

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

1 message

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

Thu, Apr 4, 2019 at 7:18 AM

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### Today In History

"Not everything that can be counted counts, and not everything that counts can be counted." - **William Bruce Cameron**

**THURSDAY, APRIL 04, 2019**
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stock are steady this morning ahead of President Trump's scheduled meeting with Chinese Vice Premier Liu. Reports circulating show the U.S. will continue to keep punitive tariffs in place on China to help ensure they follow through with their promises. Traders might also be pausing a moment ahead of tomorrow's monthly employment number. The consensus among insiders is that 160,000 new private-sector jobs were created in March. There's some talk and debate that non-Manufacturing jobs may have pulled back a bit as the non-manufacturing purchasing managers index fell slightly in March from February. Which could create more headwinds than expected in employment numbers. These are jobs in the "services" sector i.e. retail stores, waiters, cooks, hotel workers, transportation, etc... Despite the weaker than expected data we've still seen overall growth for 110-straight months. That's almost crazy to think about. Something else I should remind everyone, the "services sector" accounts for more than +80% of all private-sector jobs, at the same time "services" make up two-thirds of all consumer spending, so the "services sector" is vitally important! The monthly data from payrolls firm ADP was release yesterday and showed the private sector hiring in the U.S. slowed for the second month in a row, hitting its slowest pace in 18-months. Many employers, especially those in the service sector are saying they simply can't find any additional workers, so growth is somewhat suspect and muted. There's also talks that businesses are starting to hire a bit more cautiously. Small businesses with fewer than 20 employees also weakened a bit as of late. Keep in mind, Q1 corporate earnings season is right around the next corner with several of the big banks scheduled to report next Friday. Bears are wondering about "growth" and specifically how corporate America is going to hold up under shrinking margins? Remember, several big-name U.S. corporations in the past couple of weeks have already come out and issued profit warnings for the first quarter. Bulls point to the fact several headwinds from Q4 earnings have eased and subsided i.e. no government shutdown, and improved winter weather. I'm not really on the same page with the improved weather, as I thought the winter, especially in January, February and early-March were extremely difficult in many parts of the U.S. I'm also wondering about the big U.S. corporations that rely heavily on overseas earnings for growth. Earnings from those corporations might be starting to show more signs of stress or at least a slowdown in growth? It's going to be a very interesting Q1 earnings season! The big weeks for earnings reports will be the third and fourth weeks of April. There's very little in the way of fresh economic headlines today. Most all eye will be on U.S. and Chinese trade negotiations, continued talks in Washington involving the Mexican border, and tomorrow's monthly employment report.

### Many of the Greatest Investors Tend to Leave the Party a Little Early:

*"Longtime activist investor Carl Icahn sold his stake in Lyft prior to its initial public offering last week... Icahn's stake in Lyft amounted to about 2.7% of the ride-hailing company. Though it wasn't clear what price he received for the stake, the investment was worth roughly \$550 million at the IPO price." (Source: CNBC)*

**The Dirtiest Places in Airports:** *At first glance the response is most always the bathrooms, but actually the self-check-in kiosk contains the most bacteria along with the armrest on the chairs in the terminal waiting area and water fountains. A Texas-based insurance company called InsuranceQuotes, investigated airports by performing 18 tests across six different surfaces. They then sent the samples to the lab to identify the average number of bacteria or fungal cells per square inch,*



### 1843, **Yellowstone Photographer William Jackson is Born**

William Jackson is born in Keeseville, New York. His powerful photographs of Yellowstone helped make it the first national park. Jackson received no formal training in photography. As a young man, he began experimenting with simple cameras, and he gradually mastered the arcane skills needed to capture images on chemically prepared glass plates. In 1866, Jackson joined a wagon train and traveled west to California, lugging along his heavy camera equipment. The awesome size and ruggedness of the western landscape sparked his imagination, and he began to focus his efforts on what would later be termed "nature photography." In 1871, Jackson's ability to produce excellent images while working in primitive wilderness conditions attracted the attention of the geologist Ferdinand Hayden. Hayden convinced Jackson to join his government-sponsored expedition into the still relatively unknown wilds of the Yellowstone region in the northern Rocky Mountains. Earlier explorers of the area had returned with tales of towering geysers, vast canyons, and bubbling mud pots, but their stories and drawings of these natural wonders failed adequately to convey the beauty of Yellowstone. Hayden hoped Jackson could capture the miracles of Yellowstone on his photographic plates, so millions could enjoy the wonders seen by only a few. During 1871 to 1872, Jackson produced hundreds of brilliant photographs of Yellowstone while traveling with the Hayden expedition. For the first time, the American public saw accurate images of the area rather than paintings or drawings. The photographs offered visual proof that Yellowstone really was home to many awesome natural wonders. Thanks in no small part to Jackson's photos, U.S. congressmen decided the Yellowstone region should be preserved in its natural state. On March 1, 1872, Congress established 1,221,773 acres of the Yellowstone area as the world's first



also known as colony forming units (CFU). Self-check-in screens were home to 253,857 CFU, while the armrests at the airline gate had 21,630 CFU and the buttons on the water fountains had an average of 19,181 CFU. The self-check-in kiosk is the one place everyone's hands are forced to touch. All day, thousands of people are tapping the same screens to get their tickets to board without realizing they're touching the germiest part of the airport. That's why it's not surprising that Hartsfield-Jackson International Airport in Atlanta, the world's busiest airport, was germier than any other airport tested. One self-check-in kiosk came back with a whopping 1 million CFU. To put this in perspective, an airport toilet contains an average of 172 CFU. WOW! (Source: Annie Hartman, Amazing Places)

**Refinancing Skyrockets as Mortgage Rates Drop:** The biggest one-week rate drop in a decade unleashed a run on refinances last week, although it did not especially spur spring buyers. I'm told mortgage application volume surged 18.6% from the previous week and 28% from a year ago, according to the Mortgage Bankers Association's seasonally adjusted index. Refinance applications jumped 39% for the week to the highest level since January 2016. Volume was 58% higher than a year ago, when interest rates were higher. The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$484,350 or less) decreased to 4.36% from 4.45%, with points increasing to 0.44 from 0.39 (including the origination fee) for loans with a 20% down payment. The rate was 33 basis points higher than a year ago. I should mention that mortgage borrowers looking to purchase a home did not respond quite as aggressively, as those applications increased 3% for the week and were 10% higher than a year ago. Keep in mind, lower rates should help more buyers get into their first home. Read more [HERE](#).

**Discovery and BBC Partner, Could Create more Headwinds for Netflix?** Discovery and BBC recently announced a 10-year multimillion-dollar streaming deal that will bring together the two companies to produce content on one new streaming platform. Unlike Netflix, Amazon, and Apple, these networks want to partner together to appeal to hardcore fans that like educational shows about snow leopards, sharks, and fishermen to focus on more of a niche market in video streaming. Discovery's D2C chief Peter Faricy told Axios, "The goal is to make the super-fan so happy and so interested. We'll look all over the world for who has the best type of content consumers are enthusiastic about, and that's what we'll go build a service around." Keep in mind, BBC's content like Planet Earth, Life, Blue Planet fits perfectly with Discovery Channel classics like Shark Week, Man vs. Wild, and Storm Chasers. I think this is a genius idea for these two companies to go after more of a niche market. I suspect video streaming giants like Netflix are going to struggle to compete with these smaller platforms in the future.

**Good Information About Investing in IPO's:** As shares of Lyft surged +9% on its debut and sunk -12% on its second trading day to below its IPO price, I thought it might be interesting to pass along some real data and facts to help those who are thinking about investing in more of the big-name IPO's in 2019. Most importantly, understand that more than 60% of the 7,000 IPOs from 1975 to 2011 had negative returns after five years following their first day of trading and only a handful produced positive returns worth investing in, according to a UBS analysis using data from University of Florida professor Jay Ritter. Also keep in mind, an IPO's initial pop tends to fade away as soon as six months after the offering when the lock-up period expires, which frees insiders to sell on the open market. Remember, the lockup prevents insiders from selling assets too quickly after the company goes public. In addition, from 1980 to 2016 the average six-month return for IPO's is about 6%, but recently in the last 15 years, the six-month absolute and excess return have been both negative. The best day to invest in an IPO seems to be right when it opens due to the fact IPO's over the past 40 years average an 18% gain on the first day of trading. But selling it quickly might be the smartest play. I have to imagine the hopes and dreams of hitting the next big name, like Amazon, Tesla, Netflix, Google, Facebook, etc... keep us all extremely interested in the hype of the newest and next greatest deal. Investors are still expecting high valued companies like Uber, Airbnb, Slack, Palantir Technologies, Robinhood, Pinterest, Postmates, and WeWork to release an IPO in 2019. Make sure you like the company long-term before you invest in unicorn IPO's, you might have to hold for a very long time before cashing in your lottery ticket. (Source: CNBC)

national park. After his work at Yellowstone, Jackson became one of the pioneering photographers of the American West. The magazine Harper's Weekly commissioned him to make a popular series of photographic reports on many sections of the West. Though he was also a successful painter, his photographs were far more influential in establishing the American visual understanding of the West.



