

## GOOD MORNING: 04/01/19 Farm Direction - Van Trump Report

1 message

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Mon, Apr 1, 2019 at 7:25 AM

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### Today In History

"The true test of character is not how much we know how to do, but how we behave when we don't know what to do." - John Holt

**MONDAY, APRIL 01, 2019**
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**Morning Summary:** Stocks are higher this morning on positive economic data out of China. The Chinese manufacturing data was better than expected, with factory output growing at its fastest pace in the last six months and total new orders also growing at a quicker rate. Bottom-line, some larger investment banks are starting to ratchet up their Chinese growth forecasts, thinking heavy economic stimulus from Beijing is starting to work and has stopped the bleeding. There is still the economic uncertainty brewing inside the European Union. But stabilization and a little strength in the Chinese economic data could go a long ways to squelch the global growth bears. The S&P 500 just closed out the 1st quarter of 2019 with its best showing since 2009 and its best start to a year since 1998; The S&P 500 is up +13% in Q1, the Dow gained +11%, and the Nasdaq jumped +16% for the quarter. Economic data here at home this week will include fresh retail sales figures and durable goods orders, fresh manufacturing data, construction spending, as well as the all-important March employment numbers scheduled for release on Friday. Beer and liquor seller Constellation Brands, Saks Fifth Avenue owner Hudson's Bay Company, and Ford Motor Company will report earnings this week. Outside of the traditional economic headlines: President Trump's will be meeting with the head of NATO on Tuesday; China's top trade representative Liu will arrive in Washington on Wednesday to resume trade negotiations: there's talk that former vice president, Joe Biden, could formally enter the 2020 presidential race in the next couple of weeks. There's also talk that Democrats have demanded access to the full Mueller report by Tuesday and threatened a subpoena if their demands aren't met. Meaning there could be some interesting media headlines and twists this week if the full report is released. If the stock market continues to push higher, I will be looking to reduce a bit more long-term exposure and bank a few more profits. I still believe the stock market could test new highs but ultimately remain somewhat range-bound, thinking we are towards the upper end of that range...

**Keeping an Eye on Energy Prices:** U.S. drivers now pay \$2.71 for a gallon on average, up +28 cents from a month ago and nearly +50 cents higher since early January, according to price-tracking firm GasBuddy. Gasoline prices may get even more volatile toward the end of the year due to a shift in marine sulfur regulations that takes effect in 2019. Keep in mind, U.S. oil prices surged +32% to just over +\$60 a barrel in the first quarter, its best quarterly percentage gain since the second quarter of 2009. Crude prices also posted their biggest first-quarter percentage rise since 2002. (Source: The Wall Street Journal)

**Brexit Update:** As things stand, the U.K. will leave the EU on April 12 without any agreement. Most believe it's likely the government will ask the EU to postpone Brexit again to avoid expected widespread disruption. Britain's Parliament is expected to hold votes Monday to determine if an alternative exit agreement could gain a majority. Stay tuned...

**The World's Biggest Democracy Going to the Polls:** India's upcoming elections will be the world's largest-ever exercise in democracy. Starting April 11, the country's 879 million eligible voters will cast their ballots over 5 weeks across 1 million polling places, with the results announced on May 23. Prime Minister Narendra Modi polished his strongman image in a high-stakes standoff with Pakistan last month. But his economic record has been mixed, and opposition parties are teaming up against him. Certainly something to keep on the radar... (Source: Axios World)



### 1621, The Pilgrim-Wampanoag Peace Treaty -

At the Plymouth settlement in present-day Massachusetts, the leaders of the Plymouth colonists, acting on behalf of King James I, make a defensive alliance with Massasoit, chief of the Wampanoags. The agreement, in which both parties promised to not "doe hurt" to one another, was the first treaty between a Native American tribe and a group of American colonists. According to the treaty, if a Wampanoag broke the peace, he would be sent to Plymouth for punishment; if a colonist broke the law, he would likewise be sent to the Wampanoags. In November 1620, the Mayflower arrived in the New World, carrying 101 English settlers, commonly known as the pilgrims. The majority of the pilgrims were Puritan Separatists, who traveled to America to escape the jurisdiction of the Church of England, which they believed violated the biblical precepts of true Christians. After coming to anchor in what is today Provincetown harbor in the Cape Cod region of Massachusetts, a party of armed men under the command of Captain Myles Standish was sent to explore the immediate area and find a location suitable for settlement. In December, the explorers went ashore in Plymouth, where they found cleared fields and plentiful running water; a few days later the Mayflower came to anchor in Plymouth harbor, and settlement began. The first direct contact with a Native American was made in March 1621, and soon after, Chief Massasoit paid a visit to the settlement. After an exchange of greetings and gifts, the two peoples signed a peace treaty that lasted for more than 50 years.



### 1700, April Fools' Tradition Popularized -

On this day in 1700, English pranksters begin popularizing the annual tradition of April Fools' Day by playing practical jokes on each other. Although the day, also called All Fools' Day,

**American Consumers Spent More on Airbnb than on Hilton Last Year:** *U.S. revenues for Airbnb surpassed those of Hilton in 2018, accounting for 20% of the US lodging market as the company continues to expand.*

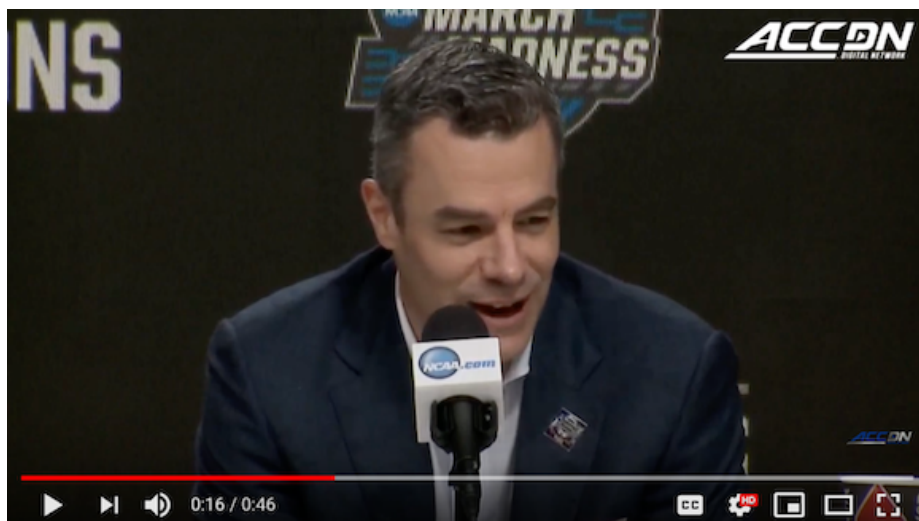
**Virginia, Michigan State, Texas Tech, and Auburn Advance to Final Four:** *The Virginia Cavaliers (who were a #1 seed) will face off against the Auburn Tigers (who were a #5 seed) this Saturday, April 6th at 5:00 p.m. The Michigan State Spartans (who were a #2 seed) will play the Texas Tech Red Raiders (who were a #3 seed) right after at approximately 7:30 p.m. Both games will be televised on CBS. In addition, all Final Four games and the Championship will be played at U.S. Bank Stadium in Minneapolis, MN. The Championship game is scheduled for next Monday, April 8th at 8 p.m. on CBS. So far, it seems like Auburn has the most impressive string of tournament victories, already defeating New Mexico State, Kansas, North Carolina, and Kentucky. Keep in mind, since 1985 a #1 seed has reached the national championship game 32 out of the 34 games and only #7 UConn in 2014 has won a national title as lower than a four-seed during that same span. #1 seeds have the highest chance of winning with 21 wins since 1985, #2 seeds have won five times, and #3 seeds four times. Below are the odds for each team throughout the Final Four!*

