

## GOOD MORNING: 04/08/19 Farm Direction - Van Trump Report

1 message

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

Mon, Apr 8, 2019 at 7:08 AM

Reply-To: Jordan &lt;reply-fec916757366027c-314\_HTML-36250946-100003450-1@vantrumpreport-email.com&gt;

To: info@farmdirection.com



### Today In History

"You can be the ripest, juciest peach in the world, but there are still going to be some people who hate peaches." - **Dita Von Teese**

**MONDAY, APRIL 08, 2019**
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**Morning Summary:** Stocks are steady this morning, while bulls still seem comfortable trying to challenge previous all-time highs. U.S. jobs data and several economic indicators have been stronger than many anticipated. Friday's employment report showed the U.S. economy added 196,000 jobs in March and unemployment held at a very strong 3.8%. Also strong was the fact average hourly wages grew +3.2% from a year earlier. The only downstroke in the employment report was the labor-force participation rate has stopped rising. I thought it was interesting to see the unemployment rate for those with less than a high-school education rose to 5.9%, up from 5.3% in February and 5.6% a year ago. It's the opposite story for the most educated: the rate for college graduates fell to just 2%. Healthcare led with 49,000 new workers, professional and technical services 34,000 and restaurants and bars contributed 27,000. Construction rose by 16,000, but manufacturing lost 6,000 jobs. Evidence of solid job growth, low unemployment, a bit of headwind in the participation rate and mild inflation seems to support the Fed's decision to hold interest rates steady and "unchanged". However, I think the recent economic data also causes some in the market to backpedal regarding thoughts that the Fed will be making a rate cut anytime soon. Traders also continue to keep a close eye on U.S. and Chinese trade negotiations, which are scheduled to continue this week by video conference. President Trump made comments last week that progress is being made and a deal could be announced in the next four weeks. However, U.S. Trade Representative Robert Lighthizer said there are still some "major, major issues" to resolve. Hence, the trade believes we are taking steps in the right direction but there's no clear certainty regarding the amount of additional time it will take to find a working compromise. In traditional economic data, we start today with U.S. factory and durable goods orders. Tomorrow, the trade will look to the U.S. JOLTS report for additional insight about the labor market. Wednesday, all eyes will be on the latest ECB rate decision and the release of the Fed "minutes" from their latest FOMC meeting. Friday, the trade will get its first big glimpse at Q1 earnings when we hear reports from JP Morgan, Wells Fargo and a few other large U.S. banks. I will continue to keep a close eye on uncertainties surrounding Brexit, and trade agreements between the U.S., Mexico and Canada, and of course the Chinese... Looking for the stock market to re-test the all-time highs!

**Who I'm Picking... NCAA Men's Basketball National Championship!** *The Virginia Cavaliers will play the Texas Tech Red Raiders tonight at 8:20 pm CST on CBS for the NCAA Men's Basketball National Championship. No. 1 Virginia squeaked past No. 5 Auburn on three last-second free throws from Kyle Guy, while No. 3 Texas Tech upset No. 2 Michigan State with a strong defensive performance. Virginia has gone through No. 16 Gardner-Webb, No. 9 Oklahoma, No. 12 Oregon, No. 3 Purdue, and No. 5 Auburn to get to this game. Texas Tech has had to go through No. 14 Northern Kentucky, No. 6 Buffalo, No. 2 Michigan, No. 1 Gonzaga, and No. 2 Michigan State to reach the championship. Keep in mind, this will be the first time either of these schools has reached the championship game, which means it will be one of the schools' first-ever NCAA championship. In addition, this game is going to be a defensive battle, so don't expect a high-scoring affair. Virginia is the favorite in the matchup by 1.5 points and the over/under is 118. I'm personally taking the Texas Tech Red Raiders because my son has some good friends who went to school and played ball there. Our KC Chiefs quarterback Patrick Mahomes is also a recent Red Raider alumni!*



**1778, John Adams Arrives in Paris to Replace Silas Deane** - Future United States President John Adams arrives in Paris, France, on this day in

1778 to replace former Continental Congress member Silas Deane as a member of the American commission representing the interests of the United States. Deane had been recalled to America by Congress after fellow diplomat Arthur Lee accused him of misappropriating French funds. Whereas Deane was born and raised in Connecticut and educated at Yale, Arthur Lee was a Virginian following the educational and career path of the British elite when revolutionary politics intervened. The lesser-known brother of Francis Lightfoot Lee and Richard Henry Lee, he left the colonies to enroll at the aristocratic boarding school Eton College in England. He then pursued medical studies at the prestigious University of Edinburgh in Scotland, receiving his degree in 1765. In 1766, Lee went to London and began legal studies at the equally renowned Temple Bar until 1770, when he began a legal practice in London at which he worked until the outbreak of revolution in 1776, when he was named, along with Benjamin Franklin and Silas Deane, as an American commissioner to France. Lee never got along with his two colleagues and instigated Deane's recall by accusing him of financial mismanagement and corruption. Deane's replacement, John Adams, was also a New Englander (although from Massachusetts and Harvard) and defended Deane. Nonetheless, Deane was unable to clear his name and was forced to live his life in exile until his death in 1789. In 1842, Congress reopened the investigation into Deane's accounts and, finding no evidence of misconduct, ordered his heirs be paid \$37,000 in reparations.



**1864, Confederates Rout Union at Battle of Mansfield** - The Red River campaign of Union General Nathaniel Banks grinds to a halt when

**Tesla Selling CO2 Emission Credits for Millions:** Fiat Chrysler will pay Tesla "hundred of millions of euros" to pool the 2 company's vehicle sales, something that allows FCA to comply with upcoming European Union emissions regulations. Fiat Chrysler's CO2 average emissions/vehicle sold last year was 123 g/kilometer, or 30% higher than what will be allowed in just 9 months' time.

**Streaming Music Race Intensifies:** Apple Music has surpassed Spotify in paid U.S. subscriptions, according to people familiar with the matter. That's a power shift that escalates the music rivals' contest for listeners world-wide. Apple was expected to surpass its rival more than six months ago, but Spotify stepped up its promotions to keep its nose ahead, including a discounted subscription bundle with video-streaming service Hulu. Spotify recently filed an antitrust complaint in Europe claiming Apple abuses its control over the App Store to privilege its own service. Apple denies the claims and the race for market share in "streaming music" counties to heat up. I personally have a paid subscription to Spotify and use it religiously, but I have seen my kids and many of their friends switch back to Apple Music as of late, so I know this is a battle-ground area of intense competition!

**Ray Dalio's Thoughts on the Future of Capitalism:** Ray Dalio, the founder of Bridgewater Associates LP, the world's biggest hedge fund, believes capitalism has developed into a system that is promoting an ever-wider wealth gap that puts the very existence of the United States at risk. In a two-part series published on LinkedIn, as well as seen last night on 60 Minutes, the noted investor argues that capitalism is now in need of reform. I have always respected Dalio's opinions, as he presents well thought out points derived from his research. In this recent report, he seeks to provide readers a broader look at how life is unfolding before us from an economic angle, whether we see it or not, and what the eventual outcomes could be if we stay on this trajectory. I wanted to share a couple of the thoughts derived from a lifetime of his observations that sparked his research. Be sure to take the time to digest all Dalio has to say by clicking [HERE](#). Definitely food for thought.

"My exposure to most economic systems in most countries over many years taught me that the ability to make money, save it, and put it into capital (i.e., capitalism) is the most effective motivator of people and allocator of resources to raise people's living standards. Over these many years, I have also seen capitalism evolve in a way that it is not working well for the majority of Americans because it's producing self-reinforcing spirals up for the haves and spirals down for the have-nots. This is creating widening income/wealth/opportunity gaps that pose existential threats to the United States because these gaps are bringing about damaging domestic and international conflicts and weakening America's condition."

"I think that most capitalists don't know how to divide the economic pie well and most socialists don't know how to grow it well, yet we are now at a juncture in which either a) people of different ideological inclinations will work together to skillfully re-engineer the system so that the pie is both divided and grown well or b) we will have great conflict and some form of revolution that will hurt most everyone and will shrink the pie."

