

GOOD MORNING: 04/09/19 Farm Direction - Van Trump Report

1 message

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

Tue, Apr 9, 2019 at 7:31 AM

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Today In History

"In the end, we are our choices. Build yourself a great story." - Jeff Bezos

TUESDAY, APRIL 09, 2019
[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock remain steady and appear comfortable consolidating just shy of all-time highs. Professional traders and investors continue heavily debating the stock markets next move. Bulls are cheering for the massive rally in 2019. The S&P 500 is up +15% and the NASDAQ up roughly +20% in 2019. Bears prefer taking a longer-term view from 30,000 fleet, saying the stock market has basically produced zero gains during the past 7-months, while at the same time leaving invested assets subject to extreme volatility. As for traditional economic news, traders are interested in seeing today's monthly JOLTS report, which Gary Cohn, the former director of the National Economic Council, said was "the one report that everyone in Washington, the geek world, sort of hangs on." Federal Reserve officials also are believed to use the report as a gauge for labor market tightness, a key consideration in formulating monetary policy and determining interest rates. Tomorrow should bring even greater interest in traditional economic headlines. The Fed's "minutes" from their March FOMC meeting are scheduled to be released. Remember, it was the comments from the Federal Reserve's March meeting that created a major tailwind for the market. It was the combination of their decision to eliminate the prospect of a small rate hike in 2019 as well as end the balance sheet reduction process later this year, that caught many professional traders off guard. Citing a weakening economic backdrop in the United States thanks to the US government shutdown, coupled with a challenging global environment weighed down by trade tensions, the Fed took what some may consider a surprisingly more "dovish" stance. Traders are also extremely interested in seeing tomorrow's latest CPI inflation data. Bulls are hoping the CPI numbers will help reinsure the market that the Fed's recent shift towards keeping policy "unchanged" for the foreseeable future is still the right. Keep in mind, Fed Funds Futures are still pricing in about a 39% chance that the Fed makes a small quarter-point rate cut in October, and about a 55% chance that they could make a quarter-point reduction in rates by December. Any rumors or headlines surrounding Chinese trade negotiations are also being closely monitored. The Chinese State Council made an announcement yesterday that it will slightly lower tariffs on some consumer goods ranging from computers to textile. The tariffs under category one will be lowered from 15% down to 13% and those under category two will be lowered from 25% down to 20%, according to an official statement. The adjustment will take effect today. The market doesn't see it as much of a move, you can read the specifics [HERE](#). There's also some talk that the White House is looking into tariffs on \$11 billion of imports from the European Union. Stay tuned...

Why I'm Keeping a Close Eye on Crude Oil: *I should note, WTI crude oil prices have hit a fresh new multi-month high. Bulls believe there could be further gains as political leaders tighten the noose on oil coming out of Iran and Venezuela. There's also greater supply disruptions happening in Libya as fighting has intensified. From what I understand, the Libyan National Army (LNA) has launched a new campaign to take over Tripoli and oust the internationally-recognized government. It's currently unclear how the situation will play out. The LNA is widely thought to be more organized than its counterpart in Tripoli, but the LNA leader is massively disliked in and around the capital. In other words, the fighting could drag on for several days or perhaps weeks and eventually spill into other areas, ultimately threatening Libya's oil supplies. Reports circulating currently, tell us that Libya's main oil fields, pipelines and export terminals do not lie in the direct path of the fighting, although there is one major port nearby. Bottom-line, many oil insiders are saying, "we can't afford an accident in the oil market." Bears are pointing to rumors that Russia wants to start pumping more oil and may ultimately convince*


**1881, Billy the Kid
Convicted of Murder** - After a

one-day trial, Billy the Kid is found guilty of murdering the Lincoln County, New Mexico, sheriff and is sentenced to hang. There is no doubt that Billy the Kid did indeed shoot the sheriff, though he had done so in the context of the bloody Lincoln County War, a battle between two powerful groups of ranchers and businessmen fighting for economic control of Lincoln County. When his boss, rancher John Tunstall, was murdered before his eyes in February 1878, the hotheaded young Billy swore vengeance. Unfortunately, the leader of the men who murdered Tunstall was the sheriff of Lincoln County, William Brady. When Billy and his partners murdered the sheriff several months later, they became outlaws, regardless of how corrupt Brady may have been. After three years on the run and several other murders, Pat Garrett finally arrested Billy in early 1881. Garrett, a one-time friend, was the new sheriff of Lincoln County. On this day in 1881, a court took only one day to convict Billy of the murder of Sheriff Brady. Sentenced to hang, Billy was imprisoned in Lincoln's county jail while Sheriff Garrett gathered the technical information and supplies needed to build an effective gallows. On April 28, while Garrett was out of town, Billy managed to escape. While one of the jail's two guards was escorting a group of prisoners across the street to dinner, Billy asked the remaining guard to take him to the jail outhouse. As the guard escorted him back to his cell, Billy somehow managed to slip a wrist through his handcuffs. He slugged the guard and shot him with a pistol either that he took from the guard or that a friend had hidden in the outhouse for him. Hearing the shot, the second guard ran back to the jail, and Billy killed him with a blast from a shotgun he found in Garrett's office. Reportedly, Billy then smashed the gun and threw it down on the dead guard, yelling, "You won't follow me any more with that gun!" After murdering the guards, Billy seemed in no

OPEC leaders at the next leaders meeting. Keep in mind, the current agreement calling for production cuts expires after the end of June. The argument is, given the improving market situation and falling stocks, OPEC and its allies could decide at their June meeting to abandon supply cuts and subsequently increase output, which would obviously keep a lid on prices and perhaps mark a top in the market. As you can see, there are a ton of moving pieces that we need to keep our eye on during the coming weeks. Staying fully engaged...

Congrats to the University of Virginia: In a dramatic overtime victory the University of Virginia beat Texas Tech with a final score of 85 to 77. This marks the program's first-ever national championship. Keep in mind, last year, Virginia became the first No. 1 seed in history to lose to a No. 16 seed. I love seeing teams bounce back, this is a great story of redemption!

Who Will Cash in on Pinterest? Pinterest is seeking a valuation of up to \$9 billion when it debuts on the public market this spring, which will rake in hundreds of millions for each of its founders and other major stakeholders. Pinterest's valuation was said to be \$12 billion nearly two years ago when it raised its last round of funding. I'm told the company plans to sell 75 million Class A shares at \$15 to \$17 per share when it starts trading on the New York Stock Exchange under the symbol "PINS," according to a regulatory filing. I should mention, Pinterest will use a dual-class structure to concentrate voting power among major stakeholders including co-founders Benjamin Silbermann and Evan Sharp. These stakeholders will own Class B shares. Interestingly, Lyft similarly debuted with a dual-class structure when it hit the public market earlier this month. But unlike Lyft, whose founders are the sole owners of Class B shares, other major stakeholders in Pinterest like Andreessen Horowitz and FirstMark will also own this class of stock. Take a look at the chart below to see what each of Pinterest's major stakeholders stand to hold after its initial public offering, based on their post-IPO share counts and assuming the stock prices at the midpoint of its stated range at \$16 per share.

