

GOOD MORNING: 03/25/19 Farm Direction - Van Trump Report

1 message

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Mon, Mar 25, 2019 at 7:24 AM

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Today In History

"Strive not to be a success, but rather to be of value." - **Albert Einstein**

MONDAY, MARCH 25, 2019
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock are lower this morning and traders are curious if last weeks wild ride will resume? Are the boats starting to turn and creating more waves or was Friday's big down day a temporary blip on the way to fresh new all-time highs? The treasury market is signaling that we are entering a period of soft economic growth. Which would mean tighter corporate margins, lower gross profits, less capital spending, less hiring and fewer stock buybacks, which has been a big source of support for the stock market rally. In fact, Fed Funds Futures are now putting the odds at over +50% that the Fed will be cutting rates in late-2019. Bulls however, see continued upside in the U.S. stock market as long as the Fed remains dovish, inflation remains low and employment stays strong. Washington drama is garnering the spotlight this morning as U.S. Attorney General William Barr sent a letter summarizing the findings of special counsel Robert Mueller's investigation to Congress on Sunday. According to the summary, the Mueller probe did not find evidence that the Trump campaign "conspired or coordinated" with Russia to influence the 2016 presidential election. The Mueller investigation also concluded that "the evidence does not establish that the president was involved in an underlying crime related to Russian election interference". You can read the entire summary letter from Attorney General Barr [HERE](#). The market is also paying close attention to developments in China where top U.S. trade negotiations are meeting to try and hammer out the final details of a trade compromise. From what I understand, if needed, Chinese leaders will come to the U.S. next week in an effort to keep moving the ball forward. Most insiders are still hoping a compromise could be in place by late-April or May. Macro traders this week will also be keeping a close eye on Brexit headlines, where there remains a ton of uncertainty. Let's also not forget, Ukraine citizens will be heading to the polls this weekend, March 31st, which will mark Ukraine's first post-revolutionary election. Current Ukraine President, Petro Poroshenko won the 2014 election, held immediately after the revolution. Poroshenko quickly rose to popularity as a reformist, with a pro-European agenda appealing to broad swaths of the Ukrainian people. Poroshenko's tenure has been seen as mixed, as he has decidedly pivoted away from Ukraine's alignment with Russia, adopting a more pro-Western foreign policy working to oppose Vladimir Putin. Ironically, a comedian on a popular political satire show and self-made businessman, Volodymyr Zelenskyy has rapidly risen in the polls to become the frontrunner in this presidential race. Also in the running is Yulia Tymoshenko, best known as the first female Prime Minister of Ukraine. She was sent to jail for seven years and after being released seems to have amassed a huge following. Ukraine's presidential election follows a two-round system (think: France). If a candidate doesn't receive more than 50% of the vote, the top two candidates will then face off in a second round and a president is elected. Regardless of the outcome, we have to keep in mind, Ukraine has become a battle ground between pro-Russian and pro-Western ideology. The market will be interested in how things will play out moving forward. This could eventually have a direct influence on the grain and energy markets, as the Black Sea region is vitally important to both. Crude oil's recent strength has some inside the market thinking prices could continue to work higher. This is generally the time of year when we see oil inventories build, as refineries are in transition and maintenance for summer blending. Instead, recent data has shown sizable drawdowns. This past week, U.S. crude oil supply was down -9.6 million barrels, gasoline inventories were down -4.6 million barrels. This is making some believe the energy market could still have additional room to the upside. Remember, historical tendencies in the energy sector are being challenged and disrupted daily as the U.S. transitions itself to become a massive global exporter. Traditional economic headlines should be fairly light this


1865, Battle of Fort Stedman, Virginia - On this

day in 1865, Confederate General Robert E. Lee makes Fort Stedman his last attack of

the war in a desperate attempt to break out of Petersburg, Virginia. The attack failed, and within a week Lee was evacuating his positions around Petersburg. For nine months, Petersburg was under siege by the Army of the Potomac and the overall Union commander, General Ulysses S. Grant. The two great armies had fought a bloody campaign in the spring of 1864, and then settled into trenches that eventually stretched for 50 miles around Petersburg and the Confederate capital of Richmond. Lee could not win this war of attrition, but his men held out through the winter of 1864 to 1865. Now, Lee realized the growing Yankee army could overwhelm his diminishing force when the spring brought better weather for an assault. He ordered General John B. Gordon to find a weak point in the Federal defenses and attack. Gordon selected Fort Stedman, an earthen redoubt with a moat and 9-foot walls. Although imposing, Gordon believed it offered the greatest chance for success since it was located just 150 yards from the Confederate lines—the narrowest gap along the entire front. Early in the morning of March 25, some 11,000 Rebels hurled themselves at the Union lines. They overwhelmed the surprised Yankees at Fort Stedman and captured 1,000 yards of trenches. After daylight, however, the Confederate momentum waned. Gordon's men took up defensive positions, and Union reinforcements arrived to turn the tide. The Rebels were unable to hold the captured ground, and were driven back to their original position. The Union lost around 1,000 men killed, wounded, and captured, while Lee lost probably three times that number, including some 1,500 captured during the retreat. Already outnumbered, these losses were more than Lee's army could bear. Lee wrote to Confederate President Jefferson Davis that it would be impossible to maintain

week, with several Fed speakers out on the circuit, a re-adjusted Q4 GDP estimate, U.S. pending and new home sales, and a big Apple event scheduled for this afternoon.

Interesting Thoughts About the Market: *With the yield curve inverting on Friday for the first time since late 2006 and early 2007, just before the Great Recession, investors are wondering what to make of the "recession" signal. Keep in mind historically this warning has a fairly accurate track record. A rule of thumb is that when the 10-month Treasury yield falls below the three-month yield, a recession hits in an average of 14 months, and it's worth noting that an inversion has preceded each of the last seven recessions, according to the Federal Reserve Bank of Cleveland. I ran across some insights from Ari Wald of "Inflection Points" at Oppenheimer & Company as well as Josh Brown and Michael Batnik this weekend and wanted to share it for those wanting deeper insights into all the moving parts surrounding the inversion. Here's a portion Wald's comments as shared by Brown on his twitter feed @ReformedBroker:*

"Okay, here's what Ari wants you to know about what we witnessed last week – a sell-off in the 10-year treasury yield that led to an inversion, along with the typical bludgeoning of the bank stocks that need a positively sloped curve...

It was ugly, but it doesn't scream "TROUBLE!" for the US economy or the financial system. Ari chalks up the drop in rates to a technical follow-through for what's happened with the German 10-year (negative yields again). Most importantly, there are no signs of credit stress in the major indicators, which is key if you're buying on the dip...

Ari goes on to show that, for the month of March, high-yield bonds issued by banks are the top total return performing credits, still up 1.8% in March versus the return for the entire high-yield index of just .7%. So if you thought people were selling assets out there because they think there's some fundamental issue with the economy or the financial system, you'd be very wrong.

Ari's take is that we're back to lower growth expectations, which is not the same as a recession, and that this environment should favor the equities that have faster-than-market secular growth stories (think Microsoft, Amazon, Alphabet, etc) and the SaaS stocks. If they keep getting cheaper because the market is focused on the problems in Europe, that's the pitch you've been waiting for, perhaps. US investors will come back to them if they keep exceeding the growth to be found elsewhere."

Also, check out Josh Brown and Michael Batnik on their YouTube channel adding their insights on the subject. They do an excellent job of providing serious information in a light-hearted manner. I thought they offered some good food for thought, as it is very easy to just look at history and expect it to repeat itself again. Eventually, that doesn't work out so well for those caught offside. They provide historical data on the inversion predicting recessions but also present valuable insights about the current situation. Watch the short video [HERE](#).