"While most Americans think of the US as being a country of great economic mobility and opportunity, its economic mobility rate is now one of the worst in the developed world for the bottom. In the U.S., people in the bottom income quartile have a 40% chance of having a father in the bottom quartile (in the father's prime earning years) and people in the top quartile have only about an 8% chance of having a father in the bottom quartile, suggesting half of the average probability of moving up and one of the worst probabilities of the countries analyzed. In a country of equal opportunity, that would not exist."

"There has been little or no real income growth for most people for decades. As shown in the chart below on the left, prime-age workers in the bottom 60% have had no real (i.e., inflation-adjusted) income growth since 1980. That was at a time when incomes for the top 10% have doubled and those of the top 1% have tripled.[i] As shown in the other chart, the percentage of children who grow up to earn more than their parents has fallen from 90% in 1970 to 50% today. That's for the population as a whole. For most of those in the lower 60%, the prospects are worse."

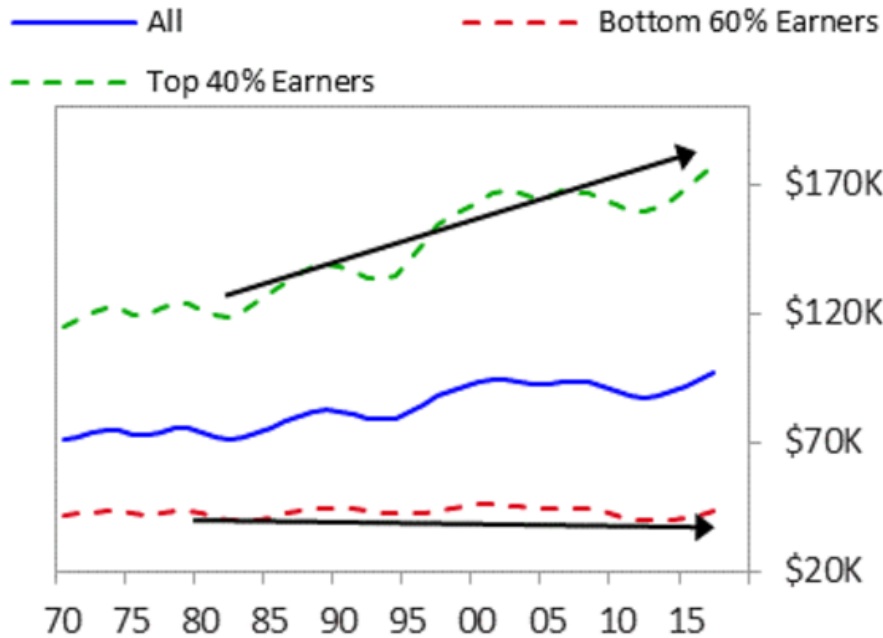
Confederate General Richard Taylor routs Banks' army at Mansfield, Louisiana. The Red River campaign, which had begun a month earlier, was an attempt by the Union to invade Confederate Texas from Shreveport, Louisiana. Banks, accompanied by a flotilla on the Red River, would move northwest across the state and rendezvous at Shreveport with a force under General Frederick Steele moving from Little Rock, Arkansas. The slow-moving Banks approached Mansfield and opted to take a shorter road to Shreveport than one that ran along the Red River. Not only was the road narrow, it was far away from the gun support offered by the Union flotilla on the river. Banks' troops ran into Taylor's force and a skirmish erupted. At 4 p.m., Taylor ordered an all-out assault on the Yankees. The Rebels eventually broke the Union lines, sending the Federals in a disorganized retreat. The Yankees fell back three miles before reinforcements stopped the Confederate advance. Banks suffered 113 men killed, 581 wounded, and 1,541 missing, while Taylor had about 1,500 total casualties. But Banks was now in retreat, and the Red River campaign was failing. Taylor attacked again the next day, but this time Banks' men held the Confederates at bay. Banks was unnerved, though, and he began to retreat back down the Red River without penetrating into Texas.



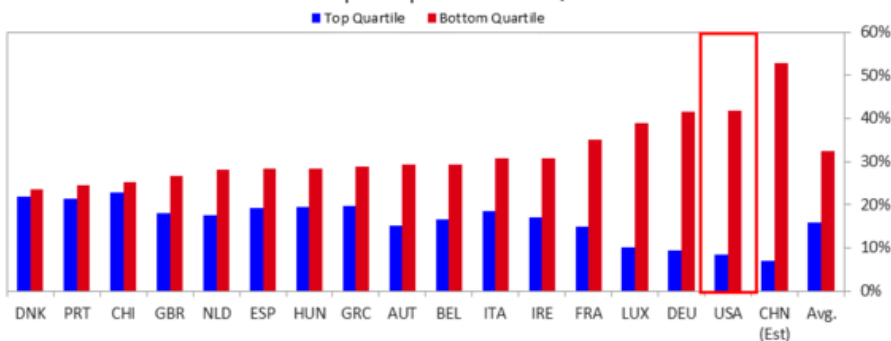
**1979, Waltrip Beats Petty in Last-Lap thriller** - On this day in 1979, in the Rebel 500 event at Darlington Raceway in South Carolina, drivers Darrell Waltrip

and Richard Petty swap the lead four times in a last-lap battle before Waltrip finally wins the race. The race also featured a pit stop mishap in which driver David Pearson, following a miscommunication with his crew, drove away with only two of his four tires properly changed. Pearson's car flipped over and had to be removed from the race. The embarrassing incident led to Pearson, who was a top driver, being released from his team, Wood Brothers. At the time of his defeat by Waltrip at the Rebel 500, Richard Petty was a NASCAR legend. That same year, he won his seventh NASCAR championship, a record later duplicated by just one other driver, Dale Earnhardt (1951-2001). Petty, who was born on July 2, 1937, in Level Cross, North Carolina, is the son of driver Lee Petty (1914-2000), a three-time NASCAR champ who won the first Daytona 500 in 1959. Richard Petty began his own NASCAR career in 1958 and was a dominant competitor before retiring in the early 1990s. Nicknamed "The King," Petty won a record 200 races in his career, including a record seven victories at the Daytona 500. Petty's son Kyle (1960- ) also became a well-known NASCAR driver; his grandson Adam (1980-2000), NASCAR's first fourth-generation driver, was killed in an accident during a practice session at New Hampshire International Speedway. Darrell Waltrip, who was born on February 5, 1947, in Owensboro,

## Real Household Income (Real 2017 USD, 35- to 64-Year-Olds)



Percentage of People Born to Bottom-Quartile Fathers  
Who End Up in Top and Bottom Quartiles



# FARM TANK

## Tweets of the Day



Kentucky, began racing in NASCAR's Winston Cup Series (now known as the Sprint Cup) in 1972. Aggressive and outspoken, Waltrip earned the nickname "Jaws." He won the Winston Cup championship in 1981, 1982 and 1985 and claimed victory at the Daytona 500 in 1989. After retiring as a competitor, Waltrip became a race commentator. His younger brother Michael Waltrip (1963- ) is a two-time Daytona 500 winner.

### Upcoming Events

**Mon. 04/08** - Export Inspections, Crop Progress

**Tues. 04/09** - Crop Production, USDA Supply & Demand

**Thurs. 04/11** - Export Sales, Jobless Claims

**Mon. 04/15** - NOPA Crush, Export Inspections, Crop Progress

**Tues. 04/16** - Retail Sales

**Thur. 04/18** - Export Sales, Jobless Claims, Cattle on Feed

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

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

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

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

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

### Kevin's Song of the Week

WHAT I'M LISTENING TO:



**George Strait**  
"Codigo"

### Kevin's Song of the Week



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 via @litmusapp #Gmailturns15

[statista.com/chart/17570/mo...](https://statista.com/chart/17570/mo...)



**Trent Aylward**

@TheThunder83

Following

Weather occurrences that have happened in Saskatchewan since the carbon tax kicked in yesterday:

- ✓ Rain
- ✓ Snow
- ✓ Sunshine
- ✓ 70km/hr wind gusts
- ✓ Frost
- ✓ Heat

I thought the carbon tax was supposed to stop climate change?