Major stakes after Pinterest IPO

Stakeholder ▼	Total number of shares owned after IPO	Percent of Class A common shares owned after IPO	Percent of Class B common shares owned after IPO	Value of stake
Andreessen Horowitz	43,538,831	-	9.6	\$696,621,296.00
Benjamin Silbermann	51,631,716	-	11.4	\$826,107,456.00
Bessemer Venture Partners	59,458,125	-	13.1	\$951,330,000.00
Evan Sharp	9,500,724	-	2.1	\$152,011,584.00
Fidelity	32,273,068	-	7.1	\$516,369,088.00
FirstMark	44,407,640	-	9.8	\$710,522,240.00
Paul Sciarra	42,407,697	-	9.3	\$678,523,152.00
Valliant	27,079,979	-	6.0	\$433,279,664.00

Even if You Knew... Difference Between Stock Market and Economy: Josh Brown, CEO of Ritholtz Wealth Management, recently released a video and blog posted that have been getting a lot of circulation inside the trade the past week. Below is just a snippet of Brown's blog. I encourage everyone to read it in full detail at [The Reformed Broker](#). I also like the simple and to the point video presentation on the subject. The analogy of the man walking the dog in the park is one you will always remember. It's worth taking a look at... Click [HERE](#)

Let's say I told you what the unemployment rate would be one year from now, or gave you the next four quarters' worth of GDP growth, or even how many times the Fed would hike or cut. Then what? Your ability to use this information in the context of an investment portfolio would be pretty disappointing.

hurry to flee. He armed himself with two pistols and, according to one account, "danced about the balcony, laughed and shouted as though he had not a care on earth." Apparently, the people of Lincoln were either too fearful or too admiring of the young outlaw to act. After nearly an hour, Billy rode off. He was not able to ride far enough. Upon his return to Lincoln, Garrett immediately formed a posse and set off to recapture the outlaw. On July 14, 1881, Garrett surprised Billy in a darkened room not far from Lincoln and shot him dead.



1978, Gervin Beats Thompson in NBA Scoring Title Duel -

On April 9, 1978, the San Antonio Spurs' George Gervin scores 63 points in his final game of the regular season to edge out the Denver Nuggets' David Thompson in one of the tightest contests for the NBA scoring crown in basketball history. Gervin went on to become the league's top scorer again in 1979, 1980 and 1982, making him one of just three NBA players to ever capture four or more scoring titles. George Gervin was born April 27, 1952, in Detroit, Michigan. He played for Long Beach State and Eastern Michigan University before joining the Virginia Squires of the American Basketball Association (ABA) in 1972. The 6'7" shooting guard, nicknamed "Iceman" for his composed on-court style, moved to the San Antonio Spurs in 1974. On April 9, 1978, during the Spurs' last game of the regular season, against the New Orleans Jazz, Gervin scored 63 points and took home his first NBA scoring title. He narrowly defeated David Thompson, who earlier that same day scored 73 points against the Detroit Pistons. Gervin averaged 27.22 points per game to Thompson's 27.15. The Iceman would win the scoring crown three more times in his career; only Wilt Chamberlain and Michael Jordan have claimed more scoring titles. David Thompson, who led North Carolina State University to an NCAA championship in 1974, joined the Denver Nuggets in 1975, when the team was still part of the ABA (the two leagues merged in 1976). Nicknamed "Skywalker," Thompson, who had a 44-inch vertical leap, was named the ABA's Rookie of the Year. In 1976, he was named the ABA's Most Valuable Player and in 1977 and 1978, he was MVP of the NBA All-Star games. After his close loss to Gervin as scoring champ in 1978, Thompson signed a record \$4 million, five-year contract with the Nuggets, making him the highest-paid player ever in team sports at the time. However, he was plagued with injuries and substance abuse problems and traded to the Seattle Supersonics in 1982. Thompson injured himself falling down some stairs at New York City's Studio 54 club during the 1983-1984 season and was later released by the Sonics. He attempted an comeback to the NBA in 1985, but was unsuccessful. George Gervin left San Antonio in 1985 and spent his final season in the NBA playing for the Chicago Bulls. The nine-

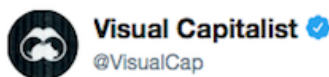
Because the stock market isn't a bet on the economic data. There are so many other variables that go into what prices people will be willing to pay for what investments that even if you knew the economic picture in advance, you still wouldn't be able to use it the way you would a sports almanac.

People have trouble understanding the difference between the stock market and the economy. Their opinions about the latter often cause them to do silly things in the former.



FARM TANK

Tweets of the Day



Visual Capitalist ✓
@VisualCap

Following

The World's 7.5 Billion People, in One Chart



visualcapitalist.com/worlds-7-5-bil...



time NBA All-Star and three-time ABA All-Star racked up a combined NBA/ABA total of 26,595 points and a career scoring average of 26.2 points per game. Both Gervin and Thompson were inducted into the Basketball Hall of Fame in 1996.



1987 , George Shultz condemns Soviet Spying -

Just days before he is to travel to Moscow for talks on arms control and other issues, U.S. Secretary of State George Shultz states that he is "damned angry" about possible Soviet spy activity in the American embassy in the Soviet Union. Soviet officials indignantly replied that the espionage charges were "dirty fabrications." Secretary Shultz was scheduled to travel to Moscow for talks on a number of matters, but the foremost issue was the reduction of medium-range nuclear missiles in Europe. President Ronald Reagan and Soviet leader Mikhail Gorbachev had discussed arms reduction during their summit in Iceland in October 1986, but talks had ended on an acrimonious note. Gorbachev linked progress on the reduction of the missiles to U.S. abandonment of the proposed Strategic Defense Initiative (the so-called "Star Wars" antimissile program). A new summit was scheduled for December 1987, and Shultz's visit was in preparation for that event. However, charges of Soviet espionage in the U.S. embassy in Moscow threatened to derail any discussions. In particular, U.S. officials charged that since at least the early 1980s, Soviet espionage agents had gained access to the American embassy in Moscow by working through the Marine guards stationed there. In addition, there were allegations that the new U.S. embassy under construction was riddled with Soviet spying equipment. Shultz declared, "They invaded our sovereign territory, and we're damned upset about it." In the long run, the arms negotiations were not affected by the spying allegations. In December 1987, Reagan and Gorbachev negotiated the Intermediate-Range Nuclear Treaty, which eliminated U.S. and Soviet medium-range nuclear missiles from Europe. In the short run, however, the episode indicated that while relations between the United States and the Soviet Union had improved dramatically in recent years, long-held animosities and suspicions lingered just beneath the surface.

Upcoming Events

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

Thurs. 04/11 - Export Sales, Jobless Claims

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

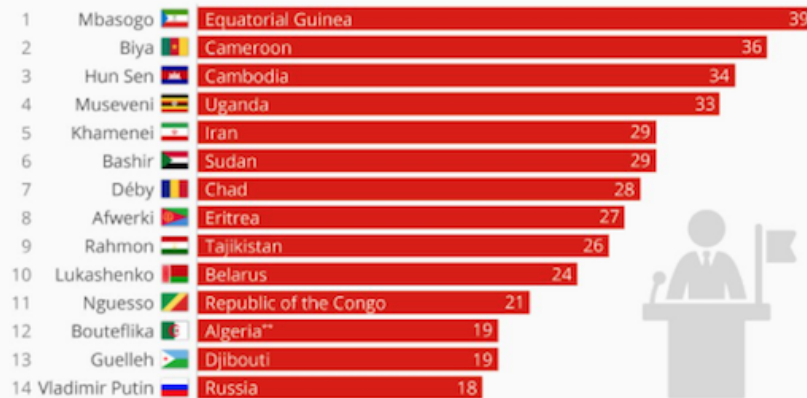
Tues. 04/16 - Retail Sales

The President of [#Algeria](#) Abdelaziz Bouteflika has announced that he will resign immediately. He is one of the longest-serving world leaders, having been in office for nearly 20 years via [@AxiosWorld](#)

statista.com/chart/17576/lo...

Where the World's Longest-Serving Leaders Hold Office

Longest-serving world leaders currently in power (in years)*



* Count only includes current leaders in office. Smaller countries, such as Samoa, and monarchs were left off the list.

** Algeria's President Bouteflika announced that he will step down by April 28, 2019.

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



Kevin's Song of the Week

Meagan Perry Kaiser
@MOAgMeg

Following

Kaiser Family Farm home place April 2018 v. Today. [#Flooding2019](#) [#Plant19](#)





Chris Porter

@cw_porter

Following

#plant19 is on!



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



Jeremy Wolf
@jwolf7447

Following

Heard there were a few guys in central Illinois running gas! #Plant19



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.