And Then There Was "One"... *Perfect Bracket: After 47 basketball games in this year's March Madness, only one person still has a perfect NCAA bracket — the longest run of perfection ever, according to NCAA.com. I'm told tens of millions of brackets have entered online through their website on their Bracket Challenge Game as well as ESPN, CBS, Yahoo, Fox, and Sports Illustrated. But getting it right is harder than picking the winning Mega Millions of Powerball numbers: For reference, if every game were a coin toss, the odds of predicting 47 in a row are 1 in 140,737,488,355,328. So, kinda impressive, and the odds of filling out a perfect bracket through all 63 games are 1 in 9.2 quintillion, or 9.2 billion billions. Until now, the longest streak was 39 games. I'm told heading into the weekend, there were 16 people still holding perfect brackets, and until the conclusion of the Texas Tech vs. Buffalo game there were still two. If you were like me, you only had to wait a few hours on Thursday to be knocked out! You can check the time-line of wins and the remaining selections [HERE](#).*

Volvo To Help Monitor Drunk and Distracted Driving: *Volvo has announced their new vehicles will be equipped in-car cameras and sensors to monitor drivers for signs of drunk and distracted driving starting in the early 2020s. The technology will allow a car "to intervene if a clearly intoxicated or distracted driver does not respond to warning signals and is risking an accident involving serious injury or death." One reported action the car could take is slowing down and finding somewhere safe to park the vehicle. It's crazy to think that drunk driving still kills almost 30 American per day. I can only imagine how many are now getting killed each day by distracted driving from cell phones. I still think it's only a matter of time until car manufacturers harness the ability to override texting and other phone functions while the car is in gear and moving.*

"Gronk" Announces Retirement: *Rob Gronkowski is going out on top! The game-changing tight end announced his retirement from the NFL on Sunday, less than two months after his New England Patriots won Super Bowl 53. Gronkowski*

the Petersburg line much longer. On March 29, Grant began his offensive, and Petersburg fell on April 3. Two weeks after the Battle of Fort Stedman, Lee surrendered to Grant at Appomattox Court House, Virginia.



1879, Cheyenne Chief Little Wolf Surrenders -

Little Wolf, often called "the greatest of the fighting Cheyenne," surrenders to his friend Lieutenant W. P. Clark. Little Wolf was the chief of the Bowstring Soldiers, an elite Cheyenne military society. From early youth, Little Wolf had demonstrated rare bravery and a brilliant understanding of battle tactics. First in conflicts with other Indians like the Kiowa and then in disputes with the U.S. Army, Little Wolf led or assisted in dozens of important Cheyenne victories. Historians believe Little Wolf was probably involved in the disastrous Fetterman Massacre of 1866, in which the Cheyenne cleverly lured a force of 80 American soldiers out of their Wyoming fort and wiped them out. After Cheyenne attacks had finally forced the U.S. military to abandon Fort Phil Kearney along the Bozeman Trail, Little Wolf is believed to have led the torching of the fort. He was also a leading participant in the greatest of the Plains Indian victories, the Battle of the Little Bighorn in 1876. As with many of the other Plains Indian warriors, Little Wolf was finally forced to make peace during the army's major offensive following the massacre at Little Bighorn. In 1877, the government sent Little Wolf to a reservation in Indian Territory. Disgusted with the meager supplies and conditions on the reservation, in 1878 Little Wolf determined to leave the reservation and head north for the old Cheyenne territory in Wyoming and Montana. Chief Dull Knife and 300 of his followers went with him. Though Little Wolf and Dull Knife announced that their intentions were peaceful, settlers in the territory they passed through feared attack. The government dispatched cavalry forces that assaulted the Indians, but Little Wolf's skillful defensive maneuvers kept Cheyenne casualties low. When the band neared Fort Robinson, Nebraska, Dull Knife and some of his followers stopped there. Little Wolf and the rest of the Cheyenne continued to march north to Montana. In the spring of 1879, while still traveling north, Little Wolf and his followers were overtaken by a cavalry force under the leadership of Captain W.P. Clark, an old friend of Little Wolf's. The confrontation might easily have turned violent, but with his force of warriors diminished and his people tired, Little Wolf was reluctant to fight the more powerful American army. Clark's civilized and gracious treatment of Little Wolf helped convince the chief that further resistance was pointless, and he agreed to surrender. After returning to the reservation, Little Wolf briefly served as a scout for General Nelson A. Miles. However, during this time he disgraced himself among his people by killing one of

announced his retirement on Instagram. Many experts argue that Gronk leaves the game as arguably the most dominant tight end of all-time. His unique combination of size and skill made him unguardable in his early years, as he caught 38 touchdowns in his first three seasons, including a league-leading 17 in 2011, the most of any TE in NFL history. He finishes his nine year career with 521 receptions, 7,861 receiving yards and 79 touchdowns, including 81 receptions and a tight end-record 1,163 receiving yards and 12 scores in 16 postseason games. Gronk was one of my favorite to watch as you always knew you were going to get 100% out of the guy. I should also note, despite his wild and crazy demeanor, they still say Gronk has never touched any of the millions received from his Patriot paychecks, opting instead to use all of the cash he's accumulated from multiple endorsement deals. Great story and great career!



his tribesmen. The formerly celebrated Cheyenne warrior lived out the rest of his life on the reservation but had no official influence among his own people.



958, Sugar Ray Defeats Basilio for Middleweight Title

Title - On March 25, 1958, Sugar Ray Robinson defeats Carmen Basilio to regain the middleweight championship. It was the fifth and final title of his career. Robinson is considered by many to be the greatest prizefighter in history. No less an authority than heavyweight champion Muhammad Ali has said, "My idol will always be Sugar Ray Robinson, who was, and remains, one of the best pound-for-pound fighters to have ever lived in this century." Sugar Ray Robinson was born Walker Smith, Jr. in Ailey, Georgia, on May 3, 1921. Smith got his boxing name when he borrowed his friend Ray Robinson's Amateur Athletic Union (AAU) card to enter a boxing tournament at the age of 16. He won that tournament and, still using the assumed name, turned professional in 1940, winning his debut bout—the first of 40 consecutive victories. Robinson won his first championship in 1946 when he defeated Tommy Bell for the welterweight title, which he held for five years. The next year, at the height of his boxing career, Robinson had a premonition before a fight with Jimmy Doyle that he might kill his opponent. After being convinced to enter the ring, Robinson defeated Doyle, who sustained injuries in the match that led to his death. Robinson did not lose a professional fight until 1950, when he faced Jake LaMotta as a middleweight. LaMotta was a feared puncher with an iron jaw, and he outweighed Robinson by 16 pounds. In their first of six fights, he knocked Robinson down and out-pointed him on the judges' scorecards. Robinson, however, would defeat LaMotta in each of their next five fights, including a 1951 drubbing dubbed the St. Valentine's Day Massacre, during his famed 91-fight winning streak. The 1951 fight was portrayed in Martin Scorsese's 1980 LaMotta biopic Raging Bull. Robinson retired in 1952, and went on to try his hand as a dancer and bandleader in his adopted hometown of Harlem. He returned to the ring in 1955, out of shape and sluggish, but still good enough to regain the middleweight title. He lost the title in 1957 to Gene Fullmer, who knocked him down for the first time since LaMotta sent him to the floor six years earlier. Robinson defeated Fullmer in their rematch, but then lost the title to Carmen Basilio, a steady puncher whose claim to fame was that he had never been knocked down. Going into their championship rematch, held this day in 1958, the once-indomitable Sugar Ray was a 2-to-1 underdog. Robinson and Basilio traded punches for the majority of the match, with Robinson closing Basilio's left eye completely by the seventh round. (Basilio later said that he could not see after the fourth round.) In the ninth round, Basilio came out attacking, and

Who would have thought that Americans spent more than three times as much on video game content as they did on music last year? #GDC19



Robinson stopped slugging and started to box, dancing and jabbing at Basilio. This was the last great fight of Robinson's career, and he showcased all of his veteran skills, avoiding Basilio's punches and delivering a stunner in the 15th that nearly knocked Basilio down. In the end, the three judges awarded Robinson the victory and his fifth middleweight title, a record for any men's division.

