

GOOD MORNING: 03/26/19 Farm Direction - Van Trump Report

1 message

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

Tue, Mar 26, 2019 at 7:35 AM

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Today In History

"Death is very likely the single best invention of life. It's life's change agent; it clears out the old to make way for the new. Right now, the new is you. But, someday, not too long from now, you will gradually become the old and be cleared away. Sorry to be so dramatic, but it's quite true. Your time is limited, so don't waste it..." - Steve Jobs

TUESDAY, MARCH 26, 2019
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks are higher this morning as traders continue to debate the longer-term direction of the market. Regardless, of bullish and bearish arguments about the inverted yield-curve, as recession signals are debated and begin to flash, large market participants could create a self-fulfilling prophecy. Bears are saying the combination of the Fed's more dovish demeanor and continued weak economic data out of Europe is enough to be overly concerned. Keep in mind, the Western European economy makes up more than +20% of global GDP and in years past has proved to be a determining factor for global business cycles. Many insiders like to say, when Western Europe is showing stronger economic data the trade is much less worried about a global recession. When Western Europe is showing signs of recession market insiders start to become much more nervous. Remember, Germany's manufacturers are experiencing their worst performance in six and a half years. The IHS Markit purchasing managers' index for its factory sector recently fell to the weakest level in 79 months. Bears are also pointing to the fact ten-year German Bund yields have sank below zero and are in negative territory. Adding to fears would be a spike in the value of the U.S. dollar, especially if foreign banking tied to the eurozone economies were to become a broader based concern. Bears believe continued strength of the U.S. dollar could spark more talk of an economic slowdown here at home. I suspect, trying to keep the dollar from pushing aggressively higher, is why the Fed has tried to take a more aggressive and decided dovish spin. Bulls in the U.S. stock market understand the past three times the 10-year yield has inverted below the three-month yield a recession has followed. And yes, every recession has been preceded by a yield inversion, but not every yield inversion in history has been followed by a recession. In fact, several bulls point out historically, in the weeks following an initial yield inversion the stock market has posted some healthy gains. It's not usually until several months later, when the Fed starts to actually cut rates that the stock market shows greater weakness. Bespoke data pointed out during the last three most similar cycles, the S&P rose +30% and the recession didn't happen until +24-months later. Meaning there could still be some big gains left in the U.S. stock market. There's also some bulls who are totally discounting the historical association of "inverted yield curve", saying the world has never seen a period of "quantitative easing" from the central banks like we experienced during the previous financial crisis. More nearby, traders will be digesting today's wave of U.S. housing data, including new housing starts for February, new building permits for February, and average U.S. housing prices for January. We also have three Fed speakers who will be out on the circuit discussing the economy and their overall opinions and outlook. I'm still thinking recession talks are early, market volatility could become more extreme as bulls and bears battle it out and bluff a bit trying to shake the other side. I still like the thought of buying the deeper breaks and banking profits on large rallies to the upside. I still it as a "traders" environment...

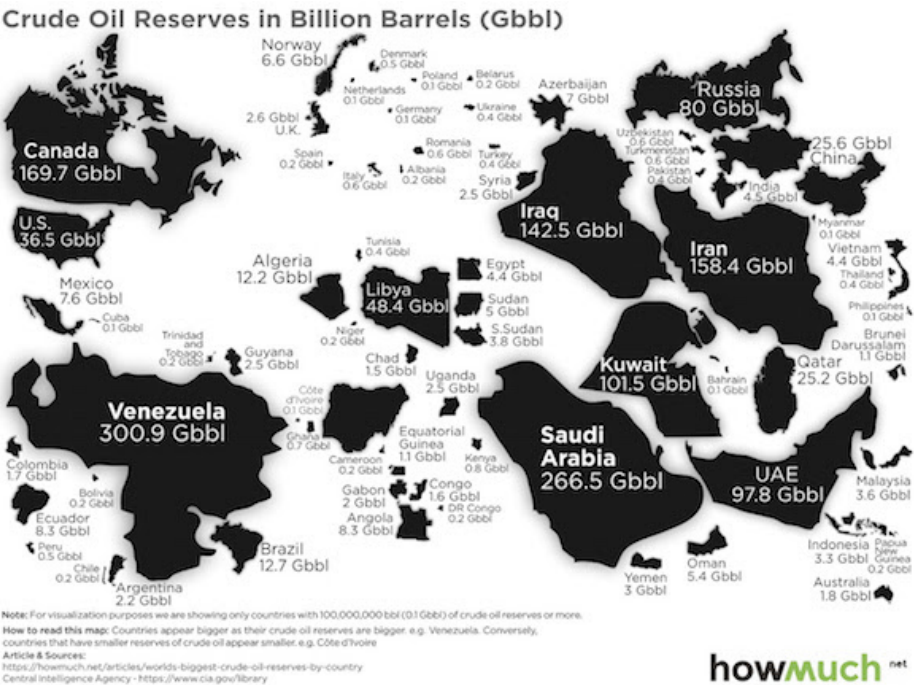
Who's Holding All the Oil? *There's little doubt that renewable energy sources will play a strategic role in powering the global economy of the future. But for now, crude oil is still the undisputed heavyweight champion of the energy world. In 2018, we consumed more oil than any prior year in history - about 99.3 million barrels per day on a global basis. As I understand it, this number is projected to rise again in 2019 to 100.8 million barrels per day. Given that oil will continue to be dominant in the energy mix for the short and medium term, which countries*



1832, Yellowstone Heads for Montana - The mighty American Fur Company adopts the latest in transportation

technology to its business, dispatching the company's new steamboat Yellowstone to pick up furs in Montana. A decade earlier, John Jacob Astor had formed the Western Department of his American Fur Company to begin exploiting the fur trade in the western reaches of the continent. In 1828, Astor established a large trading post called Fort Union at the strategically important point where the Yellowstone River merged with the Missouri. Located near what would later be the Montana-North Dakota state line, Fort Union allowed Astor to dominate the fur trade of the northern plains and Rockies. With ruthless efficiency, Astor's American Fur Company steadily undercut and eliminated its competitors. The company had the financial resources to invest in competitive advantages that smaller companies like the Rocky Mountain Fur Company could not afford. Far from being a rustic backwoods operation, Astor's company was one of the most modern and progressive corporations of its day. In 1830, Astor saw an opportunity to use a new technology to further consolidate his stranglehold over the western fur trade: the steamboat. The paddle-wheel steamboat New Orleans had begun regular service on the lower Mississippi only 18 years earlier. During the 1820s, steamboats occasionally ventured as far north on the Missouri as Council Bluffs. Now the American Fur Company boldly proposed to extend regular steam service all the way up to its Fort Union trading post at the mouth of the Yellowstone. The company hired a Louisville shipyard to build a boat specially designed for the treacherous currents of the Missouri. Christened The Yellowstone, it was a sturdy craft with a large cargo deck to carry furs and trade goods. It had a high wheelhouse from which the pilot could see to avoid the many snags and shoals of the Missouri. Departing from St. Louis

hold the most oil reserves? Today's map comes from our friends at [HowMuch.net](#) uses data from the CIA World Factbook to resize countries based on the amount of oil reserves they hold. Interestingly, Venezuela tops the list with 300.9 billion barrels of oil in reserve – but even this vast wealth in natural resources has not been enough to save the country from its recent economic and humanitarian crisis. Saudi Arabia, a country known for its oil dominance, takes the #2 spot with 266.5 billion barrels of oil. Meanwhile, Canada and the U.S. are found at the #3 (169.7 billion bbls) and the #11 (36.5 billion bbls) spots respectively. Read more [HERE](#).



Rank	Country	Oil Reserves (Barrels)
#1	 Venezuela	300.9 billion
#2	 Saudi Arabia	266.5 billion
#3	 Canada	169.7 billion
#4	 Iran	158.4 billion
#5	 Iraq	142.5 billion
#6	 Kuwait	101.5 billion
#7	 United Arab Emirates	97.8 billion
#8	 Russia	80.0 billion
#9	 Libya	48.4 billion
#10	 Nigeria	37.1 billion
#11	 United States	36.5 billion
#12	 Kazakhstan	30.0 billion
#13	 China	25.6 billion
#14	 Qatar	25.2 billion
#15	 Brazil	12.7 billion

Apple's NEW Services: Apple announced three new subscription services yesterday. I think the kids are going to like a couple of them, so I wanted to provide some additional information so you are prepared when they ask to "subscribe". The NEW services will include a TV streaming campaign, a video gaming bundle, and all-you-can-read magazine subscription. Apple was early to bringing the world hard devices like the iPod, iPhone and iPad and made fortunes doing so, it will be interesting to see if they can show up late to the "services" game and see the same great success? They've got a ton of money to throw around, so perhaps they can buy the marketshare? Lots of questions about future growth... Below is a short summary of what you need to know about the new Apple services being rolled out:

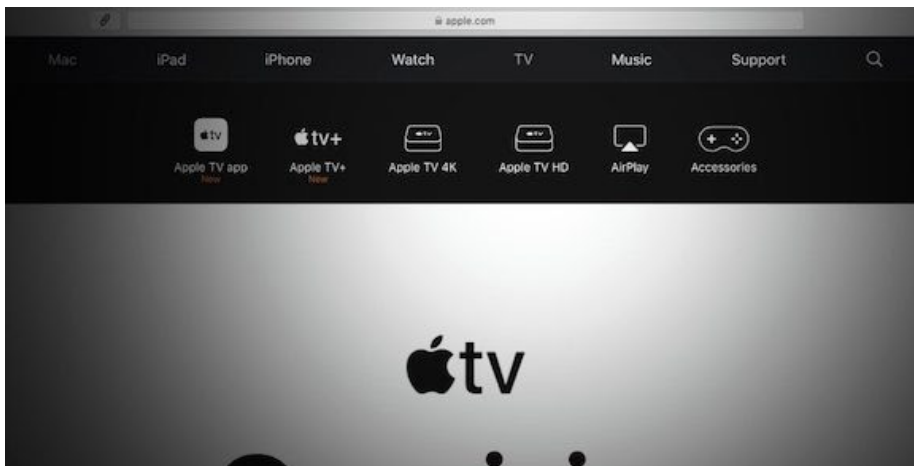
Apple TV+: The new Apple subscription service will include original video content produced by Apple called Apple TV+, which will launch this fall and no price has been announced. In addition, Apple also introduced a new TV app called Apple TV Channels will allow users to subscribe to individual streaming services such as HBO, Showtime, Starz, CBS All Access, and Smithsonian Channel launching in May.

on this day in 1832, The Yellowstone reached Fort Union in June, where the craft attracted the marveling admiration of Anglo traders and Indians alike. Thereafter, The Yellowstone and a fleet of similarly designed steamboats regularly traveled to Fort Union-when the water level was not too low or the rivers frozen. While the American Fur Company modernized with steamboats, its less affluent competitors continued to rely on small, man-powered keelboats to move their furs and trade goods. By the mid-1830s, boats like the Yellowstone had helped Astor eliminate lesser fur companies and the American Fur Company enjoyed a virtual monopoly over the Far Western fur trade.

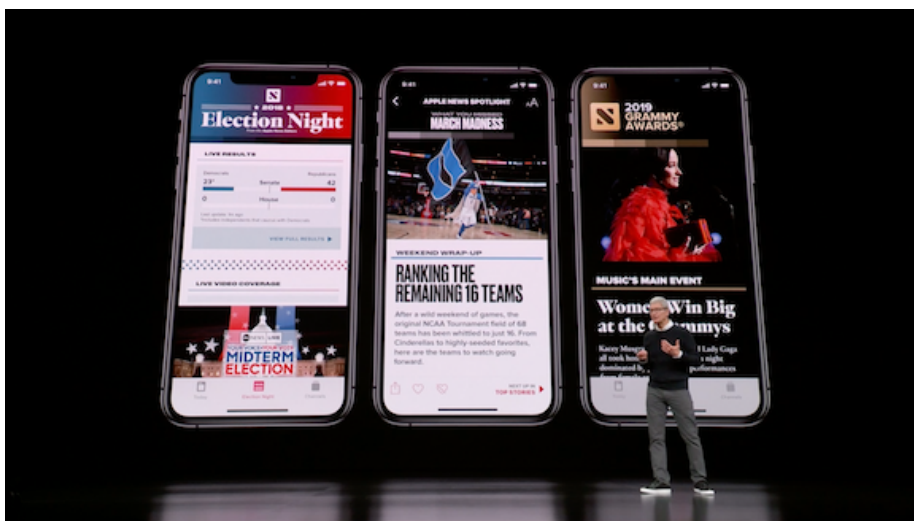
1941, Naval Warfare Gets New Weapon - On this day, Italy attacks the British fleet at Suda Bay, Crete, using detachable warheads to sink a British cruiser. This was the first time manned torpedoes had been employed in naval warfare, adding a new weapon to the world's navies' arsenals. The manned torpedo, also known as the "Chariot," was unique. Primarily used to attack enemy ships still in harbor, the Chariots needed "pilots" to "drive" them to their targets. Sitting astride the torpedo on a vehicle that would transport them both, the pilot would guide the missile as close to the target as possible, then ride the vehicle back, usually to a submarine. The Chariot was an enormous advantage; before its development, the closest weapon to the Chariot was the Japanese Kaiten—a human torpedo, or suicide bomb, which had obvious drawbacks. The first successful use of the Chariot was by the Italian navy, although they referred to their version as Maiali, or "Pigs." On March 26, six Italian motorboats, commanded by Italian naval commander Lt. Luigi Faggioni, entered Suda Bay in Crete and planted their Maiali along a British convoy in harbor there. The cruiser York was so severely damaged by the blast that it had to be beached. The manned torpedo proved to be the most effective weapon in the Italian naval arsenal, used successfully against the British again in December 1941 at Alexandria, Egypt. Italian torpedoes sank the British battleships Queen Elizabeth and Valiant, as well as one tanker. They were also used against merchant ships at Gibraltar and elsewhere. The British avenged themselves against the Italians, though, by sinking the new Italian cruiser Ulpio Traiano in the port of Palermo, Sicily, in early January 1943. An 8,500-ton ocean liner was also damaged in the same attack. After the Italian surrender, Britain, and later Germany, continued to use the manned torpedo. In fact, Germany succeeded in sinking two British minesweepers off Normandy Beach in July 1944, using their Neger torpedoes.

1953, Salk Announces Polio Vaccine - On March 26, 1953, American medical researcher Dr. Jonas Salk announces on a

"Jennifer Aniston, Reese Witherspoon, and Steve Carell unveiled 'The Morning Show,' a show about complex relationships between men and women that will debut on Apple TV+; Oprah Winfrey announced she has two documentaries coming to Apple TV+; Muppets Big Bird and Cody from 'Sesame Street' introduce a brand-new pre-K show called 'Helpsters' which will debut on Apple TV+. From what I understand there will be a ton of other new and interesting programs rolled out by Apple in the coming months...stay tuned!"

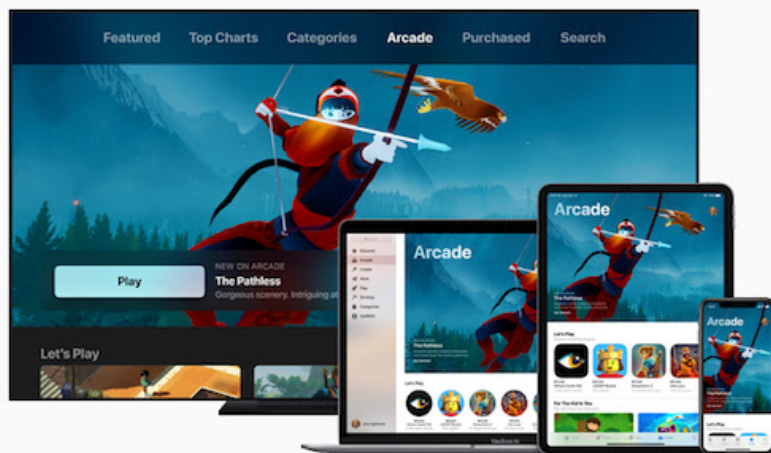


Apple News+: The new Apple News app will include magazine content for \$9.99 per month in the United States and \$12.99 per month in Canada. Apple highlighted several magazines in its new paid tier including *Wired*, *Popular Science*, *National Geographic*, and *Essence*. In addition, the subscription will also include access to the *Los Angeles Times* and *The Wall Street Journal* content along with including over 300 magazines yet to be announced.



Apple Arcade: Apple also announced a new video games subscription, which is called Apple Arcade providing access to more than 100 games that are all exclusive to Apple devices. Keep in mind, new games will be added on a regular basis and all Apple Arcade games will be available to play without an internet connection after they are downloaded. The gaming bundle will be available to customers this fall including new titles from companies like Konami, Cartoon Network, Sega and Lego. Apple did not reveal a price for its gaming bundle.