**Odds to Win 2019 NCAA Championship:** *Virginia: the favorite at 3/2 odds; Michigan State: 9/4; Texas Tech: 4/1; Auburn: the long shot at 9/2 odds.*

#### Semi-Final Odds

**Virginia vs Auburn:** *Virginia is favored by 5.5 points with a 130.5 over/under*  
**Michigan State vs. Texas Tech:** *MS favored by 2.5 points with a 133.5 over/under*

**Great Father-Son Story Unfolding:** *In case you were not following the coverage, Head Coach Tony Bennett of the Virginia Cavaliers and his father Dick Bennett, former coach of the Wisconsin Badgers are now only the second father-son combination to ever coach teams to the Final Four. Call it cosmic symmetry if you will, but 19 years ago it was Dick Bennet's Wisconsin Badgers who knocked off Purdue in the Elite Eight to make it to the Big Dance. Reports circulating say that is where current Virginia head coach Tony Bennett got the coaching bug. Read more about the father and son journey by clicking [HERE](#). I included below a short one-minute video clip of Tony's post-game interview and his tribute to the words his father spoke 19 years ago. Click [HERE](#) to watch.*



Day, has been celebrated for several centuries by different cultures, its exact origins remain a mystery. Some historians speculate that April Fools' Day dates back to 1582, when France switched from the Julian calendar to the Gregorian calendar, as called for by the Council of Trent in 1563. People who were slow to get the news or failed to recognize that the start of the new year had moved to January 1 and continued to celebrate it during the last week of March through April 1 became the butt of jokes and hoaxes. These pranks included having paper fish placed on their backs and being referred to as poisson d'avril (April fish), said to symbolize a young, "easily hooked" fish and a gullible person. April Fools' Day spread throughout Britain during the 18th century. In Scotland, the tradition became a two-day event, starting with "hunting the gowk," in which people were sent on phony errands (gowk is a word for cuckoo bird, a symbol for fool) and followed by Tailie Day, which involved pranks played on people's derrieres, such as pinning fake tails or "kick me" signs on them.



**1918, RAF Founded** - On April 1, 1918, the Royal Air Force (RAF) is formed with the amalgamation of the Royal Flying Corps (RFC) and the Royal Naval Air Service (RNAS). The RAF took its place beside the British navy and army as a separate military service with its own ministry. In April 1911, eight years after Americans Wilbur and Orville Wright made the first flight of a self-propelled, heavier-than-air aircraft, an air battalion of the British army's Royal Engineers was formed at Larkhill in Wiltshire. The battalion consisted of aircraft, airship, balloon, and man-carrying kite companies. In December 1911, the British navy formed the Royal Naval Flying School at Eastchurch, Kent. In May 1912, both were absorbed into the newly created Royal Flying Corps, which established a new flying school at Upavon, Wiltshire, and formed new airplane squadrons. In July 1914, the specialized requirements of the navy led to the creation of RNAS. One month later, on August 4, Britain declared war on Germany and entered World War I. At the time, the RFC had 84 aircraft, and the RNAS had 71 aircraft and seven airships. Later that month, four RFC squadrons were deployed to France to support the British Expeditionary Force. During the next two years, Germany took the lead in air strategy with technologies like the manual machine gun, and England suffered bombing raids and frustration in the skies against German flying aces such as Manfred von Richthofen, "The Red Baron." Repeated German air raids led British military planners to push for the creation of a separate air ministry, which would carry out strategic bombing against Germany. On April 1, 1918, the RAF was formed along with a female branch of the service, the Women's Royal Air Force. That day, Bristol F.2B fighters of the 22nd Squadron carried out the first official





missions of the RAF. By the war's end, in November 1918, the RAF had gained air superiority along the western front. The strength of the RAF in November 1918 was nearly 300,000 officers and airmen, and more than 22,000 aircraft. At the outbreak of World War II, in September 1939, the operational strength of the RAF in Europe had diminished to about 2,000 aircraft. In June 1940, the Western democracies of continental Europe fell to Germany one by one, leaving Britain alone in its resistance to Nazi Germany. Nazi leader Adolf Hitler planned an invasion of Britain and in July 1940 ordered his powerful air force—the Luftwaffe—to destroy British ports along the coast in preparation. The outnumbered RAF fliers put up a fierce resistance in the opening weeks of the Battle of Britain, leading the Luftwaffe commanders to place destruction of the British air fleet at the forefront of the German offensive. If the Germans succeeded in wiping out the RAF, they could begin their invasion as scheduled in the fall. During the next three months, however, the RAF successfully resisted the massive German air invasion, relying on radar technology, more maneuverable aircraft, and exceptional bravery. For every British plane shot down, two Luftwaffe warplanes were destroyed. In October, Hitler delayed the German invasion indefinitely, and in May 1941 the Battle of Britain came to an end. British Prime Minister Winston Churchill said of the RAF pilots, "Never in the field of human conflict was so much owed by so many to so few." By the war's end in 1945, the strength of the RAF was nearly one million personnel. Later, this number was reduced and stabilized at about 150,000 men and women.

#### Upcoming Events

**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

## FARM TANK

Tweets of the Day

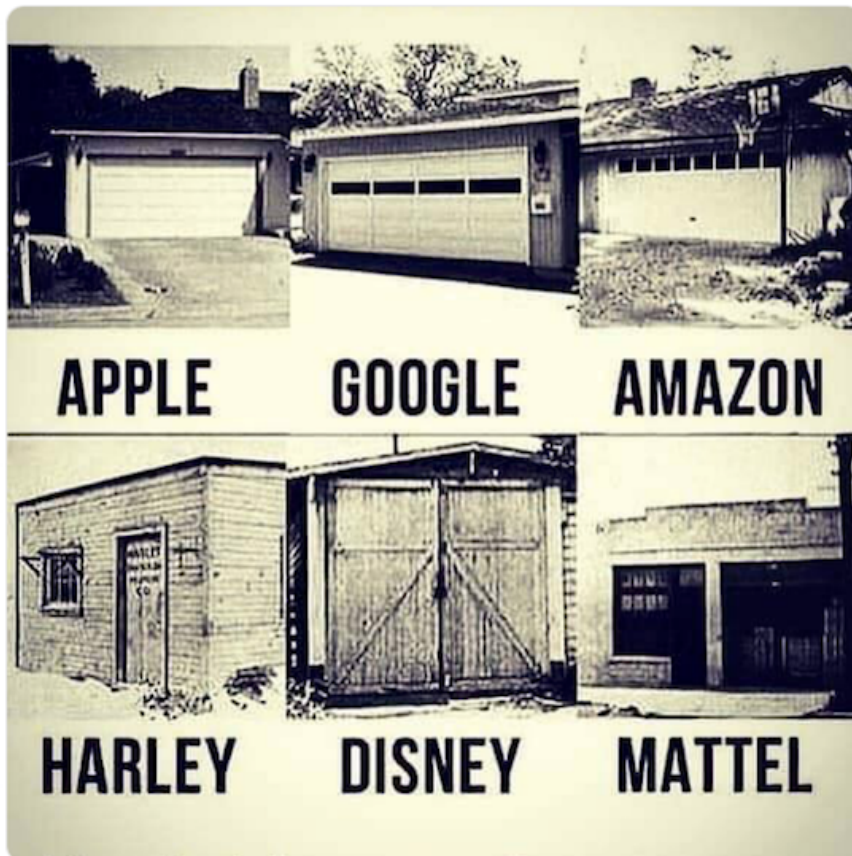




Men's Corner

@Mens\_Corner\_

Following



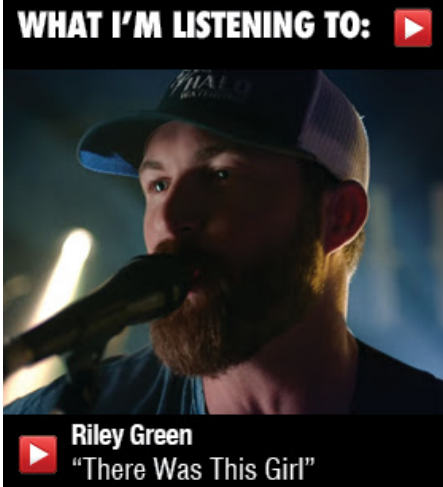
Mon. 04/22 - Easter Monday, Export Sales, Crop Progress