Upcoming Events

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

Thurs. 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

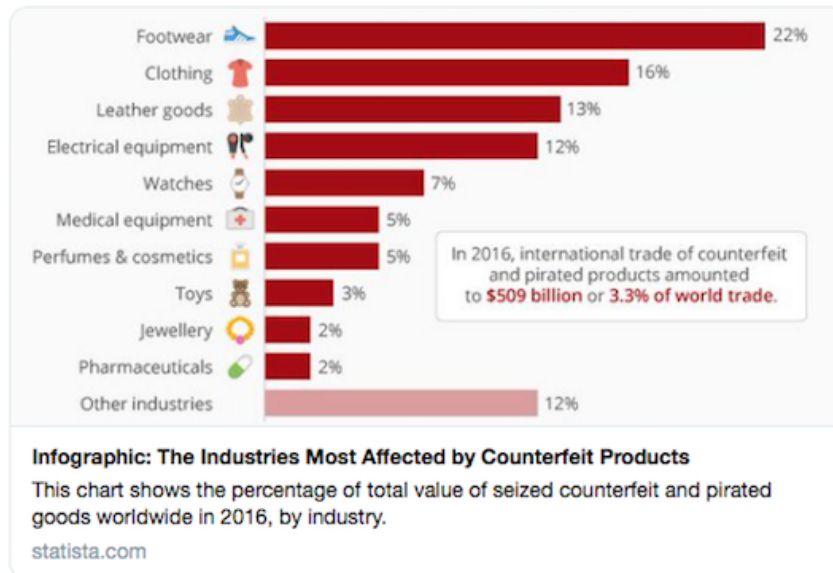
Thurs. 04/25 - Export Sales, Jobless Claims

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

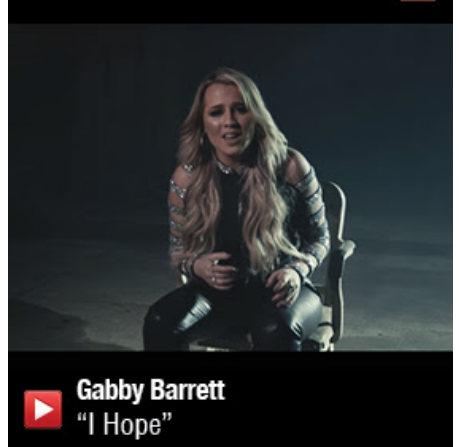
Kevin's Song of the Week

Footwear accounted for 22 percent of the total value of counterfeit/pirated products seized at customs in 2016 according to new OECD report.

Have you ever come across a fake pair of trainers?



WHAT I'M LISTENING TO:



Kevin's Song of the Week

NEXT level THINKING

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

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

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

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

Kevin Van Trump

What Others Are Saying

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



Trevor Smith
@GaFarmer80

Following

Putting watermelon transplants in on this beautiful morning. #plant19



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

A.M., FDIC

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

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

My Own Personal Truisms

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

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

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

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

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

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

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

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



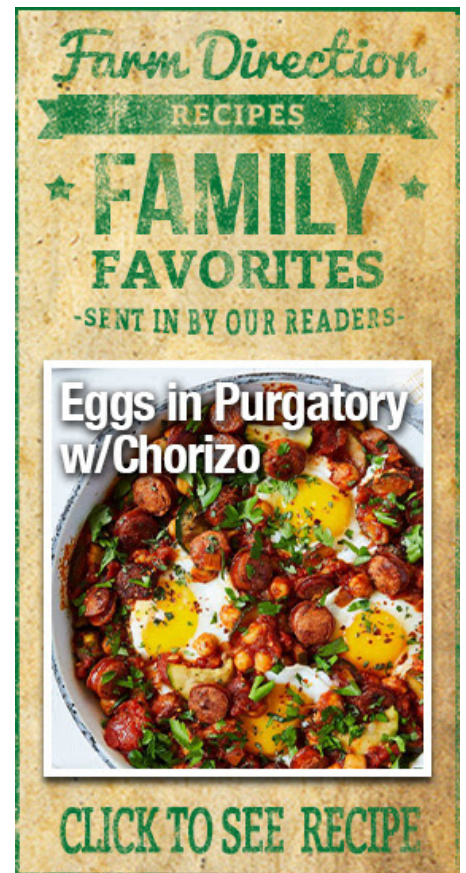
Luke Radford

@_lucasrad

Following



1st day planting Idaho potatoes!!! 🍟
#plant19



Men's Corner
@Mens_Corner_

Following

I have to do this for April fool's

Grab at: amzn.to/2TMMCUE



Men's Corner
@Mens_Corner_

Following

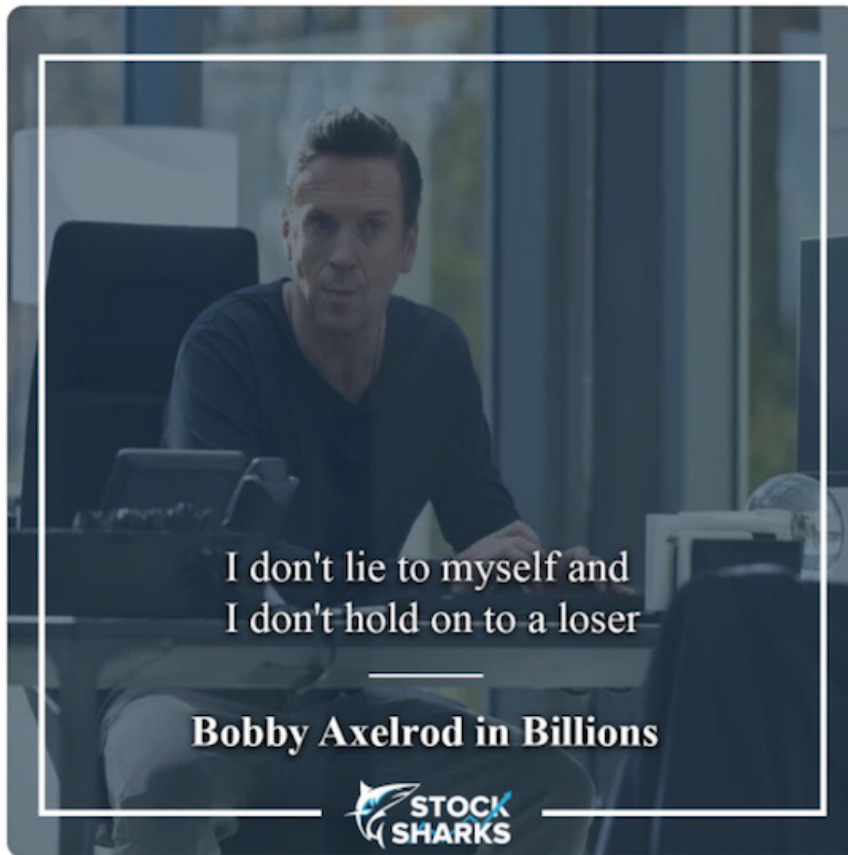




Steve Burns
@SJosephBurns

Following

RT @stocksharks_



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:

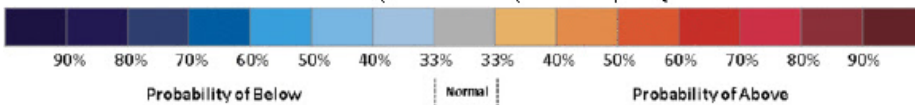
Look at my apple, keep me near. Listen closely, I'll put worms in your ear. What am I?

Temperature Probability



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 21 MAR 2019
VALID MAR 27 - 31, 2019

DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F) SHADED AREAS ARE FCS
VALUES ABOVE (A) OR BELOW (B) NORMAL
GRAY AREAS ARE NEAR-NORMAL

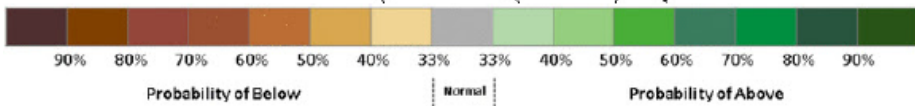


Precipitation Probability



6-10 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 21 MAR 2019
VALID MAR 27 - 31, 2019

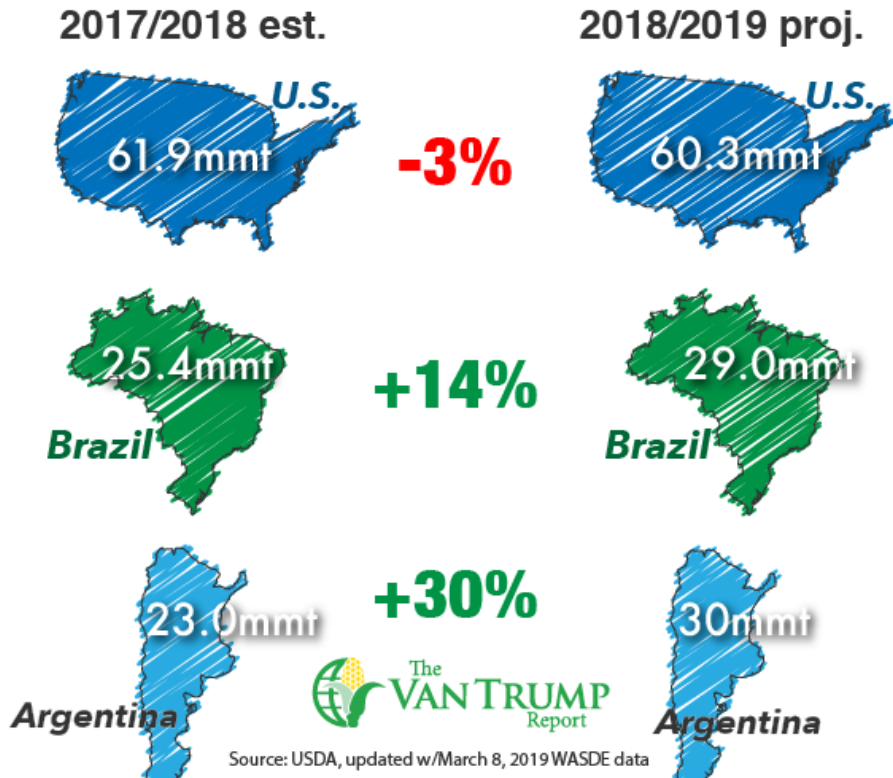
DASHED BLACK LINES ARE CLIMATOLOGY
(10THS OF INCHES) SHADED AREAS ARE FCS
VALUES ABOVE (A) OR BELOW (B) NORMAL
GRAY AREAS ARE NEAR-NORMAL