### 1918 , Germans and Allies Step up Operations Near Somme -

On this day in 1918, German forces in the throes of a major spring offensive on the Western Front launch a renewed attack on Allied positions between the Somme and Avre Rivers. The first stage of the German offensive, dubbed "Operation Michael," began March 21, 1918; by the first days of April it had resulted in a gain of almost 40 miles of territory for the Germans, the largest advance in the west for either side since 1914. After initial panic, the Allies had managed to stabilize and strengthen their defense, stopping the Germans at Moreau Wood on March 30 and continuing their hardy defense of the crucial railroad junction and town of Amiens, France, just south of the Somme. With a bombardment by more than 1,200 guns and a total of 15 divisions sent against only seven of the enemy's, the Germans attacked in force at Villers-Bretonneux on April 4. Again, British and Australian troops reacted with panic in the face of such an onslaught, but soon rallied to drive back their attackers. At the same time, French divisions made their own advances along the front running between the towns of Castel and Cantigny, to the south of Villers-Bretonneux. Also on April 4, German military officials announced that their attacks in the Somme region had claimed a total of 90,000 Allied prisoners since March 21. The following day, Erich Ludendorff, chief of the German general staff, formally closed down the Michael offensive; the second phase of the attacks, "Georgette," would begin four days later in Flanders.



### 1960, Ben-Hur Wins 11 Academy Awards -

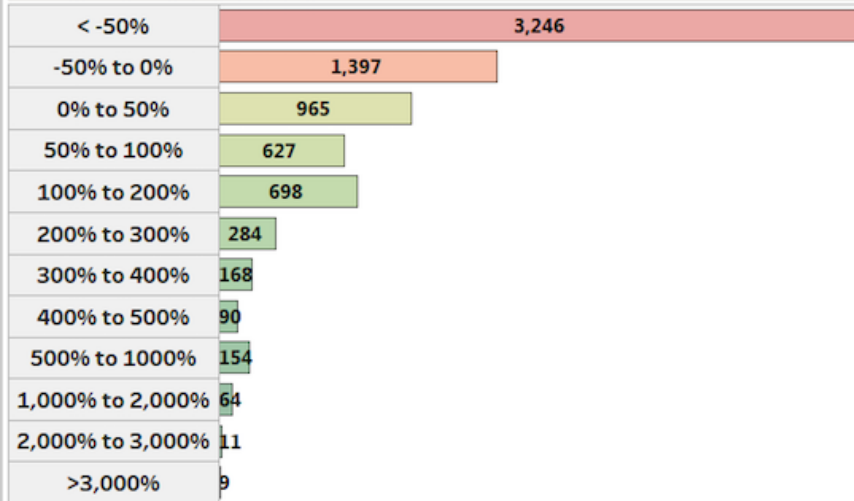
Clocking in at three hours and 32 minutes, William Wyler's Technicolor epic Ben-Hur is the behemoth entry at the 32nd annual Academy Awards ceremony, held on this day in 1960, at the RKO Pantages Theatre in Hollywood. Setting an Oscar record, the film swept 11 of the 12 categories in which it was nominated, including Best Picture, Best Director and Best Actor (Charlton Heston). Wyler's 1959 film was the latest dramatic adaptation of the mega-bestselling novel Ben-Hur: A Tale of the Christ, published in 1880 by Lew Wallace. Wallace, a former general in the American Civil War, wrote his most successful novel after experiencing a new awakening of his Christian faith. The book told the story of a young Jewish aristocrat, Judah Ben Hur, who chafes



## Five-year IPO returns

CNBC

Range of five-year returns based on first day closing price, all initial public offerings 1980-2016. (SOURCE: Jay Ritter, Univ. of Florida)



# FARM TANK

Tweets of the Day



against the repressive Roman rule in Judea, loses his fortune and his family, but eventually triumphs over obstacles (thanks partially to the intervention of Jesus Christ). After Wallace's novel was adopted into a long-running stage play in 1899 and a short film in 1907, Metro-Goldwyn-Mayer bought the film rights and produced a major motion-picture version, directed by Cecil B. DeMille, in 1925. After DeMille scored a hit with a remake of his own 1923 biblical epic *The Ten Commandments* (1956), MGM decided to revive *Ben-Hur* as well. Wyler had worked on the set of DeMille's 1925 version and the square-jawed Heston played Moses in *The Ten Commandments*. Filmed on location in Italy, on a budget of some \$15 million, *Ben-Hur* was the most expensive movie ever made up to that point. The film's famous chariot race scene alone took three weeks to shoot and used some 15,000 extras. The setting for the race was constructed on 18 acres of back-lot space at Cinecitta Studios outside Rome. Aside from a few of the most daredevil stunts, Heston and Stephen Boyd (who played Messala, Judah Ben-Hur's boyhood friend turned bitter enemy) did most of their own chariot driving. The payoff was big: Writing in his review of the film for the *New York Times*, Bosley Crowther called the scene a "stunning complex of mighty setting, thrilling action by horses and men, panoramic observation and overwhelming dramatic use of sound." At the 1960 Oscars, *Ben-Hur* swept 11 categories, including Best Picture, Best Director, Best Actor, Best Supporting Actor (Hugh Griffith, playing an Arab sheik who befriends Ben-Hur), Best Color Cinematography, Best Color Art Direction/Set Direction, Best Sound, Best Score, Best Film Editing, Best Color Costume Design and Best Special Effects. It was also nominated in the Best Adapted Screenplay category. *Ben-Hur*'s record number of Oscars still stands, although two films (1997's *Titanic* and 2003's *The Lord of the Rings: The Return of the King*) have matched it.

### Upcoming Events

**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





**Barry Ritholtz** ✓  
@ritholtz

Following

Uber, Pinterest, Slack: These are the next big tech IPOs

[finance.yahoo.com/news/uber-pint...](https://finance.yahoo.com/news/uber-pint...)



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

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

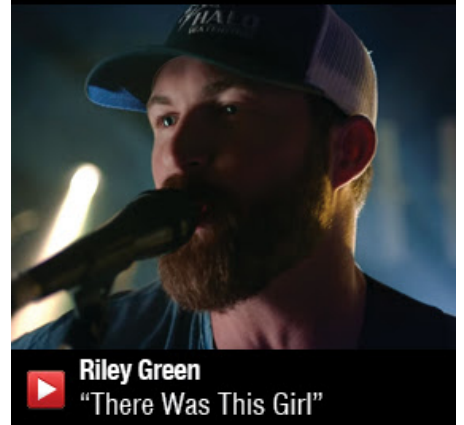
**Tues. 04/23** - Cold Storage

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

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

Kevin's Song of the Week

WHAT I'M LISTENING TO: ▶



▶ **Riley Green**  
"There Was This Girl"