B/R Betting
@br_betting

Following

Who's your pick to win it all? 🏆

WORLD SERIES ODDS

YANKEES: +550
RED SOX: +600
ASTROS: +650
DODGERS: +700
CUBS: +800
PHILLIES: +1000
CARDINALS: +1200
INDIANS: +1200
BREWERS: +1500
NATIONALS: +1600
BRAVES: +1800
METS: +2000
ROCKIES: +2500
RAYS: +2500
ATHLETICS: +3000

TWINS: +3500
PADRES: +4000
GIANTS: +4000
WHITE SOX: +4000
REDS: +6000
ANGELS: +6000
PIRATES: +10000
D-BACKS: +15000
RANGERS: +20000
BLUE JAYS: +20000
MARINERS: +20000
ROYALS: +50000
TIGERS: +50000
MARLINS: +50000
ORIOLES: +50000

VIA CAESARS





You Had One Job

@_youhadonejob1

Following

When your neighbourhood homeowners association is driving you crazy.



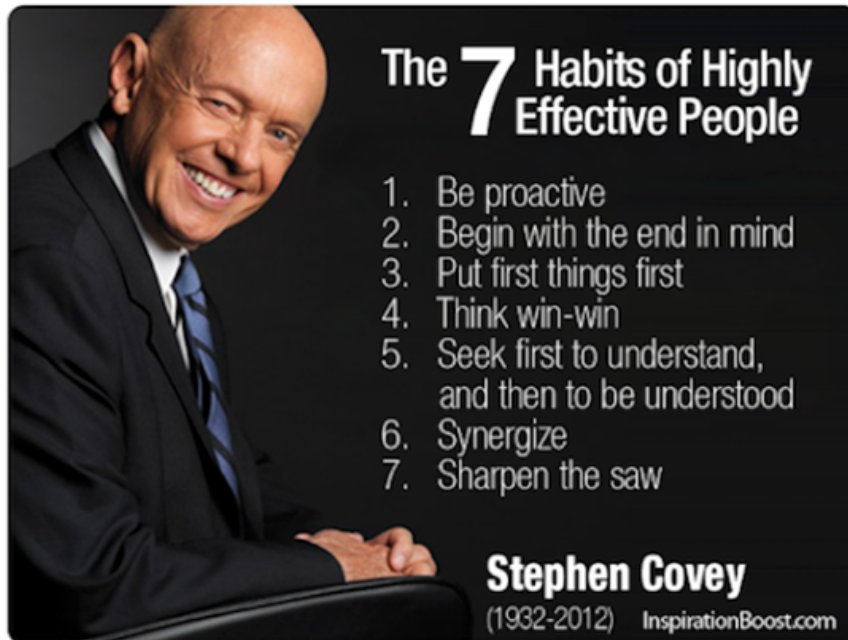
ActionComplete

@ActionComplete

Following

Stephen Covey: The 7 Habits of Highly Effective People

[#quotes](#) [#inspiration](#) [#leadership](#)



neuro mining

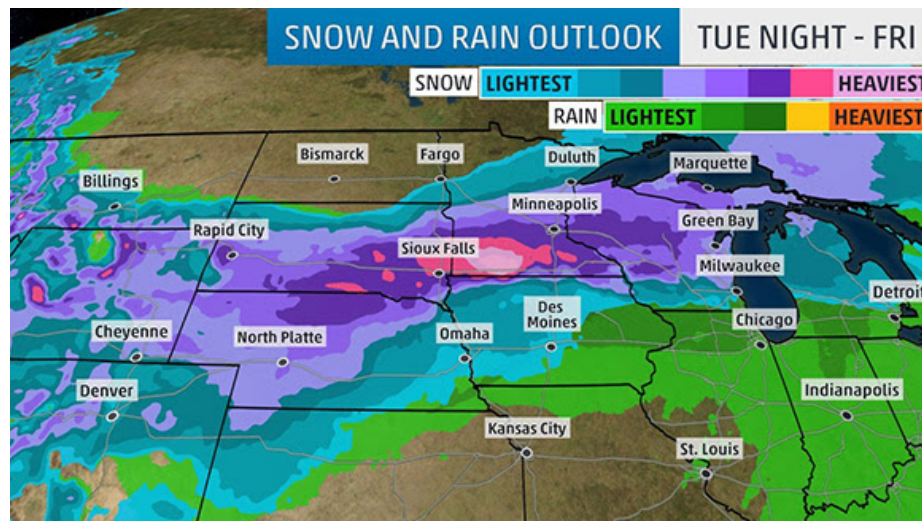


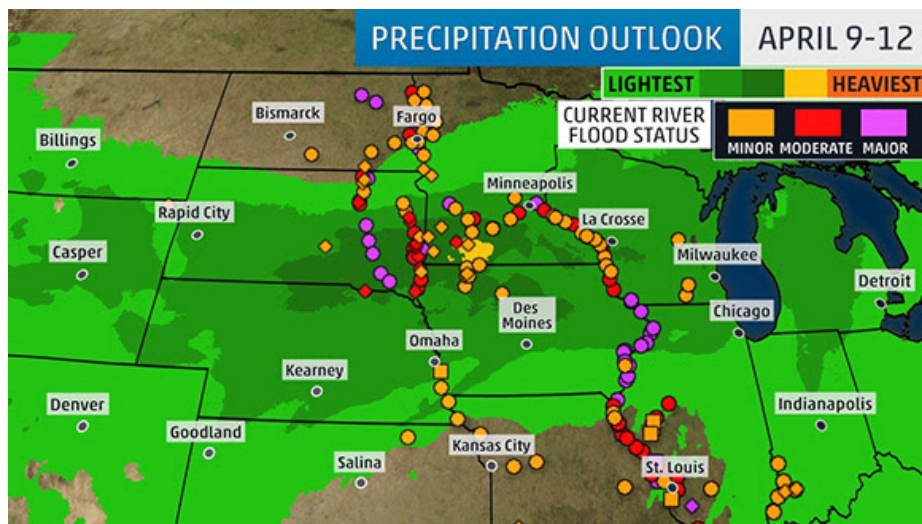
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we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

Winter Storm Expected to Develop in the Plains by Midweek, bringing heavy snow, high winds, potential blizzard like conditions and perhaps even some severe thunderstorms to the nation's midsection. In fact, some areas of NE, SD, MN and parts of IA are calling for +12 to +18 inches of snow. The setup for this storm is eerily similar to last month's Plains "bomb cyclone". It's not clear if this storm will be as strong as that storm, but it will be an intense low-pressure system. Heavy snow, possibly starting out as rain is likely to fall over areas still suffering flooding and melting snow over the past few weeks, including the flood-ravaged Missouri Valley. Some of those areas could see over an inch of rain and melted snow. That, plus melting of any snowpack left behind in the days after the storm, would only aggravate and prolong the ongoing flooding.





Corn prices continue to trade near recent contract lows ahead of what's expected to be another round of bearish data released by the USDA today at 11:00 am CST. Many inside the trade believe the WASDE's monthly supply and demand report will show ending stocks jumping to +2.0 billion bushels on lower estimates for feed and residual, ethanol and perhaps even exports. I think we have to pay close attention to the size of the demand reductions. If the USDA elects to take a slow approach towards reducing growth in overall demand bears may continue to hold it over the markets head and use thoughts of further reductions as a crutch to lean on the market. On the other hand, if the USDA makes a substantial demand reduction in today's report, we could see a big knee-jerk to the downside the next couple of days. Hopefully that could mark the low as bears may see little meat left on the bone. From there, most all focus would shift to U.S. weather and any complications that might be arising. I suspect with more heavy rainfall and moisture in the forecast, the trade will eventually start to become more concerned about total U.S. planted acres. I've been questioning the planted corn acreage estimates for many weeks, eventually the trade might take notice? I may be proven completely wrong, but I'm just not seeing the same number of corn acres. The USDA released their first crop progress report on corn planting yesterday. To this point only about 2% of the total U.S. corn crop has been planted, which was basically in line with most expectations and on track with last years start and the five-year average. Texas is obviously the furthest along with 53% of its corn crop planted; Tennessee has 8% planted; North Carolina is 5% planted; Kansas, Kentucky and Missouri are each 2% planted. Bottom-line, bearish nearby, but longer-term bull, believing China is eventually going to buy larger amounts of corn and corn based products from the U.S. Trying to stay afloat and stay patient...