Corn bulls will be trying to keep the upside momentum moving higher. The market is coming off a fresh three-week high and bulls believe they finally have some headlines to keep prices moving higher. The USDA confirmed that China has stepped in as a sizable buyer of U.S. corn with a purchase of approximately 300,000 metric tons, the most in over 5-years. Also adding a bullish tailwind is the continued talk of extreme moisture and flooding in many important U.S. growing regions. This is finally starting to change the markets opinion about U.S. corn acres in 2019. As I've been preaching, I just don't see the corn acres that most have been talking about. I see more "preventive plant" acres. It will be interesting to see what the USDA has to say in their acreage report estimate scheduled for release this Friday. The USDA's early guess was for 92 million planted corn acres. I suspect that number is trimmed a bit, but I still think they will remain overly optimistic. Keep in mind, the NOAA recently released their longer-term spring forecast and it showed above normal precipitation for some of the areas that are already excessively wet. Bottom-line, I think the corn market is very interesting right now. There are clearly some holes being punched in the demand story. Export competition is coming on strong as South American producers look as if they will be harvesting much larger crops than last year. There's also the continued setbacks in the ethanol space. Keep in mind, several ethanol plants have been battling floods and

are operating under limited capacity. On the flip side, if the weather and the rivers continue to create complications and overly wet conditions, I could argue a sizable reduction in U.S. corn acres. If we can get U.S. planted corn acres down sub-88 million, we would certainly have a story brewing for the bulls. For reference, last year we planted 89.1 million corn acres, so sub-88 million is not all that unrealistic considering all of the circumstances, i.e. higher nitrogen costs, tight budget and cashflow on the farm, low commodity prices, etc... I'm not holding my breath just yet, but the market has certainly become much more interesting. Producers should stay fully engaged and paying very close attention to the local basis. There could be some basis opportunities circulating around weather complications. As a spec, I currently like the thought of playing from the bullish side of the field. The funds are still massively bearish...

Top 3 Corn Exporters (in million metric tons)



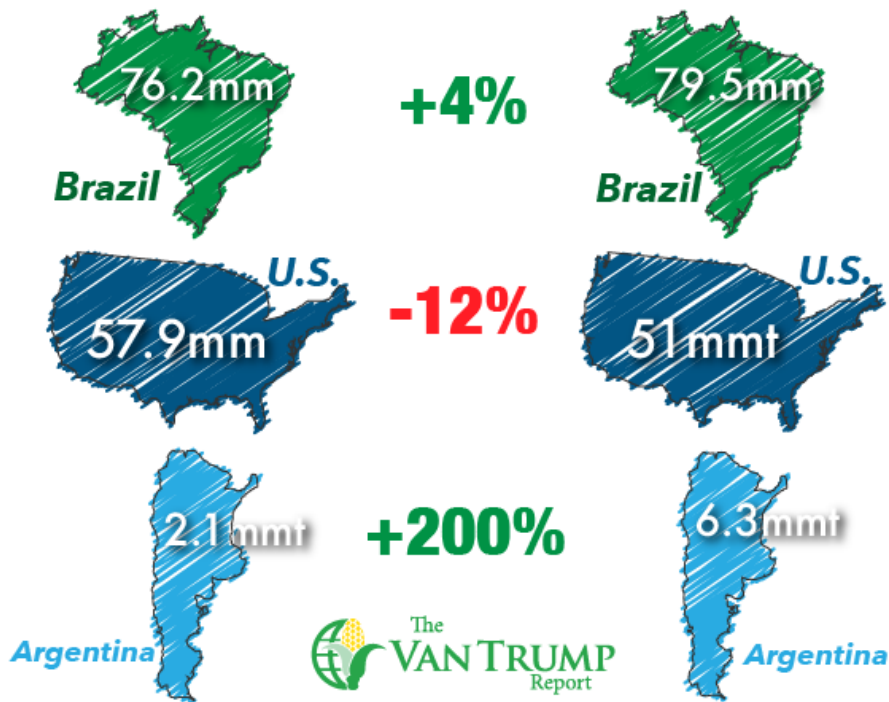
Soybean bulls are hoping to recover some of last weeks losses. The heavy rains and weather complications in the U.S. are starting to bring about more about talk of increased acres in 2019. The USDA's early guess was for 85 million acres. I don't know if U.S. soybean acres will be above 88 million, like last year, which was 89.2 million, but I can certainly argue they will be north of 85 million. With U.S. ending stocks already massively burdensome at 900 million bushels, planted soybean acres above 87 million could arguable keep a solid lid on the upside. Outside of U.S. weather headlines, the trade remains overly obsessed with Chinese trade talk. We have to continue keeping a close eye on the negotiations as we appear to be moving much closer to a make-or-break moment. I truly believe it's going to work out in favor for U.S. agriculture, the biggest question remains when? Don't forget, the USDA will be delivering their updated acreage forecast and quarterly stocks estimate this Friday. Unfortunately, both are expected to be somewhat bearish as the USDA's planted soybean acreage estimate could tick higher, while quarterly stocks could be +600 million bushels more than last year, 2.650 billion vs. 2.109 billion a year earlier. As both a producer and a spec, I like the thought of selling into a knee-jerk rally to the upside. In other words, a major breakthrough in Chinese trade could bring about some positive headlines and upside excitement. That's more than likely my cue to reduce a bit more early new-crop price risk. South America appears to be extremely competitive, especially if the U.S. dollar decides to make another run to the upside. As I've said several times, it's just tough to be wildly bullish soybeans nearby this early in the season with no major South American weather story, sitting on record U.S. surplus and still in trade negotiations with the worlds #1 buyer. I think there could be a longer-term story, with Brazil's production down a bit and South American supplies being depleted by the ongoing U.S.-Chinese trade dispute. In other words, if we were to see a U.S. weather story develop out in June-July-August perhaps the bulls could have more room to run...

Top 3 Soybean Exporters

(in million metric tons)

2017/2018 est.

2018/2019 proj.



