

GOOD MORNING: 04/12/19 Farm Direction - Van Trump Report

1 message

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

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Today In History

"A man who gives you less than what he has to give is telling you what he thinks of you, and telling you what he thinks of himself." - Pete Carill

FRIDAY, APRIL 12, 2019
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Morning Summary: Stocks are higher this morning on improved economic data out of China. Traders on both sides however continue to ask, where are we in the U.S. financial cycle? And perhaps more importantly what's going to happen to interest rates moving forward? Even though the Fed says they have turned more dovish and some inside the market see a rate cut coming, many, including myself, worry that the Fed could quickly turn more hawkish and actually hike rates if the economy starts to heat up. It's not that rising rates are horrible for the stock market, there's been plenty of times rates have risen and so has the stock market. But if we are late in the financial cycle, in the midst of trade disputes, raising rates and rallying the dollar higher could certainly create headwinds. All traders and investors recognize if we are "late in the cycle," consumer spending can be much different than at other times. For example, real estate growth and purchases tend to lag late in a bull cycle, especially if interest rates begin to edge higher. Financials can also lag late in the cycle. This has some traders concerned because the bigger more traditional banks and financials have somewhat lagged the market. Bulls point to strong loan growth as rates ease and the Fed takes a more dovish stance, believing economic growth could actually start to accelerate. On the flip side, bears continue to question capital market activity and the inverted slack happening in the labor market, i.e. companies unable to find good qualified help to further facilitate growth. We also need to remember, late in the cycle, investors tend to pay greater premium for companies that can show continued growth, as "growth" itself becomes a more scarce commodity. As for today, the trade is digesting the latest Chinese import-export numbers, Eurozone industrial production, U.S. import prices, and the Michigan Consumer Sentiment Index. Most inside the trade believe the attitude and outlook of the American consumer has clearly recovered from the emotional effect of the January government shutdown and long sustained bout of winter blues. It will be interesting to see what the Michigan Sentiment Survey has to say. With unemployment at a near 50-year low and wages rising, it's tough to imagine not seeing a strong consumer sentiment number? Don't forget, the trade is also digesting today a few first quarter earnings estimates from big name banks like JP Morgan and Wells Fargo. As for next week, keep in mind it's a holiday shortened trade week. The markets are closed next Friday ahead of the Easter holiday weekend. In other words, the market will be forced to digest a lot of headlines in a short number of trading days, volatility could certainly pick up. We start off Monday with the U.S. and Japan holding their first official round of trade talks in Washington. I suspect we will also be digesting more Chinese trade headlines and continued headlines from Washington regarding our southern border. There's also rumors in Washington that the entire Mueller Report could be released next week. There will also be another wave of Fed speakers out on the circuit. As for traditional economic data, the biggest market movers will be updated U.S. Housing numbers, U.S. Beige Book, the Philly Fed survey, and updated U.S. Retail Sales data. First quarter earnings will also be released by several large corporations, i.e. Abbott Labs, American Express, Bank of America, Black Rock, Blackstone Group, Citigroup, Danaher, E-Trade, Goldman Sachs, Honeywell, IBM, JB Hunt, Johnson & Johnson, Kinder Morgan, Morgan Stanley, Netflix, PepsiCo, Phillip Morris, United Rentals, Union Pacific.

Can We Talk Ourselves Into A Recession? CEO of Citibank, Michael Corab said exactly that as he responded to questions from Congress as to what is the biggest threat to the U.S. economy. In the economy, the idea of a self-fulfilling prophecy of sorts isn't new. As we have seen in the past, expectations among businesses and



1633, Galileo is Convicted of Heresy - On this day in 1633,

chief inquisitor Father Vincenzo Maculano da Firenzuola, appointed by Pope Urban VIII,

begins the inquisition of physicist and astronomer Galileo Galilei. Galileo was ordered to turn himself in to the Holy Office to begin trial for holding the belief that the Earth revolves around the Sun, which was deemed heretical by the Catholic Church. Standard practice demanded that the accused be imprisoned and secluded during the trial. This was the second time that Galileo was in the hot seat for refusing to accept Church orthodoxy that the Earth was the immovable center of the universe: In 1616, he had been forbidden from holding or defending his beliefs. In the 1633 interrogation, Galileo denied that he "held" belief in the Copernican view but continued to write about the issue and evidence as a means of "discussion" rather than belief. The Church had decided the idea that the Sun moved around the Earth was an absolute fact of scripture that could not be disputed, despite the fact that scientists had known for centuries that the Earth was not the center of the universe. This time, Galileo's technical argument didn't win the day. On June 22, 1633, the Church handed down the following order: "We pronounce, judge, and declare, that you, the said Galileo... have rendered yourself vehemently suspected by this Holy Office of heresy, that is, of having believed and held the doctrine (which is false and contrary to the Holy and Divine Scriptures) that the sun is the center of the world, and that it does not move from east to west, and that the earth does move, and is not the center of the world." Along with the order came the following penalty: "We order that by a public edict the book of Dialogues of Galileo Galilei be prohibited, and We condemn thee to the prison of this Holy Office during Our will and pleasure; and as a salutary penance We enjoin on thee that for the space of three years thou shalt recite once a week the Seven Penitential Psalms." Galileo