Tues. 04/23 - Cold Storage

Thurs. 04/25 - Export Sales, Jobless Claims

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

Kevin's Song of the Week



Kevin's Song of the Week

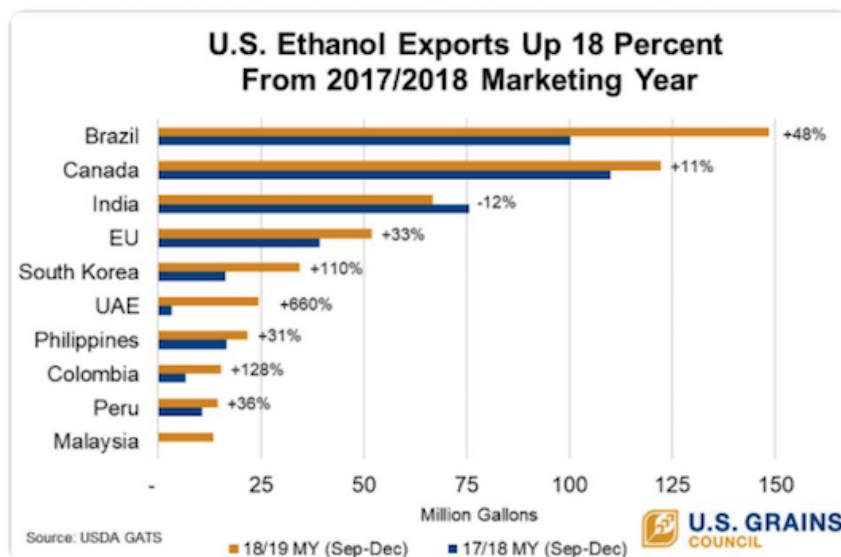


U.S. Grains Council

@USGC

Following

#Ethanol exports to the top two U.S. markets – Canada and Brazil – are both up significantly from the prior year. Learn more about why ---> [buff.ly/2TaLUvn](http://buff.ly/2TaLUvn)







**Rick Rundell-Gordon**

@rick\_rundell

Following

Glorious day to start #plant19



**Elliott Armstrong**

@ArmstrongCattle

Following

Too early for beans? #plant19 under way with  
oats going in



## NEXT level THINKING



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

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

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

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

*Kevin Van Trump*

### What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

**A.M., FDIC**

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really



**Men's Corner**

@Mens\_Corner\_

Following



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.





Classic Rock In Pics  
@crockpics

Following

Willie Nelson, Lionel Richie, Tina Turner, Bob Dylan, Cyndi Lauper, Michael Jackson and Bruce Springsteen during the recording of "We Are The World" in 1985.



Jeremy Wolf  
@jwolf7447

Following

Isn't that the [#truth!](#)



# 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:**

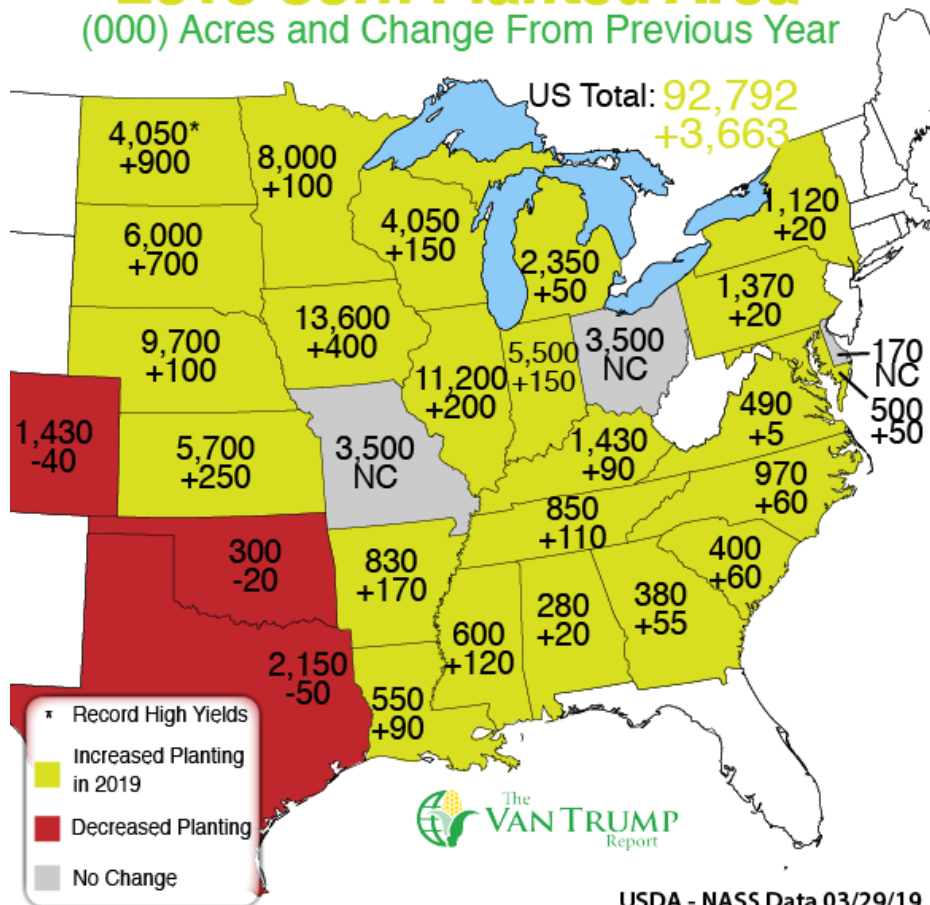
A mirror for the famous, but informative to all. I'll show you the world, but it may be a bit small. What I am?

**Corn** bulls are trying to recover after taking a major blow from the USDA data late last week! Many inside the trade are scratching their head as the USDA forecasts 92.8 million planted acres of corn. Despite higher input costs, low prices, tighter cash-flow on the farm, and wide-spread flooding in key production states the USDA still sees a +4% jump in acres, a number that's significantly higher than last years 89.1 million planted acres. The trade seems equally stumped by some of the specifics: all-time record high corn acres forecast for North Dakota +900,000 more; +400,000 more corn acres forecast for Iowa; +100,000 more corn acres forecast for Nebraska; +700,000 more corn acres forecast for South Dakota; +150,000 more for Wisconsin; +100,000 more for Minnesota??? At the same time, the USDA disappointed the bulls with a higher March 1 quarterly stocks estimate. The estimate showed 8.605 billion bushels vs. the average trade guess of 8.335 billion bushels. In other words, an extra +270 million bushels showed up in the quarterly stocks estimate. Throw that in with the extra +1.5 to +2 million extra planted corn acres that the trade wasn't expecting, and we have a +500 million bushel swing in estimated supply. This so called "double-whammy" causes the bulls to backpedal and allows the bears to swing for the fences. This has some of my larger trading buddies talking about new-crop corn prices perhaps falling to between \$3.20 and \$3.40 per bushel as ending stocks push well north of +2.0 billion bushels. I'm personally not sold on new-crop corn prices falling to those extremes, especially with U.S. weather still a major wild-card. I guess if U.S. weather begins to cooperate and the number of acres the USDA is currently forecasting actually get planted, then I will have to eat my words and change my opinion. I've said for several weeks, as a spec, I wanted to be patient before starting to buy this market. Saying it wouldn't surprise me to see the corn market make another run to the downside and post new lows. Well, here we are, and I'm more nervous now about buying it than I was last week. If I'm an end-user, I'm aggressively scale buying on the breaks from here down. However, as a spec, I think I need to count to 10-Mississippi before buying. I suspect we could get a little bounce higher as some spec's jump in with both feet trying to bet against the USDA, something I've never found to be real profitable. Remember, you can be as right as the day is long, but if the USDA isn't on the same page and the market isn't listening to your argument, you will soon be taught a very expensive lesson. In case you are wondering, the new-crop DEC19 contract low was set back in late-August of 2016 at \$380<sup>^</sup>2. This was the same time in 2016 that the front-end of the corn market traded down to \$3.01 per bushel. Bottom-line, I want to be a longer-term bull, but see no major reason to be in hurry to buy the market.