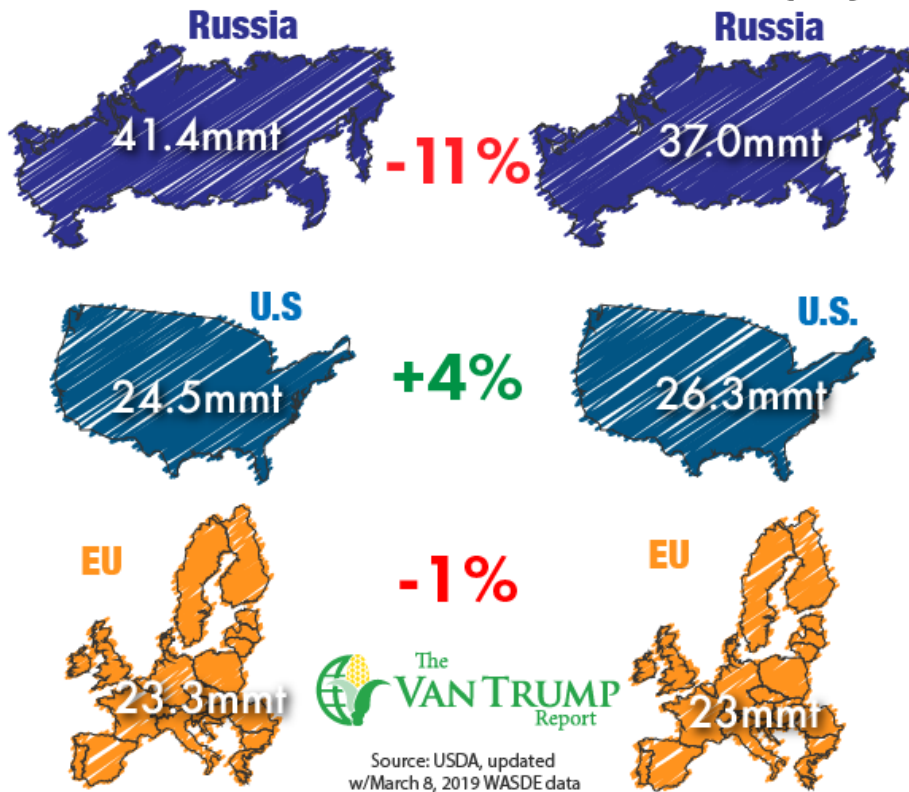
Wheat bulls continue to talk about weather complications in the U.S., not only flooded fields in the winter wheat areas, but continued spring planting concerns in the Plains. Traders will also be keeping a close eye on the Ukraine presidential election scheduled for this weekend. Though it may not have a direct impact nearby, I have to imagine a longer-term departure from pro-Russia towards a more pro-Western ideology only creates more tension and uncertainty in the highly important Black Sea region. In fact, the heavily short-sided funds may look to trim a bit more of their position ahead of the potential uncertainties. I could also see the funds covering a few more shorts after seeing the Chinese step in as a buyer of U.S. corn. Thinking perhaps the Chinese might soon make a larger purchase of U.S. wheat? Despite a few bullish cards being flipped over, the upside still seems fairly limited with U.S. ending stocks well over-supplied at around 1.0 billion bushels. That number needs to start being trimmed, but without an increase in U.S. exports, which doesn't seem to be the case nearby, it's hard to get overly excited about the upside. Longer-term however there could be a bullish story brewing but we are going to need time to let some things play out. As a producer, I remain patient but keeping a close eye on the clock. As a spec, I'm neutral to slightly bullish.

Top 3 Wheat Exporters

(in million metric tons)

2017/2018 est.

2018/2019 proj.



> **China Halts Purchases of Canadian Canola:** Chinese importers have stopped purchasing Canadian canola seed with no resolution in sight. Canada and China are locked in a dispute over trade and telecoms technology that has deepened since the arrest in December Huawei Tech CFO Meng Wanzhou on a U.S. warrant. Of course, nobody really knows why this has happened. China said it had discovered pests in canola imports from Canada recently. However, the Canadian exporter -- Richardson International -- said its canola met regulatory requirements. This is important as Canada exports 50 - 60% of its canola crop and 40% of that usually goes to China. (Source: Reuters)

> **President Declares Flooding in Nebraska a Major Disaster:** FEMA has announced that federal disaster assistance has been made available to the state of Nebraska to supplement state and local recovery efforts in the areas affected by severe winter storm, straight-line winds and flooding beginning March 9, 2019 and continuing. Assistance can include grants for temporary housing and home repairs, low-cost loans to cover uninsured property losses, and other programs to help individuals and business owners recover from the effects of the disaster. (Source: FEMA)

> **Iowa Receives Disaster Declaration:** Over the weekend, President Trump approved a disaster declaration for 61 of Iowa's 99 counties. I'm told individuals and businesses in Fremont, Harrison, Mills, Monona, and Woodbury counties can apply for temporary housing and home repairs, low-cost loans to cover uninsured property losses, and other programs. Earlier in the week, President Trump made the same declaration for Nebraska.

> **U.S. Hemp Authority Awards Companies With High-Quality Seal:** With the aim of "standardizing quality control and building a safer hemp industry from seed to shelf," the U.S. Hemp Authority awarded 13 companies with a high-quality seal and will advise

them on how to use it. Our goal is to make sure consumers are able to tell who the good guys are — who's doing their best to make sure the product is safe," Marielle Weintraub, PhD, president of the U.S. Hemp Authority, said. Read more [HERE](#) to see the companies.

> Rent The Runway Is Officially A Unicorn: With a new round of funding, the company -- which rents out designer outfits and accessories -- just reached a billion dollar valuation, or "unicorn" status. The company raised \$125 million in the latest round led by Franklin Templeton Investments and Bain Capital Ventures. Rent the Runway plans to use the cash to further expand its subscription business, renting out everyday outfits and other items like household products. Their plan is to create the Amazon Prime of rental. Pretty interesting. (Source: New York Times)

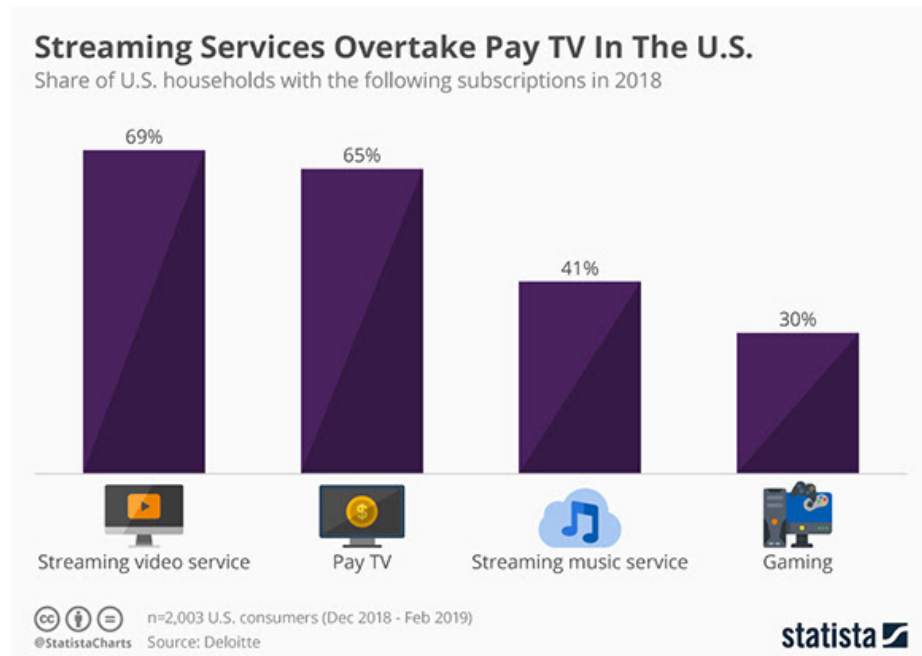
> President Trump Wants China To Double or Triple Its Offer: We know President Trump has been focused on reducing the trade deficit between the U.S. and China. To that end, he is pushing negotiators to get China to agree to purchase more. China has offered to purchase up to \$1.2 trillion in U.S. energy, agriculture and aircraft products over a period of six years. Insiders are saying President Trump wants a number "double or triple" China's initial proposal in light of recent data that revealed the U.S.-China trade gap was widening. (Source: CNBC)

> U.S.-N. Korea Relations Have Cooled... The U.S. sanctioned two Chinese firms doing business with North Korea. They are the first targeted actions against Pyongyang since the collapse of the summit between Kim Jon Un and Donald Trump in Vietnam last month. (Source: CNN)

> Verizon to Offer Free Robocall Blocking App: Verizon is getting ready to offer a free robocall blocking app at the end of this month, as it steps up efforts to combat the growing plague of spam calls. In 2019, pretty much everyone is on a robocaller's speed-dial list, meaning that we are all victims of several spam calls per day. Knowing this, Verizon already offers a paid blocking app for \$2.99 a month. But the new freemium (free + premium) strategy means that in addition to the paid app, there will now be a free* version.

> Verlander Picks Up 2-Year \$66 Million Extension: Justin Verlander signed a two-year, \$66 million extension with the Houston Astros that will keep him with the club through the 2021 season, the club announced Sunday. Verlander will make \$28 million in 2019, the final year of his previous deal signed with the Tigers. His current contract originally had a vesting option for 2020, but the two sides voided the option after the trade. (Source: USA Today)

> Streaming Services Overtake TV in U.S.: In recent years, streaming services such as Netflix, Amazon Prime and Hulu have quickly become one of the favorite ways American's consume video content. A new survey from Deloitte shows just how much progress streaming has made. U.S. households now subscribe to three paid streaming services on average and notably for the first time, more households subscribe to a video streaming service than traditional pay television. As you can see below, 69% of U.S. households reported having a subscription to a streaming video service in 2018 while 65% were paying for regular television. When asked, 57% said they paid for streaming services in order to access the original content that you can't find anywhere else. (Source: Statista)





FROM THE FIELD

Central North Dakota – We had several feet of snow that was in risk of melting to fast and if that was followed by rain we could have been in a similar situation as Nebraska. Luckily for us the air temperatures are only reaching about 40 degrees on the peak during the day and freezing again at night, so the snow is melting relatively slowly like we need it to. We have another snow or possibly rain coming down the pipe, but it shouldn't be too much. We have seen a slight uptick in basis in both barley and wheat in this area for some reason which has been helpful to a lot of guys still holding the grain.