Kevin's Song of the Week



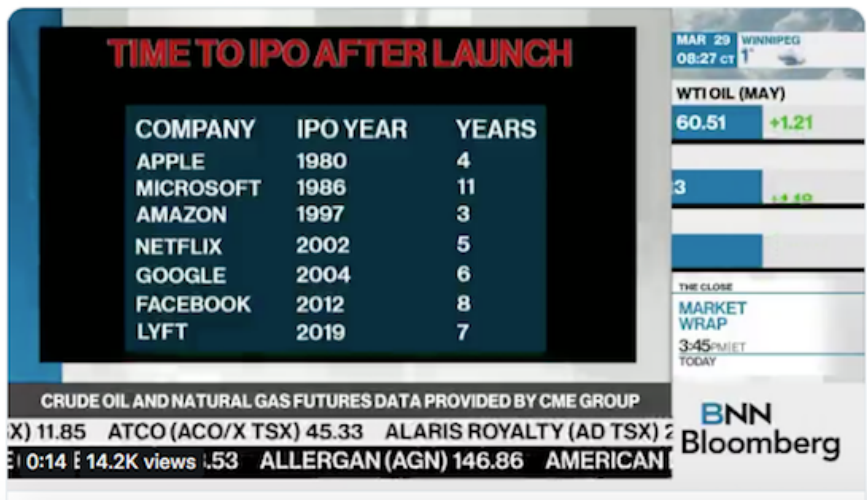


**Jon Erlichman** ✓  
@JonErlichman

Following

Age when company went public (IPO):

Alibaba: 15 years  
 Spotify: 12 years  
 Microsoft: 11 years  
 LinkedIn: 9 years  
 Facebook: 8 years  
 Twitter: 7 years  
 Lyft: 7 years  
 Google: 6 years  
 Snapchat: 6 years  
 Netflix: 5 years  
 Apple: 4 years  
 Amazon: 3 years  
 Intel: 3 years  
 Yahoo: 2 years



## 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





**Ty**  
@tfickenscher

Following

Dear Mother Nature,

We have some work to do. Could you please cooperate for about 3 weeks?

Thanks!



*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.*



**Harry Henderson**  
@AHDB\_Arabletech

Following

Farming not techy enough to attract young people? Give-over! @AHDB\_Potatoes planting potatoes made easy. @JohnDeere







Kansas AgrAbility Project  
@KSAgrAbility

Following

@KSAgrAbility is spending the day with Grow FarmHer. It's going to be a great day with Carey Portell @CP\_STY and other wonderful programming for #womeninag

#growfh @Farmher1 #farmher #MHK  
@BluemontHotel







**Super 70s Sports**  
@Super70sSports

Following



Wonder how much money was wagered that day ...



**Steve Burns**  
@SJosephBurns

Following



[#SaturdayThoughts](#)

**The 18/ 40/ 60 rule says when you are 18 you worry about what everybody is thinking of you. At 40 you don't give a damn what anyone else thinks. And, at 60, you realize that nobody has been thinking about you at all. Most people spend their days worrying and thinking about themselves.**



# neuro mining

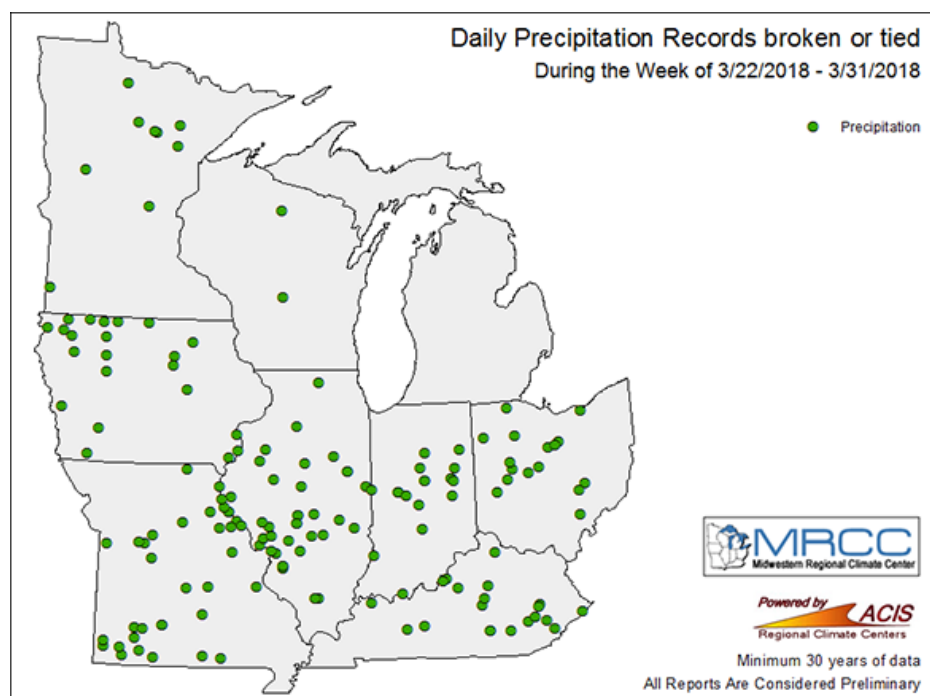


As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

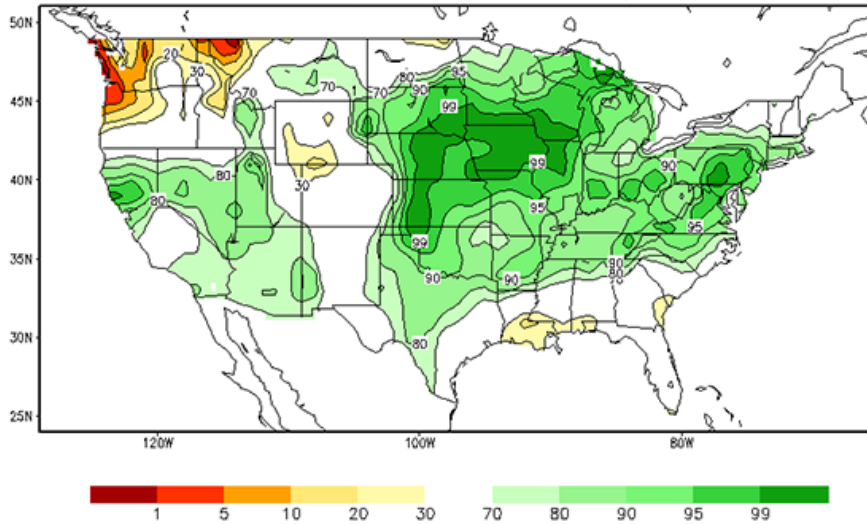
I'm often running yet I have no legs. You need me but I don't need you. What am I?

**Wet Weather Drowns The Midwest in March:** Heavy rain pounded the southern Midwest during the last week of March. Storms pushed weekly rainfall totals to double their normal amount in many areas. More than 100 daily precipitation records were broken last week as you can see in the graphic below. As for the month, the second graphic below shows that soil moisture remained in the top ten percentile across most of the region, with some areas in near-record territory.