Corn Planted Percent

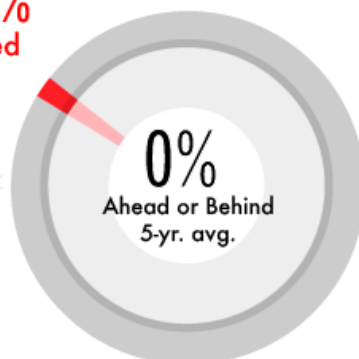
Week 15

week ending April 7, 2019

Source: USDA, NASS Crop Progress

2019 U.S. Corn Planted Pace

2% Planted



0%

CO

0%

0%

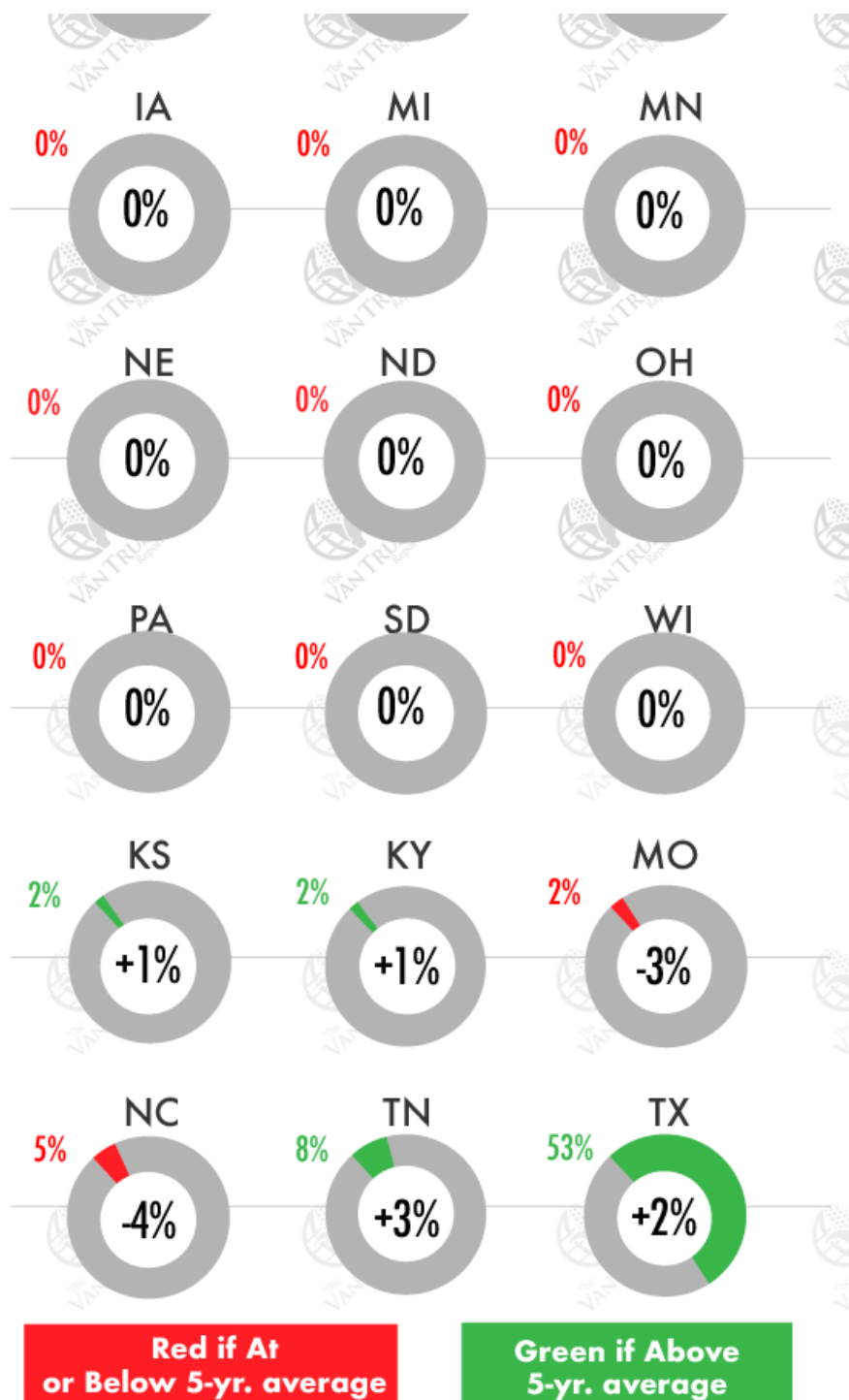
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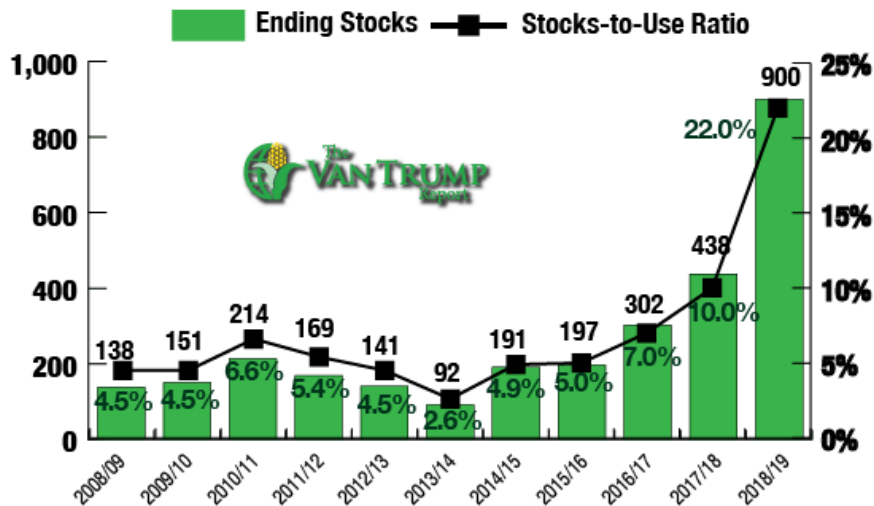
IN

0%



Soybean traders seem mostly mixed heading into today's USDA report. Bears argue that we could see small revisions lower for either domestic crush or export estimates. I personally don't think the USDA cuts the export number until more is known regarding China. I also doubt they make any sizable downward adjustment to the crush number in this report. Hence, I'm thinking today's report is mostly a non-event for the soybean market. Yes, soybean prices nearby could be pulled higher or lower by corn, so there could still be sizable movement. Looking beyond today's USDA numbers, I suspect traders immediately turn their attention back to U.S. and Chinese trade negotiations and further weather uncertainties here at home. I'm not looking for much change to the USDA's South American production estimates, but there's always the potential for political and logistical hurdles associated with getting the crop out of South America. Hence, even though the SAM crop is essentially made, there's still a chance of some unforeseen complications in getting the crop exported. I'm not bullish nearby, other than the knee-jerk reaction that could be associated with an official announcement of a Trump-Xi meeting, but longer-term there could be a story brewing. As a producer, I'm staying extremely patient and longer-term oriented. As a spec, I'm currently most interested in being some type of scaled buyer on another significant leg lower.