Central Illinois – I have been doing some driving around Illinois checking out all the standing water. What's interesting is the water has virtually gone this last weekend. Granted there is still water standing in very low spots and along the big rivers but outside of that we are starting to see the standing water disappear and the field tops are starting to gray. When you walk out there you can still definitely tell it's too muddy to plant.

Northcentral Kansas – We didn't get a ton of rain at the farm house but a few miles away got over an inch. I don't know if we were just in a pocket at the house or what the deal was with not getting much rain. We weren't to upset because the farm yard is still a mess from the recent rains and snow melt. I did a little scouting around and I don't foresee us getting in the field for at least another couple weeks unless the wind and temperatures pick up considerably.



CROSSING WIRES

A place to share intelligent thoughts...

New Research Shows Produce Prescriptions Could Save \$100 Billion on Health Care: Perhaps it's time for doctors to start prescribing more produce than pills. That's, at least, what researchers argue in a new study that finds "prescriptions" for healthy foods could save more than \$100 billion in healthcare costs. Researchers at Tufts University made the case that subsidized fruits and vegetables could prevent millions of cases of chronic diseases. Keep in mind, roughly 70% of diseases in the U.S. are chronic and lifestyle-driven, according to the CDC, and nearly half of the population has one or more chronic health conditions, such as diabetes, asthma, heart disease, obesity, or cancer. I should mention, 86% of annual healthcare costs in the U.S. are driven by chronic disease. Meanwhile, U.S. healthcare expenditures tripled in the last 50 years, from 5% of gross domestic product in 1960 to 17.9% in 2016, according to the CDC. Published in the medical journal PLOS Medicine, the report followed adults between the ages of 35-80 who were enrolled in Medicare and/or Medicaid. It then established two scenarios: one in which Medicare/Medicaid covered the cost of 30% of fruits and vegetables, the other in which it covered fruits, vegetables, seafood, whole grains, plant oils, and other healthy foods. Find out just how much money and how many lives were affected [HERE](#).

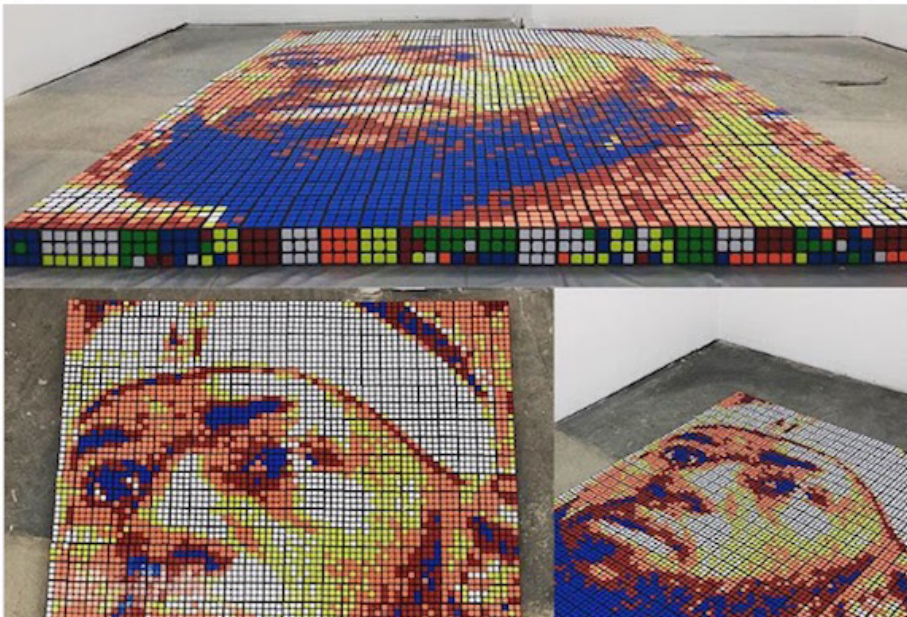
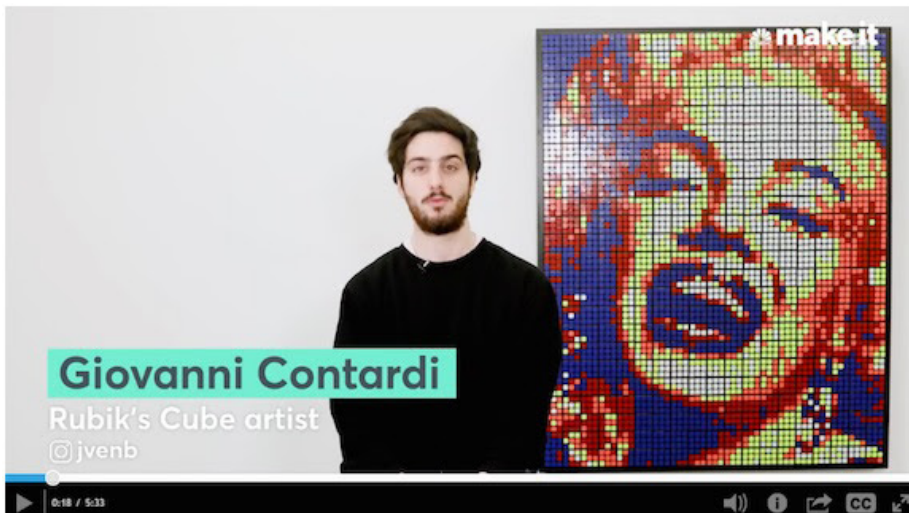
U.S. Needs Happiness Science to Improve our World Ranking: For the seventh year running, the US still hasn't cracked the top ten in the World Happiness Report, released last week. Fortunately, the authors of the report believe there's a solution. America, they say, must learn to embrace "happiness science." In the 2019 edition of the World Happiness Report, released by the Sustainable Development Solutions Network for the United Nations, the US dropped to 19th place, the lowest it have ever ranked since the report debuted in 2012. Topping the list, for the second year in a row was Finland, followed by Denmark, Norway, Iceland, and the Netherlands. Seeing the US barely crack the top 20 is a bit disappointing, but Jeffrey Sachs, Ph.D., a co-author on the report, tells Inverse that the goal of the analysis is far greater than just creating a ranking of happy and unhappy nations. Sachs, a senior adviser to the UN, says that the report has sparked a wider debate about happiness around the world. It all started in 2011 at a meeting in Bhutan, a nation with a unique happiness policy that inspired Sachs to put an actual number on global happiness. Read more [HERE](#) on the new discipline of happiness science.

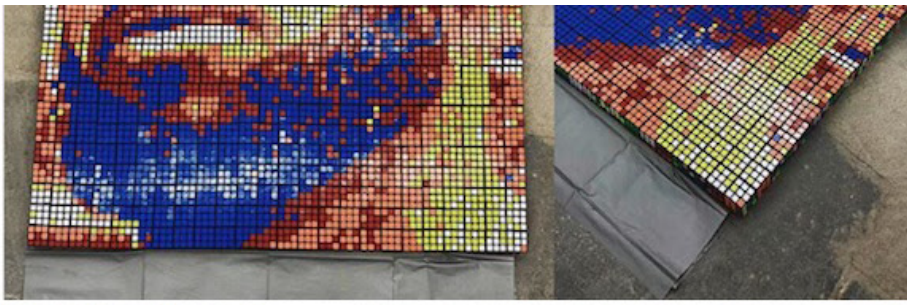
Another Reason Why We Keep Shopping Garage Sales... a bronze Buddha, which was thought to be over 1,000 years old, and originally purchased for \$100, cashed in for a cool \$2.1 million at a recent Sotheby's auction. I'm told it only took minutes before the item rocketed past the estimated sale price of \$80,000. Appraisers initially

thought the statuette might be from the Ming Dynasty in the 15th century, further study has dated it back to the late Tang Dynasty, which ended in 907, or from early in the Five Dynasties period that followed. I'm told the unnamed owner reportedly bought it in a garage sale in Kirkwood, Missouri, a suburb of St. Louis, sometime around 1997 and incase you were wondering... return on investment? A cool 57% per year. Read more [HERE](#) and see what the 1,000 year statute looks like.