## 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



**Erik Carlson**  
@ErikCarlson16

Following

Replying to @TheChadColby

## Planting rice in Arkansas



*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.*



**Jung Musk** ✓  
@elonmusk

Following

## Tesla Semi delivering Tesla cars







**The Breeze**  
@the\_blackrose95

Following



*Farm Direction*  
RECIPES

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

**Shrimp and Grits**  
**Southern Style**

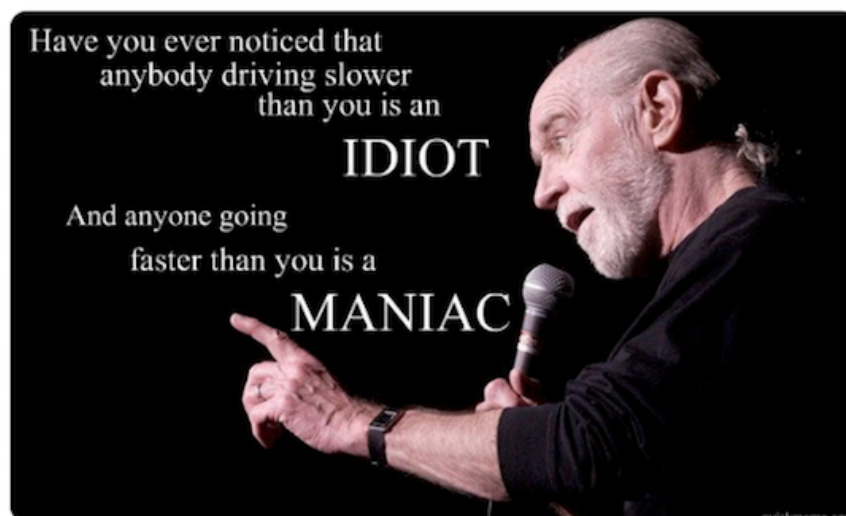


CLICK TO SEE RECIPE



**Men's Corner**  
@Mens\_Corner\_

Following





B/R Betting  
@br\_betting

Following

Who would you take? 🏀





## NBA TITLE ODDS

WARRIORS:	-200
BUCKS:	+450
ROCKETS:	+600
RAPTORS:	+1200
CELTICS:	+1600
NUGGETS:	+1800
THUNDER:	+1800
76ERS:	+2000

(66.7% IMPLIED PROBABILITY GSW WINS)

VIA CAESARS

## 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.*

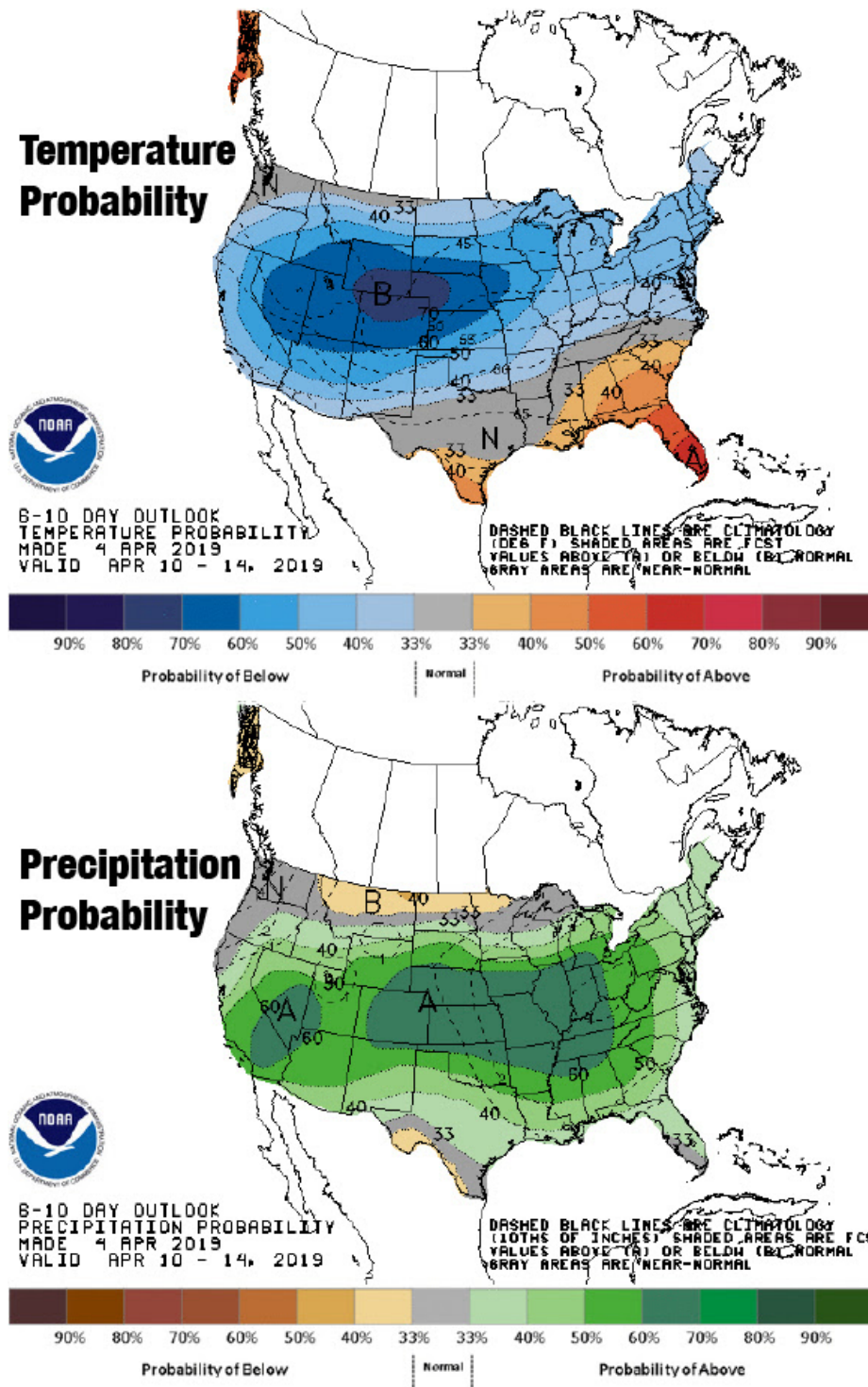
### TODAY'S RIDDLE:

What can you never get rid of when you lose it?

**After Warmer Weekend, Chills Come Back:** After a dose of spring over the weekend, chilly temperatures are set to return to the northern tier by the middle of next week, leaving many wondering when spring will be here for good. Temperatures in the Midwest should stay warm through today before dropping a few degrees by Tuesday, but remaining slightly above average overall. The chilly air by April standards will begin to arrive across the nation's northern tier by Wednesday. For the Midwest and Northeast highs will be in the 40s, a solid 10 to 20 degrees below last weekend's highs. This colder than average pattern is expected to persist through at least mid-April.



according to the latest two week outlook from NOAA. Below we see the 6 to 10 day showing the cool off we are expecting this week.



**Corn** traders are debating the balance sheet ahead of tomorrow's monthly USDA supply and demand report. Bears are pointing to downward revisions coming to corn used for ethanol, exports and perhaps a more significant cut coming to feed and residual usage. In fact, following the Quarterly Stocks Report, I've heard some bears thinking the USDA could reduce feed and residual by -50 to -150 million bushels. As for ethanol, many inside the trade are thinking we could see -50 to -100 million bushel reduction in corn used for ethanol. There's similar type of talk circulating regarding corn for exports, perhaps a -50 to -100 million bushels reduction in estimated demand, especially with such improved production in South America this year compared to last year. I know those demand cuts sound extreme, and I'm not saying the USDA makes all these reductions at once, rather they may choose to spread them out over the next couple of reports, but they could certainly be delivered, so we need to be prepared. That's why I've been saying for the past several weeks that growth in overall corn "demand" is slowing and bears are starting to shoot more holes into the bullish story. Now here we are, the USDA is talking about an estimated +3 million more planted corn acres and

