

## GOOD MORNING: 03/27/19 Farm Direction - Van Trump Report

1 message

The Van Trump Report &lt;reply@vantrumpreport-email.com&gt;

Wed, Mar 27, 2019 at 7:37 AM

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### Today In History

"Instead of looking at the past, I put myself ahead 20 years and try to look at what I need to do now in order to get there." - Diana Ross

**WEDNESDAY, MARCH 27, 2019**
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stocks are steady this morning and about to close out their best quarter since the third quarter of 2009. Market participants that exited in late-December on the big setback are more than likely kicking themselves. I've been there many times in my investing career. I like to call it zigging when I should have been zagging. When it happens, it becomes a complete psychological mind bender. Do you jump back in now, only to perhaps be buying the high and taking another tumble to the downside? Or do you simply stay on the sideline and perhaps miss the final flurry and biggest rally to the upside in this entire bull run? That's why I like to say trading, investing and even ag marketing is rarely about the chess piece you are about to move, but most importantly how that move is going to psychologically impact your next three or four moves. In other words, always think, could the move I'm about to make place me in a position that might create a major psychologically hurdle in the immediate or nearby future. Often times it is not about the plan, strategy or the market but rather our inability to "execute" because of the psychological barriers we have boxed ourselves into. Data released yesterday showed another round of weaker than expected U.S. housing starts. New residential starts slumped -8.7%. The good news is, existing home sales jumped by double digits in February compared to January, but sales were still down -1.8% compared to last February. Properties remained on the market for an average of 44 days in February, which is up considerably from just 37 days a year ago. It is still estimated that 41% of homes sold in February were on the market for less than a month. In my opinion, that still shows signs of strength. Many insiders were hoping the lower interest rates and rebounding stock market would have created a bigger tailwind, perhaps this Spring we will see stronger numbers. According to Freddie Mac, the average commitment rate for a 30-year, conventional, fixed-rate mortgage decreased to 4.37% in February from 4.46% in January. There's still some concern that housing prices have run up too far too fast. Im personally not in that camp, but I do remind myself and recognize that the median existing-home price for all housing types in February was up again by +3.6% to an average of \$249,500 which compares to an average of \$240,800 in February 2018. I should note, February's price increase marks the 84th consecutive month of year-over-year gains in housing prices. Realtor.com's Market Hotness Index, measuring time-on-the-market data and listing views per property, revealed that the hottest metro areas in January were Midland, Texas; Chico, California; Colorado Springs, Colorado; Spokane-Spokane Valley, Washington; and San Francisco-Oakland-Hayward, California. I thought it was also interesting to see that "first-time buyers" were responsible for 32% of the sales in February, up from last month and up aggressively from a year ago. As for today, the economic calendar is fairly light here at home, with most inside the trade keeping an eye on Chinese data released overnight, comments and headlines out of the European Union, and the next round of U.S. and Chinese trade talks which are scheduled to being later tonight and into tomorrow.

**Massive Wave of U.S. Oil Exports Happening:** American oil exports stepped up a gear last year, jumping more than +70% to just over 2 million barrels a day, according to government data. Over the past four weeks, U.S. oil exports have increased even further jumping to more than 3 million barrels a day --- more than what Kuwait sells. Oil traders and shale executives believe U.S. crude exports are set reach 5 million barrels a day by late 2020, up another +70% from current levels. Not even Saudi Arabia in the 1960s and 1970s saw oil exports grow so quickly. What started as an American phenomenon is now being felt around the



### 1829, Jackson Appoints John Eaton as Secretary of War

- On this day in 1829, President Andrew Jackson defies Washington society matrons and appoints scandal-plagued John Eaton as his secretary of war. Earlier that year, Eaton had married a former tavern maid with a supposedly lurid past. Margaret Peggy Eaton had been raised in a boardinghouse frequented by Washington politicians and became an astute observer of politics, as well as an accomplished musician and dancer. She charmed many of the boardinghouse's tenants, including then-Senator Andrew Jackson and his friend John Eaton, and was suspected of having many illicit affairs before her first marriage. She was 23 and the wife of a Navy sailor when she first met Jackson and Eaton. Eaton enjoyed Margaret's wit and intelligence and escorted her to social functions when her husband was at sea. When Margaret's first husband died unexpectedly, rumors abounded that he had committed suicide over his wife's alleged affair with Eaton. Both Eaton and Margaret denied the affair, claiming to be nothing more than friends. In addition to Margaret's sullied reputation, her passionate nature, flirtatiousness and outspokenness irked Washington's society matrons at a time when those qualities were considered unseemly in women. When Eaton and Margaret married shortly after her first husband's death, the ladies of Washington society ostracized the new couple. Jackson sympathized with and supported his friend Eaton. Jackson's late wife Rachel—whom he had unwittingly married before her divorce from her first husband was final—had also been the victim of social gossip when she first came to Washington. When someone advised Jackson against making Eaton his secretary of war because of Margaret's reputation, Jackson barked, do you suppose that I have been sent here by the people to consult the ladies of Washington as to the proper persons to compose my cabinet?!" Secretary of State Martin Van Buren also sided with Eaton. It

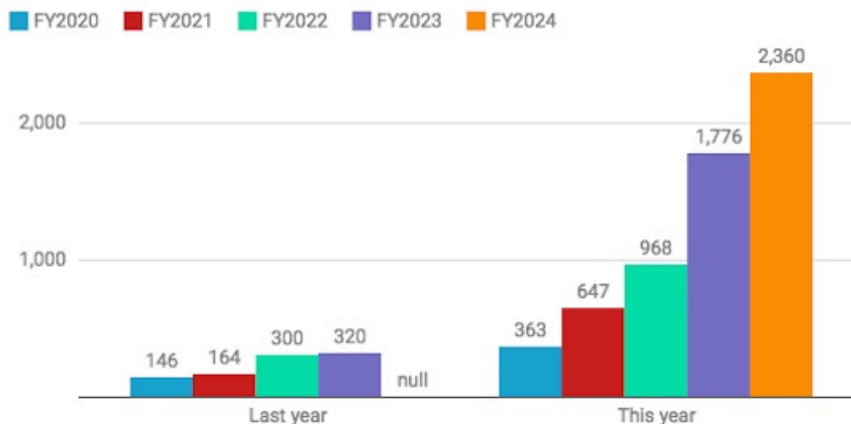
world as U.S. oil exports surge to levels unthinkable only a few years ago. The flow of crude will keep growing over the next few years with huge consequences for the oil industry, global politics and even whole economies. OPEC, for example, will face challenges keeping oil prices high, while Washington has a new, and potent, diplomatic weapon. I encourage everyone to read the full article by Javier Blas, which is titled "A Flood of U.S. Oil Exports Is Coming" at Bloomberg

**A Change to the Dow Jones Industrial Average:** Dow Inc. will replace DowDuPont (NYSE:DWD) in the Dow Jones Industrial Average on April 2 following the chemical corporation's breakup into three smaller companies - Dow, DuPont and Corteva Agriscience. The change will maintain the benchmark's exposure to the materials sector, and its price weight within the DJIA will be similar to DowDuPonts before its breakup. Dow Inc. will also join the S&P 500 on April 2, replacing Brighthouse Financial. (Source: SeekingAlpha)

**U.S. Wants to Get Humans Back on the Moon:** In a potential boon for private space companies like Elon Musk's SpaceX and Jeff Bezos' Blue Origin, NASA is asking Congress for billions of dollars over the next five years to speed the development spacecraft capable of flying humans to and from the moon. NASA requested \$363 million for fiscal year 2020 for the Advanced Cislunar and Surface Capabilities (ACSC) program, more than double what the space agency sought last year. More importantly, NASA estimates the budget for the program would grow to \$2.4 billion by fiscal year 2024, as the agency begins to award companies with development contracts. The increased funding for ACSC also matches with statements Vice President Mike Pence made on Tuesday at a National Space Council meeting. Pence said it is the White House policy "to return American astronauts to the moon within the next five years." Although he said the SLS rocket must be accelerated to do so, he urged NASA to reach the moon "by any means necessary."