# 2019 Corn Planted Area

(000) Acres and Change From Previous Year

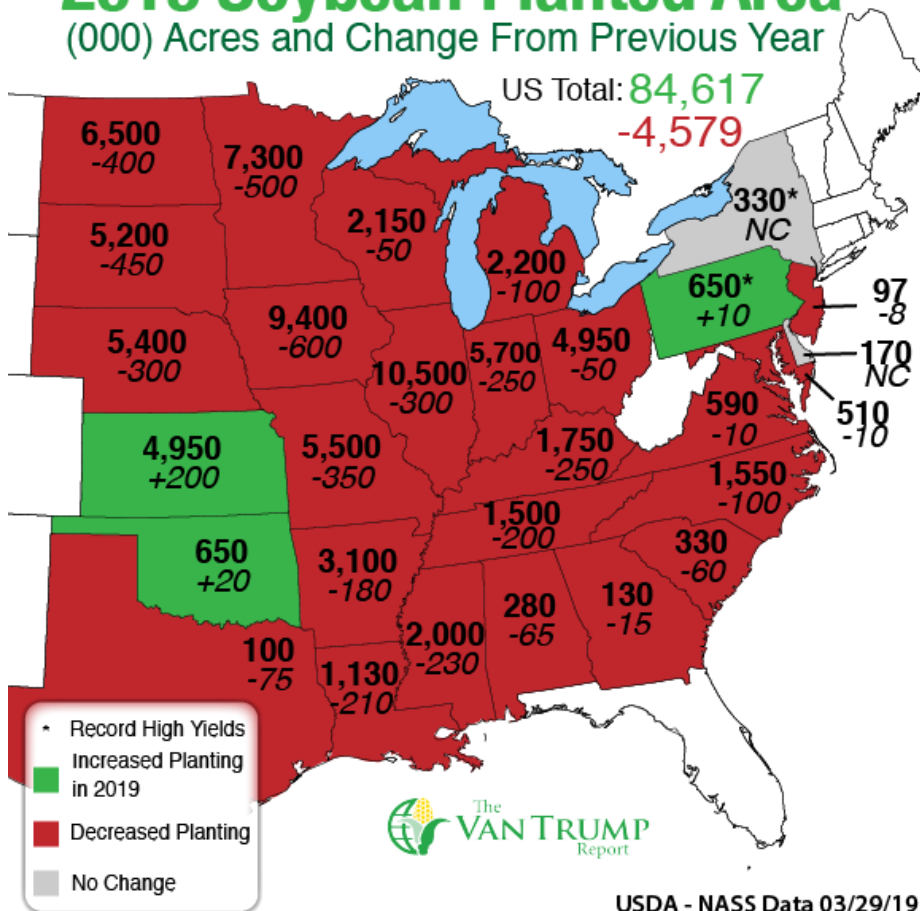


USDA - NASS Data 03/29/19

**Soybean** prices are slightly higher this morning on optimism surrounding Chinese trade and somewhat bullish data from the USDA late last week. The USDA is forecasting a -5% reduction in total planted soybean acres, saying growers intend to plant 84.6 million acres in 2019 vs. 89.2 million last year. The March quarterly stocks report showed 2.716 billion bushels, which was fairly close to trade estimates. Bears point to the fact, even though the quarterly stocks estimate was near expectations, it's still much larger than last year. In fact, March 1 soybean stocks are up significantly, from 2.109 billion on March 1 of last year to a whopping 2.716 billion this year, a +28% increase. Similarly, the March monthly WASDE report showed U.S. ending stocks at 900 million bushels vs. 555 million a year ago. Bottom-line, it's tough to be bullish with this kind of balance sheet hanging overhead and still no official trade deal with the Chinese. Bears argue, even with a trade deal it's going to be nearly impossible to be bullish nearby without a major wide-spread U.S. weather story. Let's also keep in mind, I personally believe there's a strong chance planted soybean acres could be moving higher in the weeks ahead, replacing a portion of the forecasted corn acres. Perhaps U.S. and Chinese trade officials can take another positive step this week in negotiations. As I've said for several weeks, bulls are going to have a tough time nearby sustaining much upside momentum with this type of domestic balance sheet and continued uncertainty in China, battling both trade tariffs and African Swine Fever. Perhaps later in the marketing year, when South American supplies are depleted, bulls will have a better window of opportunity?

# 2019 Soybean Planted Area

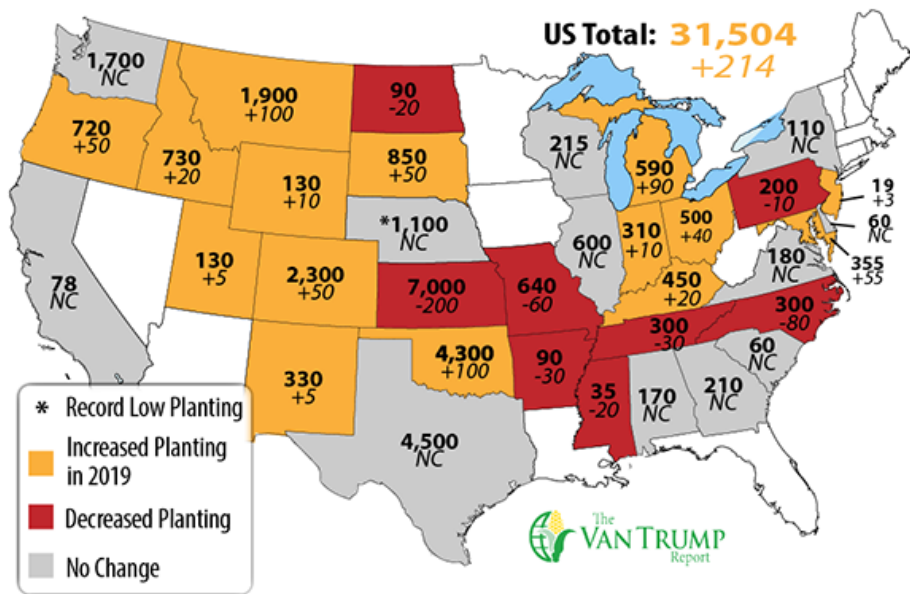
(000) Acres and Change From Previous Year



**Wheat** prices are pulled lower by the fallout in corn. The USDA data was somewhat mixed as all wheat acres were lower than the trade was anticipating, but wheat quarterly stocks were higher than expected. All Wheat planted acres are estimated at 45.8 million, down -4% from last year and posting the lowest U.S. all wheat planted acreage on record since data began in 1919. Winter Wheat planted area in 2019 estimated at 31.5 million acres, down -3% from last year but up +1% from the previous estimate. This represents the second lowest planted acreage on record for the United States. Of the total acreage, about 22.4 million acres are Hard Red Winter, 5.55 million acres are Soft Red Winter, and 3.55 million acres are White Winter. Spring Wheat growers intend to plant 12.8 million acres of spring wheat, down -3% from 2018. Of this total, about 12.4 million acres are Hard Red Spring wheat. Durum wheat area for 2019 is estimated at 1.42 million acres, down -31% from 2018. On the flip side, all wheat quarterly stocks were estimated +6% higher than last year.