U.S. Soybean Stocks-to-Use



Source: Data updated with March 9, 2019 WASDE numbers

Wheat bulls are monitoring a major winter storm that could hit the northern Plains later this week and push temperatures to sub-freezing levels as far south as Oklahoma. Obviously, that creates some concerns considering how warm temps are currently. Tomorrow in Kansas City, temperatures are expected to top 80 degrees, then on Friday, we could see a low that falls sub-32 degrees. Bulls believe the weather setup could get interesting, especially for SRW wheat. Bears point to another round of improved winter wheat conditions as the USDA estimates about 60% of the crop is currently rated "Good-to-Excellent", which is +4 points better than last week and +30 points better than last year at this time. The USDA estimates about 9% of the crop is rated "Poor-to-Very Poor" compared to 3% rated "Poor-to-Very Poor" last year at this time. Most of the improvement continues to be seen in the HRW wheat areas. The USDA also showed 3% of the crop is "headed" which is slightly behind schedule. Texas is 15% headed; Arkansas and California are each 10% headed; Illinois is estimated to be 1% headed. Spring wheat planting is off to slow start with just 1% of the crop thought to be planted. The five-year average is for around 5% to be planted by this date. The only states showing actual planting progress were Washington, who is thought to be 11% planted vs. 28% on average and Idaho who is thought to be 3% planted vs. 26% on average. As for today's USDA report, it doesn't feel like any is looking for any major changes. Overall, bears argue that the USDA could make a downward revision to both their feed and residual and current export estimate. Meaning, as a whole, it's hard for me to dispute those arguments considering current dynamics. Perhaps the USDA will only trim feed and residual in this report and take a wait and see approach towards exports and Chinese trade negotiations? I know that's wishful thinking, but remember, I'm tilted as a longer-term bull, at least in the SRW contract. Remember, HRW and HRS contracts are birds of an entirely different color, with much higher ending stocks than SRW wheat. Globally, there's still no major weather story for the Black Sea region. We've been keeping an eye on some pockets of dry conditions, but nearby forecasts are calling for improved moisture on a more wide-spread scale. Bottom-line, I'm really not hearing much in the way of difficulties for the world's low-cost suppliers. With that being the case and U.S. ending stocks being north of +1.0 billion bushels, it's tough to get wildly bullish nearby, especially for HRW and HRS wheat contracts. As as spec, I continue to see the SRW wheat contract offering more upside potential than downside risk. Staying a longer-term conservative bull...

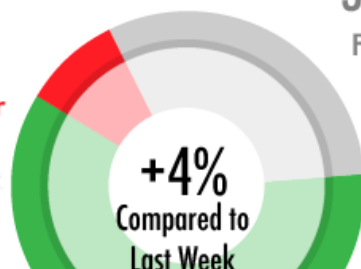
2019 U.S. Winter Wheat Conditions Ratings

Winter Wheat Conditions

Week 15

9%
Poor
to-
Very Poor

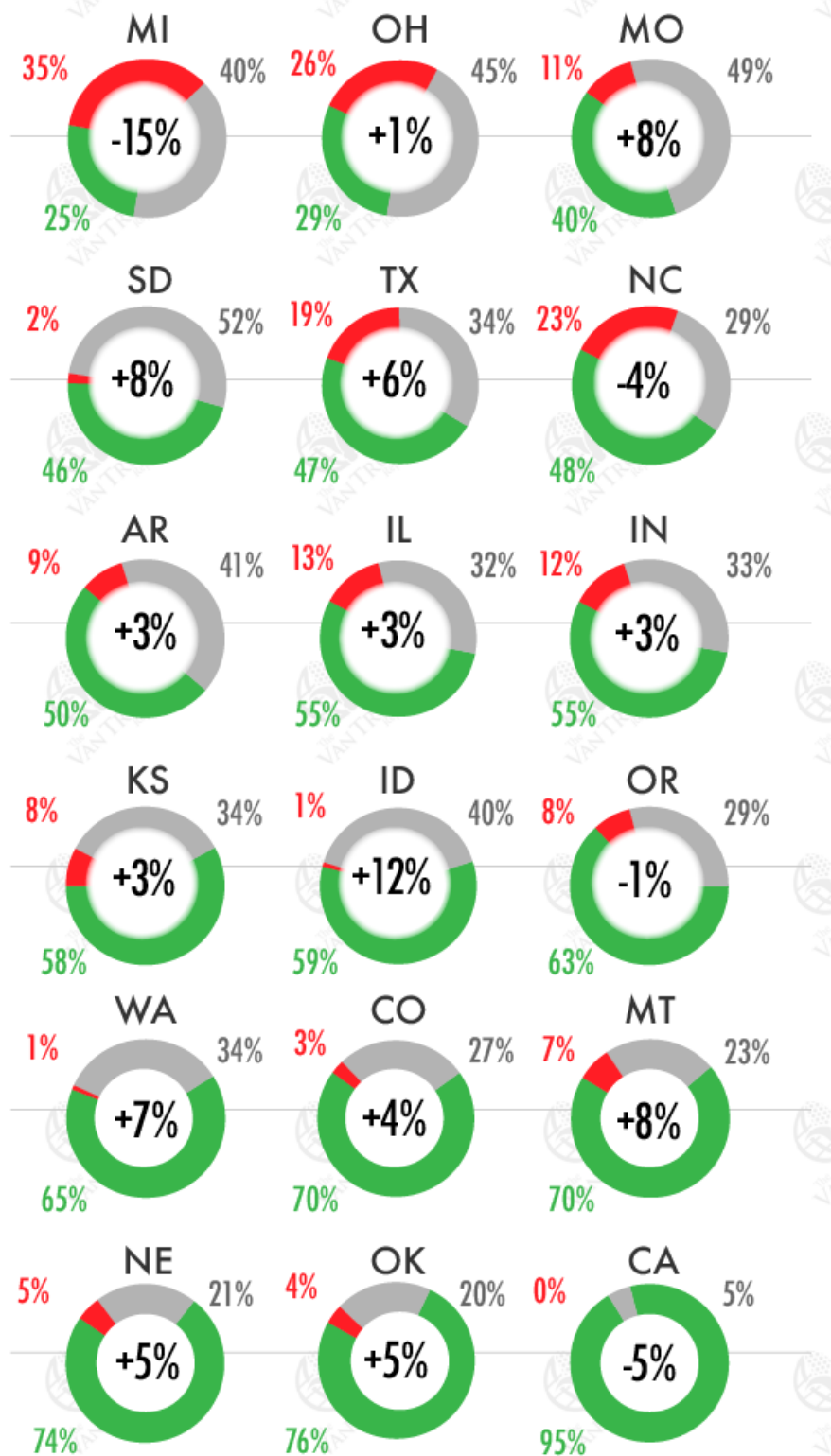
31%
Fair



week ending April 7, 2019

Source: USDA, NASS Crop Progress

60%
Good
to
Excellent



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



> **March Floods Cause Ethanol Shortages:** March floods that punished the U.S. Midwest have trapped barrels of ethanol in the country's interior, causing shortages of the biofuel and helping to boost gasoline prices in the western United States. The historic floods have dealt a series of blows to large swaths of an ethanol industry that was already struggling with high inventories and sluggish domestic demand growth. In fact the ethanol shortages are one factor pushing gasoline prices in Southern California, including Los Angeles, to the highest in the country, and they could top \$4 a gallon for the first time since 2014, according to tracking firm GasBuddy. I'm told the floods knocked out roughly 13% of ethanol capacity. (Source: Reuters)

> **New Changes In Ag Census, Allowing More Principals:** In the past, the Ag Census allowed only one principal to be listed showing that U.S. agricultural operations were predominantly run by men, but didn't reflect farms with multiple people in charge. The changes in the years' census will better capture the roles of people involved in farming, but it will be difficult to compare how the demographics of principle producers shifted between 2012 and 2017. The new 2017 census will also include new data on how much money farmers earned from direct marketing and value-added products. (Source: NASS)

> **VP Mike Pence Goes On USMCA Promotion Tour:** Vice President Mike Pence's campaign to promote the USMCA across several states kicked off last week. The weeks-long tour includes stops in farm towns and agricultural regions across Ohio, Virginia, Pennsylvania, Minnesota and other 2020 battlegrounds. (Source: Politico)

> **More States Standing Against 'Fake Meat':** More states have passed bills to block use of the term 'meat' for alternative proteins. North Dakota and Montana have recently joined a growing list that already includes Missouri, Mississippi and South Dakota.