## NASA estimate for ACSC program in FY2019 vs. FY2020

The space agency's most recent budget request reveals nearly a five-fold increase in the funding allocated in future years for the lunar ACSC program.



(\$ in millions)

Chart: Michael Sheetz • [Get the data](#) • Created with Datawrapper

was Vice President John Calhoun's wife who led Washington's elite in snubbing the Eatons at social gatherings. For the rest of Jackson's first term, his opponents used the Eaton Affair or Petticoat Affair, as it was known, to attack the president's moral judgment and, by extension, his administration's policies and appointees. By 1831, the Eaton Affair had proved immensely divisive and politically damaging to Jackson. In response, Eaton and Van Buren resigned in order to give Jackson the opportunity to overhaul his cabinet with new members and protect his presidency from further scandal.



**1945, Germans Launch Last of Their V-2s** - On this day, in a last-ditch effort to deploy their remaining V-2 missiles against the Allies, the Germans

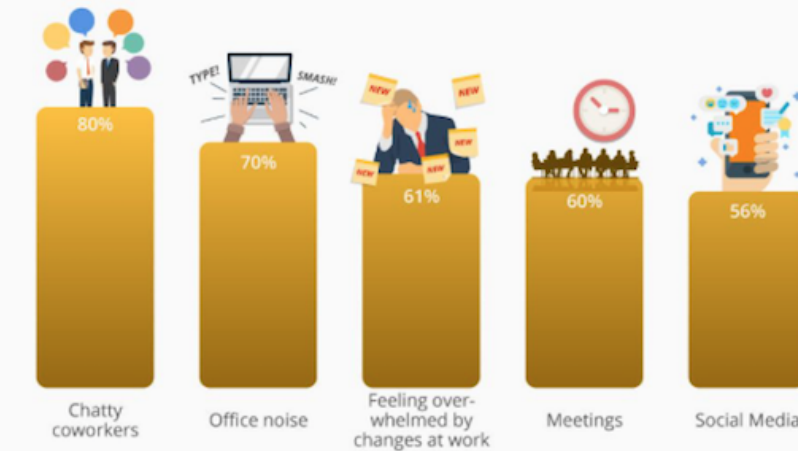
launch their long-range rockets from their only remaining launch site, in the Netherlands. Almost 200 civilians in England and Belgium were added to the V-2 casualty toll. German scientists had been working on the development of a long-range missile since the 1930s. In October 3, 1942, victory was achieved with the successful trial launch of the V-2, a 12-ton rocket capable of carrying a one-ton warhead. The missile, fired from Peenemunde, an island off Germany's Baltic coast, traveled 118 miles in that first test. The brainchild of rocket scientist Wernher von Braun, the V-2 was unique in several ways. First, it was virtually impossible to intercept. Upon launching, the missile rises six miles vertically; it then proceeds on an arced course, cutting off its own fuel according to the range desired. The missile then tips over and falls on its target at a speed of almost 4,000 mph. It hits with such force that the missile burrows itself into the ground several feet before exploding. The V-2 had the potential of flying a distance of 200 miles, and the launch pads were portable, making them impossible to detect before firing. The first launches as part of an offensive occurred on September 6, 1944, when two missiles were fired at Paris. On September 8, two more were fired at England, which would be followed by over 1,100 more during the next six months. On March 27, 1945, taking advantage of their one remaining V-2 launch site, near The Hague, the Germans fired their V-2s for the last time. At 7 a.m., London awoke to a blast-one of the bombs had landed on a block of flats at Valance Road, killing 134 people. Twenty-seven Belgian civilians were killed in Antwerp when another of the rockets landed there. And that afternoon, one more V-2 landed in Kent, England, causing the very last British civilian casualty of the war. By the end of the war, more than 2,700 Brits had died because of the rocket attacks, as well as another 4,483 deaths in Belgium. After the war, both the United States and the Soviet Union captured samples of the rockets for reproduction. Having proved so extraordinarily deadly during the war, the V-2 became the precursor of the



This is what people find distracting at #work  
[wef.ch/2Y6k7zS](https://wef.ch/2Y6k7zS) #employment

### What People Find Distracting at Work

Top workplace distractions cited by workers\*



Statista

@StatistaCharts

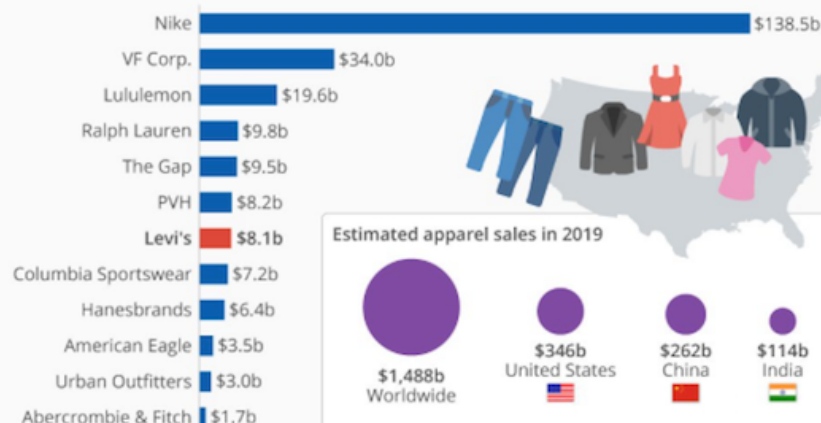
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Levi's \$8 billion market capitalization puts it on par with companies such as #RalphLauren or #TheGap via @YahooFinance

[statista.com/chart/17449/ma...](https://statista.com/chart/17449/ma...)

### Where Levi's Stands After Its Second IPO

Market capitalization of selected U.S. apparel companies\*



Intercontinental Ballistic Missiles (ICBM) of the postwar era.



### 1973, Marlon Brando Declines Best Actor Oscar -

On this day in 1973, the actor Marlon Brando declines the Academy Award for Best Actor for his career-reviving performance in *The Godfather*. The Native American actress Sacheen Littlefeather attended the ceremony in Brando's place, stating that the actor "very regretfully" could not accept the award, as he was protesting Hollywood's portrayal of Native Americans in film. Now revered by many as the greatest actor of his generation, Brando earned his first Oscar nomination for his portrayal of the brutish Stanley Kowalski in *A Streetcar Named Desire* (1951). The role was a reprisal of Brando's incendiary performance in the 1947 stage production of Tennessee Williams' play, which first brought him to the public's attention. Nominated again for roles in *Viva Zapata!* (1952) and *Julius Caesar* (1953), he won his first Academy Award for *On the Waterfront* (1954). Brando's career went into decline in the 1960s, with expensive flops such as *One-Eyed Jacks* (1961), which he also directed, and *Mutiny on the Bounty* (1962). Aside from his preternatural talent, the actor had become notorious for his moodiness and demanding on-set behavior, as well as his tumultuous off-screen life. Francis Ford Coppola, the young director of *The Godfather*, had to fight to get him cast in the coveted role of Vito Corleone. Brando won the role only after undergoing a screen test and cutting his fee to \$250,000—far less than what he had commanded a decade earlier. With one of the most memorable screen performances of all time, Brando rejuvenated his career, and *The Godfather* became an almost-immediate classic. On the eve of the 1972 Oscars, Brando announced that he would boycott the ceremony, and would send Littlefeather in his place. After Brando's name was announced as Best Actor, the presenter Roger Moore (star of several James Bond films) attempted to hand the Oscar to Littlefeather, but she brushed it aside, saying that Brando could not accept the award. Littlefeather read a portion of a lengthy statement Brando had written, the entirety of which was later published in the press, including *The New York Times*. "The motion picture community has been as responsible as any," Brando wrote, "for degrading the Indian and making a mockery of his character, describing him as savage, hostile and evil." Brando had been involved in social causes for years, speaking publicly in support of the formation of a Jewish state in the 1940s, as well as for African-American civil rights and the Black Panther Party. His Oscar statement expressed support for the American Indian Movement (AIM) and referenced the ongoing situation at Wounded Knee, the South Dakota town that had been seized by AIM members the previous month and was currently under siege by U.S. military forces.