## 2019 Winter Wheat Planted Area (000) Acres and Change From Previous Year



**> Cotton Acres Lower Than Trade Anticipating?** A lot my friends in the trading world found the lower USDA cotton acreage estimate interesting. Most all of us have been hearing the same thing from producers, more cotton acres in 2019. The USDA is forecasting 13.8 million cotton acres vs. roughly 14.1 million last year. Most trade estimates for 2019 have been around 14.5 million cotton acres.

**> Kudlow Says China Talks May Not Be As Quick As Everybody Thought:** Larry Kudlow, director of the National Economic Council, said during his keynote speech at the Export-Import Bank's annual conference that he believes we'll get a deal and when it happens it will be historic. However, he was cautious about the timeframe, hinting that it may take a few more months for President Trump and Chinese President Jinping to meet and finalize a deal. (Source: Politico)

**> GMO Salmon Coming to Indiana:** Following the FDA removal of an import ban, Aquabounty, will begin raising its fast-growing GMO salmon this month at a facility near Albany, Indiana that can produce 2.4 million pounds of fish a year.

**> Arkansas Looks To Ban 'Fake' Food Names:** They call it a "truth in labeling" law which would make Arkansas the sixth state to bar plant-based foods from using names traditionally assigned to dairy or meat products. The law would also protect rice from such competing products as cauliflower rice.

**> Lawmakers Hurry to Get Dairy Farmer Aid:** More than 70 members of the U.S. House, including Ag Committee chairman Collin Peterson, signed a letter to Ag Secretary Sonny Perdue calling for faster implementation of the dairy subsidy program as a way to stem the loss of dairy farms.

**> March Madness, Wing Madness:** The love of chicken wings is not limited by sport and demand carried over from football season into the annual NCAA Basketball Tournament, aka March Madness. During the 3-week event, from the first tip-off to the final buzzer, fans will consume an estimated 2.3 billion wing portions, about 14 wing portions per tournament viewer. Furthermore, in 2018, the U.S. produced about 15.4 billion whole chicken wings from 8.8 billion young chickens. (Source: USDA, AMS)

**> Need a \$100,000 a Night Room?** The Palms Casino Resort in Las Vegas is taking the concept of luxe travel to a whole different level. Its new Damien-Hirst-designed Empathy Suite costs \$100,000 a night. The room is the most expensive in America, beating out one at The Mark hotel, which previously held the accolade at \$75,000 a night. The 9,000-square-foot, two-story sky villa atop the Palms features amenities

including a trendy salt relaxation room, an infinity-style Jacuzzi overlooking the Las Vegas Strip and 24-hour butler service. Check it out [HERE](#).

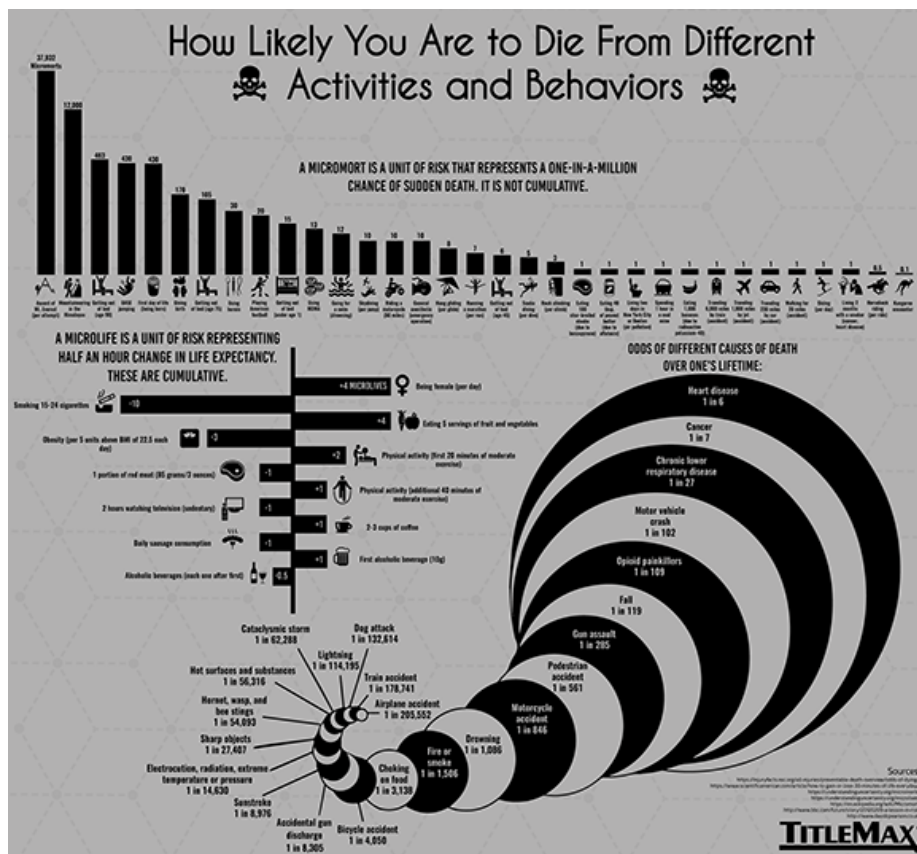
> **White House Pushes for 50 Basis Point Cut From Fed:** White House economic advisor Larry Kudlow says he wants the Fed to cut its overnight lending rate 50 basis points "immediately." "I am echoing the president's view – he's not been bashful about that view – he would also like the Fed to cease shrinking its balance sheet," Kudlow tells CNBC. The comments from President Donald Trump's Director of the National Economic Council follow the central bank's decision to hold off on raising rates last week. (Source: CNBC)

> **Chipotle Stock Continues to Push Higher:** The burrito maker notched a new 52-week high Friday, climbing +1.1% to close at \$710.31. Shares, which have surged +65% in 2019, recently retopped \$700 for the first time since 2015. (Source: WSJ)

> **ObamaCare on the Chopping Block:** The U.S. Department of Justice filed a motion last week calling for ObamaCare to be struck down in its entirety, siding with a Texas federal district court that had decided the individual mandate was unconstitutional. Hospital and health insurer stocks plunged following that ruling back in December, it will be interesting to see how they shake out in the weeks ahead.

> **New Study Shows More CEO's Leaning to the Right:** A new, first of its kind study tracks the political leanings of CEOs by examining 18 years of political contributions by more than 3,800 CEOs of S&P 1500 companies. Results show that chief executives of America's largest public companies are more than twice as likely to lean Republican in their campaign contributions than to favor Democrats. Among big energy companies, CEOs' Republican leanings are even stronger: more than 9 in 10 energy CEOs side with Republicans, and none with Democrats. The study, by professors from Harvard Law School and Tel-Aviv University, classifies a CEO as a Republican or a Democrat if they gave at least two-thirds of their campaign contributions to one party or the other. CEOs that distributed their contributions more evenly between the two major parties were classified as neutral. Read more [HERE](#).