> States Move to Legalize CBD Despite Federal Law: *CBC oil-infused gummy bears, lattes and other food, drinks and dietary supplements are selling quickly even though the U.S. government says they're illegal and local authorities have forced some retailers to pull products. Lawmakers in both Texas and California are pushing bipartisan legislation to sidestep federal law and allow sales of the compound found in hemp and marijuana. Republicans and Democrats in Congress also are urging the U.S. FDA to change its stance. The FDA announced last week that they will hold a public hearing in May to gather more information. (Source: AP)*

> 3.5 Billion Times the Mass of the Sun: *On Wednesday, an international team of astrophysicists and other scientists are expected to unveil the first ever photograph of a black hole -- a result from the Event Horizon Telescope project. Two black holes were the focus of the telescope's study. One, Sagittarius A*, has 4 million times the mass of the sun and is 26,000 light years from Earth. The other, M87, has 3.5 billion times the mass of the sun and is 54 million light years from Earth. (Source: Reuters)*

> Twitter Cuts the Number of Followers Per Day You Are Allowed: *Twitter has reduced the maximum number of accounts a user can follow per day from 1,000 to 400, it said on Monday. Keep in mind, spammers commonly follow hundreds of accounts in an attempt to get them to follow back and juice their follower count, often by writing software scripts that automate the behavior. Twitter is under pressure to limit the extent of fraud, but I'm told that slowing down the bots won't eradicate the behavior. (Source: Axios)*

> More Moves in Automotives: *Global automotive giant Lear today announced that it will acquire Seattle-area connected car startup Xevo for \$320 million. Xevo... develops connected-car software with more than 25 million vehicles on the road today using its proprietary technology. It sells two products, Xevo Journeyware and Xevo Market, that allow drivers to interact with in-car content and connects them with popular food, fuel, parking, hotel, and retail brands via touchscreen and mobile apps. (Source: Geekwire; DataTrek)*

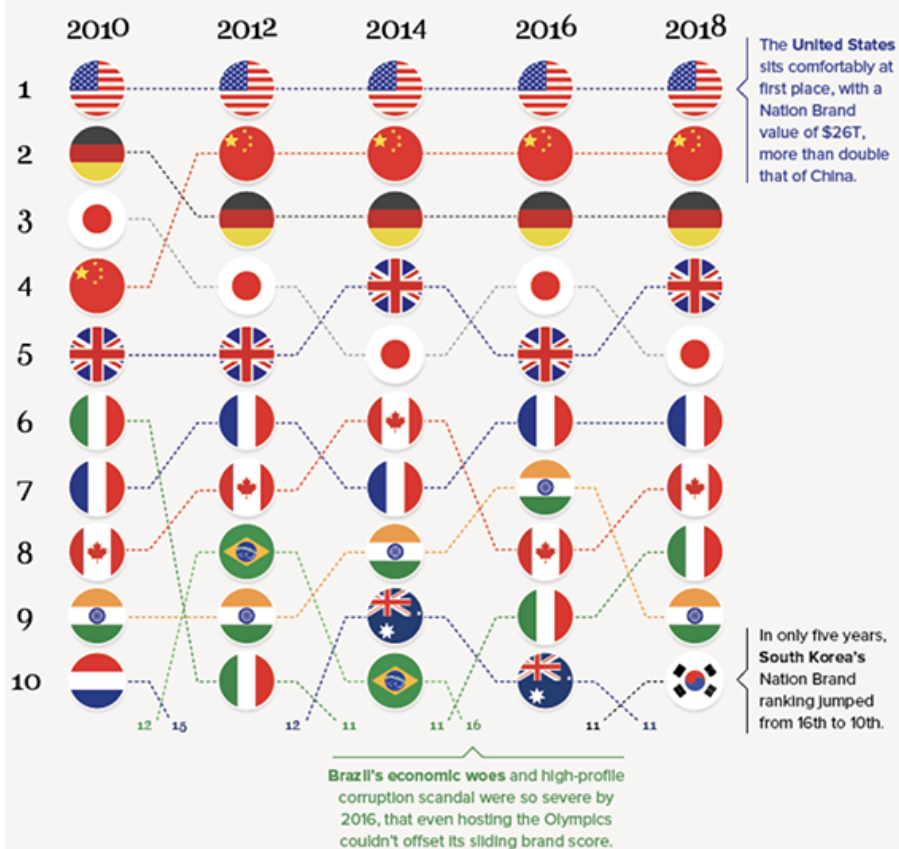
> Where Teens are Spending Their Dollars: *Teenagers on average are spending \$2,600 annually on food and clothes, favoring retailers Lululemon, Ulta, Amazon and Vans, along with fast-food chains like Chick-fil-A and Chipotle, according to a new survey. Piper Jaffray asked 8,000 teens, with the average age 16 across the U.S., where they were spending money; 54% of respondents were male and 46% were female, and nearly half say Amazon is their favorite website. Also, Lululemon is gaining momentum, while Adidas is slumping.*

> Ranking the World's Most Valuable Nation Brands: *In a global marketplace, a country's national image can be one of its most valued assets or a challenging liability. These perceptions help to forge a country's reputation, and also have a long-lasting impact on future economic potential and the ability to attract new investment. Brand Finance released a report attempting to place a dollar value on these national perceptions. They calculated this score using three pillars: Goods & Services (Includes factors such as openness to tourism, market size, and trade rules), Society (Includes factors such as quality of life, corporate ethics, corruption, and cultural image), Investment (Includes items such as talent retention, use of technology, R&D, taxation, and regulation). Below are the top 10 nation brands and how the ranking have changed over time. (Source: Finance Brands)*

TOP 10 MOST VALUABLE NATION BRANDS (2018)



TOP 10 MOST VALUABLE NATION BRANDS (2010–2018)





FROM THE FIELD

Western Illinois – I was traveling from Springfield to the Hannibal area and we got quite a bit of rain. Almost no field work has been done between there either. This last rain will shut everything down for at least the balance of the week in a good chunk of the area I farm in at least. I did a little scouting around the fields that we farm along the Illinois and by the looks of it we will probably be taking prevent plant on at least 2 maybe 3 over our river bottom grounds. A couple of the fields are completely under water while the 3rd is just extremely wet and looks like it's going to take a spring miracle to dry down enough to plant. Hopefully we don't get all that water coming from the snow that's going to hit Southern Minnesota.

Southern Minnesota – I just wanted to give everyone a quick weather update. We are right in the heart of the big snow coming the middle of the week. Some guys are saying we might be just north of a foot while others are saying we will get at least 2 feet. When it snows in our area in April it's usually a heavy wet snow that will shut everything down for a couple days. They are calling for very little visibility during the storm so I'm guessing it's going to come with a lot of wind and heavy snow. The last time we got this much snow, this late in the game, we were shut down for the better part of a month because of how wet the fields were. I'm guessing we are going to see major river flooding and water standing for the next several weeks minimum.

Western Indiana – It's getting brutal trying to farm with every 3rd or 4th day we get just enough rain to get the fields muddy enough to say out. We aren't getting an inch or several inches, it's just 3/10th here or 6/10th there. We are not changing any rotation, but we are rolling over to a little heavier soybean year which is probably a good thing because we didn't get field work done this fall. We debated switching a few fields to corn but it's just not a mistake I'm willing to make based on what I have seen in the past. We are going to stay with our 40/60 split, heavier to the soybean side.



CROSSING WIRES

A place to share intelligent thoughts...