consumers can have widespread effects on spending and investment. Corbat himself has previously issued the same warning, advising in January to not read too much into recent volatility on Wall Street and to instead focus on fundamentals. While on a fourth-quarter earnings call, he said that there is clearly a disconnect between what we see in our business on an anecdotal basis and what the markets are saying. With growth expected to slow across the globe, however, that could be a tall order. In the U.S., an increasing number of forecasters think the economy could enter a recession by 2020. For now, though, economists note that the fundamentals remain solid and according to Ryan Sweet, an economist with Moody's Analytics, there is very little indication that the economy is running out of steam. Read more [HERE](#).

Disney vs. Netflix? Disney+ will be available starting Nov. 12 for \$6.99 a month, or \$69.99 per year, a price point the entertainment giant hopes can undercut Netflix in an increasingly crowded field. Disney has already confirmed a number of television series and films that will solely be available on the service, as well as all Disney films released in 2019. (Source: The Wall Street Journal)

Uber Numbers: The company will list on the New York Stock Exchange under the symbol 'UBER'. The company reported "Monthly Active Platform Consumers" or "MAPCs" of 91 million with 1.49 billion trips in the fourth quarter of 2018. MAPC was up +35% from the year before. total revenue in 2018 was reported at \$11.27 billion compared to \$7.93 billion in 2017. Net income was reported at \$997 million in 2018, but an adjusted EBITDA loss of \$1.85 billion. Currently, the largest shareholder is "SB Cayman 2", which is owned by the SoftBank Vision Fund, and is thought to hold more than 222 million shares representing more than a +16% stake in the company. Don't forget, Alphabet owns a sizable stake in Uber. Entities affiliated with the company hold over 71 million shares, leaving it with a +5% stake. Uber's ousted co-founder and CEO Travis Kalanick still owns 8.6% of the company or approximately 117.5 million shares. Based on current valuation estimates, I suspect his stake in the company will be worth about \$9 billion the day the stock goes public. Let's just say Travis is going to get paid!!! (source: CNBC, MarketWatch)

Walmart Picking to Remodel Rather than Building New: Walmart is planning to remodel another 500 of its U.S. stores this year, investing hundreds of millions of dollars to keep bricks and mortar retail relevant. "Brighter lighting, wider aisles and self checkouts are to be rolled out under the plan, as well as upgrades to electronics and pharmacy departments. Walmart's once-rapid store opening rate has slowed to a crawl, with only five new stores planned this year. (Source: The Financial Times, The Wall Street Journal)

Have You Ever Heard of Competitive Slapping? Vice has an incredible look inside an up and coming sport in which two men stand facing each other on either side of a table and each man takes turns slapping their opponent in the face. The slaps continue as many times as necessary until one bows out or is knocked out. The storyline features a 370 pound mountain-of-a-man named "Dumpling" who slapped his way to the title in a recent contest in Siberia! You have to read the entire article and watch the short videos at [Vice](#), it's crazy!!!



agreed not to teach the heresy anymore and spent the rest of his life under house arrest. It took more than 300 years for the Church to admit that Galileo was right and to clear his name of heresy.