national radio show that he has successfully tested a vaccine against poliomyelitis, the virus that causes the crippling disease of polio. In 1952—an epidemic year for polio—there were 58,000 new cases reported in the United States, and more than 3,000 died from the disease. For promising eventually to eradicate the disease, which is known as “infant paralysis” because it mainly affects children, Dr. Salk was celebrated as the great doctor-benefactor of his time. Polio, a disease that has affected humanity throughout recorded history, attacks the nervous system and can cause varying degrees of paralysis. Since the virus is easily transmitted, epidemics were commonplace in the first decades of the 20th century. The first major polio epidemic in the United States occurred in Vermont in the summer of 1894, and by the 20th century thousands were affected every year. In the first decades of the 20th century, treatments were limited to quarantines and the infamous “iron lung,” a metal coffin-like contraption that aided respiration. Although children, and especially infants, were among the worst affected, adults were also often afflicted, including future president Franklin D. Roosevelt, who in 1921 was stricken with polio at the age of 39 and was left partially paralyzed. Roosevelt later transformed his estate in Warm Springs, Georgia, into a recovery retreat for polio victims and was instrumental in raising funds for polio-related research and the treatment of polio patients. Salk, born in New York City in 1914, first conducted research on viruses in the 1930s when he was a medical student at New York University, and during World War II helped develop flu vaccines. In 1947, he became head of a research laboratory at the University of Pittsburgh and in 1948 was awarded a grant to study the polio virus and develop a possible vaccine. By 1950, he had an early version of his polio vaccine. Salk’s procedure, first attempted unsuccessfully by American Maurice Brodie in the 1930s, was to kill several strains of the virus and then inject the benign viruses into a healthy person’s bloodstream. The person’s immune system would then create antibodies designed to resist future exposure to poliomyelitis. Salk conducted the first human trials on former polio patients and on himself and his family, and by 1953 was ready to announce his findings. This occurred on the CBS national radio network on the evening of March 25 and two days later in an article published in the *Journal of the American Medical Association*. Dr. Salk became an immediate celebrity. In 1954, clinical trials using the Salk vaccine and a placebo began on nearly two million American schoolchildren. In April 1955, it was announced that the vaccine was effective and safe, and a nationwide inoculation campaign began. New polio cases dropped to under 6,000 in 1957, the first year after the vaccine was widely available. In 1962, an oral vaccine developed by Polish-American researcher Albert Sabin became available, greatly



facilitating distribution of the polio vaccine. Today, there are just a handful of polio cases in the United States every year, and most of these are "imported" by Americans from developing nations where polio is still a problem. Among other honors, Jonas Salk was awarded the Presidential Medal of Freedom in 1977. He died in La Jolla, California, in 1995.

Upcoming Events

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

Too Funny... Had to Pass Along!

17 year olds challenged to dial a number using a rotary phone... Click [HERE](#)

17 year olds hilariously attempt to dial a rotary phone...



FARM TANK

Tweets of the Day



The @akcdoglovers announced that the #labradorretriever continued its 28 year streak as the most registered #dog of the year in the U.S.

statista.com/chart/17440/to...

Top 10 Most Popular Dog Breeds

Comparison of the top dog breeds registered in the U.S. in 2008 and 2018

2008	2018
1 Labrador Retriever	Labrador Retriever
2 Yorkshire Terrier	German Shepherd
3 German Shepherd	Golden Retriever
4 Golden Retriever	French Bulldog
5 Beagle	Bulldog
6 Boxer	Beagle
7 Dachshund	Poodle
8 Bulldog	Rottweiler
9 Poodle	German Shorthaired Pointer
10 Shih Tzu	Yorkshire Terrier



@StatistaCharts

Source: American Kennel Club

statista

WHAT I'M LISTENING TO:



Gabby Barrett
"I Hope"

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!

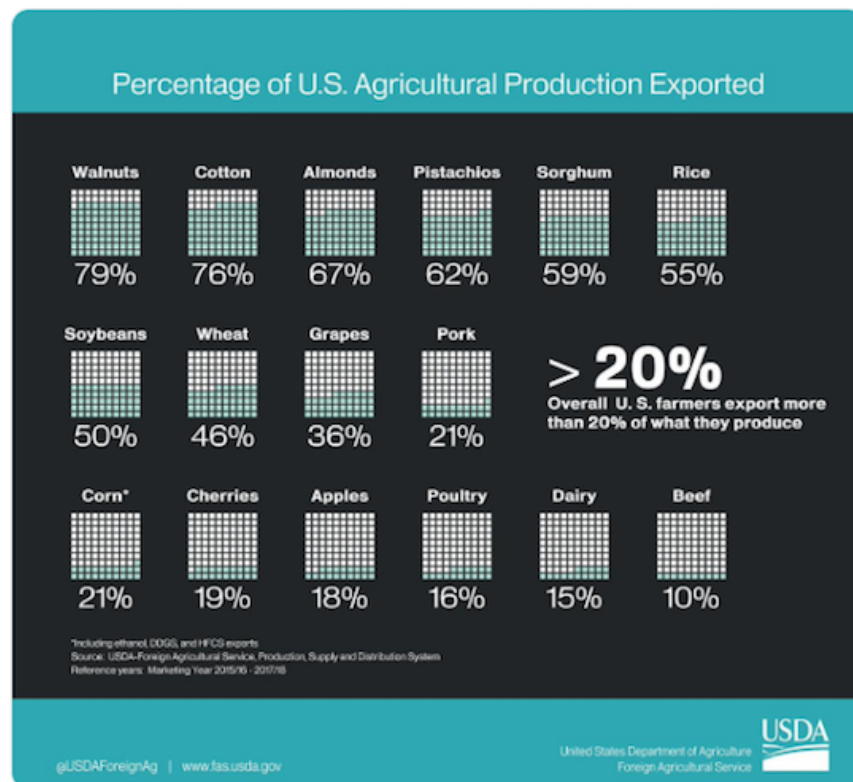
Kevin Van Trump

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

Percentage of U.S. #Agricultural Products #Exported @USDAForeignAg

(#Cotton, #sorghum, #rice, #soybeans,
#wheat, #pork, #corn, #dairy, #beef)



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.



Bones
@ChimperScott

Following



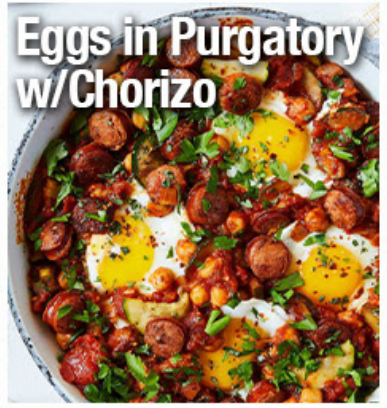
March 25th and I have yet to see a tractor turn a wheel doing fieldwork. Anywhere. Unreal. [#plant19](#)



Farm Direction
RECIPES

★ **FAMILY** ★
FAVORITES
-SENT IN BY OUR READERS-

**Eggs in Purgatory
w/Chorizo**



CLICK TO SEE RECIPE



KCCI News

@KCCINews

Following

Iowa's like a sibling -- we might tease Nebraska every so often, but we're also there to lend a helping hand in times of need. ❤️
(PC: Nebraska Governor Pete Ricketts)





Iowa Storm Chasing

@IAStormChasing

Following

Neighbors helping neighbors. Payten Curry spotted this semi on I-80, outside of Altoona heading west to Nebraska. She said there were three of these guys lined up heading to lend a helping hand.

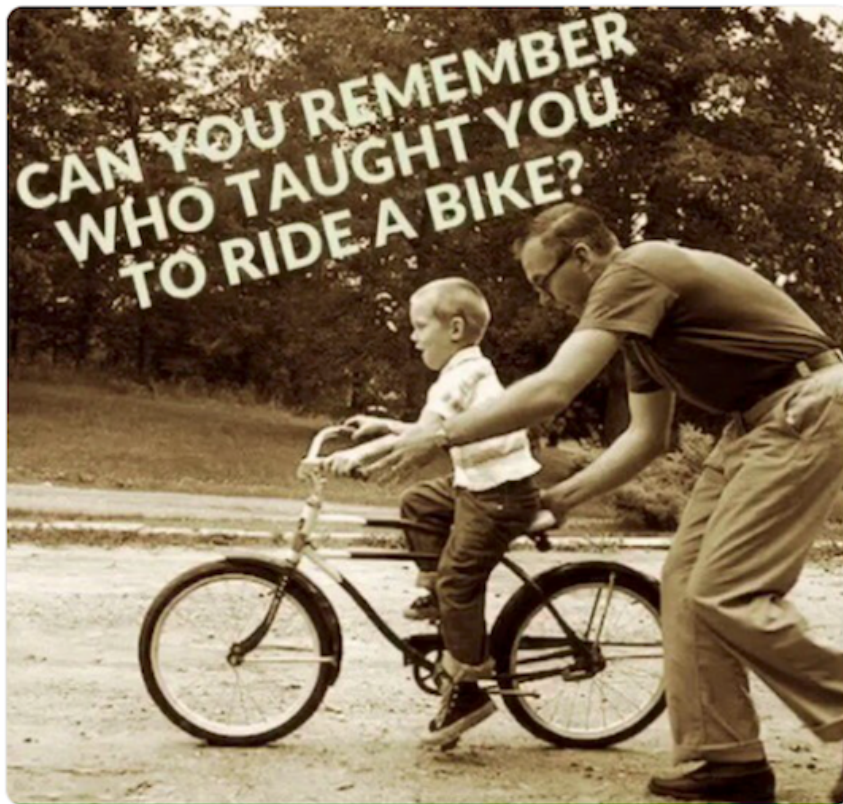




The Old Man Club
@TheOldManClub

Following

Can you remember who taught you to ride a bike?