GM Reverses Decision... Will Build in the States: GM announced Friday it will invest \$300 million into a Michigan factory to produce a new Chevrolet electric vehicle, reversing a decision to build the EV outside of the United States. The announcement comes on the heels of recent job cuts and plant closures by GM, moves that have complicated bargaining with union workers over a new four-year contract and has sparked intense criticism from President Donald Trump over a decision to end production at a factory in Lordstown, Ohio. The automaker's investment into its Orion Township, Mich. assembly plant — the same facility that produces the all-electric Chevy Bolt — will add 400 new jobs. Orion Assembly, which employs about 880 hourly and 130 salaried employees, also produces the Chevrolet Sonic and the Cruise AV test vehicles. Read more [HERE](#).

Rubik's Cubes Make Great New Artist Medium: Italian artist Giovanni Contardi isn't exactly a cubist, but he is making a name for himself by using a particularly tricky medium for his art. Contardi, 24, can turn hundreds of Rubik's Cubes into massive portraits bearing the likenesses of celebrities like LeBron James, Rihanna and Justin Timberlake. The first Rubik's Cube portrait that Contardi sold — of the late-singer Amy Winehouse — brought in roughly \$5,000, he says. But the highest price one of his portraits has fetched so far is \$29,000, coming last year from a private buyer who commissioned the portrait because he "wanted to surprise his wife for Christmas," Contardi tells CNBC Make It. I'm told it typically takes Contardi "at least three or four weeks" to complete each incredibly realistic portrait, much of which involves planning out a patterned design that uses the six colors available to him — a six-sided Rubik's Cube puzzle is made up of white, red, blue, orange, green, and yellow squares. Very cool... read more and watch a short video [HERE](#).





On the Ground with Farming's Robot Revolution

I wanted to share this short video that came my direction last week. The Financial Times gets hands on with smaller bots that promise to protect soil quality, reduce the use of pesticides and boost agricultural productivity. Many believe they could eventually change the industry and the landscape beyond recognition. Click [HERE](#) to view on Youtube.



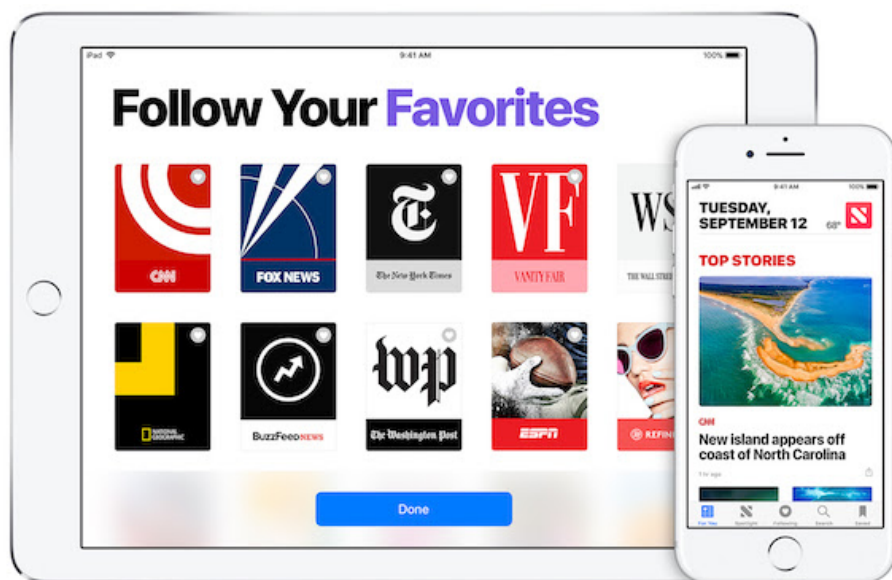
Apple Rolling Out NEW Products

Apple's first event of the year will take place today at the Steve Jobs Theatre in Cupertino, CA on the Apple Park Campus at 12:00 pm CST. Apple plans to live stream the event on its website and through the Events app on the Apple TV. In a typical year, Apple usually holds three to four new product events. There's usually a spring event in March, the Worldwide Developers Conference in

June, a September event that's focused on iPhone and Apple Watch, and sometimes an October event if there are iPads or Macs expected to release in the fall to hit the Christmas shopping rush. This event coming up is expected to introduce Apple News Service, Apple Video Streaming Service, iOS 12.2, and new Apple Pay features. Keep in mind, Apple also recently announced two new iPads. The upgraded models offer keyboard support for the first time and work with the Apple Pencil along with marking the first upgrade to the iPad mini since the fall of 2015. Starting at \$499 for the 64GB model, the new iPad Air features a 10.5-inch Retina display, an A12 Bionic processor, and support for the Apple Pencil. This looks to replace the 10.5-inch iPad Pro from 2017, which is no longer sold. They also released a new iPad Mini, starting at \$399 for the 64GB version, also has the A12 chip and Pencil support, but is otherwise nearly identical to the iPad Mini 4 it replaces. Below is a preview of what's expected to be announced at the event!

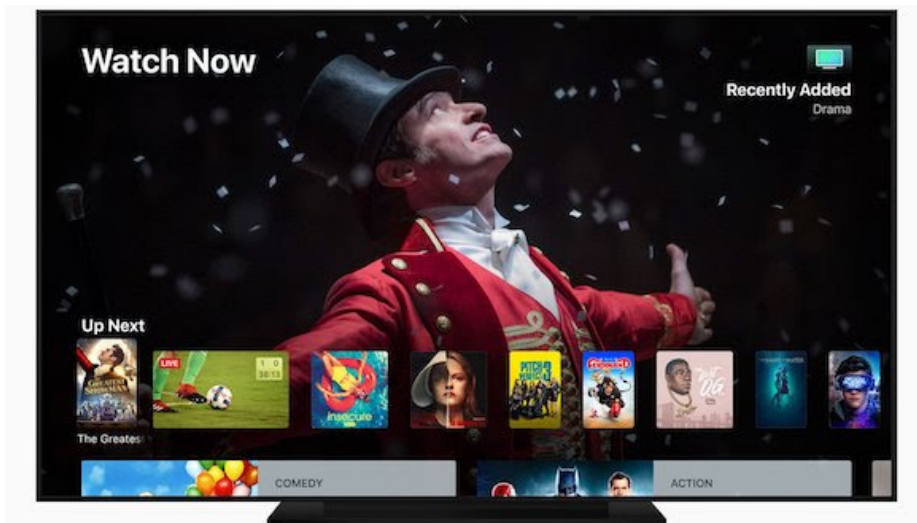
Apple News Service

Apple has been working on a \$9.99 per month subscription news service that would give Apple News users unlimited access to stories from paid sites like The New York Times and the Washington Post. This service is also expected to include a magazine element similar to Texture, which is the magazine app that Apple bought last year. According to reports, Apple wants to keep 50% of the revenue from each subscriber and split the remaining 50% among participating publishers based on engagement, which is causing a lot of concerns for the news subscription launch. There are still many questions and details about this service that has yet to be answered, which we hope will be at this event.



Apple Video Streaming Service

Apple is also working on a streaming TV service that will include the more than two dozen TV shows and movies that are currently in the works. In addition, many suspect Apple will offer access to subscription content from other providers like HBO, Showtime, and Starz similar Amazon and Roku. On the other hand, Netflix recently confirmed it will not be part of Apple's premium TV app subscription model. As of right now, shows that have finished shooting include "Are You Sleeping?" starring Octavia Spencer, Ronald D. Moore's "For All Mankind," M. Night Shyamalan's thriller series, Charlie Day and Rob McElhenney's unnamed comedy, and "Dickinson" starring Hailee Steinfeld. Keep in mind, the number of original Apple productions is expected to increase in 2020. There are also multiple celebrities like Jennifer Aniston, Steve Carell, and Jennifer Garner that have been invited to the event, which are expected to star in some of Apple's original television shows in the future. There's no word on what this service will cost, but Apple plans to introduce it at this event before launching it later in the year, which is expected to come this summer or fall.



iOS 12.2

Apple is expected to release the iOS 12.2 update right after the event takes place to give people access to the new Apple News subscription service. Along with access to this subscription service, iOS 12.2 will bring Apple News to Canada, offer new Animoji characters, includes HomeKit TV support for third-party TVs, and have dozens of other smaller tweaks and changes.