1861, The Civil War begins -

The bloodiest four years in American history begin when Confederate shore batteries under General P.G.T. Beauregard open fire on Union-held Fort Sumter in South Carolina's Charleston Bay. During the next 34 hours, 50 Confederate guns and mortars launched more than 4,000 rounds at the poorly supplied fort. On April 13, U.S. Major Robert Anderson surrendered the fort. Two days later, U.S. President Abraham Lincoln issued a proclamation calling for 75,000 volunteer soldiers to quell the Southern "insurrection." As early as 1858, the ongoing conflict between North and South over the issue of slavery had led Southern leadership to discuss a unified separation from the United States. By 1860, the majority of the slave states were publicly threatening secession if the Republicans, the anti-slavery party, won the presidency. Following Republican Abraham Lincoln's victory over the divided Democratic Party in November 1860, South Carolina immediately initiated secession proceedings. On December 20, the South Carolina legislature passed the "Ordinance of Secession," which declared that "the Union now subsisting between South Carolina and other states, under the name of the United States of America, is hereby dissolved." After the declaration, South Carolina set about seizing forts, arsenals, and other strategic locations within the state. Within six weeks, five more Southern states—Mississippi, Florida, Alabama, Georgia, and Louisiana—had followed South Carolina's lead. In February 1861, delegates from those states convened to establish a unified government. Jefferson Davis of Mississippi was subsequently elected the first president of the Confederate States of America. When Abraham Lincoln was inaugurated on March 4, 1861, a total of seven states (Texas had joined the pack) had seceded from the Union, and federal troops held only Fort Sumter in South Carolina, Fort Pickens off the Florida coast, and a handful of minor outposts in the South. Four years after the Confederate attack on Fort Sumter, the Confederacy was defeated at the total cost of 620,000 Union and Confederate soldiers dead.



1954, Bill Haley and the Comets Record "Rock Around The Clock" -

On April 12, 1954— Bill Haley and the Comets recorded "(We're Gonna) Rock Around The Clock." If rock and roll was a social and cultural revolution, then "(We're Gonna) Rock Around The Clock" was its Declaration of Independence. And if Bill Haley was not exactly the revolution's Thomas Jefferson, it may be fair to call him its John

FARM TANK

Tweets of the Day



Following

Happy National Burrito Day! Here are the burritos that Americans are buying most often: [statista.com/chart/17602/be...](https://statista.com/chart/17602/best-selling-burrito-and-tex-mex-restaurants-in-the-u-s)
@QSRmagazine



Hancock. Bill Haley put his enormous signature on rock and roll history during the final 40 minutes of a three-hour recording session in New York City—a session set up not for the recording of “(We’re Gonna) Rock Around The Clock,” but of a song called “Thirteen Women (and Only One Man in Town).” It took the group nearly all of their scheduled session to get a useable take of “Thirteen Women,” a song that was entirely new to them but was chosen as the A-side of their upcoming single by their new record label, Decca. With time running out and no chance of extending the session, Haley and his Comets were eager to lay down the song they’d been playing live for many months to enthusiastic audience response. The lead guitarist brought in for the session, Danny Cedrone, had not had time to work up a new solo for the instrumental break on “(We’re Gonna) Rock Around The Clock,” so he repurposed one he’d used on a Haley recording two years earlier called “Rock This Joint.” Cedrone was paid \$31 for his work that evening, which included performing what is still recognized as one of the greatest guitar solos of all time. Haley and the band had time for only two takes, and in the first, they played so loud that Haley’s vocals were almost inaudible on tape. In an era before multi-track recording, the only solution was to do a second take with minimal accompaniment and hope for the best. Later, a Decca engineer painstakingly spliced together segments from both takes—a near-miracle given the technology of 1954. The finished version was judged good enough to include as the B-side on “Thirteen Women,” which was released in May 1954. The single sold a respectable but underwhelming 75,000 copies in the coming months, and was destined to be forgotten until a 10-year-old kid in Los Angeles flipped “Thirteen Women” and fell in love with the now-famous B-side. That kid, Peter Ford, happened to be the son of actor Glenn Ford, who was slated to star in the upcoming teenage-delinquency drama Blackboard Jungle. Peter turned his father on to “(We’re Gonna) Rock Around The Clock,” and soon enough, the song was chosen to play over the opening credits of Blackboard Jungle, which is how it became a pop sensation, selling a million copies in a single month in the spring of 1955.

Upcoming Events

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

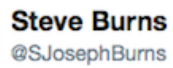
Tues. 04/16 - Retail Sales

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



▼



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

WHAT I'M LISTENING TO: 





Tina May
@maytownsend

Following

Spring break kindergarten and preschool style, helping Uncle Bruce get ready for #plant19. Happy little boys!



Brad Heil
@heilharvesting

Following

TBT to 1983. On the move.



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



The Old Man Club

@TheOldManClub

Following

#RT if you saw #StarWars in 1977.



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.



Men's Corner

@Mens_Corner_

Following





ActionComplete
@ActionComplete

Following

#Success usually comes to those who are too busy to be looking...

~Henry David Thoreau

#quotes #motivation #action

Success usually
comes to those who
are too busy to be
looking for it.