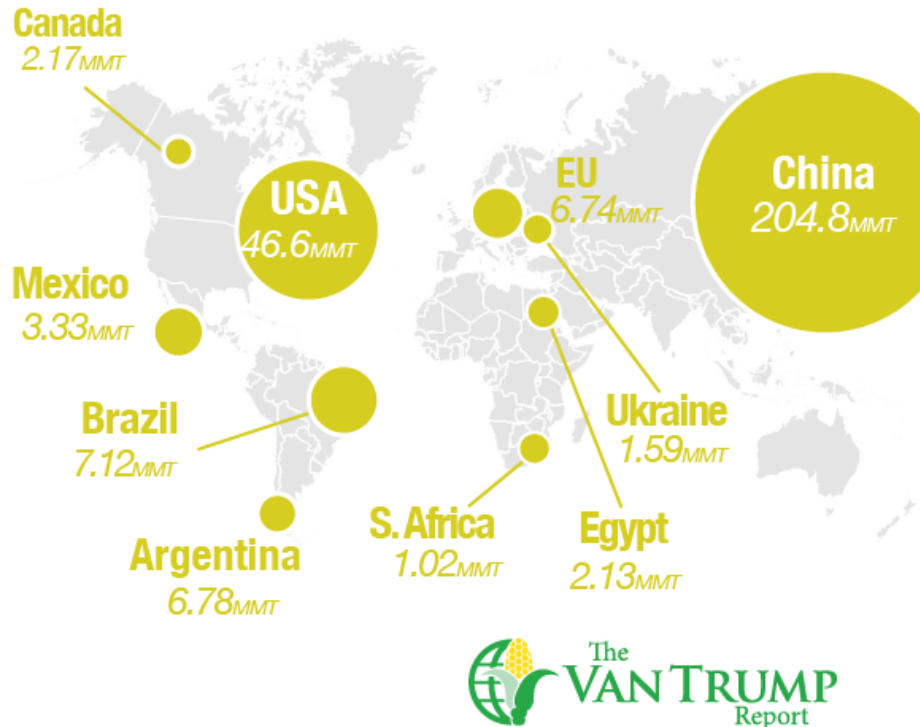


overall growth in demand backpedaling. Ending stock estimates inside the trade are pushing north of +2.0 billion bushels. Yes, weather and Washington still remain a wild-card and could ultimately be played either direction, but nearby there still looks to be some hurdles and headwinds.

**Bridge Destroyed in Brazil Could be Small Bullish Wild-Card:** *Part of a bridge over the Moju River in Brazil's Para state, called Barcarena Bridge, reportedly collapsed early Saturday, after a boat collided with the structure. Interestingly, the bridge is on the main route connecting Brazil's farm country to its northern ports. Several sources inside the trade argue it could have large implications on disrupting corn and soybean exports. This could provide a slight tailwind for both corn and soybeans...*

## 2018/19 Corn Ending Stocks

**Global Ending Stocks 308.5 Million Metric Tons**

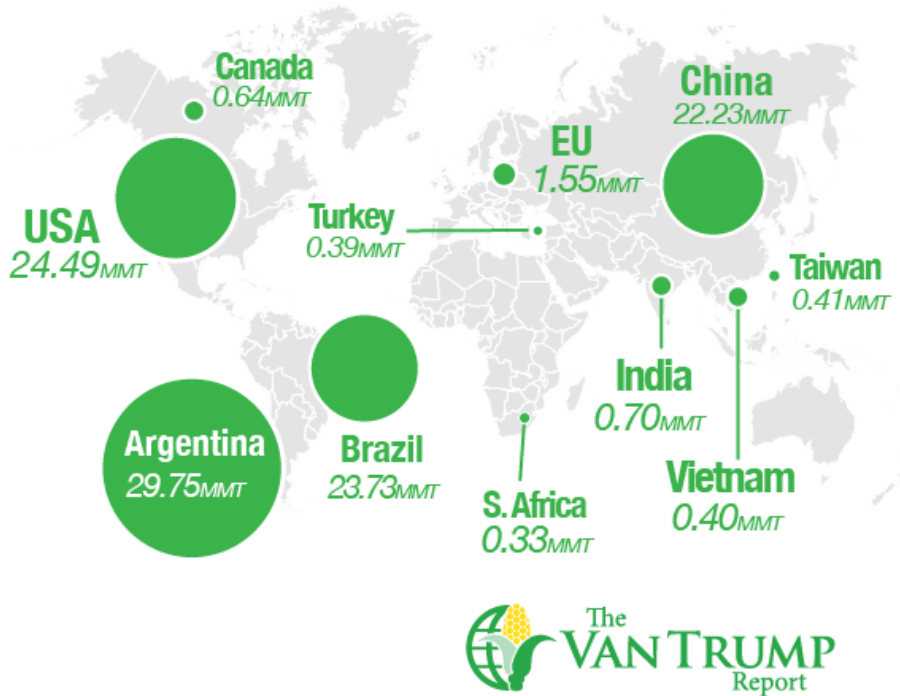


Source: USDA, PS&D data retrieved April 5, 2019

**Soybean** prices are fairly steady this morning ahead of tomorrow's monthly USDA report. Bulls rallied prices last week on more bullish optimism surrounding Chinese trade negotiations. Bears however, believe the window of opportunity for U.S. exporters is closing and the South American crops have improved a bit the past few weeks. Bears also argue that U.S. demand might be a touch overrated. Presenting numbers that show the current U.S. domestic crush estimate might be a bit too optimistic. At the same time, U.S. exports might also be overly optimistic without some unforeseen heavier old-crop buying from the Chinese. I don't think we can expect the USDA to accurately predict or forecast Chinese buying in our current environment, so this becomes somewhat of a guessing game. Perhaps the USDA finds it best to just leave the current "export" and "domestic "crush" estimate unchanged until it learns more about details from the U.S. and Chinese trade negotiations? Bottom-line, it wouldn't surprise me to see the USDA leave the current balance sheet unchanged with ending stocks at around 900 million bushels. If you held a gun to my head and I was forced to pick a direction, I would lean slightly bearish, thinking the USDA could make a slight downward adjustment to demand. I don't really see the USDA making any significant adjustments to their South American estimates. Yes, I could argue Argentine production is perhaps a hair higher than the current USDA forecast and Brazil perhaps a hair lower, but net-net not a lot of change from the March report.

# 2018/19 Soybean Ending Stocks

**Global Ending Stocks 107.2 Million Metric Tons**

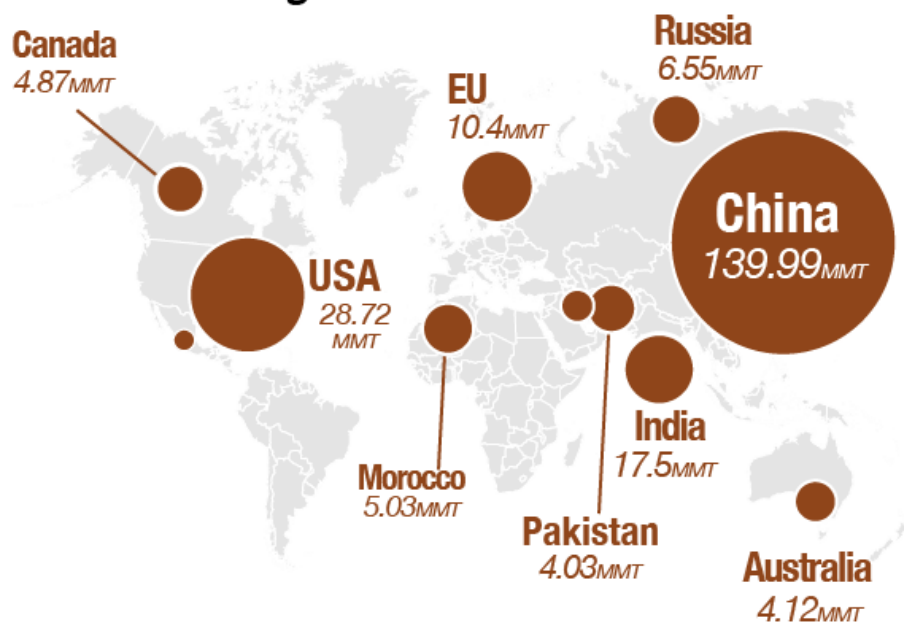


Source: USDA, PS&D data retrieved April 5, 2019

**Wheat** prices continue to trade in a sideways motion down near the bottom of the barrel. Bears believe the USDA could soon make another revision lower in total demand. There's talk inside the trade that feed and residual usage could be reduced by -20 to -40 million bushels. Export estimates have been trimmed several times but now seem to be at an attainable level. We arguably will have the sales on the books to meet the USDA's forecast, the question is will we actually get the bushels loaded and shipped? If I knew the pace of loading and shipping here in the U.S. was going to pick up, I could personally argue the USDA's current export estimate might ultimately be a bit too low, especially if China steps our direction in any capacity. Unfortunately, these are questions no one seems to have answers for, hence, the USDA might simply leave exports "unchanged" and make a reduction to feed and residual, which ultimately pushes already burdensome U.S. ending stocks a hair higher. On a more bullish note, there's some talk that weather headlines could create a nearby tailwind. There are dry pockets being closely monitored in parts of the European Union and Ukraine and more flooding concerns here in the U.S. Despite the overly bearish fundamental supply and demand picture, I remain a longer-term conservative bull.