Steve Burns
@SJosephBurns

Following

#FridayMotivation

**"Be consistent for 1
year and you'll
surpass even your
wildest ambition." -
Ed Latimore**

neuro mining



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

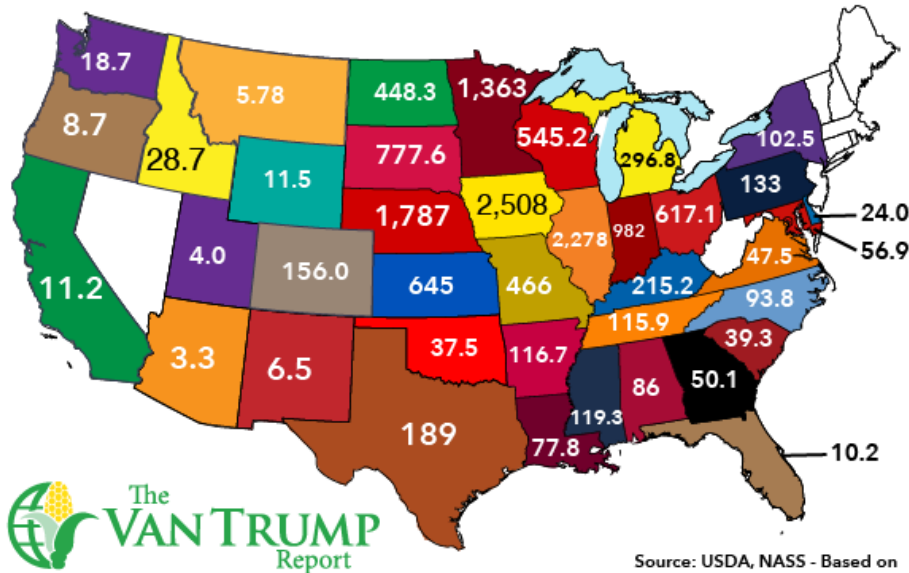
TODAY'S RIDDLE:

The dirtier I am, the whiter I get, Leave a mark on me when you stand, I'll leave a mark on you when you sit. What am I?

Corn bulls continue to talk about U.S. weather and hopes of additional Chinese buying. There's continued talks that the Red River Basin will be battling extremely high flood waters in the weeks ahead as the snowmelt will create additional complications. Bears are pointing to an improved forecast for the Delta region and less overall rainfall for several key growing regions across the Midwest. Nobody is signaling an all-clear, but it feels like the weather has stabilized to some degree and the market is comfortable, at least for now, in seeing how things play out over the next few weeks. Weekly export inspections were considered strong and at the high end of expectations. There's continued debate about Chinese buying. Bulls are hearing rumors that the Chinese could continue to buy U.S. corn and corn products even before a final trade deal is announced. Bears are saying that's highly unlikely considering they can source the supply from cheaper origins. As for ethanol demand, most sources inside the trade are saying that 10% to 15% of our nation's ethanol production has been hampered by floods in Iowa, Nebraska and South Dakota. This could obviously become a larger problem as snow melts, rivers and streams come out of their banks and flooding spreads. This is certainly something that needs to be closely monitored as we move forward. We will also need to keep a close eye on trucking freight, rail and river complications associated with flood waters. I've been preaching that we will see a big uptick in "preventive plant", but there's a lot of argument and pushback against that theory, so I guess time will tell. I doubt the USDA acreage estimate released on Friday will reflect any of that "preventive plant" talk, which will be a number we won't know fully until the FSA updates insurance claims later in the growing season. Hence, it could be another somewhat bearish data dump on Friday by the USDA. As a spec, I could see the weather excitement wearing off and prices again retreating on a bearish balance sheet. I'm thinking that's when I want to step in as buyer, betting on U.S. weather complications building during the 2019 growing season. I also think we could see stronger demand later in the marketing year. As a producer, I want to stay extremely patient, I still see there's more upside potential in price and better cash marketing opportunities ahead!

Corn Production by State in Million Bushels

Total US Corn Production: 1,884,458,000 BU

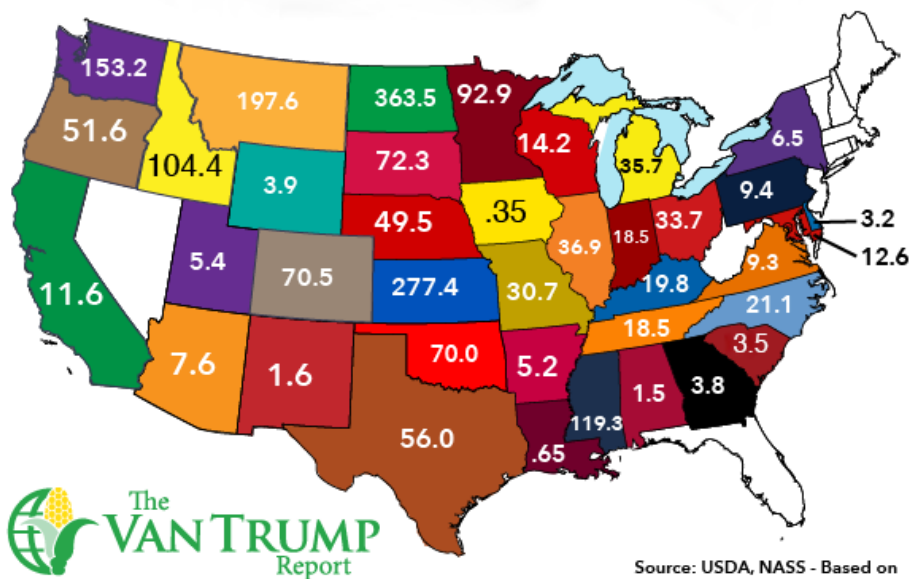


Soybean prices remain in a fairly narrow range. Since late-February the MAY10 contract has essentially traded between \$8.90 and \$9.20 per bushel. During the same time period, the new-crop NOV19 contract has essentially been trading between \$9.25 and \$9.50 per bushels. There's very little new to discuss. The harvest in Brazil looks to be about 70% complete and still running ahead of schedule. Most sources inside the trade are thinking Brazil's crop is going to come in around 115 MMTs, plus or minus 1 MMTs either side of that number. The USDA is currently estimating the Brazilian crop at 116.5 MMTs, which might eventually get trimmed just a bit. The good news is, the estimate is down substantially from the earlier forecast of 122.0 MMTs and down from last year's harvest of 120.8 MMTs. The Argentine crop is currently estimated at 55.0 MMTs which is up substantially from last year's harvest of 37.8 MMTs. As I've mentioned a few times, South American supplies had been heavily depleted, so even though there's currently no real story brewing, perhaps further down the road the market will be forced to reconsider. Here at home, weekly soybean inspections were up slightly from last week and within the range of most guesses. There were headlines circulating that Chinese buyers purchased an estimated 908,000 MTs from the U.S. in February vs. just 136,000 MTs in January which is a welcomed headline. Unfortunately, this was well below the 1.986 million metric tons of soybeans they purchased for Brazil in February, and well below the 3.350 million metric tons the Chinese purchased from the U.S. last February. In other words, it was nice to see a step in the right direction, but the bears still only see it as a small step not a giant leap. Karen Braun from Reuters provided a nice graphic that I included below. There's really not much on the schedule until later in the week, when we might start digesting trade headlines from U.S. Treasury Secretary Steven Mnuchin and Trade Representative Robert Lighthizer trip to Beijing. Don't forget we also have the USDA's acreage and quarterly stocks numbers scheduled for release on Friday. Most insiders seem to be bracing for another round of bearish data, but I suspect a lot of that is already cooked in and reflected in the current price.

U.S. agriculture. But I would be extremely careful jumping the gun in this market. As you can see in the recent charts, bulls who have false started in months past have been heavily penalized. Also keep in mind, most sources are seeing the recent heavy rains as mostly beneficial to overall soil moisture. Bears say, yes, some acres will be lost to flooding, but the good soil moisture could easily offset the losses with a more widespread yield bump. NASS reported yesterday that one of our top wheat producing states, Kansas, showed 52% of their crop in "Good-to-Excellent" condition with just 11% rated "Poor-to-Very Poor". We should be getting our first official look at winter wheat conditions next week. Last year, as of April 1st, the Kansas crop was showing just 10% rated "Good-to-Excellent" with 47% of the crop rated "Poor-to-Very Poor". Oklahoma last year was showing 46% of their crop in "Poor-to-Very Poor" condition. Texas last year was showing 59% of their crop in "Poor-to-Very Poor" condition. On the flip side of that argument, big production states out West like Montana, Washington and Idaho were in great condition last year at the start of April. Regardless, with over +1.0 billion in domestic ending stock, continued strong headwinds in the export space, and crop conditions much better this year than last in a few of our largest production states, you can see why prices have been pressured. I'm staying optimistic longer-term but recognize there's a ton of heavy lifting ahead.

Wheat Production by State in Million Bushels

Total US Wheat Production: 1,884,458,000 BU



> **China to Import Record Amount of U.S. Pork:** Reports circulating inside the trade show that China plans to import record amounts of U.S. pork as part of an overall trade package with the U.S., some insiders are saying Chinese purchases of U.S. pork could be up to +300,000 MTs in 2019. (Source: Bloomberg)

> **Temporary Cattle Grazing on CRP Acres in Nebraska:** The Farm Service Agency (FSA) announced temporary grazing will be allowed on CRP ground for cattle in Nebraska across all counties. The initial time frame looks to be until April 30th. From what I understand, there will be no penalty or rental reduction for those acres. Also, land owners are not allowed to charge livestock producers to graze those acres.