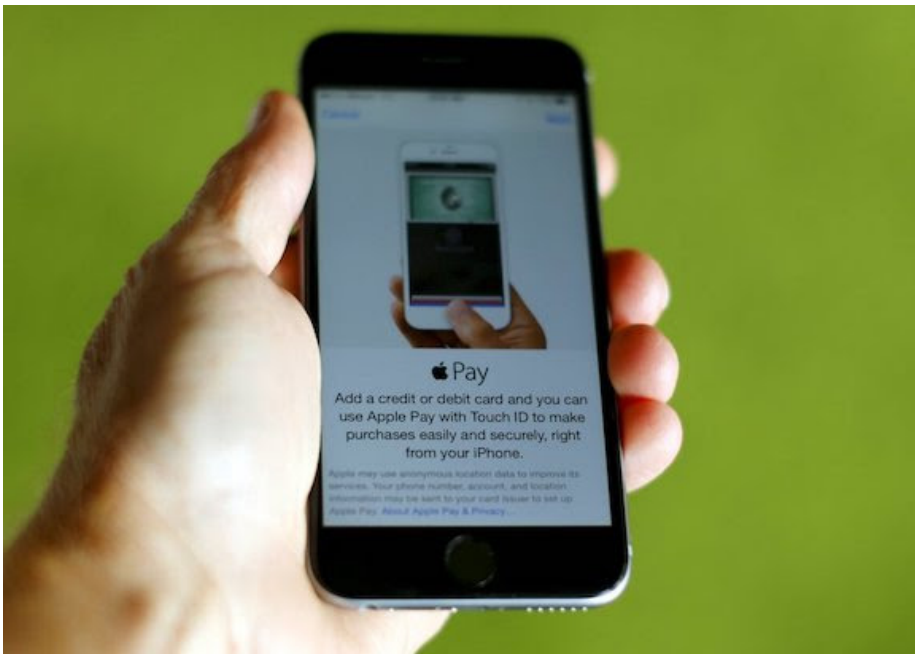


APPLE NEW iOS 12.2 Beta

AirPod2, ScreenTime,
Apple News , HomeKit

Apple Pay

According to Bloomberg, Apple is planning to preview new Apple Pay features at its event that will lay the groundwork for an iPhone credit card partnership with Goldman Sachs. No one is really certain what new features Apple will announce, but there are updates to the design of the Wallet app in iOS 12.2 that Apple may be planning to highlight.



Second-Generation AirPods

It's been more than two years since Apple introduced its AirPods. Many experts seem to think a new version of the product needs to be released and this event would be a great opportunity to announce it. A report by Ming Chi-Kuo, who has at certain times in the past proven to predict Apple's moves based on his close attention to the company's hardware supply chain, claims that next-generation AirPods are close to happening along with Apple's universal charging mat we've all been waiting for.



Success Can Mostly Be About How You Are Making Your Decisions

Jim Collins, lecturer and author of "Good to Great: Why Some Companies Make the Leap...and Others Don't," found that a common quality among great leaders is speed and decisiveness. The logic goes that when you make a decision and act quickly on it, you'll be placed ahead of your competitors. Interestingly, Jeff Bezos, sees things a little differently. Jeff Haden recently wrote an excellent article that he posted on CNBC's "The Definitive Guide to Business" about Bezos thoughts and how they are somewhat different than most. Jeff Haden is a speaker and author of the best-selling book, ["The Motivation Myth: How High Achievers Really Set Themselves Up to Win"](#). It's a great book that I highly recommend. I've included a few of the highlights from the article below. You can read it in full detail [HERE](#).

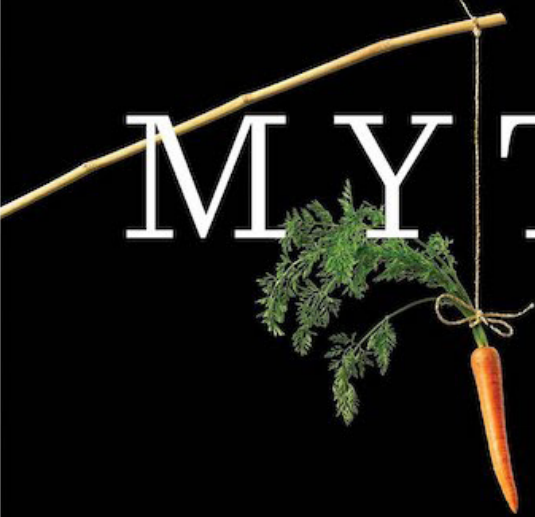
Ability to Change Your Mind Easily and Quickly: *many people get tripped up in a world that they see as "Black and White". Bezos, has said in interviews and conferences, "People who seem to be right a lot of the time are people who often change their minds. It's perfectly healthy — encouraged, even — to have an idea tomorrow that contradicted your idea today." In other words you can't allow yourself to get locked down on one way of thinking. It's not just Bezos that believes this concept, at a D10 conference in 2012, Tim Cook shared a number of lessons he learned from Steve Jobs. What impressed the Apple CEO the most was Jobs' ability to change his mind, quickly and often*

Be More Open to NEW and Differing Perspectives: *Bezos also has said, "The smartest people he's observed were always revising their understanding, reconsidering a problem they thought they'd already solved. They're open to new*

points of view, new information, new ideas, contradictions, and challenges to their own way of thinking." In other words, you have to be open to outside views, concepts and differing opinions.

Nothing is Definite: When Bezos was asked what trait signified someone who was "wrong a lot" of the time, Bezos' answer was "the tendency to be obsessed with details that only support one point of view. If someone can't climb out of the details, and see the bigger picture from multiple angles, they're often wrong most of the time." In other words, Bezos is saying that most smart people are self-confident enough that they're comfortable with being wrong, which then allows them to analyze new data, be open to new opinions and revisit long-standing positions. Having a strong opinion is great, but you have to be willing and open to hear differing thoughts and at the same time be willing to admit when you are wrong.

THE MOTIVATION MYTH



*How High Achievers Really
Set Themselves Up to Win*

JEFF HADEN

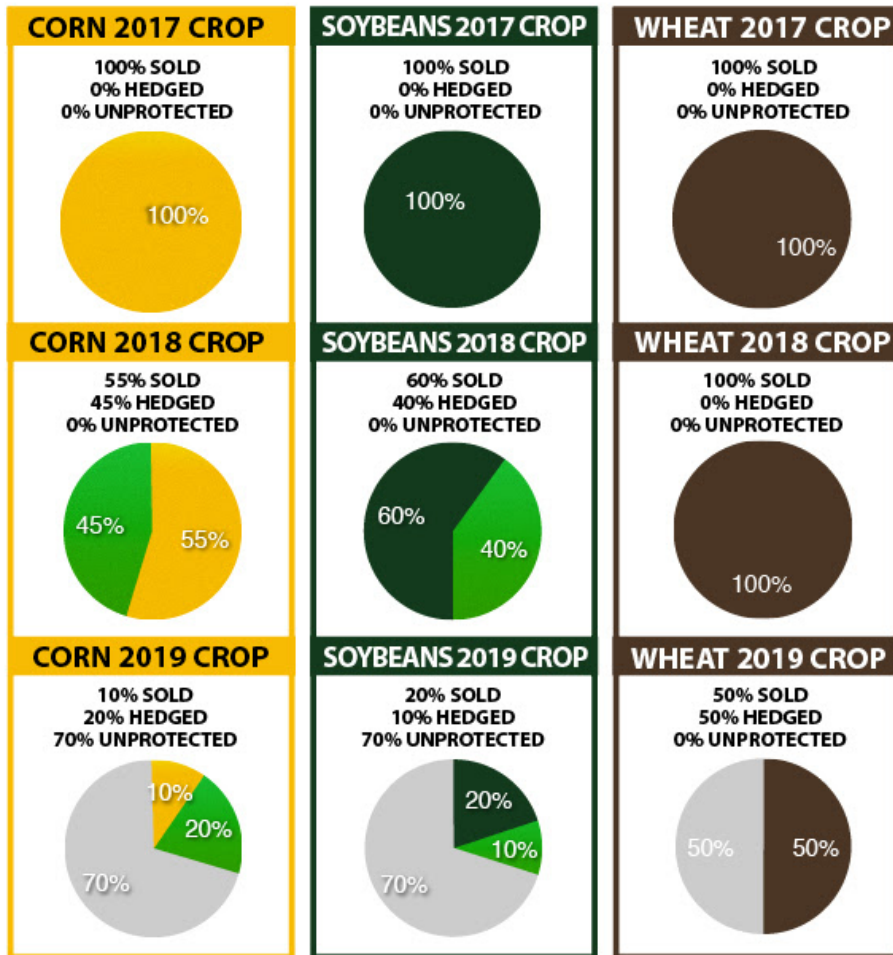




ANSWER to riddle: iPod.

CASH SALES & HEDGING TOTALS

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