Soil Moisture Ranking Percentile Last day of MAR, 2019

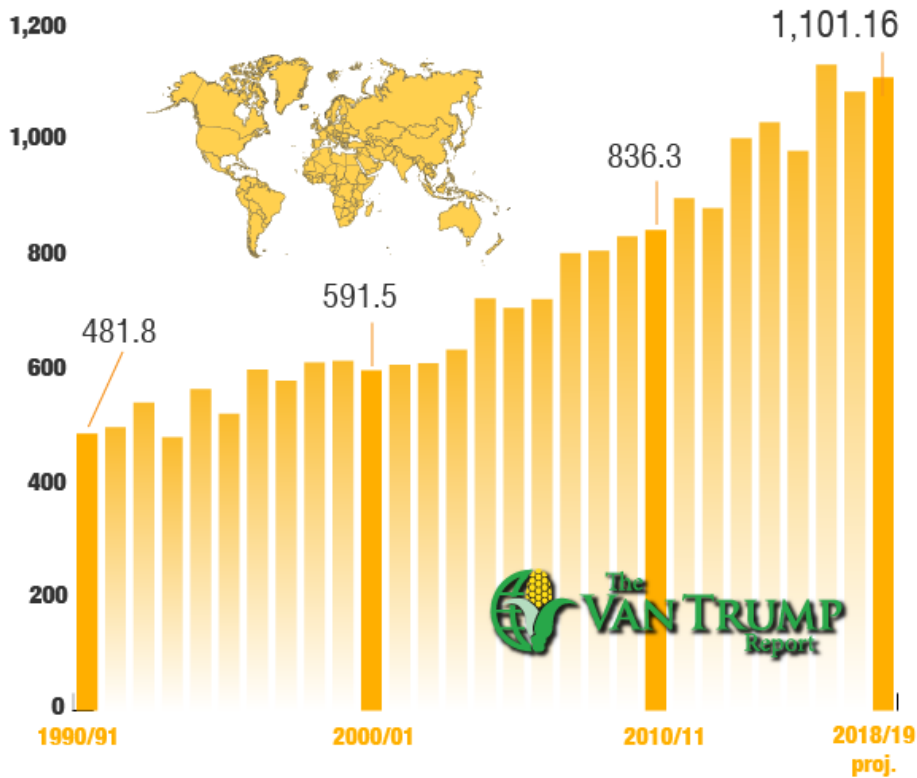


**Corn** prices continue to show little movement. Bears point to South American crop production estimates, which appear to be moving a hair higher, and will be substantially stronger than last year. The bears are also questioning growth in U.S. demand, particularly exports and ethanol. Some insiders actually believe the USDA might soon make a slight reduction to their current forecast for each. It's not that anyone is thinking or saying U.S. demand will fall apart, rather just more difficult in growing overall demand. Remember, the USDA is forecasting +3 million more corn acres and gains in technology could easily keep pushing yields higher, hence we need continued "growth" in overall demand, that "growth" is what's being questioned. Bears are also wondering "what if" in regard to the potential closure of our southern border. Yes, we've heard reports that the White House has backed off some of its earlier threats, but Mexico is a substantial buyer of U.S. corn based products, so it's definitely causing some to take a step backwards as uncertainty circulates. Ethanol production here at home rebounded a bit last week, but we are still running -3% to -4% behind our production averages from last year and at the same time sitting on about +7% in additional ethanol surplus, which is record large. Don't forget, the USDA's monthly WASDE report is scheduled for release next Tuesday, April 9th. It's hard for me to believe the corn market is going to move a whole lot between now and then, especially without some type of fresh new headlines regarding Chinese trade and details about buying U.S. corn and corn based products. Keeping my fingers crossed...



# Global Corn Production

(in million metric tons)



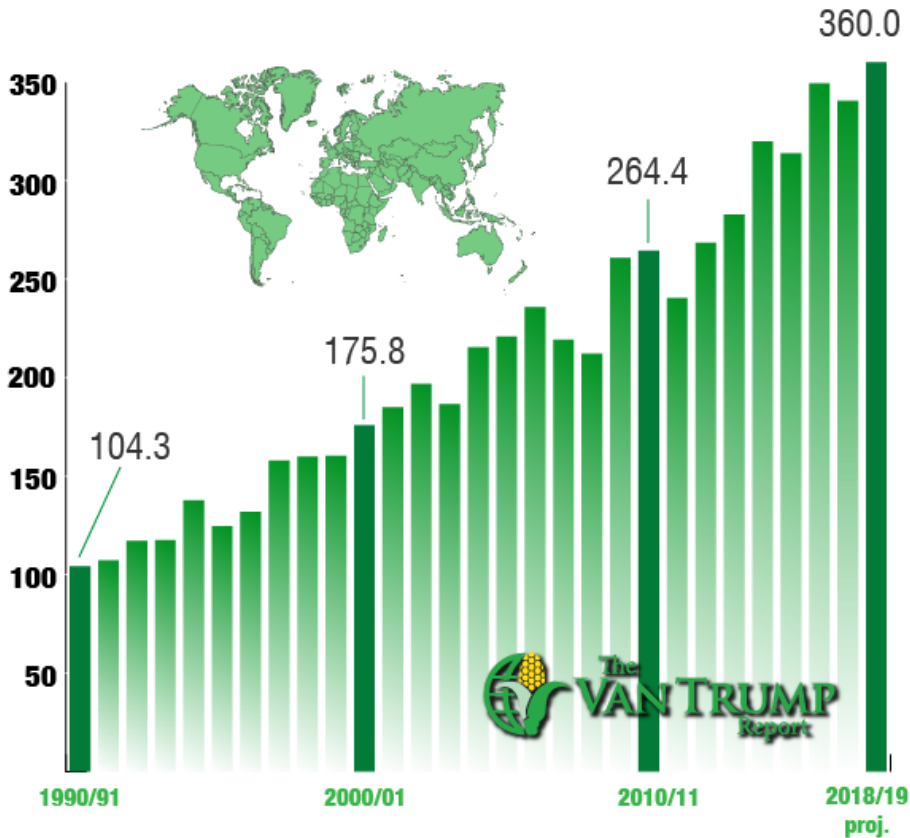
Source: USDA, updated with March 8, 2019 WASDE data

**Soybean** bears are pointing to weather headwinds as conditions in South America have improved helping to aid harvest and bump production estimates slightly higher than what many inside the trade had been previously forecasting. Here at home, weather is also weighing on prices, as many traders are thinking overly wet conditions and limited opportunity for field work could ultimately bring about more soybean acres. Technically, the market seems comfortable trading in a fairly narrow range, at least until more is known about Chinese trade negotiations and U.S. weather, with the MAY19 contract trading between \$8.80 and \$9.15 per bushel. The new-crop NOV19 contract seems comfortable trading nearby between \$9.15 and \$9.50 per bushel. Longer-term however, I think there could be a bullish story brewing. Unfortunately, I think it's going to take time to play out. We need to see South America chew thru their new-crop supply, ink a trade deal with the worlds #1 buyer of soybeans, stop the bleeding from African Swine Fever in China, and get some weather related headlines here in the U.S. this growing season! I never said it was going to be easy to build a bullish story, but when we are sitting on record supply up near 1.0 billion bushels... what should we expect?



# Global Soybean Production

(in million metric tons)



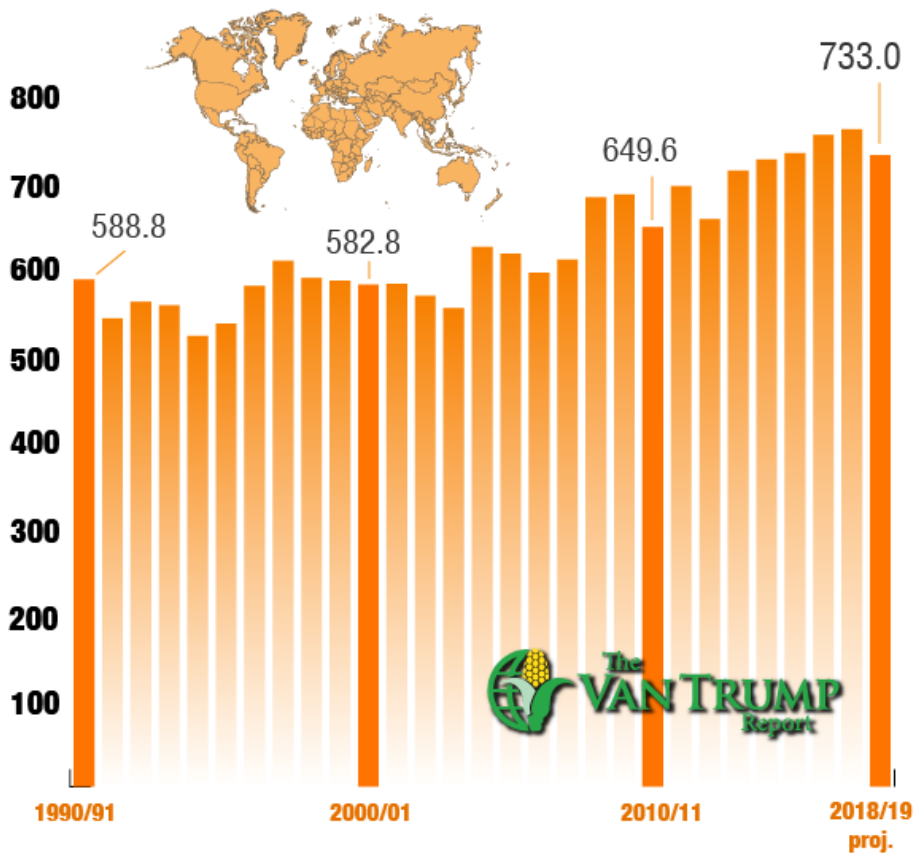
Source: USDA, updated with March 8, 2019 WASDE data

**Wheat** bears are thinking the upside is fairly limited nearby without Chinese buying tied to some type of U.S. trade deal. Weather in the U.S. has helped a large majority of the wheat crop with much better yield estimates coming out of big production areas inside Kansas, Oklahoma, etc... Despite record low acreage and flooding in some areas, most sources inside the trade are looking for +50 to +100 million bushels of additional winter wheat production from U.S. producers this year. We are also hearing of improved weather forecast in portions of the Black Sea region that had been gaining some bullish attention. Bottom-line, there's very little fresh or new in the headlines. Bears continue to point to burdensome U.S. domestic supply, a strong U.S. dollar, and no real wide-spread problems amongst the world's low-cost producers, meaning more than likely more headwinds for U.S. exporters. As I've been saying for weeks, it's going to be tough for the bulls to string together a wave of upside momentum without some help from a "wild-card" of some sort i.e. Chinese buying of U.S. wheat; Political tensions escalating in the Black Sea region; Political tensions escalating in the Eurozone; Improved global growth outlook and a more "risk on" attitude towards commodities; A much weaker U.S. dollar, etc...



