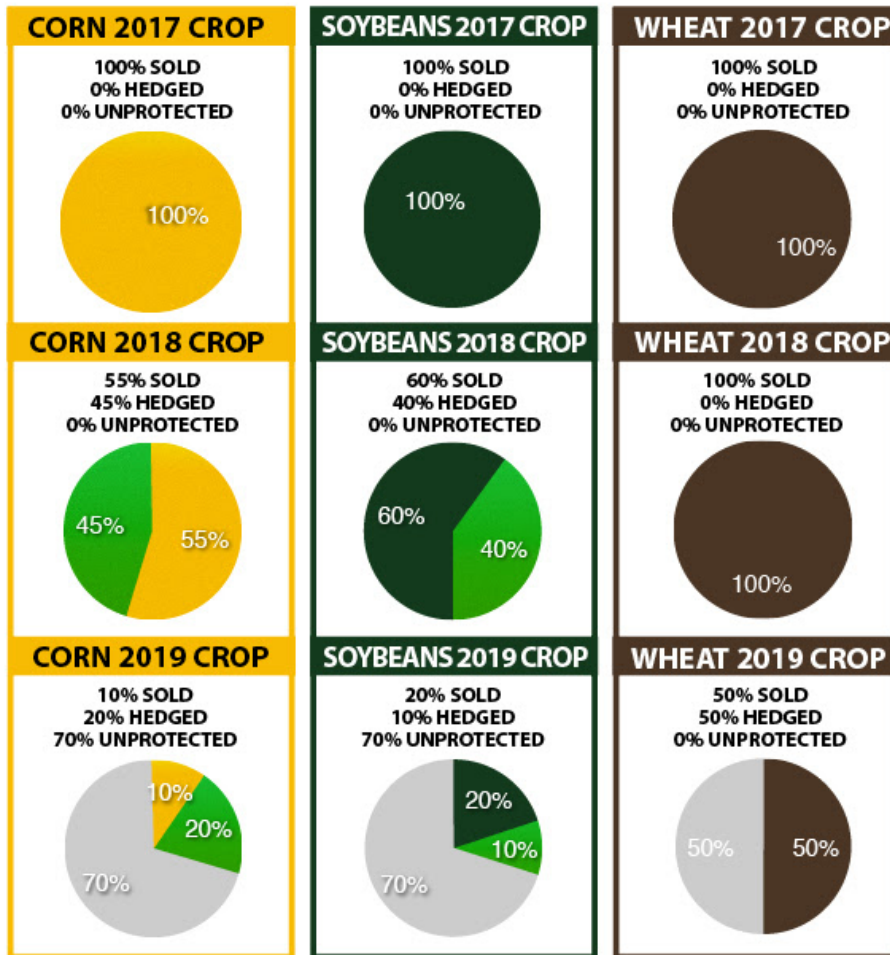


**ANSWER to riddle:** A teabag.

## CASH SALES & HEDGING TOTALS

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