**Blake**  
@bunderwo84

Following

#plant19 going well with #spudnik



**Tony Stierwalt**  
@TStierwalt21

Following

He's thinking what we're all thinking #plant19



Wounded Knee had also been the site of a massacre of Native Americans by U.S. government forces in 1890. Brando was the second performer to turn down a Best Actor Oscar; the first was George C. Scott, who politely declined to accept his award for Patton in 1971 and reportedly said of the Academy Awards hoopla: "I don't want any part of it." Scott had previously declined a Best Supporting Actor nomination for The Hustler (1961).

#### 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



Rep. Vicky Hartzler

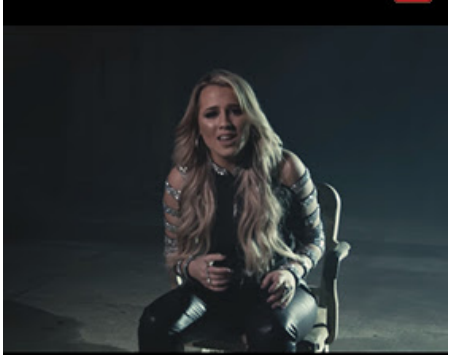
@RepHartzler

Following

Helping move #cows 🐮🐷 this morning from one pasture to another. #farmlife #countrylife @mocattlemens @mofarmbureau



## 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





The Old Man Club  
@TheOldManClub

Following

You can only have one.  
Which one are you picking?



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.



ActionComplete  
@ActionComplete

Following

Don't expect to see a #CHANGE if you don't MAKE ONE.

#motivation #leadership #quotes

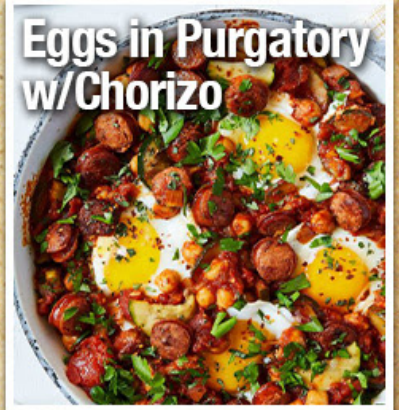
don't expect  
to see a  
CHANGE  
if you don't  
MAKE ONE

Farm Direction  
RECIPES

★ FAMILY ★  
FAVORITES

-SENT IN BY OUR READERS-

Eggs in Purgatory  
w/Chorizo



CLICK TO SEE RECIPE

neuro mining



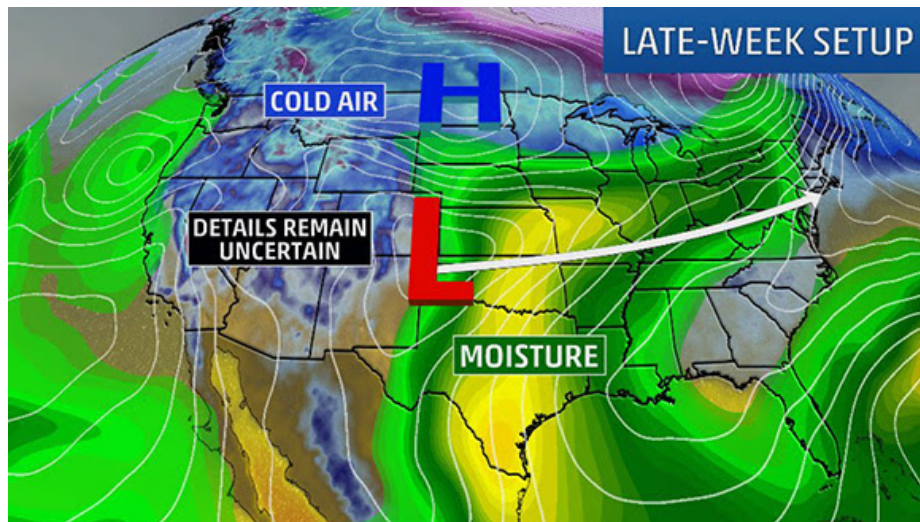
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

Thirty men and only two women, but they hold the most power.  
Dressed in black and white, they could fight for hours.  
Who are they?

**More Rain Pushes Into The Midwest:** Thursday night into Friday, the storm will

emerge in the Plains, where it will team up with increasing moisture from the Gulf of Mexico. At the same time, colder air will return to the upper Midwest and northern Plains. Where the moisture and cold air overlap, there could be a strip of accumulating snow. In addition, the warm side of this system could feature soaking rain and thunderstorms.



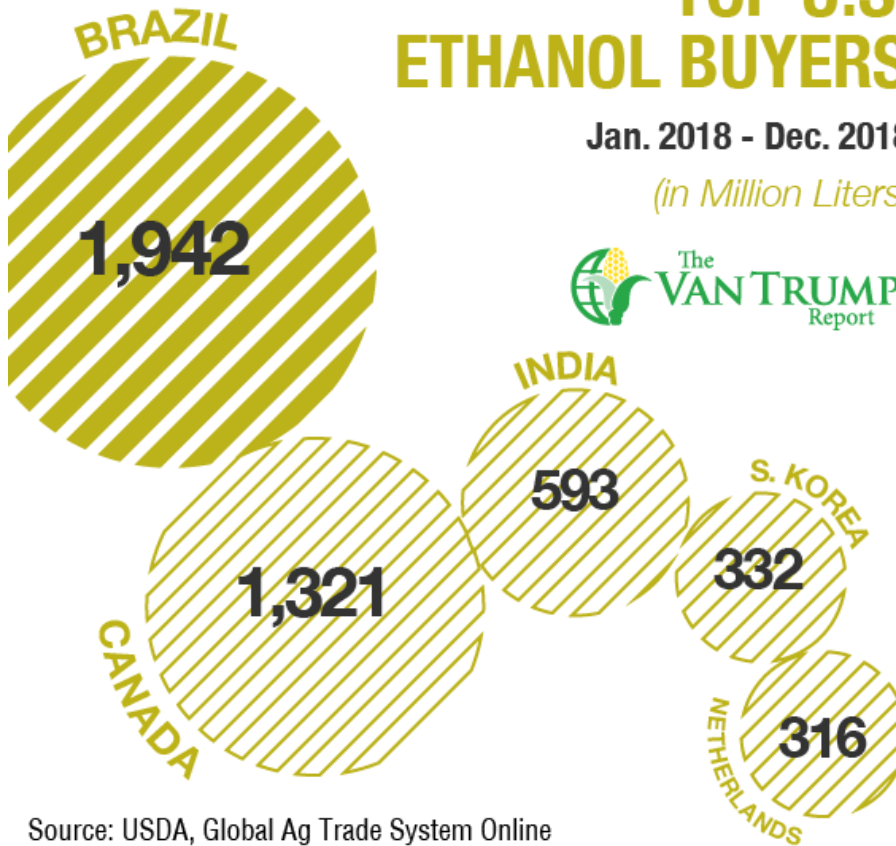
**Corn** bulls are running into some stiffer resistance on the charts. Prices have rallied about +20 cents from the March 12th low, but now seem to have hit a wall. Keep in mind, the MAY19 contract has both the 100-Day and 200-Day Moving Averages up between the \$3.80 and \$3.85 area. Meaning it might be tough to cross those levels with the current headlines. Insiders argue the bulls need some fresh news to keep the momentum going. It's hard to imagine we need more headlines when we have massive flooding in three large production states like Iowa, Nebraska and South Dakota. Keep in mind, there's also flooding in parts of Minnesota, Wisconsin, Missouri, Illinois, Colorado, North Dakota, etc... I think it just shows us how much heavy lifting the bulls really have to do when the funds are aggressively short. I should note, bulls are also not getting any real help from the demand side of the equation and the current domestic balance sheet remains burdensome. Corn demand used for ethanol has recently been reduced and there's talk it could be further reduced as many Midwest plants are facing tight margins and complications from flooding. As for exports, the trade seems comfortable transitioning itself towards more heavy competition from producers in South America and Ukraine. From what I've been hearing, the crop in Argentina has improved a bit and could eventually prompt the USDA to nudge their current estimate of 46 MMTs a hair higher. The crop in Argentina is thought to be about 15% harvested, meaning the markets probably not that interested in adding much weather premium this late in the game. As for Brazil, their weather also seems mostly cooperative with talks that the current USDA estimate of 94.5 MMTs is fairly close. Unfortunately, South American crops are currently thought to be much larger than last year, perhaps gaining an extra +25 to +28 MMTs compared to last year's harvest. I'm also hearing Brazil could have corn available for exports earlier than they traditional do. Hence, the reasons bears are pointing to stiffer competition for U.S. exports. Yes, more South American bushels will be held back this year for domestic use and supply, but it's not enough to excite the bulls or shake the bears, especially with the U.S. sitting on +1.8 billion bushels in ending stocks and global supply still ample. Nearby the trade is eager to see the USDA scheduled for release on Friday. Most sources are thinking the USDA will make only a slight adjustment lower in their 2019 planted corn acreage estimate. The Ag Outlook Forum tossed out an early guess at 92 million planted acres vs. 89.129 million this past year. I keep talking about fewer corn acres and more "preventive plant", just keep in mind, the USDA probably doesn't make that leap until more factual data is collected from producers and their respective FSA offices. That's why I worry we could be chewing on this burdensome balance sheet for a couple more months. As for quarterly ending stocks, most bulls are hoping to see a -550 million bushel reduction compared to March 1st of last year. Bottom-line, there are certainly some bullish wild-cards now in the deck. The extreme moisture and flooding has certainly brought about more "what if's". If planted acreage were to slip far enough we could certainly have a more bullish story to talk about. I'm just worried the bears might have enough factual reasons right now to keep pressuring prices. As a producer, I'm keeping hedges in place and staying patient in regard to additional upside. As a spec, I still think we can buy the market cheaper in the days ahead. Longer-term, that's a different story, I think we move higher!