# 2018/19 Wheat Ending Stocks

Global Ending Stocks 270.5 Million Metric Tons



Source: USDA, PS&D data retrieved April 5, 2019

## U.S. 2018/19 Ending Stocks (in Billion Bushels)

	April Est.	Avg. Trade Est.	Trade Range	USDA March 2019
Corn	???	1.999	1.870 - 2.211	1.835
Soybeans	???	0.903	0.825 - 1.062	0.900
Wheat	???	1.075	1.045 - 1.103	1.055

## World 2018/19 Ending Stocks (in Million Metric Tons)

	April Est.	Avg. Trade Est.	Trade Range	USDA March 2019
Corn	???	311.3	307.0 - 316.0	308.5
Soybeans	???	108.3	106.2 - 114.6	107.2
Wheat	???	270.9	268.5 - 274.2	270.5

## South American Production (in Million Metric Tons)

	April Est.	Avg. Trade Est.	Trade Range	USDA March 2019
Brazil Corn	???	94.7	88.5 - 97.0	94.5



<b>Brazil Soybeans</b>	???	116.2	114.5 - 119.0	116.5
<b>Argentina Corn</b>	???	46.6	45.2 - 48.0	46.0
<b>Argentina Soybeans</b>	???	55.4	54.0 - 57.0	55.0



> **VP Pence Says "Spring" for the USMCA:** Speaking to Indiana farmers, Vice President Mike Pence said that the White House wants Congress to ratify USMCA by this spring. In more news on the new NAFTA, there has been some good headway made as the Mexican President has said he will ensure his nation's Senate overhauls labor laws to enforce workplace standards -- a major sticking point for U.S. lawmakers.

> **Midwest Reeling From Floods:** The Iowa Farm Bureau Federation said the state's economic damage from last month's catastrophic flooding will likely surpass \$2 billion; farmers there will struggle to plant as many as 145,000 flooded acres along the Missouri River. U.S. Corps of Engineers said March runoff from the Missouri River Basin above Sioux City, IA set a record at 11 million acre feet. The previous high was 7.3 million acre feet set in 1952. (Source: Des Moines Register)

> **The USDA has paid out \$8.24 billion** to producers affected by retaliatory tariffs through the administration's direct aid program according to a USDA spokesperson. (Source: Politico)

> **Corn For Export Quality Improves Over Last Year:** U.S. corn being exported during the 2018/19 marketing year rates No. 2 or better on all grade factors, according to the U.S. Grain Council analysis. The corn tested had lower average stress cracks, higher average 100 kernel weight, slightly higher average kernel true density and a higher average percent of whole kernels compared to the same analysis done in 2017/18. (Source: USGC)

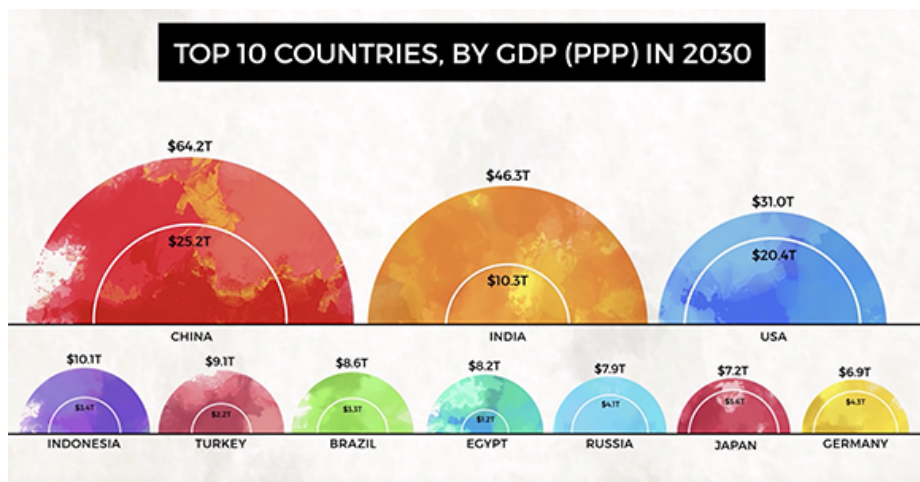
> **EU Wants Veggie Burgers To Be Labeled "Veggie Discs":** The European parliament voted on revisions to a food-labelling regulation that could see veggie burgers, vegan sausages, tofus steaks and all other non-meat food names replaced by less palatable-sounding descriptions. The ban aims to protect meat-related terms, and has angered sustainable food activists. (Source: the Guardian)

> **Big Wine Deal:** The country's largest winery, E. & J. Gallo, has agreed to buy \$1.7 billion worth of wine brands from its No. 3 competitor, Constellation Brands.

> **Saudi's Threaten to Sell Their Oil in Other Currency:** Saudi Arabia said they will start selling oil in currencies other than the U.S. dollar if Capitol Hill passes a bill making OPEC members vulnerable to anti-trust lawsuits, reports Reuters. Bob McNally, former energy adviser for George. W. Bush who now leads his own energy consulting firm, says the Saudis' threat is real... "Saudi Arabia is not the only producer actively considering abandoning the dollar denomination of oil exports." (Source: Axios)

> **Private, Israeli Space Firm Attempts to Land on the Moon:** Before yesterday, the spa crafts of six agencies -- the U.S. the former Soviet Union, China, Japan, India and the European Space Agency -- had orbited the moon. Israel has become the seventh with its Beresheet craft, which will attempt to land on the lunar surface on April 11. If successful, it would become the first privately funded craft to do so. (Source: New York Times)

> **The Biggest Economies in 2030:** By 2030, the complexion of the global economy could look very different than it does today. According to recent projections from Standard Chartered, the next decade will see emerging markets like India and Turkey ascending the global economic ladder to become tomorrow's powerhouses. If the projections are accurate, the largest economy in 2030 will be China with \$64.2 trillion in GDP after adjusting for purchasing power parity. That's nearly \$20 trillion more than India, which will be the second largest by that time. Developed economies like the U.S., Germany, and Japan will keep growing but just not at the blistering pace of developing countries. There's also a great little video explaining these projections you should check out [HERE](#). (Source: Standard Chartered, Visual Capitalist)



**Northern Illinois** – We have been viewing some of our recent soil samples and we are strongly considering not applying fertilizer or very little this spring. The PH is within the normal range and the phosphorus and potassium all are within what we consider normal for our ground. We spread fertilizer in the fall at minimum rates to offset what we harvested. I have heard guys skipping years of application when they have a short year or a dry year. We are hoping we don't see any yield drag but if we do it still makes sense if the yield drag is less than 10%. I still will speak to my agronomist before pulling the trigger on this decision.

**Northern Minnesota** – We were excited for the warmer weather over the weekend, but they have all the heat pulled back to about 40 degrees. We are starting to see some bare spots in the field but for the most part, snow cover is still a half foot. The snow is melting off fairly slow which is good for the valley and flooding. At the pace we are going, there is very little chance of us doing any field work this month. We are looking at potentially pulling some wheat acres back and planting more corn and soybeans. One thing that I have noticed over the last few weeks is a slight uptick in basis. We will take what we can get at this point.

**Central New Mexico** – We planted winter wheat late September and into October. All the wheat was irrigated and had a good stand and good growth. We started grazing late October on 12" to 18" wheat. Wheat was grazed down when we irrigated two weeks ago. We noticed a lot of dead areas in several fields. The odd thing is that the dead plants still had several inches of leaves. This seemed to indicate plants died during early grazing. Now the field has so many bald areas it will be disked up. I have other wheat within a mile and it is unaffected. It's in much sandier soil. We will do soil test to determine if it was a soil disease.