Henry David Thoreau

Farm Direction
RECIPES

★ FAMILY ★
FAVORITES

-SENT IN BY OUR READERS-

Shrimp and Grits
Southern Style



CLICK TO SEE RECIPE

neuro mining



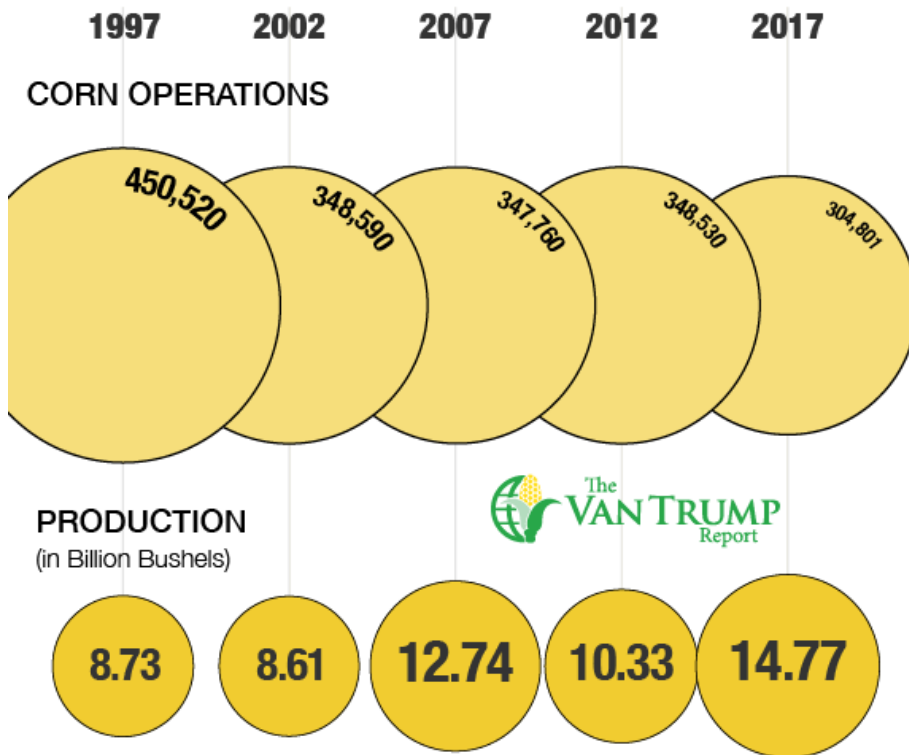
As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

TODAY'S RIDDLE:

A thousand wheels, but move I do not.
Call me what I am, call me a lot.
What am I?

Corn bears are pointing to weaker than expected U.S. export sales data, in fact, no sales reported for new-crop. There's also talk circulating from China grain buyers who are doubtful the Chinese government will agree to buy 10 MMTs of U.S. corn for the immediate future. Again this is just talk, rumor and opinion, but the market still seems eager to hear and react to every comment, so we have to play the game. It does however help the bears, who are thinking more demand needs to be trimmed from the current USDA estimate. U.S. weather remains mostly a "wild-card" with bulls pointing to the obvious flooding conditions and overly saturated fields. Bears continue to say there's plenty of time or U.S. producer to get the crop in the ground. I suspect the next three to four weeks of U.S. weather is going to be massively important to the market and total number of planted acres. When bears have seen U.S. producers plant 30% to 40% of our entire U.S. corn crop in one week, they still see plenty of time. With this attitude and mindset in play, as a spec, I'm still in no hurry to be a buyer of this market in any type of major way. As a producer, I believe there will be better opportunities to price new-crop bushels but it's going to take more time.