# TOP U.S. ETHANOL BUYERS

Jan. 2018 - Dec. 2018

(in Million Liters)



Source: USDA, Global Ag Trade System Online

**Soybean** prices have done very little the past couple of weeks. Most contracts have traded within a 20 cent range and the market seems comfortable waiting on more insight about Chinese trade, African Swine Fever, and U.S. planted acreage. I haven't heard anything new regarding Chinese trade negotiations. As for African Swine Fever, we continue to hear mixed details about just how many pigs have been culled. I read a report last night that estimated the number at more than 1 million. Perhaps more important, is the fact a Chinese scientist in Heilongjiang province took a sample from the spleen of an infected pig and believes he has isolated a strain of the African Swine Fever virus that has spread across China the past several months. This is certainly not an all-clear flag being waved, as it's only the "first step" towards coming up with a commercially viable vaccine. The question now is how many times has the strain mutated and are there now multiple strains of the virus causing the outbreaks? Bottom-line, while steps are being taken to help slow and eliminate the virus, I think there's still a long ways to go. Here at home, traders are interested in the USDA's take on planted acreage in 2019. At the Ag Outlook, the USDA tossed out an early estimate of 85 million acres, which was well below the 89.129 million acres planted this past season. This provided the bulls with a little hope that the U.S. balance sheet could be trimmed. Unfortunately, I think that number is going to work itself higher. Not only are corn inputs more costly this year and producer cash-flow tight, there's also weather complications that might make more sense for soybeans on the variable acres. If that plays out, the U.S. balance sheet could get even more burdensome before perhaps getting better late in the marketing year. The trade is also bracing for a much more bearish March 1st quarterly stocks estimate, perhaps +650 million bushels more than last year's March 1 quarterly report. Obviously, weather in late-June, July and August will still have huge influence on price, so I'm not overly bearish. Just saying the funds could lean on the current price if acres increase, and we still haven't seen a trade resolution inked with the Chinese. Longer-term, I think the tight supplies in South America could eventually provide some tailwind for the U.S., but that card might not get flipped over for an extended period. I'm thinking the next bullish catalyst will be a trade deal with the Chinese, hopefully that comes sooner rather than later. I'm just worried about how long that headline can keep the bears at bay? I suspect the devil will be in the details. If China steps up in a big way and buys from the U.S. despite available bushels from South America, then all bets are off and higher prices could be sustained. I'm staying extremely patient as both a spec and producer.

\*I included below a couple of tweets from Reuters Karen Braun that have been getting passed around inside the market the past few days. She always does a fantastic job of presenting good data. If you aren't following her on twitter you should @kannbwX.



Karen Braun ✓  
@kannbw

Following

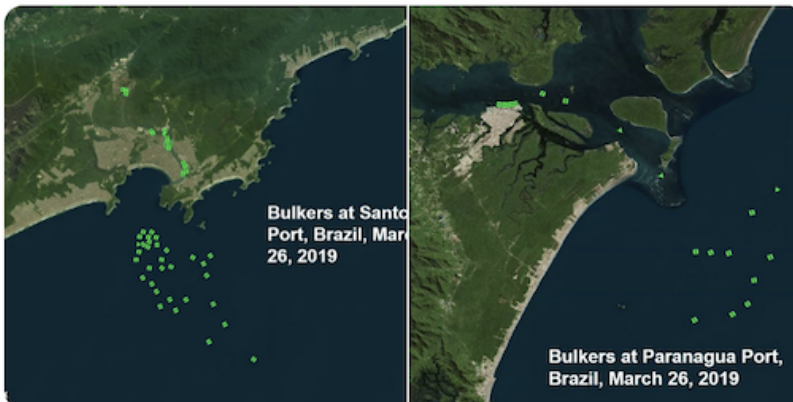
Look at all these vessels carrying [#soybeans](#) from [#Brazil](#) to [#China](#) right now. Map says there are 237 ships in the world as of right now with soybeans on board. Most are loaded with 60K to 70K tonnes of beans, and most of them are headed for China.



Karen Braun ✓  
@kannbw

Following

Here's a shot of traffic at [#Brazil](#)'s two largest ports for grain. Williams shows Santos currently handling about 34% of the country's total soy/corn exports, and Paranaguá is handling another 18%.

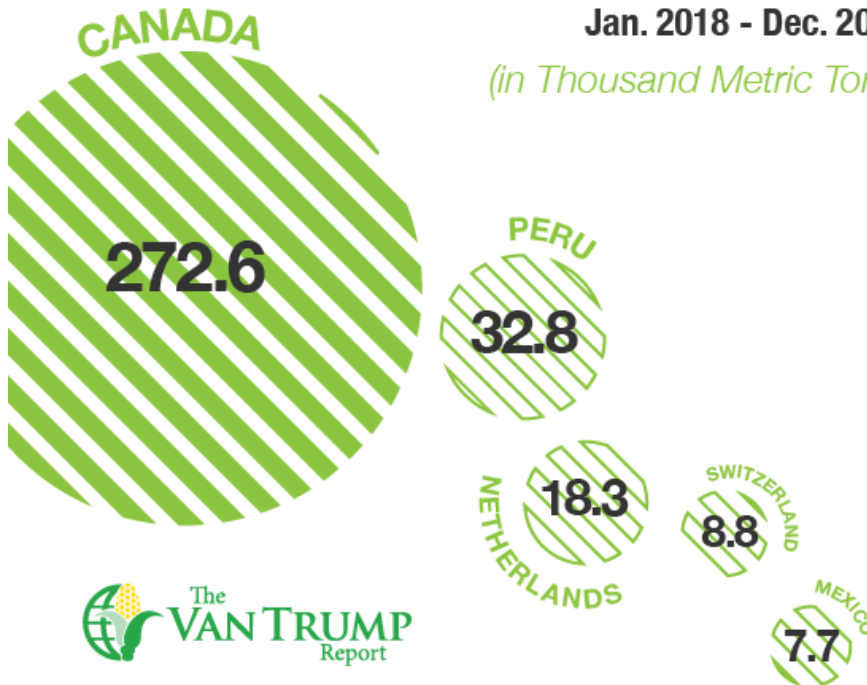




# TOP U.S. BIODIESEL BUYERS

Jan. 2018 - Dec. 2018

(in Thousand Metric Tons)