**New Rainbow Trout Species Raised On Soymeal:** Researchers from the University of Idaho with USDA-ARS have raised a rainbow trout species on a fully plant-based diet after a genetic selection research. I should mention that the study which began in 2013, is being funded by the United Soybean Board and the Soy Aquaculture Alliance (SAA). I'm told that after six years of research and nine generations of specifically selected rainbow trout, it was found that a genetic variation does exist, creating the possibility that the specific species could be raised fully on a plant based diet. With the rising costs of fishmeal due to the dwindling resources, scientists are encouraged they could raise a species that can live off the abundant resource of soybean meal. Read more [HERE](#).

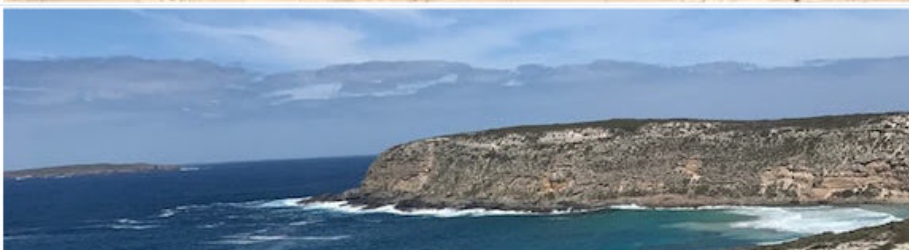
**How You Can Avoid the Trap of Lifestyle Inflation:** Spending more as you earn more is called lifestyle inflation, and it's a common spending trap that can stand in the way of building wealth. It starts simple enough... you grow up around those who have

the latest and greatest of everything, and when you finally have the income to get you what you want, you buy it. Whether you are trying to keep up with the Jones or you really like stuff, this process will crush your hopes of building long term wealth. Find out how one couple manages to resist this temptation as they live well below their means. Click [HERE](#) to read the five ways they overcome the temptation.

**What Future Sustainable Cities Could Look Like:** Should we live in dense urban areas with public transit and walkable amenities? In sprawling suburbs created by our infatuation with the car? In high-rises now dotting urban districts across China? National Geographic has spent the past year exploring those questions for this month's special coverage of cities. We sent photographers and writers across the globe to document how cities work, and don't; from Tokyo—the planet's largest metropolis with more than 37 million inhabitants—to Bidibidi, Uganda, essentially an instant city of more than a quarter million people, formed by refugees who've arrived since August 2016. Check out some cool graphics [HERE](#) as to what global major metropolitan areas may look like.

**Shed's Moving Roof in NYC is a World's First:** On the far west side of New York City, there's a new institution designed to accommodate the unknown future of art. But instead of pretending to predict the future, this museum is flexible enough to become anything that any future artist might want, with open galleries, a 500-seat theater, a creative lab, a flexible events space, and most importantly, a colossal moving roof that enables the building to take over the adjoining courtyard, transforming into 17,000 square feet of temperature-regulated space that can host pop concerts, large-scale performances, and giant installations. This is the Shed, the one public, independent entity in the shiny new billionaires' neighborhood of Hudson Yards. Read more [HERE](#).

**Patriot Camper Has Built the Ultimate Expedition Trailer:** Australia's Patriot Campers builds some of the toughest expedition-ready camping trailers on the planet, but its latest model, the all-new X1-H, Patriot is one for the books. Their first new model in years is a hard-top camper trailer that refines on the five-time Camper Trailer of the Year winning X1 Grand Tourer. With the all-new X1-H, Patriot simplifies the set-up of its live-in lockbox, trading the fold-out hardware for a hard-topped tent that pops into a two-sleeper shelter at the push of a key fob. The new trailer also features built-in solar power, standard hot water and plenty of other features and options to make it a comfortable rambling wilderness shelter. You have to check out all the features packed into this monster as well as see more pics [HERE](#).







### Interesting Research on How Bird and Swine Flu Jump Species

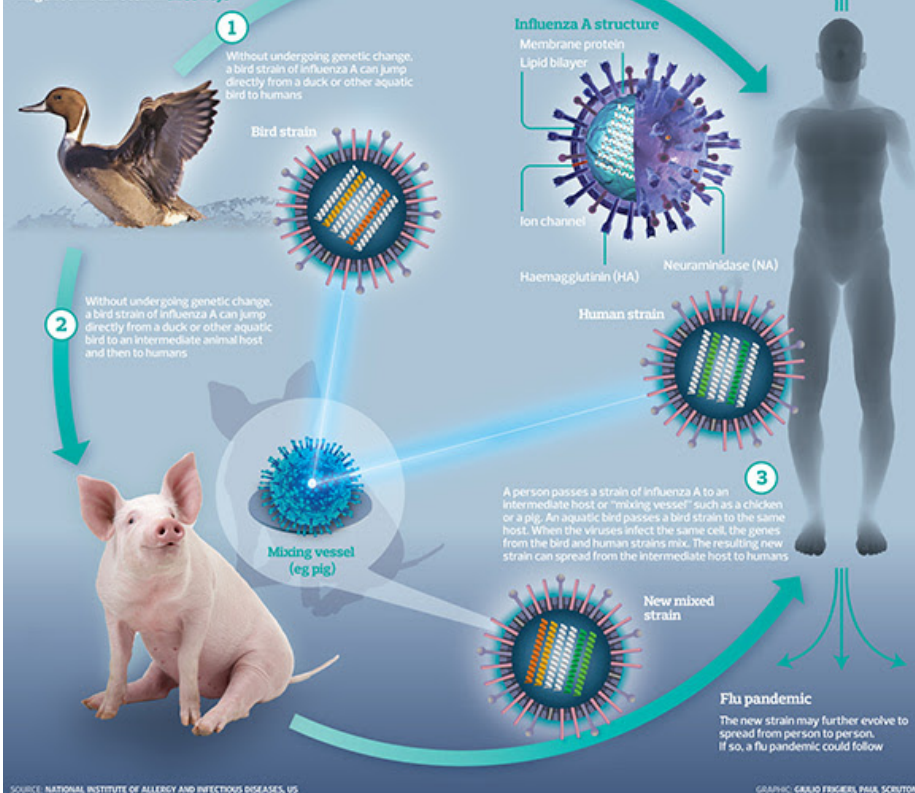
Scientists at The Roslin Institute in Edinburgh are now studying ways to identify the genes that are important in reducing infection by Influenza A virus in pigs and chickens as well as genes that limit the spread of the virus to people. Keep in mind, Influenza A viruses have infected many different animals, including ducks, chickens, pigs, whales, horses, and seals. However, certain subtypes of the infectious virus are specific to certain species, except for birds, which are hosts to all known subtypes of influenza A viruses. In case you were wondering, the circulating Influenza A subtypes in humans are H3N2 and H1N1 viruses. It's worth mentioning, Influenza A viruses that typically infect and transmit among one animal species sometimes can cross over and cause illness in another species. For example, until 1998, only H1N1 viruses circulated widely in the U.S. pig population. However, in 1998, H3N2 viruses from humans were introduced into the pig population and caused widespread disease among pigs, and more recently, H3N8 viruses from horses have crossed over and caused outbreaks in dogs. While it is unusual for people to get influenza infections directly from animals, sporadic human infections and outbreaks caused by certain avian influenza A viruses have been reported. Keeping us relatively safe from the jump is the arm of our immune system, known as the host interferon response, which fortunately provides a significant barrier to the virus spreading from animals to people. But now the new study at the Roslin Institute, will investigate which genes are important for inhibiting replication of Influenza A virus in pigs and chickens and which genes of the host interferon response limit the spread of the virus from animals to people. I'm told the researchers will receive nearly \$1 million to move the ball forward in understanding how to combat influenza strains, and using the recent developments of genome wide CRISPER libraries for livestock species, it is hoped that researchers will soon have answers to combat both the economic burden caused by outbreaks as well as avoiding any potential for pandemic human outbreaks. I should mention researchers at there have already been successful using CRISPR to produce pigs that are potentially resistant to Porcine Reproductive and Respiratory Syndrome, and hope to do the same with African Swine Flu. Click [HERE](#) for Roslin's website to learn more on the research being conducted. (Source: CDC, Poultryworld, feedstuff)

## PATHWAYS TO A FLU PANDEMIC

### Antigenic shift

The genetic change that allows a flu strain to jump from one animal species to another, including humans, is called "antigenic shift".