> **Weather Shaves ADM Q1 Operating Profits:** Flooding and severe winter weather in the U.S. Midwest will reduce Archer Daniels Midland Co's first-quarter operating profit by -\$50 million to -\$60 million, the U.S. grains trader said on Monday. Record floods that have devastated a wide swath of the Farm Belt across Iowa, Nebraska, South Dakota and several other states, have also idled ethanol plants, slowed rail shipments of agricultural products and swamped storage bins holding grain from previous harvests.

> U.S. Border Agents Seize 1 Million Pounds of Food From China: *Earlier this month, it was reported that U.S. border agents had seized 1 million pounds of pork in attempt to keep out African swine fever. However, that has been clarified to food products as the containers seized also had noodles and tea bags that were used to facilitate the unlawful import of pork products. The importers may be facing charges for this attempt to smuggle illegal food products into the country. U.S. officials determined the seized products could contain African swine fever because China has the disease according to Customs and Border Protection and the USDA. (Source: Reuters)*

> EGYPT Reverses The Way They Make Their Wheat Purchases: *Egypt, the world's largest wheat importer, will go back to paying its grain suppliers within 180 days instead of immediately, a government source and traders told reporters. Before this new deal, GASC's letters of credit -- banking guarantees for on-time payment to sellers -- were being issued prior to shipment, with payment guaranteed within 180 days. Why this matters is that people are now questioning how much money Egypt has. This delayed payment is expected to add \$6 to \$7 a ton to the cost of buying wheat compared to immediate payment. Understand, Cairo pays around \$1.5 billion annually for the grain as part of a bread subsidy program on which many of Egypt's almost 100 million people depend. (Source: Reuters)*

> Soybean Imports Up 11% for EU: *Due to crop shortages last season cutting into the bloc's oilseed production, member countries sought to bring in more soybeans. I'm told that imports are now running ahead of last year and that they have imported 10.4 MMT so far. Also, the EU's soy meal imports to date lag year-ago by 1.3 MMT at 12.7 MMT, down 9% from the year prior.*

> Chinese Researchers Claim to Have Isolated an ASF Virus: *Desperately needing a vaccine, researchers in China's northeast Heilongjiang province claims its researchers have successfully isolated an African swine fever (ASF) virus, according to China Daily. I'm told that while this may be a first step in creating a vaccine, other scientists say we are likely at least a decade away.*

> As Temperatures Warm, More Floods To Come: *According to the National Weather Service, icy tributaries in Montana and the Dakotas are threatening more floods for weeks to come. High flood waters have already returned in the western Dakotas, northwest Nebraska and central and eastern Montana along smaller rivers that feed into the Missouri, the nation's longest river. The Billings Gazette has already reported late Sunday that rapid snow melt drove ice jams on the Little Bighorn River, forced the shutdown of stretches of major highways in eastern Montana all the way to the Wyoming border. But warmer temperatures in the upper 60s this week will drive more snowmelt that will eventually flow south. All that water is still headed downstream.*

> Chicken Nugget Sales May Be Showing Signs of Slowing: *Industry analytics firm NPD says chicken nugget options at U.S. restaurants fell 3% in the year ending in September 2018; chicken strips were up 16% but there's little crossover between consumers of strips and nuggets.*

> Senate Prepares for Vote on New Green Deal Resolution: *Debate and a possible floor vote awaits Senators this week. The vote's focus will be on the controversial Green New Deal resolution, which calls for zeroing out U.S. greenhouse gas emissions. From what I understand, Democrats are expected to vote "present," rather than voting yes or no and risking the chance of riling voters.*

> \$50 Million First-Ever Video Gaming Facility in Philadelphia: *Comcast Spectacor, which owns the Flyers, is to announce Monday morning that it will construct the first arena for gaming fans in the U.S. for the Comcast-owned Fusion, company officials say. The \$50 million project is a testament to the surging popularity of esports, in which players compete in video games before large crowds. The company plans to break ground this summer on part of the 47-acre stadium complex site that Comcast Spectacor leases in South Philadelphia. The 3,500-seat arena will rise on a parking lot, next to Xfinity Live! and within walking distance of the Linc, Citizens Bank Park, and the Wells Fargo Center. (Source: PhillyInquirer)*

> New Jersey Delays Legalized Marijuana Vote: *NJ could have been the 11th state to legalize recreational marijuana today, but lawmakers canceled a vote because they didn't have enough support in the Senate. That said, they'll schedule another vote this year, perhaps as soon as May. Policymakers in the state have already agreed on many of the regulatory details, including a \$42 an ounce tax on retail cannabis and creating a 5-member commission to oversee the industry. (Source: NY Post)*

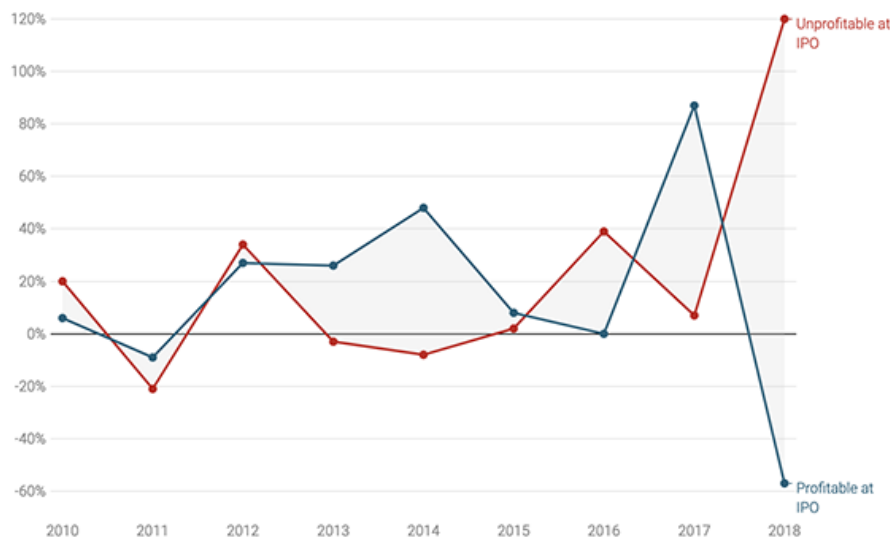
> NFL Breaks From Tradition in Opening Game of 2019 Season: *To open its 100th season, the NFL will showcase its oldest rivalry, when the Green Bay Packers travel to Soldier Field on Sept. 5 for a Thursday night kickoff against the Chicago Bears, the league announced Monday. The defending Super Bowl champion typically hosts the NFL's first game of the season, but the league broke from tradition to honor its history, as it will be the 199th game between the two rivals. This of course means the Packers will host the rivalry's 200th game at Lambeau Field later in the season. For the Packers,*

the game will kick off their 100th birthday, having been founded on Aug. 11, 1919. (Source: USAToday)

> Unprofitable Companies Get More Investment in 2018 than Profitable Ones:

This is counterintuitive and quite interesting: public investors have been valuing unprofitable companies higher than they are profitable ones that entered public stock exchanges last year. A study from PitchBook looked at median stock-price change for startups valued at more than a billion dollars when they went public. For the unprofitable ones that went public in 2018, their median stock-price growth has been 120% on an annualized basis, compared to 57% for profitable companies. DocuSign, for example, has been consistently unprofitable before and after its April 2018 IPO. It has currently been trading at about \$57, well above its \$29 offer price. In general, over the past nine years, profitability has barely made a difference in stock-price performance. (Source: Recode, PitchBook)

Median annualized stock price changes for unicorns since IPO



Uses compound annual growth rate from IPO offer price through March 12; Profitability based on EBITDA margin at IPO.

Source: PitchBook

recode



Northern Minnesota – We are still on the verge of flooding if we have a quick melt and a rain at the same time. We are still a handful of weeks from seeing all the ground if the temperatures do about what they are doing now. The only problem I see coming down the pipe is the fact we will see 50 degrees on Wednesday with some light rain. If we get too much rain with the higher temperatures, we could start to see flooding issues. Right now, we are looking at light rains. We are primarily focusing on hauling corn waiting for spring to arrive.

Central Kansas – We just thawed out recently and the last snow has finally melted away. The permafrost is slowly coming out as we should heat up quite a bit this week, but we have another decent chance of rain coming later this week. We are hopefully going to be in the field middle of April. This weekend we had a mix of a couple hundreds of rain, to about an inch and even a little mix of hail east of us about 20 miles. There's absolutely no crop a hail storm can hurt right now including wheat.

Southern Illinois – I wanted to pass a quick note along to you. A good chunk of wheat was drilled in late and never saw a good stand. The wheat that was drilled has had way too much water, coupled with a poor stand will get 20-25% of the wheat destroyed before it ever has a chance. Guys will probably try and come in and plant either corn or soybeans depending how wet this fall truly is.