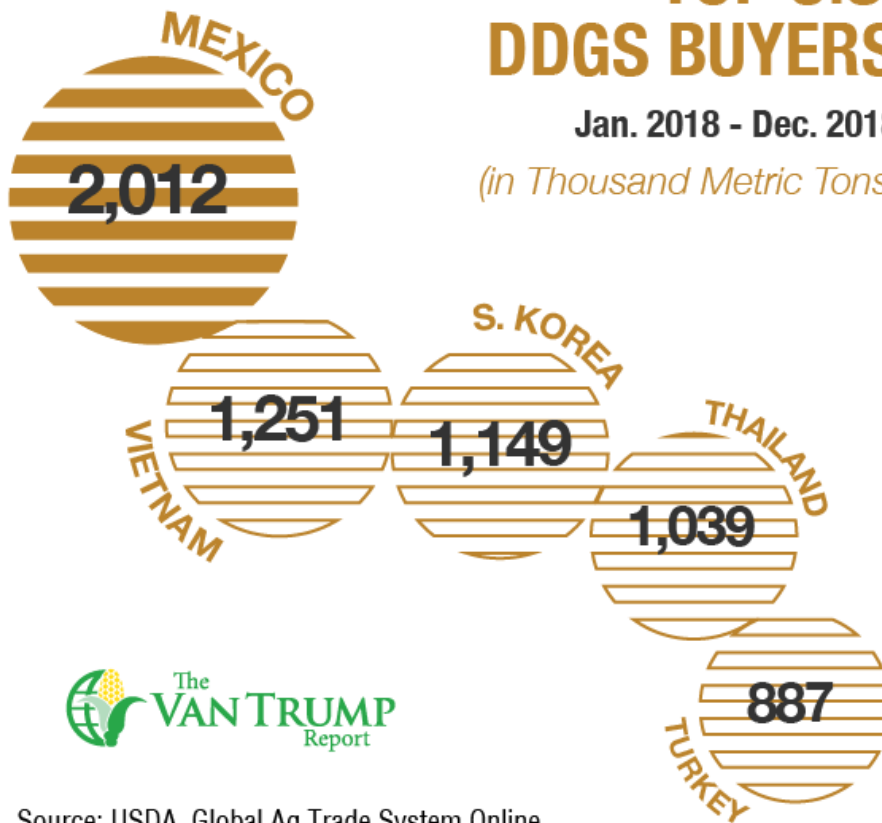
Source: USDA, Global Ag Trade System Online

**Wheat** bulls are trying to hold onto their recent gains. Bulls are pointing to the fact Egypt's state grain buyer, GASC, just stepped in and purchased 120,000 metric tons of U.S. soft red wheat. Bears point to the fact it was only a portion of Egypt's purchase and be one of their last big buys before their own new-crop production starts coming in from the fields. Here at home, bulls are opining to overly wet conditions and flooded fields in many key locations. Bears see it as somewhat a non-event considering U.S. ending stocks are estimated at a massive +1.0 billion bushels. Bears also believe improved soil moisture profiles will go a long ways to offset any acreage lost to flooding. Bulls point to the fact, U.S. winter wheat acres are their lowest in over 100 years at 31.46 million acres vs. 32.53 million acres last year. Total U.S. wheat acres are thought to be just above 46.9 million acres vs. 47.0 million acres last year. As for March 1st quarterly stocks, most inside the trade are thinking the number will be higher than last year by +25 to +75 million more bushels. Don't forget, next week, the USDA is scheduled to start releasing their weekly crop progress and crop condition report.

# TOP U.S. DDGS BUYERS

Jan. 2018 - Dec. 2018

(in Thousand Metric Tons)



Source: USDA, Global Ag Trade System Online

## Planted Acreage

	Mar #	Avg. Trade Est.	Trade Range	USDA 2018	USDA 2019 Outlook
Corn	???	91.332	89.5 - 92.7	89.129	92.0
Soybean	???	86.169	84.263 - 88.0	89.196	85.0
All Wheat	???	46.915	45.9 - 48.0	47.8	47.0
Winter Wheat	???	31.460	31.0 - 32.5	32.535	NA
Other Spring	???	13.419	12.6 - 13.9	13.2	NA
Durum	???	2.081	1.610 - 3.0	2.065	NA
Cotton	???	14.498	14.1 - 15.4	14.099	14.3
Sorghum	???	5.777	5.4 - 6.5	5.690	NA

## March 1 Grain Stocks

	Mar #	Avg. Trade Guess	Trade Range	USDA Mar 1, 2018	USDA Dec 1, 2018
Corn	???	8.335	7.620 - 8.800	8.892	11.952



Soybeans	???	2.683	2.095 - 2.797	2.109	3.736
Wheat	???	1.555	1.435 - 1.617	1.495	1.999



> **Chinese Pork Imports Likely to Increase:** China could buy as much as 300,000 MT of US Pork in 2019. Some insiders believe that number could be grossly underestimated as they have already purchased 200,000 MT of US pork in January and February alone.

> **Incredible Drone Footage of Food Damage in Eastern Nebraska:** I came across this video and wanted to share it. The first shows the flooding from March 15 [HERE](#). The second video shows damage revealed as the floodwaters recede [HERE](#).

> **South American Soybean Prices on the Rise:** Significant weakening in Brazilian Real compared to the US Dollar has caused prices to rally into last week. Surprisingly Port of Rio Grande are topping \$10 per bushel for 2020 delivery.

> **CBD Is Giving Regulators Trouble:** Cannabidiol is popping up all over the place ever since the 2018 farm bill approved hemp production. The FDA is trying to crack down on questionable medical promises made by CBD advocates, like claims the hemp extract can help kill cancer cells or treat Alzheimer's disease. State regulators have ordered CBD products off the shelves and Texas law enforcement have raided CBD retailers, saying they are illegally selling marijuana products. There's real uncertainty about how USDA will regulate the plant.

> **President Trump's Veto Stands:** The House failed on Tuesday, 248-181, to get the two-thirds majority necessary to override the first veto of Donald Trump's presidency, which he had issued in response to Congress voting to terminate his emergency declaration. Trump's national emergency, which he declared in order to collect \$3.6 billion of the \$8 billion he has requested for a border wall, will stay in effect as a number of lawsuits challenging its legality work their way through the courts. (Source: Axios)

> **Gold Benefits as Investors Head for Safety:** Gold for April delivery GCJ9 on Comex rose \$10.30, or 0.8%, to settle at \$1,322.60 an ounce, with prices for the most-active contract logging its highest finish since Feb. 26, according to FactSet data. The contract scored a gain of 0.7% last week, which marked its third weekly rise in a row, as investors sought the relative safety of precious metals away from risk-on markets, including stocks.

> **OxyContin-Maker Purdue Pharma and Sackler Family...** agree to pay \$270 million to settle Oklahoma state opioid case after being accused of the ruthlessly marketing and misleading the public about the dangers of its highly addictive narcotic. I'm told Purdue will contribute \$102.5 million to fund the creation of a National Center for Addiction Studies at Oklahoma State University.