# Global Wheat Production

(in million metric tons)



> **Brazil Corn Estimates Raised:** Brazil corn production estimates for 2018-19 were raised 500,000 MT by IEG Vantage. That puts production at 94.5 MMT for now. Argentina's corn estimates also increased, being bumped by 1 MMT to 46.5 MMT. I'm told the soybean crop estimates were maintained at 114.5 MMT. Improving weather has many raising corn estimates for both Brazil and Argentina.

> **Cambodia is Latest Country to Report ASF:** Reports from the World Organization for Animal Health state that a Cambodian outbreak has originated from the backyard near the Vietnam border. I'm told four pigs were killed in Rattanakiri province in an outbreak that started March 22, and another 100 hogs were culled.

> **How A Trade Deal With Japan Could Go Down:** The U.S. and Japan are approaching formal trade talks and there is some indication that the Trump administration could take a two-step approach to getting a deal done. U.S. Trade Rep Robert Lighthizer has gone on record saying that while it would take a while to get an entire free trade agreement, he believes they could take care of agricultural part of it initially. Lowering tariffs on farm goods wouldn't require congressional approval. A deal with Tokyo is seen as crucial to helping farmers and exporters make up for Japanese market access they lost after the U.S. pulled out of the TPP in 2017.

> **Water-Sharing Along the Colorado River:** 14 senators whose Western states rely on water from the Colorado River system have signed new legislation authorizing a water-sharing deal. The plan is aimed at preventing a catastrophic drop in water levels at the river's two main reservoirs. The legislation hopes to protect the source for drinks



water to 40 million Americans, irrigation for 5.5 million acres of farmland and more than 4,000 megawatts of carbon-free hydropower. (Source: Grist)

**> China Will Require Meat Processors to Test For African Swine:** *China's ag ministry said they will require pork processors handling raw pork to test for the presence of African swine fever from May 1. The tougher procedures come as the virus continues to spread through the world's largest pig herd. China has reported 116 outbreaks of African swine fever since the disease was first detected last August, although many believe it is much worse than officially reported.*

**> USDA Launches New Farmers.Gov Features for H2A Applications and Loans:** *Ag Secretary Sonny Perdue announced two new features on [farmers.gov](https://farmers.gov) to help customers manage their farm loans and navigate the application process for H2A visas. As for the loan features, you will now be able to login and view loan information, history and payments.*

**> Three of Eight Importers of Iranian Oil Cut Shipments to Zero:** *While the United States has set a goal of completely halting Iran's oil exports, it granted temporary import waivers to China, India, Greece, Italy, Taiwan, Japan, Turkey and South Korea to ensure low oil prices and no disruption to the global oil market. Names of the countries have not been shared at this time, and it's worth mentioning that the Trump administration is currently in consultations with the importers ahead of a May 2 deadline when the waivers expire.*

**> Toyota To Release Treasure Trove of Hybrid Tech Patents:** *Toyota Motor plans to offer royalty-free access to its coveted hybrid-vehicle technology patents, the company announced on Wednesday afternoon. The company said it will release a total of 23,740 active patents in the field. After the groundbreaking release of the Prius in 1997, the carmaker initially hoarded its technology. They believe this move caused the market to stagnate instead of flourish. We could see hybrid technology make a real jump in the coming years, likely taking market share from booming all-electric vehicles. (Source: Nikkei)*

**> AI Has Saved IBM Nearly \$300 Million in Retention Costs:** *IBM artificial intelligence technology is now 95% accurate in predicting workers who are planning to leave their jobs, said IBM CEO Ginni Rometty. I'm told, IBM HR has a patent for its "predictive attrition program" which was developed with Watson to predict employee flight risk and prescribe actions for managers to engage employees, and to this point has saved IBM nearly \$300 million.*

**> ABBA Tells Fans to Expect a New Song Later This Year:** *Bjorn Ulvaeus says fans can expect a new song "in September or October" from the four-member Swedish pop group that broke up 37 years ago. Ulvaeus told Denmark's Ekstra Bladet tabloid on Wednesday that "it takes an extremely long time" to make the video with the avatars of the group members, adding "it has been delayed for too long." The band earlier said Ulvaeus, Benny Andersson, Anni-Frid Lyngstad and Agnetha Faltskog reunited to plan a virtual tour featuring digital avatars, and that one of the two new songs is entitled "I Still Have Faith in You."*

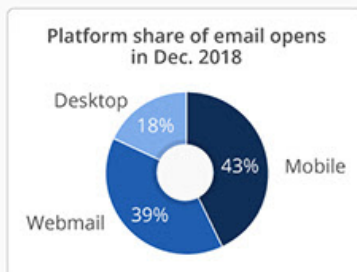
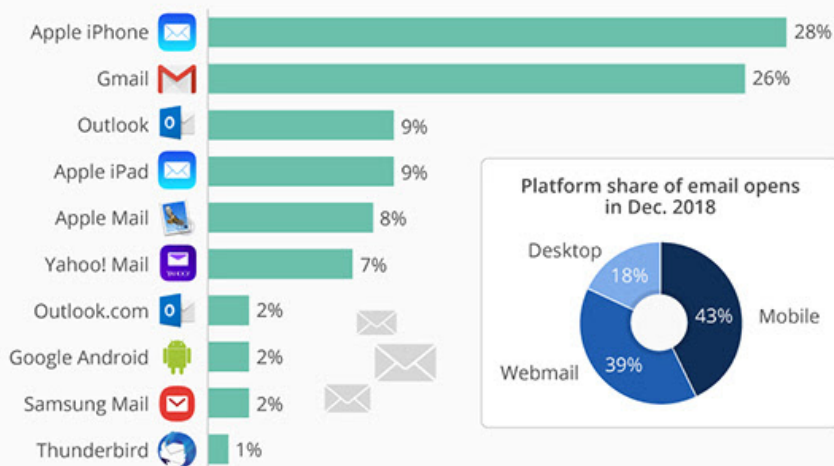
**> Signet Jewelers Plans to Close More Than 150 Stores:** *Recovering from a weak holiday season that forced it to slash its profit outlook, Signet Jewelers, the parent company of Kay, Zales and Jared plans to shut 150 stores as part of a turnaround plan. For the fourth fiscal quarter of fiscal 2019, ended Feb. 2, same-store sales fell by 2%, and for the year they fell .1%. I'm told they expect that in fiscal 2020 that same-store sales will fall between a range of a 2.5% decline and flat, as they take an expected \$6 billion in sales.*

**> World's Most Popular Email Clients:** *Email is ubiquitous to the average American. It's tough to remember life before using email to communicate, particularly in business. What's even harder to believe is that Gmail launched 15 years ago, in 2004. Google surprised many with the launch of Gmail, its own web-based email client. With 1.5 billion users, Gmail has grown into one of Google's most successful products and one of the most popular email clients in the world. According to data published by email analytics firm Litmus, Gmail is only beaten by Apple's native iPhone email app in terms of usage. The data is based on 834 million email opens worldwide between March 1 and April 1, 2019. (Source: Statista, Litmus)*



## The World's Most Popular Email Clients

Top 10 email clients worldwide based on the share of email opens in March 2019\*



\* percentages based on 834 million email opens worldwide between March 1 and April 1, 2019  
Source: Litmus Email Analytics

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## FROM THE FIELD

**Northeast South Dakota** - Snow is disappearing except for the heavy drifts still in the ditches and on the banks. We have had a good run of weather and hope it continues. We were able to put 50% of our fertilizer down in the fall and disc it in a bit. Within our management program we try to leave the ground as undisturbed as possible. We produce some seed corn and also soybeans, and usually do some wheat for the 250 head of cattle we have, but won't be able to this year. We feed the cattle all the way out and sell once they hit 1,500 lbs. We were fortunate to make some very good sales last year and all remaining crop in the bin has been priced.