Antigenic shift can occur in three ways



### Whiskey... the New Luxury Asset

Millionaires and billionaires love splurging on mega purchases like yachts, private jets, and property, but as of late many are investing more money into liquid assets, and whiskey has seen the biggest uptick over the past 10-years, growing over +500% in value. In the past, smart investors have put their money into vintage cars, coins, stamps, jewelry, wine, and art, but now tons of money is flooding into rare bottles of whiskey, particularly older varieties of single malt Scotch. These other luxury items have still been great investments as vintage cars have risen +258% in value over the past 10-years and art has risen over +150%, but whiskey has doubled most all others during the same period of time. According to the ["Knight Frank Rare Whisky 100 Index,"](#) rare whiskey bottles appreciated +40% in value in 2018. You may be wondering why these whiskey investments have started to boom, most experts are pointing to huge collector demand in China, India, and Singapore. The Chinese market has gone as far as creating an airline with direct flights from Beijing to Edinburgh. From what I've heard, Chinese investors with big money are starting to regularly fly straight to Scotland to learn about and invest in the most exclusive whiskeys on the market. I've also heard Jack Ma, the founder of Alibaba, has made several trips in his private jet to the Aberdeen airport the past year in search of rare whiskey's. Whiskey in Scotland is starting to get so big Diageo recently announced plans to invest \$240 million on whiskey-themed tourist attractions and 10 new Scottish distilleries announced plans to open as well. In addition to this whiskey boom, a 92-year-old bottle of Macallan whiskey painted by Irish artist Michael Dillon set a record when it sold for \$1.5 million last year at auction. I've included a picture of the bottle below! Another rare 60-year-old Macallan recently sold for over +\$1 million. If you're planning on investing in rare whiskeys in the future, then remember to be careful. I've heard a Chinese millionaire paid \$10,000 for a single glass of whiskey that turned out to be counterfeit and researchers who recently tested a sample of 55 "rare" whiskeys found that 21 of them were fake. Currently, it seems like whiskey has overtaken wine as the new luxury drink, but I'm not sure I see it as a long-term investment due to the challenge of finding another buyer when you are ready to sell. No pun intended, but liquidity is somewhat of an issue for me. I did happen to purchase a few old bottles of Pappy Van Winkle a few years back. There's a good article by Knight-Frank in The Wealth Report, titled ["A beginner's guide to investing in whisky"](#) that is worth the read if you are interested. A few American made whiskey's that many believe are worth investing or might make a good gift are include below. They are recommendations from Karla Alindahao, who write extensively about travel and food. (Source: [Forbes](#))

**Westland Garryana Single Malt 2018 (\$150)** - This 112-proof 2018 Garryana is a standout. The allocation was a meager 1,638 bottles.

**Booker's 2018-3: Kentucky Chew (\$75)** - To the uninitiated, the name refers to how a Kentucky spirit is typically tasted and pondered: by slowly working it around the mouth and "chewing." Aged for six years, four months, and twelve days—clocking in at 126.7-proof. On the nose, it's sweeter than one would expect: all caramel and toffee and cacao.

**Whistle Pig The Boss Hog V: The Spirit of Mauve (\$500)** - It's a 13 Year straight rye finished in Calvados casks. It's 115.8-proof and wildly popular in the collector space.

**FEW American Whiskey (\$50)** - Many of you may know Evanston, Illinois as an important hub for the Temperance Movement. But enthusiastic imbibers know Evanston-based FEW for its bourbon, rye, and breakfast gin. It's a balanced 93-proof blend of the distillery's bourbon, rye, and experimental cherrywood smoked malt whiskey. The result? A whiskey that's smooth, yet pleasantly aggressive—with a fine (if mildly smoky) finish, with a price that justifies daily consumption.

**Duke Grand Cru founder's Reserve Kentucky Straight Bourbon (\$125)** - John Wayne fans unite. The Duke lives—in spirit. (And I mean that literally.) John's son, Ethan Wayne, decided to honor his father's love for bourbon and tequila by creating the flavor profiles his late father was trying to go for, based on the legendary actor's notes and recipes. The 110-proof nine-year-old bourbon is finished in former Napa Cabernets barrels made from French Troisais oak. As for which California Cabs? The company won't name vineyards or winemakers, just that they're from the sub-appellations St. Helena, Howell Mountain, and Rutherford.



I also included below data from the Knight Frank Luxury Investment Index who share their thoughts on the past and future performance of some of the most popular asset classes in the index. They also include details of the standout auction sales of the past 12-months for each category. I found it kind of interesting...

#### Top Auctions and Sales

1. **Art:** Portrait of an Artist (Pool with Two Figures) by David Hockney. Sold by Christie's for US\$90 million. Most expensive work ever by a living artist. Record-breaking sales at Sotheby's and Christie's capped another impressive year for the big auction houses in 2018. In New York, Christie's US\$833 million spring sale of 1,500 objects belonging to the Rockefeller estate was the highest auction total ever for a single collection. Works by African-American and women artists have long been considered under-valued but this level of interest may have taken even the experts by surprise. This trend is set to continue.
2. **Whisky:** A bottle of The Macallan 1926, hand painted by Michael Dillon. Sold by Christies for US\$1.5 million. Most expensive bottle of whisky. Looking to 2019 prices will continue to harden for the right bottles from the right distilleries, as well as increased interest in more affordable bottles from those in the second tier.
3. **Jewelry:** The Winston Pink Legacy, 19-carat fancy vivid pink diamond. Sold by Christie's for US\$50 million. Most expensive pink diamond per carat. The Marie Antoinette pearl pendant. Sold by Sotheby's for US\$36 million. Most expensive piece of pearl jewellery sold at auction.
4. **Watches:** 1970 Rolex Daytona "Unicorn". Sold by Phillips with Bacs & Russo for US\$5.9 million. Most expensive watch sold at auction in 2018.
5. **Classic cars:** Highlights of the year included the sale of two 1960s Ferrari 250 GTOs for US\$48 million (an auction record) and US\$70 million (privately). A 1935 Duesenberg Model J, once owned by actor Gary Cooper, was auctioned for US \$22 million, a record for a pre-war car. But records aside, the real story of 2018 is the return to moderate market turnover after the classic car bull run of 2012-15, as well as a shift from agency sales to private networks.
6. **The HAGI Top Index** for rare classic cars, which includes 50 models from 19 marques, rose almost 2.5% in 2018. However, not every marque recorded an increase. Porsche, for example, fell on average by 6.5%.
7. **Wines:** Sotheby's October sale saw a single bottle of La Romanée-Conti 1945 fetch US\$558,000 – somewhat higher than its upper estimate of US\$32,000! The



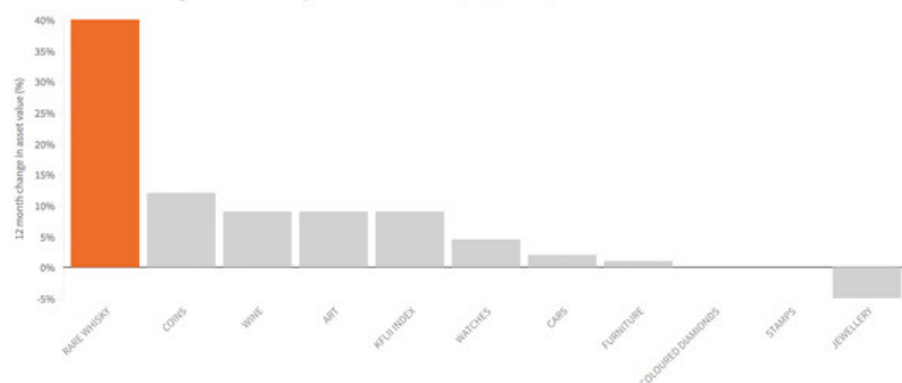
sale highlighted the potential premium the market is prepared to pay for impeccable provenance. We've seen further rapid price escalation of Burgundies, with top Grands Crus from the "R"s (Raveneau, Romanée-Conti, Roumier and Rousseau) accelerating, and driving our Burgundy index up 33%. It's likely that the pattern of polarization favoring blue chip wine from top producers will continue, with prices accelerating in particular as the wines approach their drinking windows. On a longer-term view, collectors will want to continue to buy into those young and upcoming Burgundy and Piedmont producers who have the best-located vineyards. Outside France, our Californian index (up 17.5% in 2018) continues to push ahead, driven by a mix of scarcity, local demand, direct-to-consumer models and, of course, intrinsic quality. It's also nice to see that undervalued, accessible Spanish Riojas are enjoying a resurgence, with the great estates of Tondonia and CVNE setting the pace.