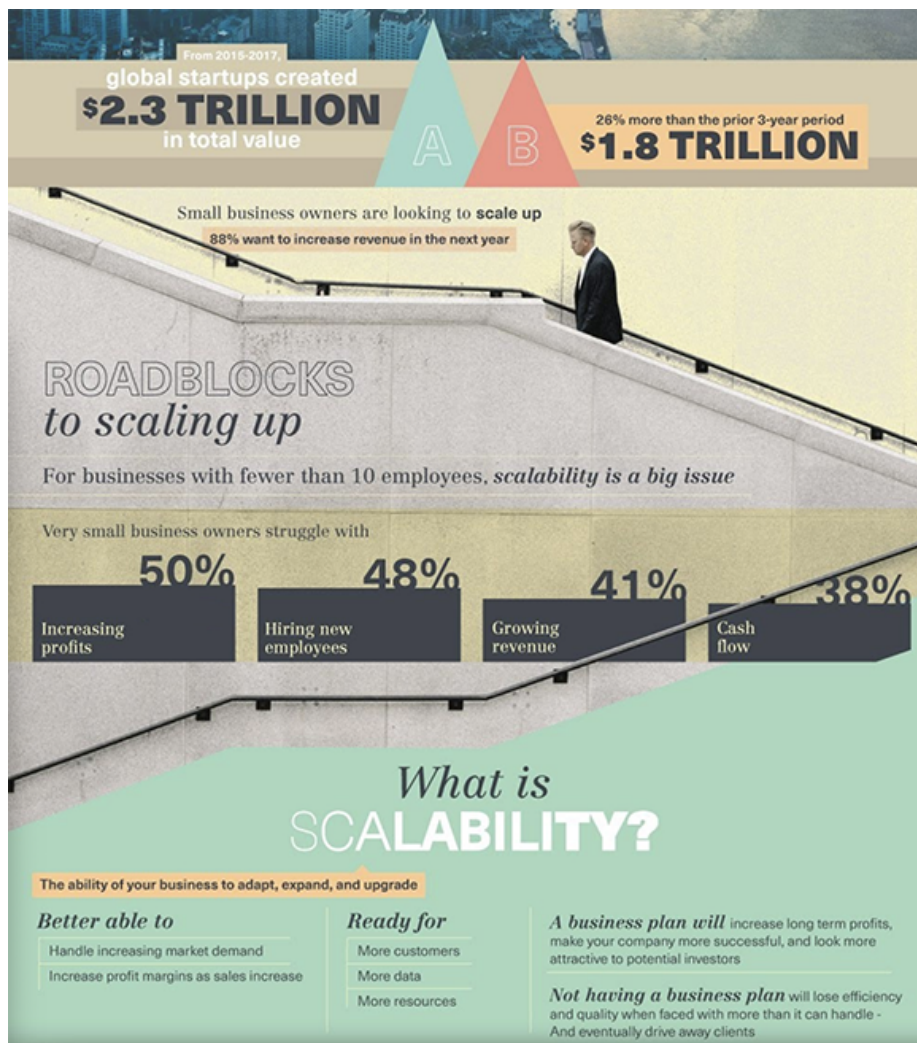
> **"Indiana Jones of Art" Returns Picasso:** Dutch art detective dubbed the "Indiana Jones of the Art World" has struck again, finding a Picasso painting worth \$28 million stolen from a Saudi sheikh's yacht on the French Riviera in 1999. Arthur Brand said he had handed back the 1938 masterpiece entitled "Portrait of Dora Maar", also known as "Buste de Femme (Dora Maar)" to an insurance company earlier this month. Interestingly, It turned out that the painting had entered the criminal circuit, where it circled for many years often being used as collateral, popping up in a drug deal here, four years later in an arms deal there. (Source: Yahoo)

> **World's Second Worst Ebola Outbreak Is Happening:** Congo's Ebola epidemic has now exceeded 1,000 cases, the Health Ministry said, with a death toll of 629 in the world's second worst outbreak ever. A trial vaccine, experimental treatments and futuristic cube-shaped mobile units are being used to stem the virus's spread. However, five of these centers have been attacked recently, including by armed attackers, which is slowing health workers response to this crisis. (Source: NBC News)

> **GM To Invest \$300 Million in EV Plant:** General Motors announced that it would invest \$300 million to build an all electric vehicle (EV) at its plant in Orion Township, MI. The vehicle had been slated to be built outside the United States; the decision to move production to Michigan is expected to add 400 jobs. GM did not release any details about the vehicle, but said it would be based off the architecture for its Bolt EV.

IN addition, GM will formally endorse the new trade agreement between Mexico, Canada, and the U.S. which will replace NAFTA. (Source: Automotive News)

> **A How-To For Scaling Your Business:** Most business owners and entrepreneurs are hungry to bring their company to the next level. But with 27.9 million small businesses in the U.S. alone, there is no shortage of competition for the same pieces of the pie. How Can you take step in scaling your business? The infographic below comes from [Brunner Consulting](#) and it breaks down common roadblocks to scaling. (Source: Visual Capitalist)



**Central Missouri** – Most guys are taking a break from putting down anhydrous because it's just a little too wet after the rain we got over the weekend. It wasn't much more than a half inch but as wet as we have been it doesn't take much. I'm thinking if the sun stays out for the balance of Wednesday, we might be able to knock a field or two our Thursday before the rain they are predicting. They have pushed the rain to a couple inches rather than light showers they had earlier in the week. There are a few guys around putting down dry but that only because of the big tires on those rigs.

**Southwest Ohio** – I have always planted corn first, unless the beans were going onto gravel ground, and the other ground is not ready, but we have very little of that left. In the past, corn yields dropped after May 10th area, most of the time. Lately, corn planted into June has been doing very well. We are only doing that because of weather. Seems odd how my corn has done really well planted middle of May into early June last number of years. I plant 109-113-day corn that is drying down pretty well. Corn has just been doing well planted later just because it's been cold and wet in April and very



early May, I feel that if weather does get nice in late April, early May we should just plant corn.

**Northcentral Illinois** - We are waiting for another day or two of drying and hopefully we can get to putting some tile drainage on some fields. We had a real good year last year and were even fortunate to get our field work done and anhydrous down by the end of October. Driving around the state last week we saw some fields where the guys just couldn't get the last of their beans out and it won't happen now unfortunately. I'm hearing some debate in the area as to switching some acres over to beans from corn but it will most likely be a last minute decision as things are now.



**New Research on Groundwater Depletion and Agriculture:** A new Council of Agricultural Science and Technology, or CAST, paper examines the causes and consequences of groundwater depletion throughout the U.S. with a focus on how this will affect agriculture—the largest sector of groundwater use. The paper, "[Aquifer Depletion and Potential Impacts on Long-term Irrigated Agricultural Productivity](#)," was co-authored by Dr. John Tracy, Texas A&M University's Texas Water Resources Institute director, College Station. The paper noted the U.S. aquifer system with the greatest long-term groundwater storage depletion is the Ogallala Aquifer in the Great Plains region, where groundwater levels have declined by more than 150 feet in some areas. "Increased competition for the use of water from aquifers may negatively affect future agricultural practices in drier regions of the U.S.," Tracy said. "The problem needs to be addressed over the long haul and by avoiding promoting policies that focus on quick fixes that will ultimately fail." It was mentioned that some strategies to mitigate impacts of aquifer depletion may include policy, technology and management options, which should take into account local/regional conditions, including hydrogeological factors, applicability to agricultural production systems and economic factors. Read more [HERE](#).

**McDonald's to Buy Dynamic Yield and Personalize the Drive Through:** McDonald's is announcing an agreement to acquire personalization company Dynamic Yield, and insiders are saying the deal could be worth more than \$300 million. Keep in mind this is the fast food chain's largest acquisition in 20 years. I'm told Dynamic Yield works with brands across e-commerce, travel, finance and media to create what's been described as an Amazon-style personalized online experience. From what I understand, McDonald's said it will use this technology to create a drive-thru menu that can be tailored to things like the weather, current restaurant traffic and trending menu items. Once you've started ordering, the display can also recommend additional items based on what you've already chosen. In fact, the company said it tested this in several U.S. locations in 2018 and the plan is to start rolling this out across the United States in 2019, and then to move into international markets. McDonald's also plans to integrate this technology into other digital products, like self-serve kiosks and the McDonald's mobile app. Read more [HERE](#).

**Understanding Why We Make Bad Decisions:** In the fall of 1969, Amos Tversky and Daniel Kahneman—two rising stars in the psychology department at the Hebrew University of Jerusalem—formed a formidable friendship that would change how we think about how we think. Together, the pair would create the field of behavioral economics and revolutionize large parts of cognitive psychology. After Tversky died in 1996, Kahneman carried the mantle and in 2002, was awarded the Nobel Memorial Prize in Economic Sciences. Central to Kahneman's revolutionary work was the discovery of cognitive biases that affect our decision-making. In short, the availability heuristic leads to bad decision-making because misleading information tends to come to mind more easily than accurate ones. Click [HERE](#) to see the top five major cognitive biases that lead to bad decisions in life and work.