**Westcentral Missouri** - We are actually planting a little corn today. It's funny how things can change in just a few weeks. Guys were barely getting field work done in the middle of March and now we are already dry enough to plant corn. Granted, we are supposed to get rain Thursday so we might be replanting this corn, but we are willing to take that risk because it will spread our risk over several weeks. Not to mention it's not very many acres and we have replant insurance. We have been sitting around 70 degrees for a few weeks now.

**Northern Illinois** - I have heard rumors of soybeans being harvested in northern Illinois, just outside of Chicago. The beans in season were making between 60 and 70 bushels depending on how optimal harvest came. The talk was beans were going to hold together for a spring harvest. The beans harvested earlier in the week made a little over 20 bushels, so it was majorly disappointing for these guys. The beans were laying flat on the ground and were popping out of the pods.

## CROSSING WIRES

A place to share intelligent thoughts...

**Hitting the Highway With the Honey Bee:** When we think about going on a road trip honey bees probably don't come to mind, but bees spend a surprising amount of time on the nation's highways. Most of our food production by weight consists of just a few species of wind-pollinated grains, but more than 80 percent of crop species, including almost all fruits and vegetables, require some kind of pollinator. For this reason, transporting honey bees to provide pollination for agriculture is big business. Commercial pollination services maintain thousands or even tens of thousands of hives that are available for rent, and they deliver by the truckload all over the country. Keep in mind,



growers have a narrow window to provide intensive pollination. Many pay commercial beekeepers to transport hives by truck to saturate their fields during the bloom. Most crops bloom during a brief, seasonal period that may be as short as couple weeks, and they need intensive pollination during this time to be profitable. Learn more [HERE](#) about the business of moving bee hives.

**New Treatment Could Lengthen Pancreatic Cancer Patients Lives 5X:** A diagnosis of pancreatic cancer has long been viewed as a death sentence, with less than 1% of people surviving for five years, and many dying within 12 months. But at The Mayo Clinic in Minnesota, surgeons have spent seven years trialling a new kind of treatment which is allowing people to live for at least five times as long, and some patients may even now be cured. Cancer specialists have found that giving chemotherapy and radiotherapy to patients before surgery has a dramatic outcome on survival. Previously patients suffering from cancer that had spread outside the pancreas into surrounding arteries were not offered life-saving surgery, because doctors believed it would be impossible to remove all of the cancerous tissue, and difficult to repair damaged blood vessels connecting to the stomach, intestines, and liver. But surgical oncologist Dr Mark Truty has found that blasting cancer cells with drugs and radiation before removing the tumour, and replacing the arteries, has a remarkable impact on survival. Read more [HERE](#) on the breakthrough discovery.

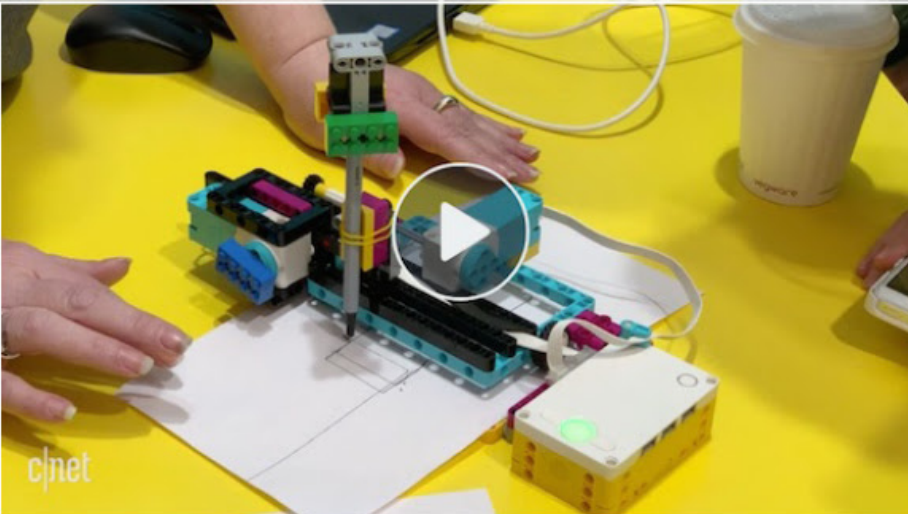
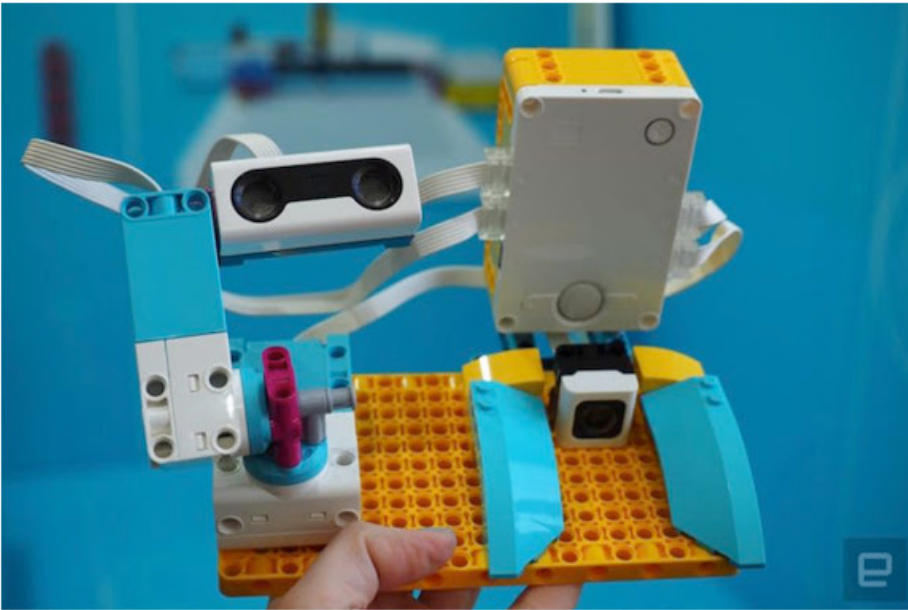
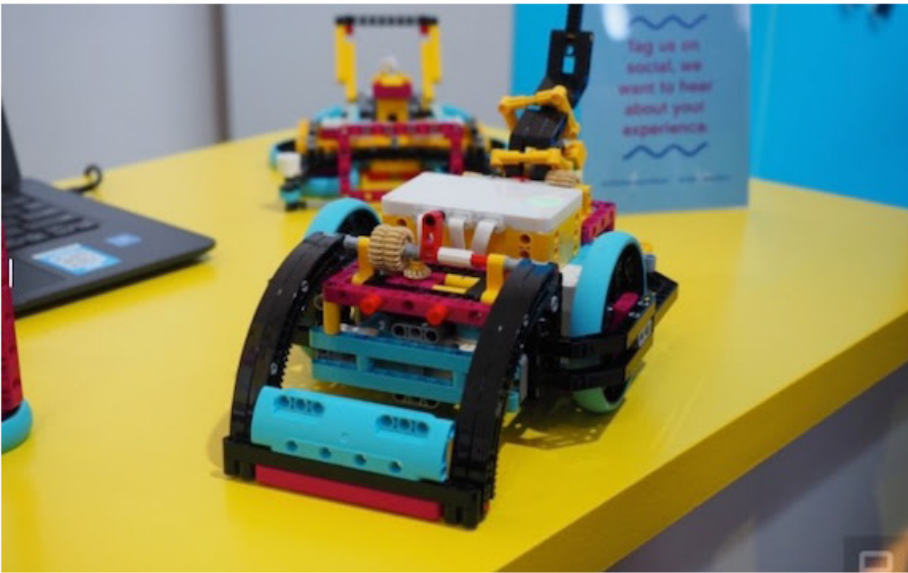
**Researchers Discover First-Ever 330-Foot Tall Tropical Tree:** In the last few years exceptionally tall yellow meranti trees have been discovered growing in Sabah, a Malaysian state on the island of Borneo, again and again. Over the last few years the record height of an individual tree has jumped from 288 feet to 308.7 feet in 2016, when an entire grove of 295-feet plus yellow meranti were found. That record was shattered this week as a team led by the Universities of Nottingham and Oxford, working with the South East Asia Rainforest Research Partnership, announced the discovery of a 330.7-foot giant growing in Sabah's forests. This discovery is the first 330 foot tropical tree (and the world's tallest known flowering plant) recorded anywhere in the world. If it were laid along the ground the tree would be longer than a soccer field. I'm told the team named the tree "Menara," which is Malaysian for tower. They estimated it weighs 81,500 kilograms, or more than the maximum takeoff weight of a Boeing 737-800, excluding roots. Check it out [HERE](#).