CROSSING WIRES

A place to share intelligent thoughts...

Trials and Tribulations of a Budding Industry: Demand for CBD is so strong that companies are scrambling to infuse their products with it, but the CBD they're finding isn't all that great. Last year, retail sales of CBD consumer products in the U.S. were estimated at between \$600 million and \$2 billion, according to investment research firm Cowen. The bank conservatively forecasts sales to reach \$16 billion by 2025, with health and wellness products leading the way and food, beverage, beauty and vapor to also play a role. The current supply chain — from plants, to extraction, to labs — is riddled with issues, and the nascent industry is trying to work through the kinks at the same time demand is ramping up, leaving producers frustrated and consumers stuck trying to sift good products from bad ones. Most hemp farmers are growing the plant like a tomato, a process that's expensive and intensive, said David Williams, an agronomist at the University of Kentucky who studies hemp. This model works for marijuana because you want the flower to look and smell nice. For hemp that will be used to extract CBD, this system is incredibly expensive and unnecessary since you only care about what's inside the flower, Williams said. Learn more [HERE](#) on the budding industry.

Is There a Scientific Explanation for Why Time Seems to Fly By? As we get older, it becomes obvious that life really does feel like it goes by in the blink of an eye. While childhood summers felt long and eventful enough to be their own Netflix series, scenes from adulthood may seem more like improv shows you felt obligated to attend. You liked it, but what really happened — and is it over already? Numerous researchers have attempted to explain why this perplexing feeling persists. In a paper published recently in *European Review*, Duke University professor Adrian Bejan, Ph.D. attempts to explain the perception of rapidly passing time with his knowledge of physics. I should mention that Bejan is an award-winning mechanical engineer known for conceiving a theory in physics called "constructal theory." I'm told this is a way of accounting for all things in nature — life, design, and performance — in the context of the spontaneous creation made possible by the flow of time. In his new study, Bejan examines time as we experience it through the lens of this theory, using previously published research from other experts to back him up. Read more [HERE](#) to find out his theory of why one day feels shorter or longer than another.

Drones Are More Active Than You Might Think: Five years ago, the pundits predicted that by now we would be seeing tens of thousands of drones buzzing over our heads delivering everything from pizzas and burritos to the latest "must-have" item from Amazon. So what happened? Where are they? In a nutshell, they are here, but the general public doesn't see them—at least not daily—and they aren't necessarily delivering what was predicted. The fact is that commercial drones fly in remote areas or over private property every day by the thousands. They're performing work on farms, powerlines, construction sites, cell towers, and oil pads, especially in the U.S. where there are more than 118,000 FAA-certified remote pilots. Compare that to the U.K., where there are just under 5,000. Delivering pizzas and burritos will likely be a very small part of what drones will be doing in the future. According to the largest benchmark study on commercial drones, the bulk of all current industrial use outside of film, photo and video falls into two categories: surveying and mapping land areas and inspecting and monitoring physical structures. Read more [HERE](#) to see what three companies driving growth are doing.

NCAA March Madness Live Set All-Time Streaming Records... as college basketball fans flocked to both cable and alternative broadcasts. CBS Sports and Turner Sports' coverage of the 2019 NCAA Mens' Basketball Tournament hit records across all platforms during the first week, the companies reported on Monday. NCAA March Madness Live, the streaming hub for NCAA basketball tournament games, reached a record in terms of both live streams and live hours of consumption, each increasing by more than 25%. The increase in streaming viewership occurred alongside record-setting performances for linear TV. The month-long tournament achieved its second-highest rating in 29 years, when the NCAA tournament expanded to its current television format in 1991. Viewership was up 8% from the same one-week period in 2018. In fact, Sunday's third game, highlighted this year by the down-to-the-wire Duke-UCF game, was up 35% from last year. Read more [HERE](#).

North Entrance to St Edward's Church Looks Like Portal to a Mythical Realm: Bound by two ancient yew trees, this door looks more like a portal to a fairy realm than a church entrance. The arched wooden opening, capped by colorful stained glass windows, beckons visitors to unleash their imaginations and fantasize about the magical worlds that may be hiding on the other side. Given the entry's enchanting appearance, there's little wonder why local lore says it inspired J.R.R. Tolkien's Doors of Durin. Like this door, those elven entrances were flanked by two magnificent trees. People speculate the writer came across the door during one of his many visits to the Cotswolds. Even without a concrete Tolkien connection, St Edward's Church is well

worth visiting. The structure was built in the Middle Ages and is now a medley of fixtures from various centuries. Explore the building and you'll find fragments dating from the 1000s through the 1600s, as well as pieces installed during Victorian-era restorations. Its tree-framed north door was constructed during the 13th century. See more [HERE](#).





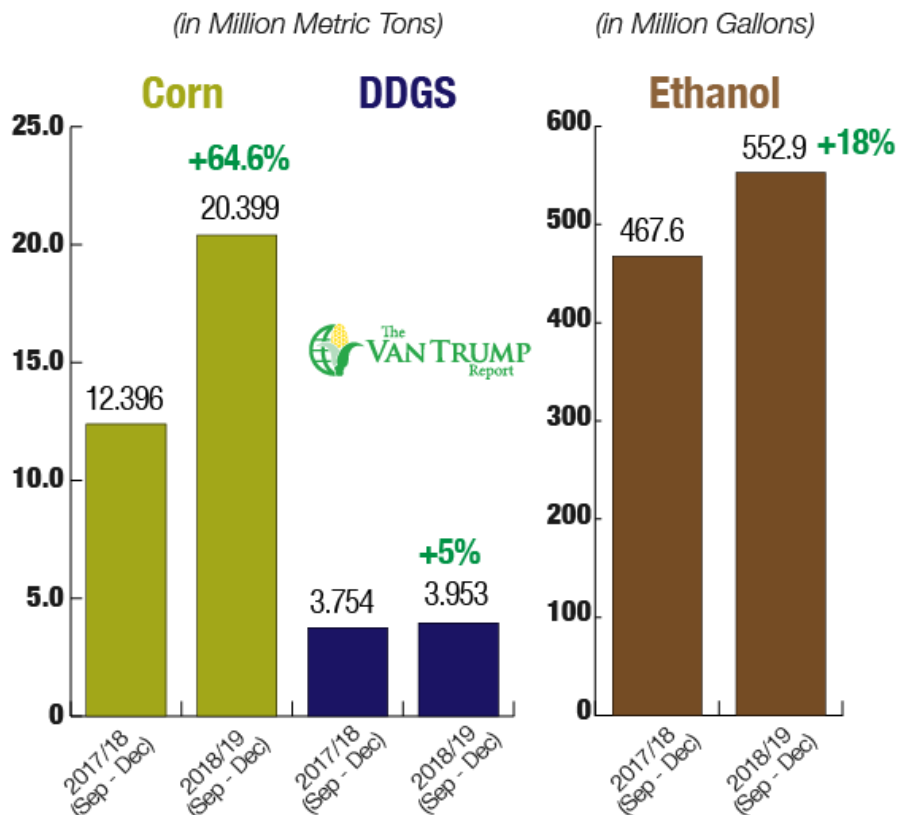
Interesting Data on Feed Grain Exports

There's a lot of debate inside the trade right now surrounding growth in corn exports. Bulls argue that Chinese buying could bring a massive windfall. Bears argue that a much larger crop out of South America and continued strong competition from Ukraine will work to limit U.S. exports. I thought it would be interesting to take a look back at some recent data released by the U.S. Grains Council. In the first four months of the 2018/19 marketing year, September 2018 - December 2018, demand for U.S. feed grains and ethanol has been particularly strong despite the Chinese trade conflict. Overall exports of feed grains in all forms during that period were up +25% year-over-year at 38.9 million metric tons (about 1.53 billion bushels). By commodity, U.S. exports of corn, dried distillers grains with solubles (DDGS) and ethanol continue to realize substantial growth in both established and developing markets. Below are some interesting highlights from the U.S. Grains Council on the shifting dynamics and continuous market development efforts resulting in growing demand for U.S. grains. I will pass along all of the details from the first half of 2019 once the data is released. I'm thinking corn exports might remain strong longer than many in the markets are currently giving credit.

- Nine of the top 10 U.S. corn buyers upped purchases year-over-year, resulting in an overall increase of +64.6 percent at nearly 20.4 million tons (803 million bushels).
- Mexico continues to represent the largest buyer of U.S. corn at 6.09 million tons (240 million bushels) with a +20 percent increase in imports thus far in the marketing year.
- Japan – the second largest buyer last marketing year – nearly doubled U.S. corn purchases to 4.31 million tons (170 million bushels).
- Egyptian purchases of U.S. corn jumped to 530,000 tons (20.9 million bushels) thus far in the marketing year, breaking into the top 10 buyers and already exceeding total purchases in 2016/2017.