8. **Stamps:** 1918 Jenny Invert 24 cent. Sold by Robert A. Siegel Auction Galleries for US\$1.6 million. Most expensive US stamp sold at auction.

9. **Coins:** 1621 Polish gold 100 ducat. Sold by the Classic Numismatic Group for US\$2.2 million. Most expensive Polish coin.

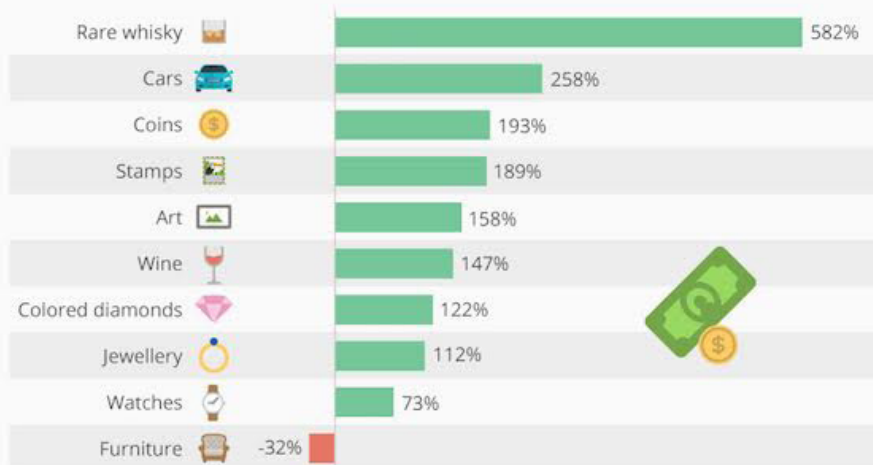
## OBJECTS OF DESIRE

The results of the Knight Frank Luxury Investment Index (to Q4 2018)



## The Luxury Assets Soaring In Value

10-year change in value of selected popular luxury assets (as of Q4 2018)\*



All data to Q4 2018 except stamps (Q4 2017) and watches (Q2 2018).  
Source: Knight Frank

statista

## Knight Frank Luxury Investment Index (to Q4 2018)

Luxury asset	Price Growth	
	12-month	10-year
Rare Whisky	40%	582%
Coins	12%	193%
Wine	9%	147%



1. Which two days of the week begin with the letter 'T'?"
2. How many seconds are in a year?
3. What is God's first name?

"Well, sir," said Forest...

"The first one is easy. Which two days of the week begin with the letter 'T'?... Today and Tomorrow."

St. Peter looked surprised and said, "Well, that wasn't the answer I was looking for, but you have a point. I give you credit for that answer."

"The next question," said Forest, "How many seconds are in a year? Twelve."

"Twelve?" said St. Peter, surprised and confused.

"Yes, sir. January 2nd, February 2nd, March 2nd ..."

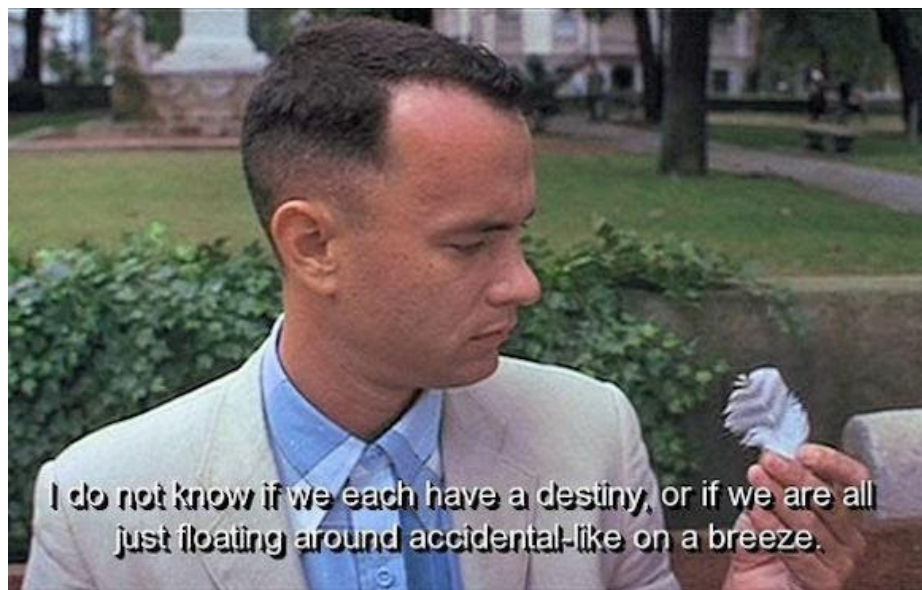
St. Peter interrupted him. "I see what you mean. I'll have to give you credit for that one, too."

"The last question," said Forest, "What is God's first name?... It's Andy."

"Andy?" said St. Peter, in shock. "How did you come up with 'Andy'?"

"I learned it in church. We used to sing about it." Forest broke into song, "Andy walks with me, Andy talks with me, Andy tells me I am His own."

St. Peter opened the gate to heaven and said, "Run, Forest, Run!"

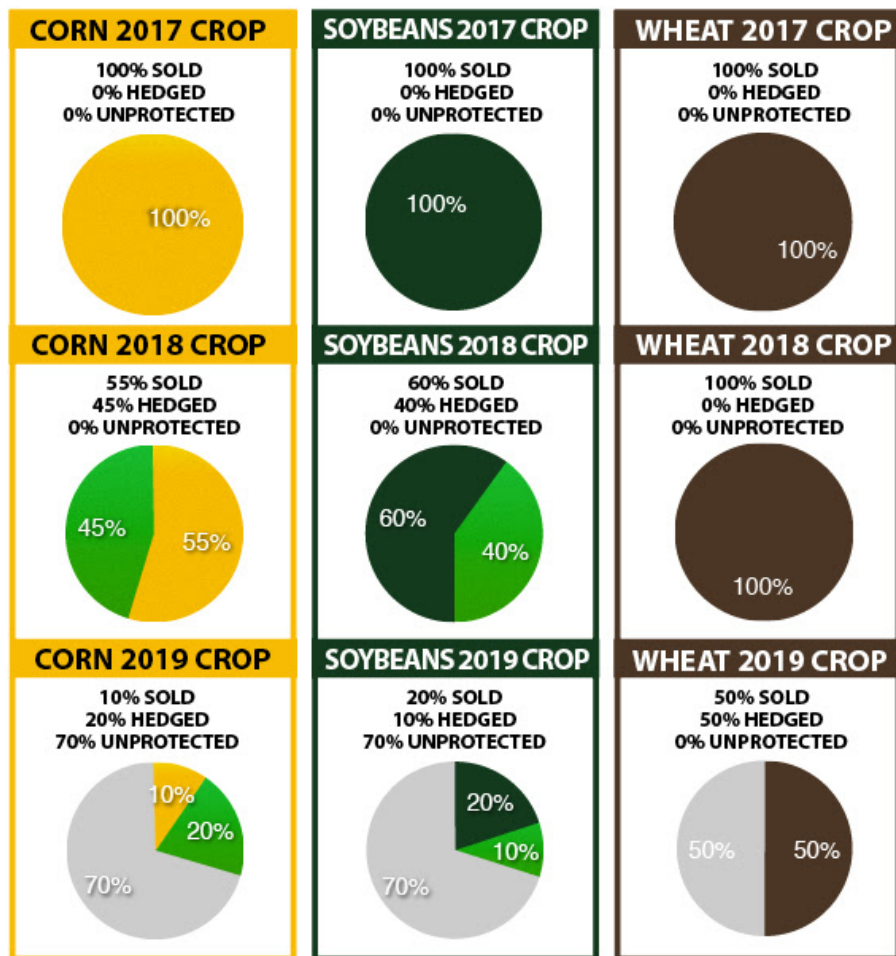


**ANSWER to riddle:** Your temper.

## CASH SALES & HEDGING TOTALS

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