**New CRISPR-Chip, Could be Used to Rapidly Diagnose Genetic Diseases:** A team of engineers at the University of California, Berkeley and the Keck Graduate Institute (KGI) of The Claremont Colleges combined CRISPR with electronic transistors made from graphene to create a new handheld device that can detect specific genetic mutations in a matter of minutes. But unlike most forms of genetic testing, including recently developed CRISPR-based diagnostic techniques, CRISPR-Chip uses nanoelectronics to detect genetic mutations in DNA samples without first "amplifying" or replicating the DNA segment of interest millions of times over through a time- and equipment-intensive process called polymerase chain reaction, or PCR. This means it could be used to perform genetic testing in a doctor's office or field work setting without having to send a sample off to a lab. Read more [HERE](#) on the breakthrough technology.

**Awesome Ice Formations:** On the internet this last week has been the stunning images of ice breaking up on Lake Michigan. Tens of thousands of smooth, sharp ice shards have piled up on one along South Haven pier in the southwestern corner of the state, creating vast areas that look like millions of sheets of glass have been thrown into the lake. As captured by the lens of Joel Bissell of MLive.com, the ice looks otherworldly, more landscape art by Andy Goldsworthy than any natural phenomenon. While more than half of Lake Michigan's 22,404 square miles of water (just around 2,000 square miles shy of the state of West Virginia) was still covered in ice in early March, warmer temperatures recently caused big breakups of the ice that led to the mesmerizing scenes. Read more [HERE](#) on how the ice forms in this manner.

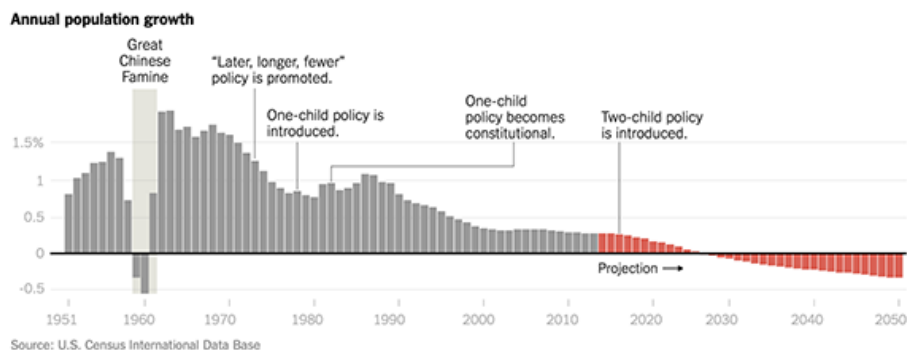


#### **MUST READ: A Deeper Look at Chinese Demographics and What it Might Mean for U.S. Agriculture**

There's a ton of change happening inside China and you need to make certain you are paying close attention! I've been doing a lot of digging and talking to experts on the subject and it's brought about a lot of questions regarding future growth. Fertility rates from the United Nations have many inside the trade now thinking the Chinese population will peak at around 1.45 billion people in about a decade from now in 2029. Then, from 2030 to about 2050, many believe the Chinese population will actually start to shrink by -0.3% to -0.04% annually. Between 2050 and 2065 the downdraft could slow, but perhaps not stabilize until the population falls to sub-1.25 billion, which was last seen in 1996 when the Chinese population was 1.248 billion. Keep in mind, all of the above is predicated on the Chinese fertility rate jumping from its current level of 1.6 children per woman to 1.77, which is highly debatable. As we witnessed here in the U.S. and in Europe, as more women started entering the workforce, actual birthrates started to decline. Many believe if China's fertility rates remain constant and don't increase like they hope, China's population could drop to sub-1.18 billion people by 2065, placing the country back at levels last seen in 1990. Obviously, China's "one child" policy, which ran from 1979 to 2015, plays a big part in the country's demographic challenge. Not only were fewer children born, but because of cultural preferences for male offspring, fewer of them were girls. Meaning there's simply not enough Chinese women who are child bearing age to sustain the country's population level. Interestingly, even after the one-child policy has been lifted, China's



National Bureau of Statistics announced that the total number of births in 2018 fell to 15.2 million, a drop of nearly -12% nationally. Some cities and provinces have reported declines in local birth rates of as much as -35%. Several decades of internal migration have brought half a billion people into the cities. Six out of 10 Chinese now live in urban areas, compared with two in 10 four decades ago. In 1990, only 3% of college-age Chinese attended college; in 2015, the number was more than 40% for men and 45% for women. Today, Chinese women — armed with new knowledge, living independently in vibrant cities and determined to pursue their own goals — are less likely than previous generations to let their personal and reproductive decisions be influenced by pressure from the state or their families. In 1990, virtually every woman in China was married by the age of 30, according to official census data. In 2015, one in 10 women had not married by 30; in Shanghai, it was one in five. Think about this, Since 2010, the number of Chinese people between the ages of 20 and 24, for example, dropped by about 30% (from more than 127 million to about 90 million), even as the number of people ages 60 and above increased by almost 39% (from 180 million to nearly 250 million). We are also seeing a bigger shift towards China's second-tier cities, many of which have more residents than the largest U.S. cities of Los Angeles or New York. In fact, China now has over 600 cities that fall somewhere within the tier system, and many of these cities could become untapped treasures for U.S. agricultural exporters. In many cases these second-tier city economies rival the GDP of other countries. According to a report, the GDP of the east coast second-tier city of Suzhou is equal to Portugal, the port city of Qingdao's GDP is equal to Bangladesh, and the northeast city of Shenyang is comparable to Peru's GDP. Cities with the largest population, GDP, and independent political administration are considered first-tier cities, which would include Beijing, Shanghai, Guangzhou, and Shenzhen. Those with a large population but lower GDP, or higher GDP but a relatively smaller population, are usually classified as second-tier cities. We are seeing data that shows population growth increasingly shifting away from first-tier cities and the cost of living in these cities continues to rise disproportionately to income. In 2002, it was estimated that almost 40% of China's urban middle class lived in just four first-tier cities. By 2022, it is estimated that only 16% will live in these first-tier cities. These cities are attracting more resident due to lower real estate prices and education costs and government incentives for new college graduates. U.S. exports face fierce competition in first-tier cities, with little to no import duties for countries with trade agreements such as New Zealand, Peru, Chile and Australia. The second-tier cities however might offer more opportunity for American food and ag exports. Data is showing that second-tier cities now have enough demand, cold chain infrastructure, and distribution networks including direct flights from the U.S. to deliver fresh U.S. foods to consumers within hours. Bottom-line, I just wanted to point out the big demographic changes and shifts we are seeing take place inside China. How it all plays out will be extremely important for U.S. ag exporters. Lots of moving parts to think about... (Source: [Chinese Academy of Social Sciences](#); [Business Insider](#); [NY Times](#) ; [American Enterprise Institute](#))



### Two Billionaire Brothers Attempt To Corner The Silver Market Goes Awry

It was 39 years ago today, back in 1980, that the Hunt Brothers created the panic of "Silver Thursday". Nelson Bunker Hunt and William Herbert Hunt were the sons of Texas oil tycoon H.L. Hunt and at one time one of the world's wealthiest men. When H.L. passed away in 1974, he left his billions to his family, which included a total of thirteen surviving children. Shortly after they collected their inheritance, brothers Nelson and William began buying up large amounts of silver. The brothers and their legal team argued years later that the move was designed as a hedge against the skyrocketing inflation of the decade. Nelson, in particular, believed there would be inflationary pressures that would destroy the value of any investments tied to paper currency, which made precious metals an attractive 'safe' alternative. It was illegal to trade gold in the 1970s, so Nelson set his sights on silver, which he projected would increase tenfold as a result of the plummeting real value of the dollar. No matter the true reason behind the brothers eventual accumulation of roughly two-thirds of all the privately held silver in the world, it proved to be an historically bad strategy that nearly took down the U.S. financial system. By the end of 1979, each brother owned around 21 million ounces of physical silver. In addition, they had very sizable positions in the futures market - Nelson was long contracts that amounted to over 45 million ounces, while William was long contracts that amounted to more than 20 million ounces. By the new year, with every dollar increase in the price of silver, the Hunts were making \$100 million on paper. But unlike most investors, when their profitable futures contracts expired, they took delivery and had it shipped to Switzerland. This began creating a shortage of the metal for industrial supply, and in turn prices started to skyrocket. From a spot price of around \$6 per ounce in early 1979, the price of silver shot up to over \$50 per ounce in January of 1980. In response to the Hunts' accumulation, exchange rules were changed and no additional silver contracts were to be created, as well as prohibiting contracts from being purchased on margin. Silver prices in turn began to plummet, which was very bad news for the heavily leveraged Hunt brothers. Of the \$6.6 billion worth of silver the Hunts held at the top of the market, the brothers had "only" spent a little over \$1 billion of their own money. The rest was borrowed from over 20 banks and brokerage houses. On March 25, one of their largest creditors, Bache Group, issued the Hunts a \$100 million margin call, which the Hunts could not supply. That left Bache no choice but to begin unloading silver and with the Hunts facing a potential \$1.7 billion loss, other