> **It Is Appointed Unto Man Once To Die...** Many of you know the Bible verse I am quoting from. And whether you do or not, all of humanity is well aware of our own mortality. Scientific advances have given us insight into which behaviors may prolong life, and which activities carry the greatest risk of death. Naturally, there have been some unique attempts to create a unified structure around risk and benefit, and to quantify every aspect of the human lifespan. As today's graphic from [TitleMax](#) demonstrates, even when we're thinking about death, the human desire to codify the world around us is alive and well. (Source: Visual Capitalist, TitleMax) click graphic below for larger view.







# FROM THE FIELD

**Central Nebraska** - We are still trying to get everything put back to normal. A lot of the cattle guys are still struggling to figure out how they will bounce back this year. My neighbor is at 5 times loss this year on cattle in 2 days. Another thing that guys are forgetting is most guys are no-till and have been for as long as no-till has been around. We are going to be working several fields that haven't been touched in over 20 years. We have gullies that are several feet deep in some areas.

**Northcentral Kansas** - We hopefully got our last snow this weekend. I think we got about an inch that didn't hardly stick. What did stick was gone by mid afternoon the same day. It's stayed cold and windy all weekend and when it wasn't snowing it was drizzling. The sun was finally out Sunday so hopefully the wind, sun and heat next week will get us into the field. Waiting is getting old at this point.

**Northern Illinois** - We had a little more rain this weekend. The temperature was down into the high 30's again but the conditions are starting to improve as the sun comes out. I'm hearing guys talk about preventive plant already at the coffee shop. My personal opinion is that's just fellas getting frustrated with still being cooped up for the winter. We can plant corn for several more months, so I'm not worried yet.



## CROSSING WIRES

A place to share intelligent thoughts...

**New Initiative Seeks to Get 100 Million Trees in the Ground in 3 Years:** Aiming to combat the 18 million acres of forests that are lost globally each year, the Arbor Day Foundation wants to mobilize volunteers to help plant 100 million trees in the next three years—from in your own backyard to the wildfire-devastated parts of California. While 100 million trees is only a fraction of the overall forest debt we must recover, that many trees can remove 578,000 tons of pollution from the air. I'm told to get 100 million trees in the ground in the next three and a half years, the Arbor Day Foundation will tap an expansive network of corporate and nonprofit partners around the world, united under the Evergreen Alliance, which formed to make this initiative possible. Corporations like Bank of America, FedEx, Target, and power company Exelon have pledged to initiate tree-planting programs in the communities where they operate. I should mention that since the organization was founded in 1972, it's succeeded in planting around 300 million trees. Through this new push, they want to grow that number by one-third, in less than one-tenth of the time... pretty aggressive goal, but with cooperation, I suspect it can get done. Read more [HERE](#) on the initiative.

**Rare Genetic Mutation Could Lead to Pain Free Treatments:** A woman in Scotland lives nearly pain-free because of a genetic mutation and now scientists believe it could lead to improved treatments, according to a study published last week. The woman, Jo Cameron, visited a doctor when she was 65 years old for an issue with her hip. Although Cameron said she experienced no pain, she discovered she suffered from severe joint degeneration, and while in the hospital for her hip surgery, doctors noticed Cameron's thumbs were deformed by osteoarthritis, requiring a painful hand operation. I'm told she experienced no pain following the surgeries and was referred to pain geneticists who found two gene mutations that were responsible for the ability to virtually not feel pain. Interestingly, Cameron told researchers she has never needed to take painkillers after procedures, and burns would go unnoticed until she smelled burning flesh. Cameron also said any injuries she sustained tended to heal quickly. Read more [HERE](#) on the rare mutation.

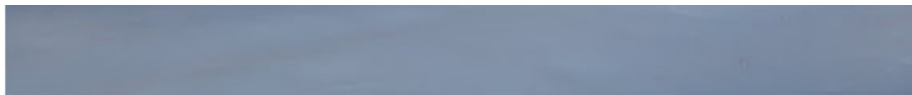
**Chasing Supersonic Flight Again:** Since Leonardo da Vinci, or even earlier, we have dreamed of flying. When we succeeded, we then wanted to fly really fast. Eventually, we made it possible for mankind to fly faster than the speed of sound. But having flouted the laws of physics, we were grounded by the laws of supply and demand. It's been over 15 years since British-French airliner Concorde made the last commercial supersonic flight. But the dream lives on. Among the dreamers is Blake Scholl, who was a 23-year-old Amazon employee when Concorde shut down. At the time, he didn't have \$10,000 to drop on a flight. Not many people did, which is why the plane passed into history. Now Scholl, who started Amazon's Automated Advertising group and became a successful tech entrepreneur, is applying his business experience to bring his dream back with the company Boom Technology—and make it affordable, or at least affordable enough to be profitable. It might seem like a tough market, with hyper-expensive first-class seats giving way to more modest business-class services. But in a global economy, Scholl is betting that people will pay for that most limited luxury—time. Read more about flying at supersonic speed [HERE](#).

**How Using the Elements of Art Can Bring Greater Appreciation:** *We've had many discussions in the office over the years regarding what art is and isn't from each person's perspective. I know my appreciation of art across multiple mediums have changed over the years as I have learned to appreciate the various forms of creativity produced. By gaining a deeper understanding of the elements of art, I feel it's easier to analyze, unravel, and create any type of artwork from painting and photography to sculpture and architecture. Though many of us had the elements of art taught to us in grade school, we have long since forgot how artists use line, color, shape, form, value, space, and texture to make their creations express thought as well as emotion. But you don't need to be an artist yourself to find the elements of art useful. If you have any love for art, you will be able to view artwork in a more meaningful way by learning more about these core visual components. Learn more on the seven elements [HERE](#).*

**Aspen Founding Family Sells Mountain Side Mansion:** *Walter Paepcke is considered one of the founding fathers of Aspen. Now, his estate, which is currently owned by his daughter Paula Zurcher and known as Erickson Ranch — is listed with Christie's International Real Estate for an asking price of \$17.95 million. Aspen, once a small mining town, is now home to many luxury residences and has long been regarded as a popular ski destination. I'm told the home includes seven bedrooms and 5.5 baths, and sits on almost 12 acres of land. From what I understand, it is considered the largest, most private lot on Red Mountain. While the main house was built in 2002, the Paepcke family has owned the land for 70 years. According to Bloomberg, the family began dividing the original 400 acres purchased by Walter Paepcke following his death in 1960. Today, four lots remain — each around 12 acres — surrounding a 51-acre common area. Click [HERE](#) to learn more about the property which is located just 10 miles from the center of Aspen, Colorado, and its surrounding ski resorts.*







### **Congress to Take Another Look at Helping Farm Families**

If you are struggling to breakeven on the farm, don't feel alone, we've been hearing lots of similar stories. Many family farms are looking for tools to assist operations during these challenging times. Fortunately, Congress is taking another look at the restructuring tool of a chapter 12 bankruptcy. As a quick reminder, chapter 12, a code reserved for family farmers as well as fishermen, was created during the 1980s farm crisis and modeled after Depression-era law, and if eligible, allows you to reorganize debt, setting up a payment plan while most importantly, you continue farming. Over the years, Congress has made several changes to the code but now experts are suggesting that due to the fact the average size of family farm has grown, the debt caps on Chapter 12 have not kept up with the times. Meaning perhaps new standards and limits could help more families. With that in