Investments in "Midstream Technologies" Continue to Grow: There is a growing number of startups tackling the portion of the supply chain between the farmers and the retailer, including traceability technologies, robotics for processors, environmental sensing and tracking technologies, logistics, and robotics for processors. Food testing and traceability are a particularly hot segment in the category we call 'Midstream Technologies' as the global food system continues to suffer from foodborne illness outbreaks, food fraud, and human rights labor violations. In 2018, the category gained in popularity among venture capital investors with startups raising nearly \$1.35 billion across 167 deals, posting a 44% increase in funding totals compared to 2017, and 87% year-over-year increase in deal activity. Based on these numbers, Midstream Technologies climbed from the third-best funded sector to the second-best funded sector behind Ag Biotechnology, which secured a whopping \$1.5 billion in funding in 2018, according to AgFunder's 2018 AgriFood Tech Investing Report. Click [HERE](#) for the top 20 Midstream Technology fundings from 2018.

Microsoft is Building the Military's IVAS Headset Based on HoloLens 2: The Army recently invited CNBC to see how it will use specially modified Microsoft HoloLens 2 headsets, which are part of a \$480 million defense contract won by the company. The military wouldn't say how much its version costs, but the consumer one costs \$3,500. I'm told the headset is impressive — better than any augmented reality experience ever seen, including Magic Leap, which also tried to win the Army contract. The project is also a showcase for the Army's plans to work more closely with America's tech companies to speed innovation in military. For decades, anyone who wanted to win a military contract had to jump through hoops in a process that could take five to seven years just for the military to decide what it wanted. Keep in mind, it would sometimes take 20 years for a product to hit the field, according to the Army. And the process rarely involved the troops who actually ended up using that technology. A lot has changed. Click [HERE](#) to learn more about the Integrated Visual Augmentation System.

Billy Beane Shares His Latest Insights on the Future of Baseball: With Moneyball—both the mega-best selling-book and the highly popular movie—Billy Beane has won everlasting fame as one of the most innovative and disruptive figures in the history of business and sports. What he did for an old, numbers-laden, tradition-encrusted game, rightly dubbed "the national pastime," was nothing less than

astounding. After all, hundreds of millions of people had played the game here and abroad over the years. Professional baseball had been around for more than a century. How could anything new of fundamental importance arise? So what does this rightfully famed—and very personable!—trailblazer see for baseball, as a new season gets underway? How does he stay ahead of the pack now that everyone is on to his methods? What rule changes might come along to reduce the time it takes to play a game? How to win the affections of young people who have so many sports or online alternatives? Check out his answers [HERE](#).

"Don't Touch" Could be a Thing of the Past at Museums: A few years ago, we were promised that 3D printing would transform the world. These enormous hopes for digital fabrication, and especially 3D printing, may have seemed overinflated, but perhaps the impacts are finally materializing. I should mention that the last few years have seen a steady period of experimentation and incremental technical advances. Fabricators realised that 3D printing had many limitations that needed to be taken on board for its successful application. In addition, the public's initial excitement seemed, to many, to be overblown. But despite this, enthusiastic claims about the technology should not be considered utterly absurd. Over the last decade, museums and other cultural institutions around the world have constituted one of the most exciting test-beds for 3D printing. This is probably driven by the nature of objects and sites which cultural institutions study, collect, and display. Given their fragility and historical importance, collection objects cannot be touched and are normally exhibited to people behind enclosed glass displays. Click [HERE](#) to see how that is changing.

50 Cent Sells Connecticut Estate for \$2.9 Million: *Rapper Curtis James Jackson III — famously known as 50 Cent — recently sold his sprawling Connecticut estate for \$2.9 million. Located in Farmington, about 80 miles from Greenwich, the home has over 50,000 square feet of living space and is one of the few in the state with approved grounds for landing a helicopter, according to its listing agency Douglas Elliman. Described in the listing as the essence of "opulence and luxury" — the sprawling mansion includes 19 bedrooms, 25 bathrooms and an indoor pool. In addition, the property boasts a night club space, an indoor basketball court, multiple game rooms, a green screen room, a recording studio, a full gym, a conference room and a home theater. Sitting on 17.6 acres, the grounds of the mansion include a pool, grotto, pond, basketball court, guesthouses and gardens. Read more [HERE](#).*



Can You Make Money Growing Russian Dandelions?

Katrina Cornish, a professor in "bio-emergent" materials at Ohio State University, and the scientific advisor for a startup called "American Sustainable Rubber" believes there's a huge untapped market for growing a genetically engineered Russian dandelion species known as *Taraxacum* or TKS. In fact, if production catches on, the U.S. could be self-sustainable in the production of natural rubber within a decade. For those not familiar with the natural rubber market, demand has been constantly increasing as citizens in emerging markets are more able to afford bicycles, motorcycles and cars. I'm told world consumption of natural rubber grew +5% in 2018. At the same time, large rubber plantations in Southeast Asia are at risk of being decimated as the *Hevea* rubber tree, the main tree in natural rubber production, which has been cloned for use, is becoming more susceptible to the disease called South American leaf blight. Should the disease strike a plantation, it only takes about a year to wipe out an entire farm and spread throughout the region. Also, the major players in the game, Michelin and Goodyear, now have anti-deforestation policies that have to abide by, meaning rubber plantations aren't able to easily expand to keep up with demand. All this has created headwinds for the natural rubber industry, and prompting those in the space to look for new ways to produce natural rubber. I'm told the goal of the lab's joint research on the TK dandelion is to achieve an increase of natural rubber content from the current level of less than 10% to more than 20% in the dry dandelion root mass, effectively reducing the required size and upfront capital investment and annual operating expense of a commercial-scale production facility by more than 50%. I know the thought of farming dandelions sounds crazy, but I personally believe there may be some plays both as an investor or a producer. The team at Kultevat, a pioneering company in the Russian Dandelion space, is a great resource if you are looking to diversify. From what I understand, they believe it offers an excellent alternative for those in the corn belt or with sugar beet operations. To learn more, click [HERE](#) (Source: iSelect; Forbes, technewsworld, wiki)



Today, natural rubber is still obtained almost exclusively from the caoutchouc tree (*Hevea brasiliensis*) which can only be cultivated on a fraction of the world's land surface. This area runs around the equator and is known as the "rubber belt".

The Russian dandelion root contains a natural rubber latex that is very similar to the caoutchouc tree, but can be grown just about anywhere.

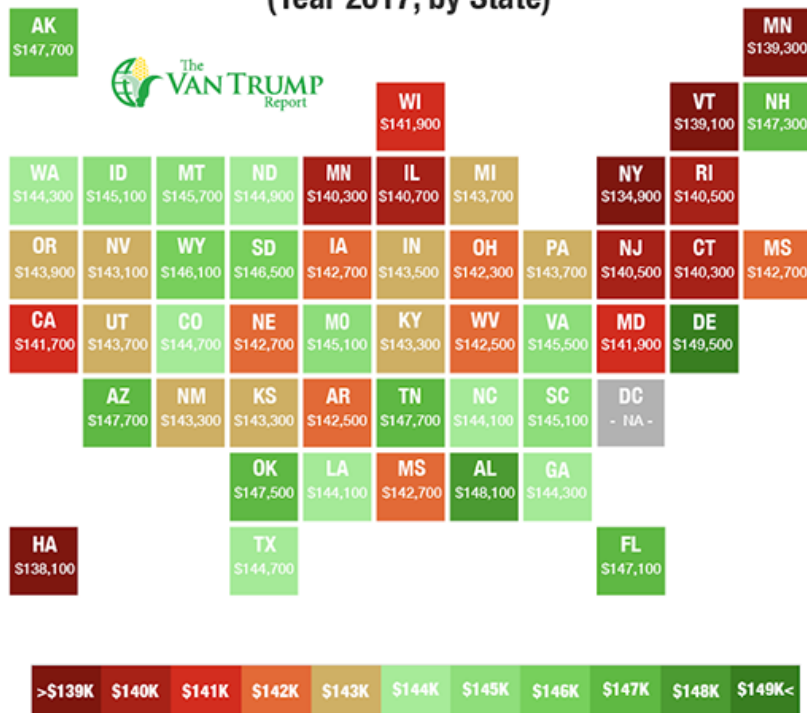


What is the Real Value of a \$200,000 Salary... Depends Where You Live!