institutions followed. On March 27, "Silver Thursday," the silver futures market dropped by over -30% to \$10.80. Just two months earlier, these contracts had been trading at four times that amount. The brothers eventually ended up filing for bankruptcy and in the process almost dragged their lenders down with them. The Hunts' default and resulting collapse of silver prices blew holes in balance sheets across Wall Street. A privately orchestrated bailout loan from a number of banks allowed the brothers to start paying off their debts and keep their creditors afloat, but the markets and regulators were rattled. In the words of then CFTC chief James Stone, the Hunts' antics had threatened to punch a hole in the "financial fabric of the United States" like nothing had in decades. Writing about the entire episode a year later, Harper's Magazine described Silver Thursday as "the first great panic since October 1929." What many folks don't know is that just a few years earlier, the Hunt brothers made a similar type play in the soybean market. In 1977, the price of soybeans was rising fast. Trade restrictions on Brazil and growing demand from China made them a hot commodity, and both Bunker and Herbert decided to enter the futures market in April of that year. When the Hunts decided to go long in the soybean futures market, they went very, very long. Between Bunker, Herbert, and the accounts of five of their children, the Hunts collectively purchased the right to buy one-third of the entire autumn soybean harvest of the United States. Wow! (Source: [Priceonomics](#), Investopedia)



#### Received This From an "Old Friend" and Wanted to Share

*I've learned that I like my teacher because she cries when we sing "Silent Night." Age 5*

*I've learned that our dog doesn't want to eat my broccoli either. Age 7*

*I've learned that when I wave to people in the country, they stop what they are doing and wave back. Age 9*

*I've learned that just when I get my room the way I like it, Mom makes me clean it up again. Age 12*

*I've learned that if you want to cheer yourself up, you should try cheering someone else up. Age 14*

*I've learned that although it's hard to admit it, I'm secretly glad my parents are strict with me. Age 15*

*I've learned that silent company is often more healing than words of advice. Age 24*

*I've learned that brushing my child's hair is one of life's great pleasures. Age 26*

*I've learned that wherever I go, the world's worst drivers have followed me there. Age 29*

*I've learned that if someone says something unkind about me, I must live so that no one will believe it. Age 30*

*I've learned that there are people who love you dearly but just don't know how to show it. Age 42*

*I've learned that you can make someone's day by simply sending them a little note. Age 44*

*I've learned that the greater a person's sense of guilt, the greater his or her need to cast blame on others. Age 46*

*I've learned that children and grandparents are natural allies. Age 47*

*I've learned that no matter what happens, or how bad it seems today, life does go on and it will be better tomorrow. Age 48*

*I've learned that singing "Amazing Grace" can lift my spirits for hours. Age 49*

*I've learned that motel mattresses are better on the side away from the phone. Age 50*

*I've learned that you can tell a lot about a man by the way he handles these three things: a rainy day, lost luggage, and tangled Christmas tree lights. Age 51*

*I've learned that keeping a vegetable garden is worth a medicine cabinet full of pills. Age 52*

*I've learned that regardless of your relationship with your parents, you miss them terribly after they die. Age 53*

*I've learned that making a living is not the same thing as making a life. Age 58*

*I've learned that life sometimes gives you a second chance. Age 62*

*I've learned that you shouldn't go through life with a catcher's mitt on both hands. You need to be able to throw something back. Age 64*

*I've learned that if you pursue happiness, it will elude you. But if you focus on your family, the needs of others, your work, meeting new people, and doing the very best you can, happiness will find you. Age 65*

*I've learned that whenever I decide something with kindness, I usually make the right decision. Age 66*

*I've learned that everyone can use a prayer. Age 72*

*I've learned that even when I have pains, I don't have to be one. Age 74*

*I've learned that every day you should reach out and touch someone. People love that human touch - holding hands, a warm hug, or just a friendly pat on the back. Age 76*

*I've learned that I still have a lot to learn. Age 78*

*I've learned that life is what you make it, and your life is much better when you make someone happy. Age 80+*

I've learned that you should pass this on to someone you care about. Sometimes they just need a little something to make them smile.

If Things Get Better With Age Then I'm Approaching Excellent.

"Old Friends are the best friends!"

"Thank you for being an "OLD FRIEND"

The  
**Old ones**  
are still the best.

**Old jeans, old boots, old friends,  
old tunes and old times!**



I miss my old friends  
'Cause they know when I need them the most  
I made some new friends and they're cool friends  
But they don't know  
What I do, what I got, who I am and who I'm not  
I miss my old friends

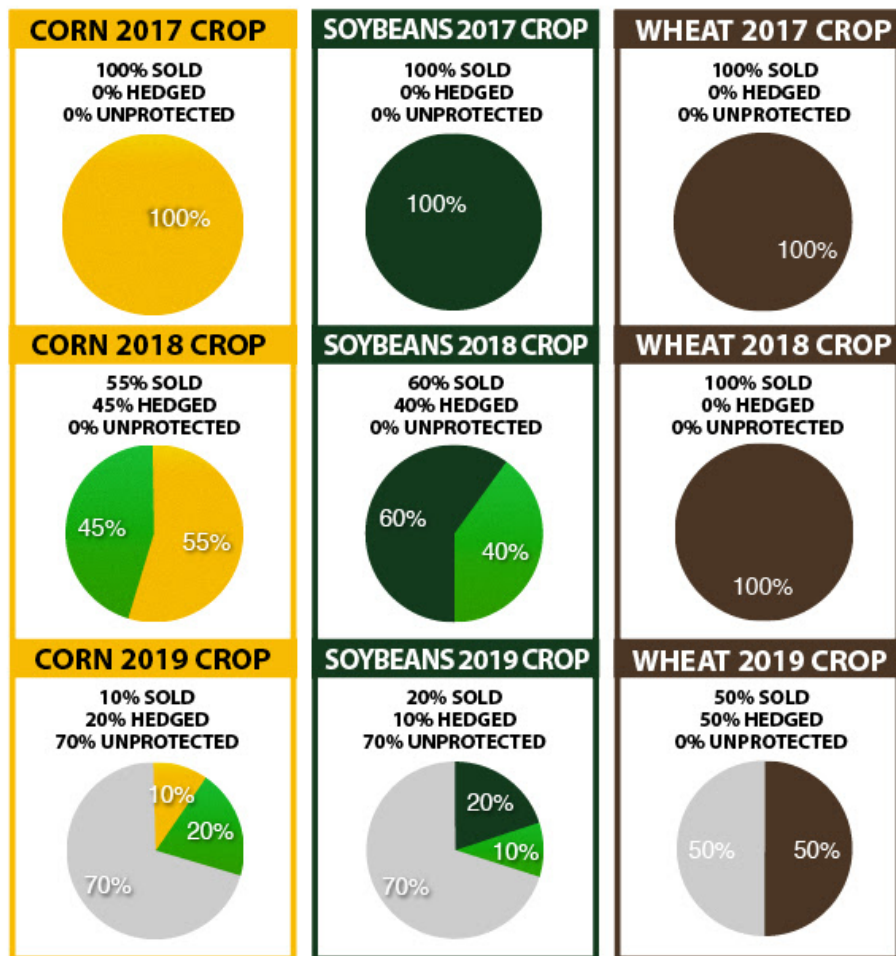
– Rahul Das

YourQuote.in

**ANSWER to riddle:** Chess pieces.

## CASH SALES & HEDGING TOTALS

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