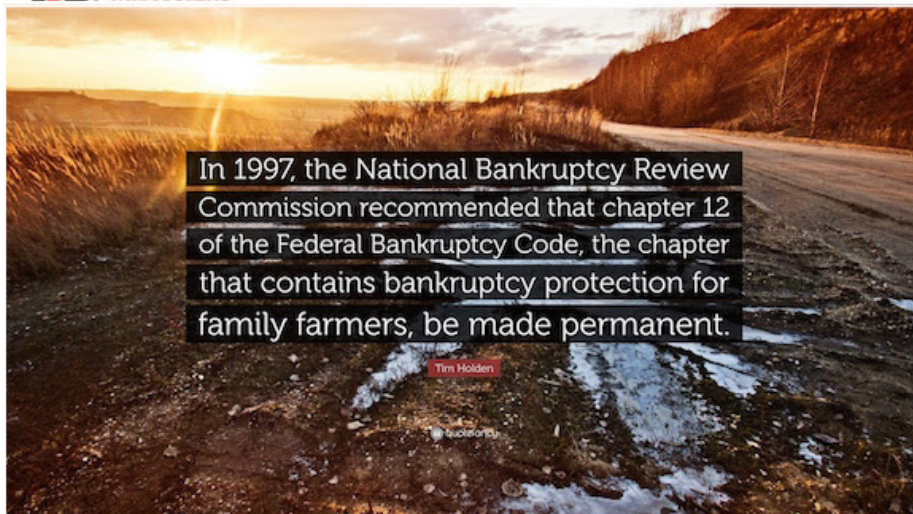
mind Senators Charles Grassley, R-Iowa, and Amy Klobuchar, D-Minn., introduced a measure last December to help financially struggling family farmers by proposing to increase the bankruptcy debt limits allowed under Chapter 12 filings to \$10 million from roughly \$4.1 million. Unfortunately, the measure did not pass, due to policy concerns from lenders as laid out in a report from the [Congressional Research Service](#). From what I understand, Senator Klobuchar, a presidential candidate, told CNBC that she plans to reintroduce the bill and Senator Grassley was quoted as promising to "push ahead with reforms to Chapter 12 bankruptcy protection for family farmers." Moving forward, if you find yourself in need of outside financial assistance, before you make any decisions regarding these or other financial matters, meet with a trusted advisors who understand your challenges, your family needs and the various options available. Keep in mind, as you work through your business planning, an "exit strategy" might be something to consider, especially for those producers who do not have family members to pass it on, don't want to spend, learn and or chase new technology, and don't want to grow larger to be able to use the new technology at scale. There's absolutely nothing wrong with having an "exit strategy". Every great business executive and CEO always has an "exit strategy". In fact, most all great entrepreneurs and business owners have always said that we should start with an "exit strategy". For many, it's simply the rural lifestyle that we truly love, not necessarily the ag business we are directly involved with. I've had several friends and clients "exit" during the past 10-years, and they all say it was the absolute best decision for them and their family. Yes, they all say the decision and the change was scary, but certainly needed. Remember, at the end of the day it is a "business", don't let it weigh so heavily on you that it changes your life for the worse. If an exit strategy is out of the question, and your operation still needs major assistance, you can see if you are both eligible and may benefit from the use of a chapter 12 by clicking [HERE](#). As the landscape in ag is changing quickly, so must we! If we can be of any assistance to your operation or family please give us a call. (Source: CNBC, Politico, [fas.org](#))

**Figure 1. Chapter 12 Family Farmer or Family Fisherman Bankruptcies  
By Fiscal Year**



**FARM BUREAU**

Source: U.S. Courts



#### **Today Is April Fools' Day... Here Are A Few Things You Might Not Know**

If you are told something that seems completely outrageous today, keep in mind that it's April Fools' Day! It's become a tradition to play pranks on unsuspecting friends and family members on this day, but the origin of this longstanding ritual is a little foggy. The most well-known legend maintains that April Fools' Day began in the 1500s when the Gregorian calendar took over from the Julian. Under the Julian calendar, years began on March 25. However, New Year's celebrations were held on April 1st because March 25th fell during Holy Week. The adoption of the Gregorian calendar shifted New Year to January 1, but not everyone got the memo - those who attempted to still celebrate New Year's on the first of April were teased as "April fools." The widely-believed origin story surmises that French peasants began an annual ritual of dropping by on friends and neighbors, trying to trick them



into believing they were receiving a New Year's visit. Of course, that joke only worked for so long, so the practical jokes had to branch out to other things in order to keep the tradition going and the silliness eventually spread throughout all of Europe. That is just one theory though. Here are a few others, as well as some of the most infamous April Fools' Day hoaxes throughout history:

**Spring:** *The timing of this day of pranks seems to be related to the arrival of spring, when nature "fools" mankind with fickle weather, according to the Encyclopedia of Religion and the Encyclopedia Britannica.*

**Noah's Ark:** *The Country Diary of Garden Lore, which chronicles the goings-on in an English garden, says that April Fools' Day "is thought to commemorate the fruitless mission of the rook (the European crow), who was sent out in search of land from Noah's flood-encircled ark."*

**Hilaria:** *Some think it somehow ties in with the Romans' end-of-winter celebration, Hilaria, and the end of the Celtic new year festival.*

**Constantine:** *Joseph Boskin, a professor of history at Boston University, once theorized that the practice began during the reign of Constantine when a group of court jesters and fools told the Roman emperor that they could do a better job of running the empire. Constantine, amused, allowed a jester named Kugel to be king for one day. Kugel passed an edict calling for absurdity on that day, and the custom became an annual event. This explanation was brought to the public's attention in an Associated Press article printed by many newspapers in 1983. There was only one catch: Boskin made the whole thing up. It took a couple of weeks for the AP to realize that they'd been victims of an April Fools' joke themselves.*

**The Great Spaghetti Harvest:** *On April 1, 1957, the British Broadcasting Corporation told viewers that there had been an "exceptionally heavy spaghetti crop" in Switzerland that year, due in part to "the virtual disappearance of the spaghetti weevil." The BBC showed footage of spaghetti harvesters diligently picking noodles from trees. Some viewers were upset—but some called to ask where they could find a spaghetti bush.*

**Washing of the Lions:** *The earliest April Fools' Day hoax on record was in 1698. People in London were told to go see the annual ceremony of the washing of the lions at the Tower of London, but when they showed up, there was no lion washing going on. The street prank worked so well that people kept pulling it year after year, targeting mostly out-of-towners. By the mid-19th century, pranksters had printed up fake tickets, and hundreds, sometimes thousands, of people would show up.*

**Silver and Gold:** *In 1905, the Berliner Tageblatt, a German newspaper, reported that thieves had tunneled underneath the U.S. Federal Treasury and stolen all of its silver and gold. The story was quickly picked up by papers throughout Europe and the United States. It was huge news—or would have been, if true.*

**Nixon in '92:** *"I never did anything wrong, and I won't do it again," said former President Richard Nixon, announcing that he would run for president in 1992. But the man speaking wasn't Nixon, and the news segment that aired the announcement wasn't real. National Public Radio's piece on Nixon's 1992 presidential run is one of its most famous April Fools' Day pranks. Not only did people believe it, they were outraged. The idea that he would run again was absurd, but it played on their fears so much that thousands of people believed it.*

**Taco Liberty Bell:** *In 1996, Taco Bell ran an ad announcing that it had purchased the Liberty Bell. The ad was a risky thing to do because it annoyed a lot of people, but it proved to other companies that you get a huge bang for your buck if you pull off a stunt that everybody talks about. The ad represented a shift in the way that companies looked at April Fools' Day. Before that, it was a light-hearted jest and bit of fun, but starting with the Taco Liberty Bell, and continuing into today, companies began to see it as a way to promote their brand and make money. (Sources: Museum of Hoaxes, Snopes)*