I was recently sent an interesting article that was written by Jeff Rose over at Forbes. It was titled "[Here's How Much You Make On \\$200,000 Income 'After Taxes' In All 50 States](#)". I encourage everyone to read it in full detail, it was extremely informative. Forbes did a great job of trying to assess overall tax liability and contributions to Social Security and Medicare based on specific states. They explain that the state and local tax category can get a bit murky, mostly because this area can comprise different taxes such as real estate taxes, and state and local sales taxes. We also must remember, there are less common taxes, such as excise taxes, hospitality taxes, ad valorem taxes, tolls, user fees, and estate and gift taxes, just to name a few. With all that said, Forbes crunched the numbers and tried to provide a bottom-line value of a \$200,000 salary by making a reasonable estimate for after tax pay from each state. I had our staff put their findings in a simple easy to read graphic. As I said earlier, I encourage everyone to refer to the original Forbes article for more details and specifics. (Source: Forbes, [nolo.com](#))

How much do you take home after taxes on \$200,000 of income?

(Year 2017, by State)



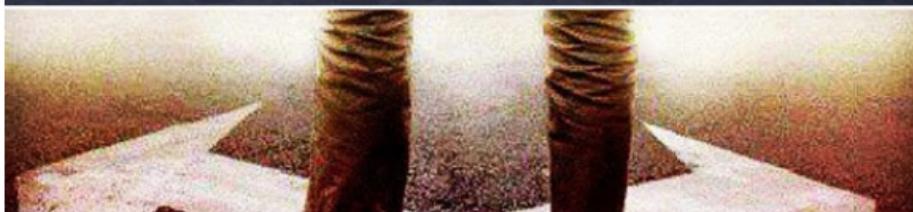
Totals above are overall State Tax rates which combine all the various taxes charges by each state, and reduce it to a single percentage. The calculations above do not account for local income taxes that some states may have.

Source: Local Tax Burden for Median Income State Households, compiled by Nolo.com

Jeff Bezos, the founder of Amazon and the worlds richest man, is constantly being asked about his "blueprint for success" in both business and life. I've heard him talk on the subject numerous times. He likes to use what he calls "Regret Minimization Framework". In a nutshell, Bezos says, the key to a happy life is to fast forward and think about when you are 80-years-old, and in a quiet moment of reflection narrating for only yourself the most personal version of your life story, the telling that will be most important and meaningful will be the series of choices you have made." You have to start with the end in mind and work backwards, in his case, always working to minimize any regrets. Similar to what 95 year old famed investor Charlie Munger believes are the keys to living a long and happy life, which are logical and fairly simple, but at times difficult to execute, i.e. "Don't have much envy; Don't carry much resentment; Don't overspend your income, live within your means; Stay cheerful in spite of your troubles; Deal with trusting and reliable people; Do what you're supposed to do." Jeff Bezos, says it's even more simple... we are exactly what we chose! He also believes there's a huge difference between the difference between the gifts we are given and the choices we make: "Cleverness is a gift, kindness is a choice. Gifts are easy — they're given. Choices on the other hand can be hard! You can seduce yourself with your gifts if you're not careful, and if you do, it'll probably be to the detriment of your choices." In the end however, it won't be your gifts but rather the difficult choices you made. Did you choose easy over the right way? Did you choose avoidance over honesty? Did you choose comfort over correct? Bezo's believes, "In the end, we are our choices." From time-to-time, Bezos says he likes to reflect and think deeply about 12 questions. I suspect they help keep him on a longer-term trajectory and have become somewhat of a blueprint for his "Regret Minimization Framework." I encourage you to watch the short 2-minute video to hear Bezos explain it himself. It's worth the time! Click [HERE](#)

1. How will you use your gifts?
2. What choices will you make?
3. Will inertia be your guide, or will you follow your passions?
4. Will you follow dogma, or will you be original?
5. Will you choose a life of ease, or a life of service and adventure?
6. Will you wilt under criticism, or will you follow your convictions?
7. Will you bluff it out when you're wrong, or will you apologize?
8. Will you guard your heart against rejection, or will you act when you fall in love?
9. Will you play it safe, or will you be a little bit swashbuckling?
10. When it's tough, will you give up, or will you be relentless?
11. Will you be a cynic, or will you be a builder?
12. Will you be clever at the expense of others, or will you be kind?

Below is the picture that hangs in my bathroom. I look at it closely and read it each and every morning right after brushing my teeth. It's called "Choices" and it was written by James Williamson.





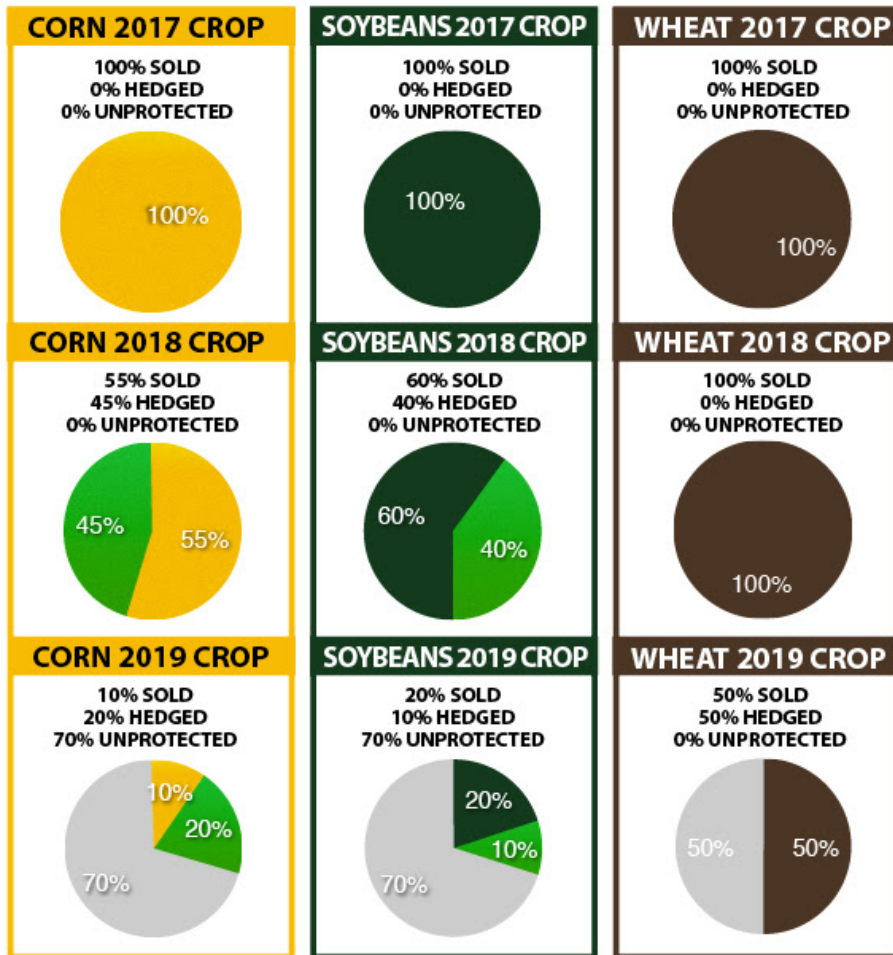
Everything you do is based
on the choices you make.

It's not your parents,
your past relationships,
your job, the economy,
the weather, an argument
or your age that is to blame.
You and only you are responsible
for every decision and
choice you make. Period

ANSWER to riddle: Your name.

CASH SALES & HEDGING TOTALS

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