**Army Has First Official Submachine Gun Since WW II:** Since WW II the U.S. Army has used the M3 "Greasegun", but recently made a change when they officially selected the Swiss made Brugger and Thomet APC9K to outfit its Personal Security Details. I'm told the service will buy 350 of the compact automatic weapons for \$2.5 million, with an option to buy 1,000 more. The B&T APC9K beat out guns from more than ten other companies, including Colt and Heckler and Koch, as well as guns based on the M-16 and MP-5 weapons platforms. I should mention, the APC9K is an entirely new submachine gun developed in conjunction with and for EKO Cobra, Austria's counterterrorism unit. The gun uses a closed-bolt blowback system, has a maximum rate of fire of 1,080 rounds per minute, and weighs just 5.9 pounds with 30-round magazine, foregrip, and Aimpoint micro red dot aiming sight. It's chambered in 9-millimeter Parabellum and comes standard with two 30-round translucent magazines. Check it out [HERE](#) in a short video.

**Lego Goes Back to Basics to Teach Engineering:** With its bright, flat cables hanging out everywhere, it may look like some retro computer cobbled together in a 1980s garage in the colorway of a 1990s shoe, but this is Lego's latest, most technologically advanced set. It just happens to be aesthetically inspired by Lego's very first robotics kits. The set has been developed by Lego Education, a division that is separate from Lego itself. The group's mission is to use hands-on learning to better teach kids and adults alike. In fact, Lego Education—and the Lego Foundation—have been working for decades with institutions like the MIT in developing and researching, not gadgets, but learning-through-play methodologies, all centered around five core human principles: emotional, social, creativity, cognitive, and physical abilities. Lego Spike is the latest application of their research. Looks like a great gift idea for the young scientist in your life. Watch a short video [HERE](#) to see what the brightest young minds are creating.











### Taking Vertical Farming to the Next Level with the Urban 'SuperFarm'

Terms like urban agriculture and vertical farming have been tossed about the last few years as possible solutions to potential food security issues that could arise as urban populations significantly increase in the next few decades. Plenty of small as well as corporate entities are already at work gaining marketshare in the urban food production space and with tons of resources constantly being poured into a finding the next solution, a new concept... the 'SuperFarm', has been offered up by Studio NAB. The SuperFarm departs from the traditional urban farm typology which is often limited to salads, fruits, and vegetables by broadening its attention on the production of foods such as fish and honey as well. It's worth mentioning, the project also seeks to recreate an ecosystem in an urban environment, including seaweed culture, beekeeping, insect farming, aquaponics, and various greenhouse and outdoor cultivations. Interestingly, the conceptual project has been designed to function in the heart of a city and specifically, on a river development in order to limit the use of new land. I'm told the proposal calls for a six story structure whose square footage increases with each level, therefore gaining the maximum floor area with minimum impact on the site. I should mention that each floor will house different functions, with the top floor comprising of a greenhouse with beehives and planting spaces and the rooftop will house solar panels and wind turbines to provide energy to power the building. As a holistic approach to urban living, NAB's concept also aspires to combat unemployment and revive the local economy on a neighborhood scale. Also, with the trend of transparency, sustainability and reducing foods carbon footprint, I suspect projects of this nature will gain significant traction from urban dwellers. In my opinion, it won't take long for indoor garden production to become a commodity in itself, meaning projects of this nature will need to provide a community additional benefits beyond being organically produced while reducing the use of chemicals in the process. I have to admit I'm a little surprised that in these conceptual projects we are not seeing portions of the facilities being designated for the production of lab grown meat. As an added benefit, thanks to the installation of wind turbines and solar panels, several kW/h can be produced daily to supply the heat production systems and to allow the ventilation and lighting of indoor production areas, while at the same time keeping the building completely energy self-sufficient. In my opinion, the SuperFarm will also gain traction by meeting one of the consumers biggest desires... an experience. By having a direct sales area easily accessible across the footbridge, consumers can directly participate in their food experience as they daily select their purchase from a known source. I suspect there will be many iterations of this idea in the near future, but it's probably fair to say, these concepts will be delivered by modern farmers and investors in whatever form is preferred and profitable. Someone's going to be providing food directly to urban residents... for those near larger cities, the question is how will you get your operation to benefit from the future landscape? (Source: Designboom, studionab)

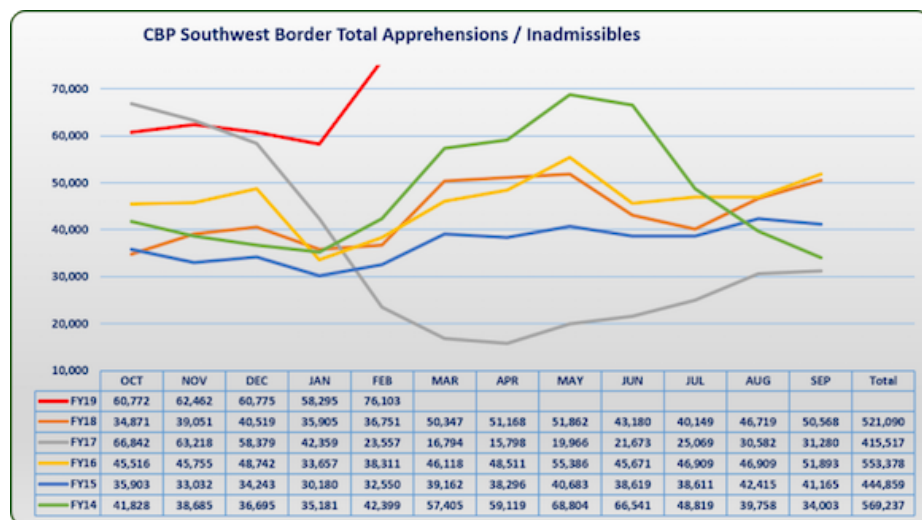


### U.S. Immigration System Being Stretched at Southern Border With "New Wave"

Commissioner of U.S. Customs and Border Protection (CBP), Kevin McAleenan announced last week that the CBP had just encountered the highest total number of migrants in years, and due the changing demographics -- more families, children, and a majority of Central Americans, we are seeing a major strain on resources. McAleenan added that the overall numbers of people arriving at the border are now set to reach levels not seen in a decade, and considering the inadequate capacity to detain families and children at ICE and Health and Human Services, the situation has been labeled a humanitarian crisis by McAleenan. Meaning, border agents are struggling to meet medical needs for the thousands of exhausted members families crammed into a detention system that was not built to house them all. You should know that over 100,000 migrants will approach the southern border in the month of April, a number not seen since before 2008. More importantly, a significant number of these migrants are children. In fact, in March 2019 alone, almost 40,000 children will come into CBP's custody, McAleenan said, adding that there exists the "potential for a tragic incident" during a border crossing or in overwhelmed agency facility. I'm told in order to



manage the situation the CBP is now "reluctantly" performing direct releases of migrants, meaning they are not turned over to Immigration and Customs Enforcement, they are not detained, and they are allowed to leave with just a notice to appear in court at a later date. Keep in mind, we are reaching new highs month after month since President Trump announced parents and children would no longer be separated, reversing course on his "zero tolerance" crackdown. From what I understand, El Paso has seen over 36,000 migrant families in fiscal year 2019, compared to about 2,000 at the same time last year. As these numbers rise so do the number of unaccompanied children which is up to more than 5,000 this year from 1,300 last year. Bottom line - understanding what is happening on the border is difficult because, while the numbers are currently higher than they have been in several years, they are nowhere near the historic levels of migration seen across the southwest border. Arrests for illegally crossing the border reached up to 1.64 million in 2000, under President Clinton, and in the 2018 fiscal year, they reached 396,579 and for the first five months of the current fiscal year, 268,044 have already been apprehended. With that said, what you need to understand is that the difference in the nature of immigration has changed, and the demographics of those arriving now are proving more taxing for border officials to accommodate. Meaning most of those entering the country in earlier years were single men, most of them from Mexico, coming to look for work, and if they were arrested, they could quickly be deported. With the demographic shift to families including fathers from Honduras with adolescent boys they are pulling away from gang violence and mothers with toddlers from Guatemala whose farms have been lost to drought, deportation is no longer an expedient process as families claim protection under asylum laws. Definitely a situation that will require serious wisdom in order to humanely deal with families as we also seek to keep criminals and gang members out of our great nation. (Source: KHN.org, CNN, NYT, [acf.hhs.org](http://acf.hhs.org))