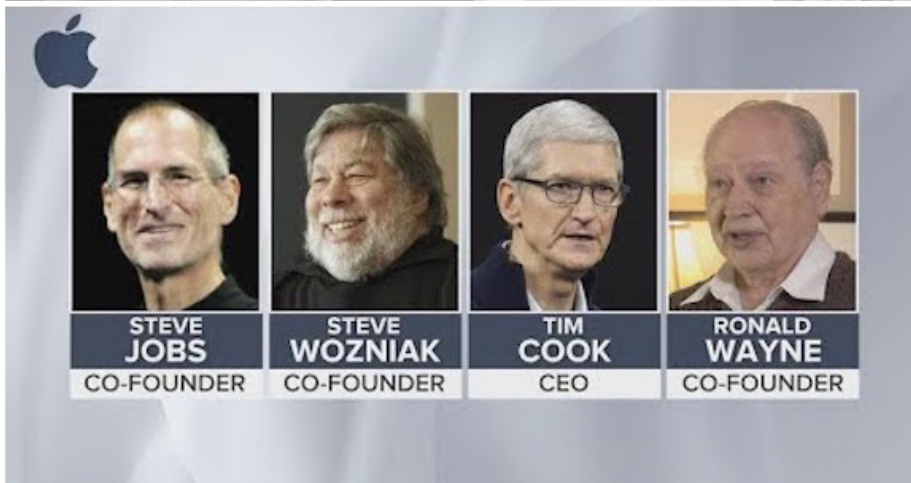
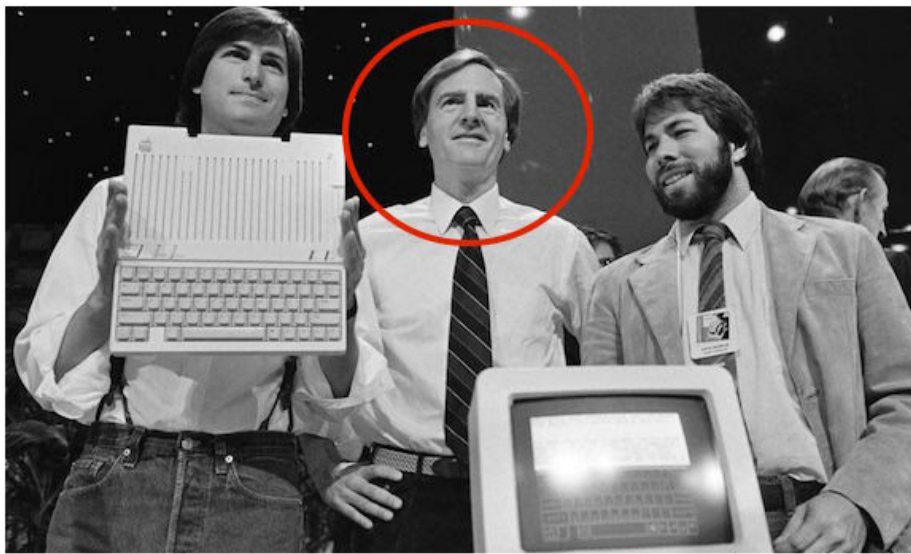
# HAPPY APRIL FOOL'S DAY

Wishing you a very happy,  
prosperous and joyful ALL FOOLS DAY



## Don't Overthink the Situation

If anyone has made a few bad trades in the market the past few months, just remember it was in April of 1976 that "Ronald Wayne" sold his 10% stake in Apple for just \$800. Wayne had originally founded Apple along with Steve Wozniak and Steve Jobs. The story is Wayne had worked with Jobs at "Atari" and the men started "Apple" on April 1st of 1976. He signed a partnership agreement, but after receiving some legal advice from a family member decided to relinquish his stake in the firm and have his name removed from the legal agreements. Wayne was 42 years old at the time and unlike Jobs (21) and Wozniak (25) he owned a home and had some assets. He was told he was really the only one with anything to lose, and that if creditors were to come after the company he would be the one they would target. Not wanting to take this kind of "risk" he opted out of the partnership for a mere \$800. A few months later after the company started to take off and became a corporation, Wayne received another check, for \$1,500, for his agreement to forfeit any and all claims ever against the new company. Wayne actually drew the first Apple logo, wrote the three men's original partnership agreement, and wrote the Apple I manual. If he would have kept his original 10% stock it is estimated to be worth over \$100 billion today! In other words, if he had kept all the stock he would be the second richest person in the world. Instead, in the late-1970's Wayne started a stamp collecting shop in Milpitas, California. After a number of break-ins, he moved his stamp operations to Nevada. The logo for his business was ironically a wood-cut style design, with a man sitting under an apple tree, with the company's name, "Wayne's Philatelics" written in a flowing ribbon curved around the tree. To add even more salt to the wound, in the early 90's, Wayne reportedly sold the original Apple partnership contract paper, signed in 1976 by Jobs, Wozniak, and himself, for \$500. In 2011, that same contract was sold at auction for a whopping \$1.6 million! The story is, Wayne retired to a mobile home park in Pahrump, Nevada, where he sells his stamps and rare coins. I'm certainly not saying life's all about money, and I suspect Ronald Wayne has had a peaceful and pleasant life. But some times it just pays to take the "risk"...

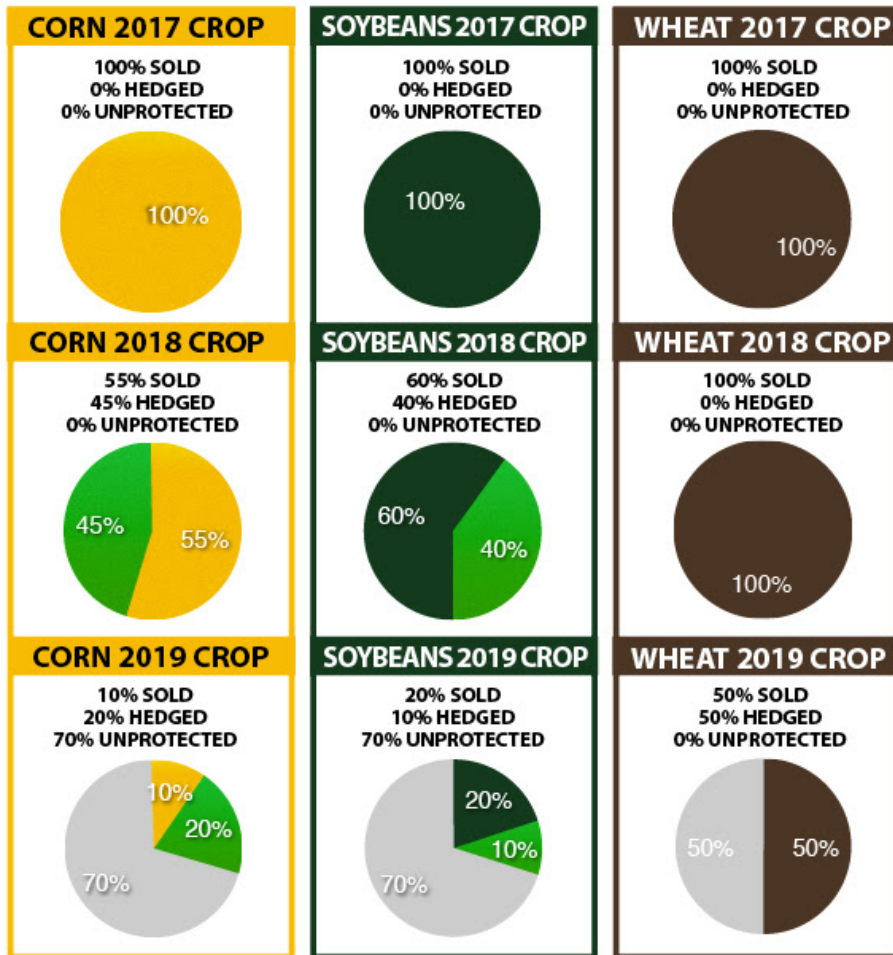


**ANSWER to riddle:** A television.

## CASH SALES & HEDGING TOTALS

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