- Eight of the top 10 U.S. DDGS buyers also increased purchasing, driving a slight +5.3 increase overall to 3.95 million tons. While Mexican imports are currently down year-over-year, the country still represents the largest U.S. DDGS buyer at 616,000 tons.
- Ethanol exports continue rapid growth with nine of the top 10 buyers expanding purchases year-over-year, resulting in an overall increase of +18.2 percent to nearly 553 million gallons.
- Brazil, now in between sugarcane harvests, is supplementing domestic ethanol production with U.S. ethanol to satisfy domestic demand. As a result, U.S. exports to Brazil – the largest purchaser of U.S. ethanol – increased +48 percent year-over-year to 148 million gallons.
- Regional increases in demand resulted in an +11 percent increase of exports to Canada at 122 million gallons as individual provinces work to boost blend rates beyond the mandated E5 national level.
- Notably, U.S. ethanol exports to South Korea have more than doubled year-over-year to nearly 34.5 million gallons.

U.S. Grain-in-All-Forms Exports Up 25.2% in First Four Months of 2018/19



Source: U.S. Census Bureau Trade Data, USDA, FAS

What You Need to Know About Googles NEW Future of Gaming... "Stadia"

If you have kids or grandkids who like to play video games, I wanted to bring you up to speed on Google's latest deep-dive into the space. If nothing else, it's an elementary understanding of where the gaming industry is headed and will provide you with some intelligent talking points. The old days of an Atari, Nintendo, Playstation or X-box console seem to be on the way out as gaming will soon be done exclusively over the cloud with the ability to compete with players all across the world. Google recently announced that the company is launching a game-streaming service called Stadia, which the company believes is the future of gaming and many are already calling it the "Netflix of Games." Stadia is a new cloud gaming platform that is an all-in-one platform for playing, watching, and developing video games across a wide variety of devices. The company said during the event that Stadia can be used on any device with a Chrome browser and internet connection, which means the platform will launch on desktops, laptops, TVs, tablets, and phones. In addition, the service will work across many different platforms, so you won't just be competing with other Stadia users. In a nutshell, they are creating a platform where all video gaming could take place in a browser based or web type format. The thought is this will allow complete and transparent connectivity amongst all gamers. Google believes if they can pull this feature off, then they can turn 100-person games like "Fortnite" into 1,000-player battles royal. They also say that gamers can play on the platform using their own

controllers. Stadia will also allow a wide variety of developers to sell their games in new ways including directly through YouTube and Twitch live streams. For example, load up a trailer for "Assassin's Creed: Odyssey" on YouTube and at the end click the Play button and the game will load in as little as five seconds in your Chrome browser, ready to play. Of course there are the doubters, saying the slight internet lag will keep many of the top gamers from joining the platform. I can't argue that fact, but I suspect Google is making this play with 5G in mind. It's unclear when the official launch date will be in 2019 and how much Stadia will cost gamers, but comparable services generally cost between \$5 to \$30 per month. Keep in mind, other services like Sony's PS Now costs \$20 per month and Microsoft's Xbox Game Pass costs \$10 per month that lets gamers download and install an unlimited number of games. It still seems like Sony, Microsoft, Amazon, and Google will continue to be the key players in this cloud gaming war. I encourage you to click [HERE](#) to watch Google's first trailer of Stadia, it's short and does a great job of showing their long-term vision!

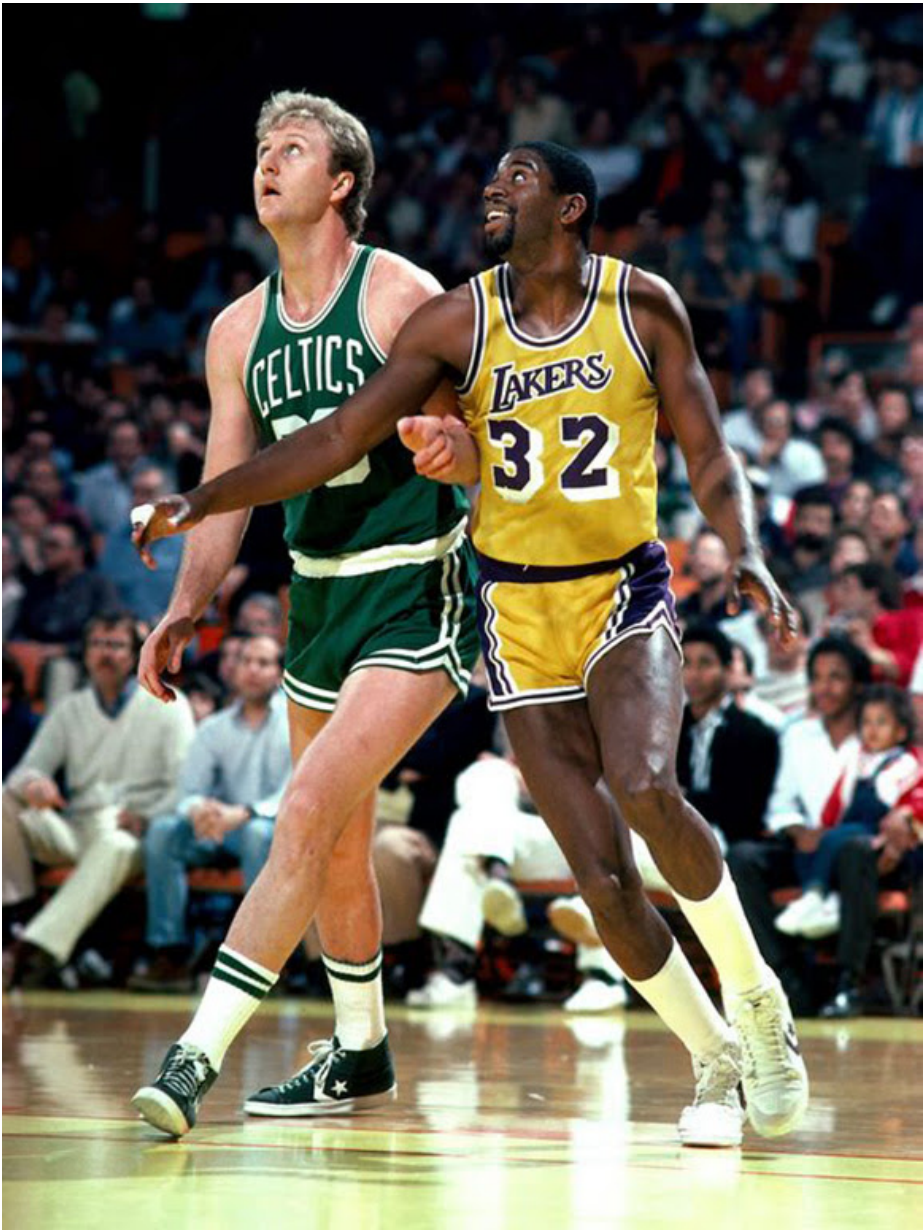


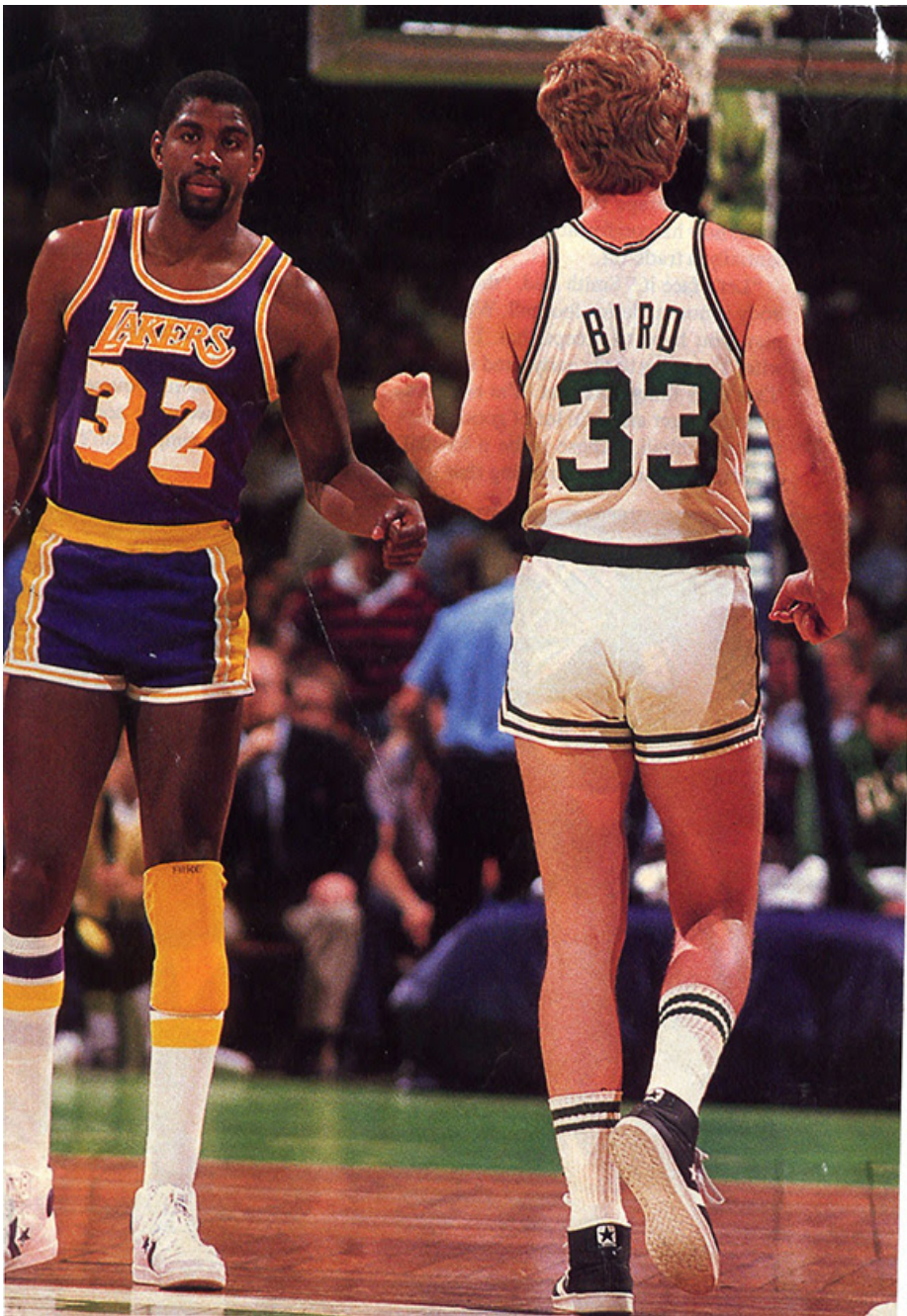
Two of the Greatest to Ever Play the Game!