### MLB Launches Subscription Tickets

As baseball season starts to get in full swing, many MLB franchises are aiming to reach a younger crowd by targeting millennial sport fans with a subscription-based model including cheap standing-room-only tickets. Teams using this subscription model include the New York Mets, Kansas City Royals, Oakland Athletics, Milwaukee Brewers, San Francisco Giants, St. Louis Cardinals, Minnesota Twins, and a few more. Keep in mind, these subscriptions will allow fans to attend home games ranging from \$2.00 - \$5.00 a ticket each night, which is crazy considering how much I've spent on tickets in the past few seasons. From the research I've done, it seems like many teams with some of the worst records in the league are starting to adopt this subscription-based ticket model to attract more fans to their ballpark. Remember, teams like the New York Yankees, Boston Red Sox, and Chicago Cubs don't really need this model because they already have a sell out crowd nearly every night due to their traditions and the star power in their line-up. Keep in mind, teams like the Braves, Marlins, Twins, Rays, and Yankees have already been downsizing since 2009 hoping to attract more fans by giving them a better experience by offering things like lounges and social spaces. I personally think this is a genius idea because throughout my fair share of evenings at the ballpark I've found more people prefer to explore the stadium and examine the food options rather than watch the game. My son and I like to intensely watch every inning guessing pitches and talking possible strategies while my wife and daughter like to walk around the stadium. Some of the better subscriptions I've seen out there are below:

**A's Access** is offered by the Oakland Athletics. The subscription offers members with general admission access to every 2019 regular season home game, a reserved seat plan, and benefits exclusive to members such as concessions discounts. Keep in mind, some of the discounts include concession pricing of \$4.00 20-ounce domestic drafts, \$3.00 hot dogs, and \$2.50 16-ounce sodas. In addition, to attract more fans the A's have also already gotten experimental with their stadium this season with the introduction of the Treehouse, which is located behind the left field bleachers. The Treehouse is a 10,000-square foot area with a redwood patio deck, bar, and lounge seating hoping to attract fans to these standing-room-only tickets.



**/ 50% OFF CONCESSIONS  
/ 25% OFF MERCHANDISE**

**REQUEST A FREE  
ONE-DAY PASS**

**A's ACCESS**  
**EVERY GAME, YOUR WAY**



**Twins Passes** are being offered by the Minnesota Twins, which are valid for 79 games excluding Opening Day and Joe Mauer Day on June 15th. The reason I like this offer is because "Twins passes" are available for standing-room-only at \$294, with an upper-deck seat for \$494, and with a lower-deck seat for \$894. That means a fan attending every game could get into the ballpark for as little as \$3.72 a night, and could have an upper-deck seat for \$7.52 or a lower-deck seat for \$11.32. Remember, a single-game ticket in those sections cost anywhere from \$25 to \$70 each on average.



## Twins Pass

# TWINS PASS

ALL SEASON ACCESS, ONE LOW MONTHLY PRICE

MONTH TO  
MONTH PLAN

**\$49/mth**

**Benefits Include:**

Guaranteed Ballpark Access to every regular season game (excluding Opening Day and 6/15 Joe Mauer Day)

MONTH TO  
MONTH PLAN

**\$99/mth**

**Benefits Include:**

A seat for each game in the upper level seating areas of Target Field based on availability (excluding Opening Day and 6/15 Joe Mauer Day)

MONTH TO  
MONTH PLAN

**\$149/mth**

**Benefits Include:**

A seat for each game in the lower level seating areas of Target Field based on availability (excluding Opening Day and 6/15 Joe Mauer Day)

Buy Twins Pass

**Mets** are offering their subscription for \$39.99 a month



The advertisement features a background image of two Mets players, Jacob deGrom and another player, in their blue uniforms. Overlaid on the image is the text 'AMAZIN' Mets PASS' in a stylized font. Below this, it says 'ONLY \$39 PER MONTH' and 'STANDING ROOM ONLY ACCESS TO EVERY GAME\*'. A smartphone on the right displays a QR code and the subscription details. The 'Mets Ballpark' logo is in the top left corner.

**Other teams** are selling these ticket plans for \$29.99 a month like the Royals.

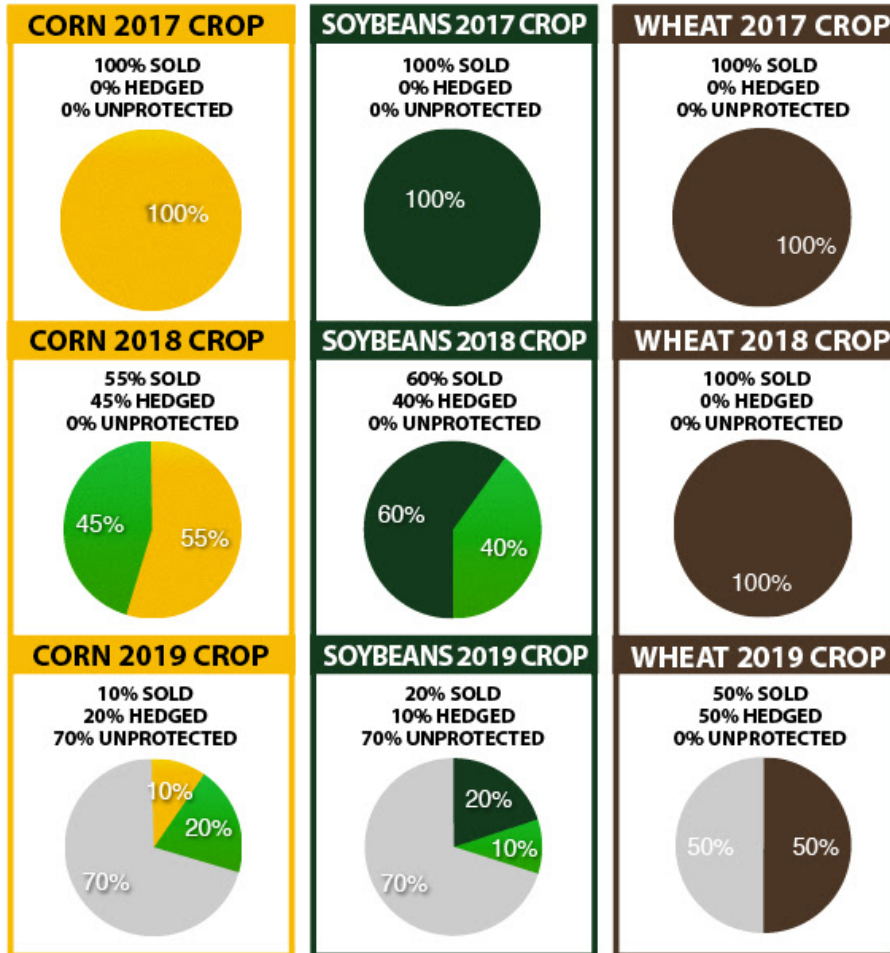
I think this is important to pay attention to because many companies are looking to extend their reach to all demographics, including millennials, and many believe these subscriptions are a great offer that provides value and flexibility attracting more people. I suspect we start to see these subscriptions start popping up in more industries sooner rather than later as we see subscription models now being offered for tickets and coffee.

**ANSWER to riddle:** Water.

## CASH SALES & HEDGING TOTALS



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