40 years ago today, in 1979, a young Earvin "Magic" Johnson leads the Michigan State Spartans to a 75-64 victory over Larry Bird's Indiana State Sycamores in the NCAA men's basketball championship game. I remember watching this game with a bunch of my little league basketball playing buddies. It was the most watched college finale ever of its time, and the game set the stage for one of the greatest rivalries in basketball history "Magic vs. Bird". Magic Johnson was an extremely gifted ball handling wizard who had grown up playing the game in East Lansing, Michigan. Earvin Johnson Jr. was born in Lansing, Michigan, the son of General Motors assembly worker Earvin Sr. and school janitor Christine. Johnson, who had nine siblings often says he was influenced greatly by his parents' strong work ethic. His mother spent many hours after work each night cleaning their home and preparing the next day's meals, while his father picked up nighttime janitorial work at a used car lot and collected garbage on the weekends, all while never missing a single day at General Motors. Johnson was often needed to help his father on the garbage route, and he was teased by neighborhood children who called him "Garbage Man". Although Johnson was recruited by several top-ranked colleges such as Indiana and UCLA, and considered one of the best high school players in America, he decided to play close to home. His college decision came down to Michigan and Michigan State in East Lansing. He was extremely close to his family and decided to stay in East Lansing. Larry Bird, was also a high school basketball star that could shoot the lights out of the gym. Bird was born in West Baden Springs, Indiana, but was raised in nearby French Lick, Indiana where his mother worked two jobs to support Larry and his five siblings. Bird has said that being poor as a child still motivates him "to this day". Larry Bird's father committed suicide while he was in high school. Bird has said countless times that he has used basketball as an escape from his family troubles. Many people don't remember, but Bird received a scholarship to play for legendary coach Bobby Knight at Indiana University, one of the finest teams in the country. However, Bird was homesick and uncomfortable in the spotlight in Bloomington and left after just one month. He returned to French Lick, and eventually enrolled at the smaller Indiana State, far from a basketball powerhouse. There, Bird was a one-man offense, averaging 30 points per game as a sophomore, junior and senior. He led the Sycamores to an undefeated record in his senior season (1978-79). Going into the final showdown with Magic and the Spartans, his team stood at an impressive 33-0. Michigan State got the best of Indiana State that night back in 1979 and won the National Championship. After college, Magic was drafted by the Los Angeles Lakers, while Bird went to play for the Boston Celtics. It's crazy to think about, but Bird inked a five-year, \$3.25 million contract with the Celtics in 1979, making him the highest paid rookie in league history at the time. It's especially crazy when you think about how much the "Bird vs. Magic" rivalry did to reinvigorate the flagging NBA, boosting ticket sales and television tune-in. Much to fans' delight, Magic and Bird played head-to-head for the NBA championship three times over the course of their pro careers: Bird's Celtics won in 1984, and Magic's

Lakers won in 1985 and 1987. Interestingly, both players stayed true to their fans and never left their team for money or more fame. They also became two of the greatest basketball players to ever step on the court. Despite the epic rivalry, Bird and Magic actually became great friends. In fact, when Johnson was diagnosed with HIV in 1991, Bird was the first player he called. During his playing career, Magic Johnson averaged 19.5 points, 7.2 rebounds, and 11.2 assists per game, the highest assists per game average in NBA history. Johnson is second only to Oscar Robinson in "triple-double" with 138. Johnson also did extremely well off the court with his businesses and investments. In 1994, Johnson became a minority owner of the Lakers, having reportedly paid more than +\$10 million for part ownership, which back then was a lot of money. In 2012, Johnson headed up a team with Stan Kasten and Guggenheim Partners to buy the Los Angeles Dodgers for a whopping \$2 billion, the largest amount ever paid for a professional sports team. Johnson also owned the Dayton Dragons, a Class-A minor league baseball team in Dayton, Ohio, that sold out more than 1,000 consecutive games, a record for professional sports. In 2015, Johnson completed his planned acquisition for a "majority, controlling interest" in EquiTrust Life Insurance Company, which manages \$14.5 billion in annuities, life insurance and other financial products. As for Larry Bird, he was the first player in NBA history to shoot 50% or better on field goals, 40% on three-pointers, and 90% on free-throws in a single NBA season. Bird won NBA three-point-shooting contests in three consecutive years and his teammates said he often practiced shooting three-point shots with his eyes closed. Bird is also remembered as an excellent passer and defender. While he was relatively slow, Bird displayed a knack for anticipating the moves of his opponent. Bird was widely considered one of Red Auerbach's favorite players. The legendary Auerbach considered Bird to be the greatest basketball player of all time! You might not know it, but the Twitter bird logo is actually named Larry in honor of Larry Bird.





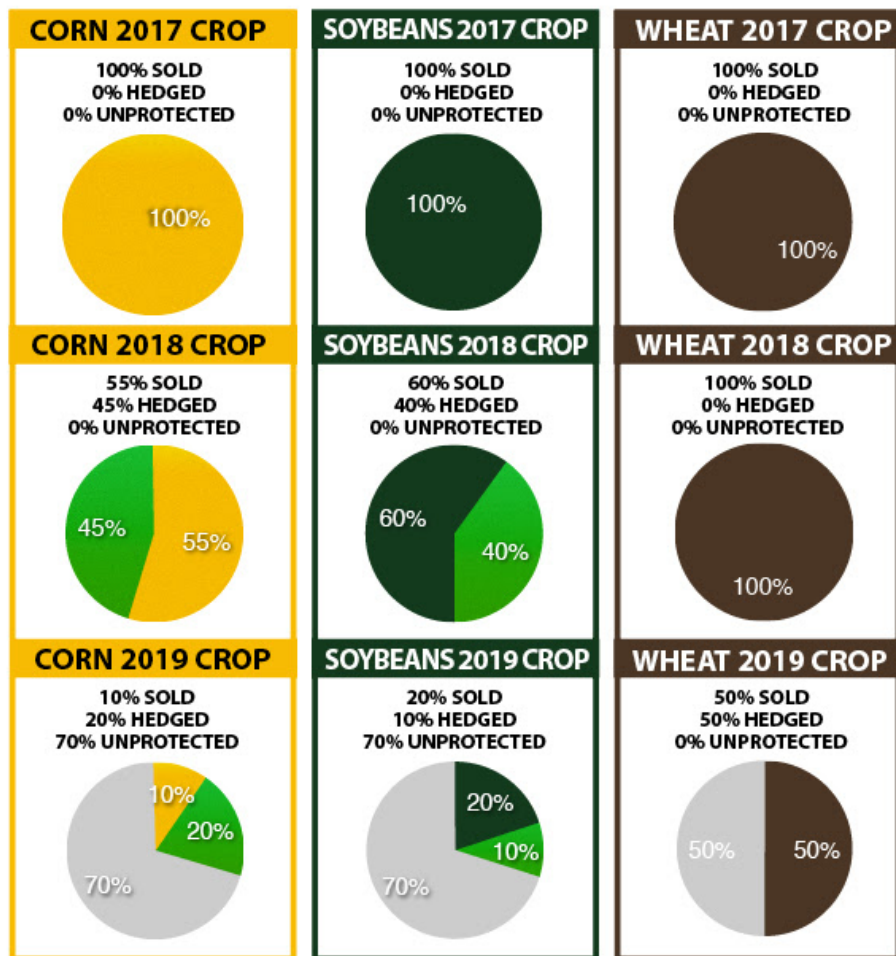




ANSWER to riddle: A chalkboard.

CASH SALES & HEDGING TOTALS

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