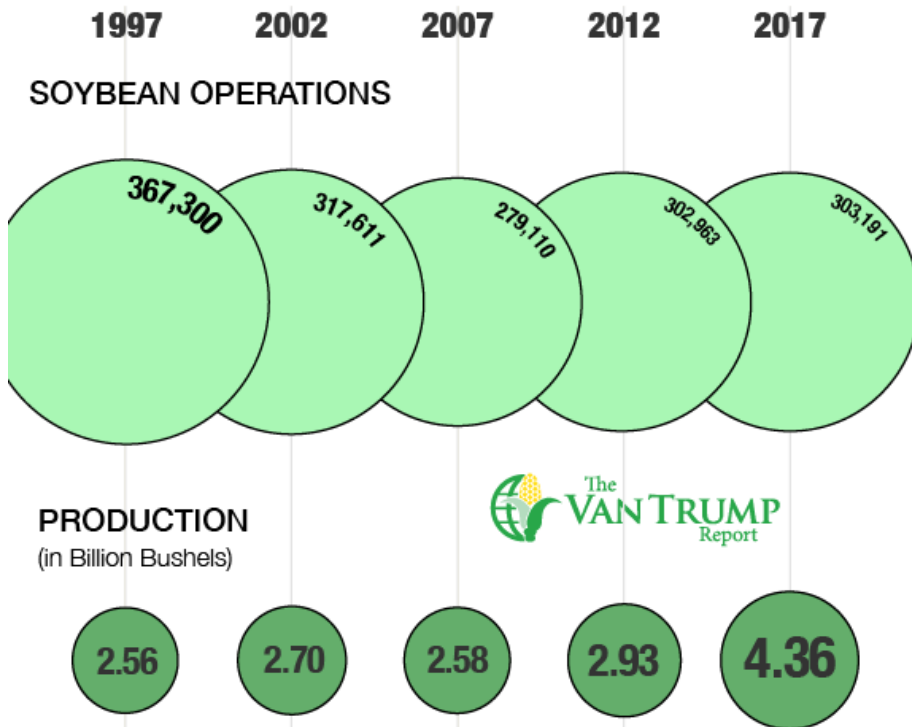
U.S. Corn Farms & Production



Source: USDA, NASS 2017 Census of Agriculture data

Soybean traders are also pointing to weaker than expected U.S. soybean exports. The USDA showed only 270,400 metric ton were exported from the U.S. last week, a number that was down over -70% from the previous four-week average. Let's not forget, at the same time the South America crop estimates are creeping higher and U.S. planted soybean acres might also be pushing higher. There's also continued talk and rumors of African Swine Fever doing more damage than currently estimated to the Chinese pork industry. Bottom-line, with ample supply globally, near record supply here in the U.S., and the world's top buyer of soybeans walking back demand estimates, it's tough for the bulls to string together much momentum, especially without a widespread weather story. Certainly we have an entire season of weather risk ahead here in the U.S., but weather premium associated with South America continues to leak out of the market. Unfortunately, most all traditional data and fundamentals remain bearish. We desperately need a non-traditional political headline or "wild-card" to be turned over as bullish if we hope to see any type of extended rally nearby. Technically, the market isn't looking real good either. I know this isn't what producer want to hear, but I continue to see the funds looking to short this market on most rallies to the upside. As a producer, we have to be patient and set our sites much further out on the horizon, perhaps late-Q3 or early-Q4 of 2019?

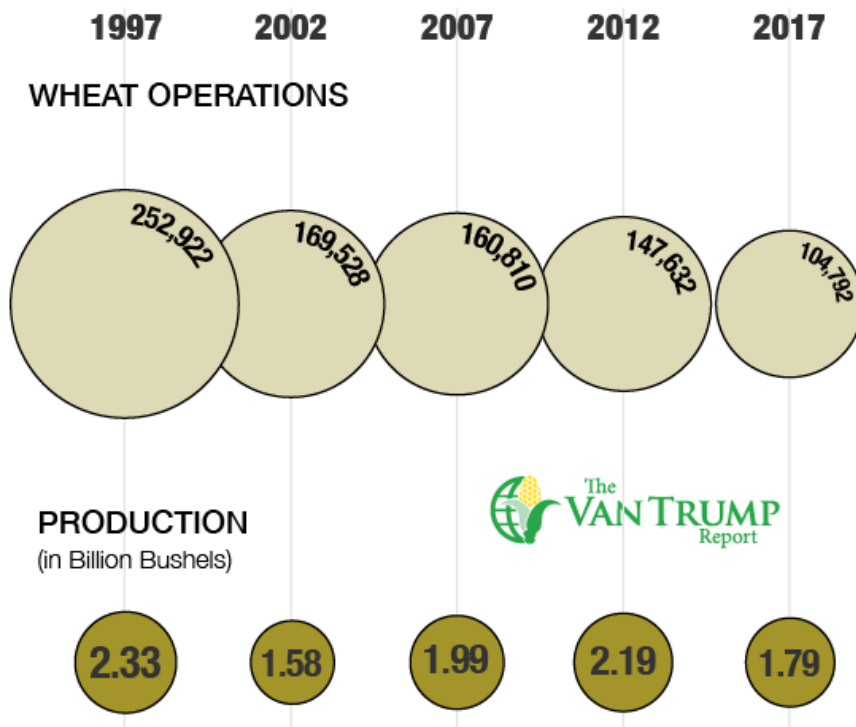
U.S. Soybeans Farms & Production



Source: USDA, NASS 2017 Census of Agriculture data

Wheat bulls continue to look at the blizzard across the northern Plains as a major source of concern. Not only are the bulls talking about Spring planting delays, but also damage to the current winter crop acres. Bulls are also talking about more rain in the forecast that could further complicate SRW wheat acres. Unfortunately, export sales remain mostly disappointing and overall demand gives the bears little reason to worry, especially with U.S. ending stocks +1.0 billion bushels. If ending stocks were a little tighter, the current weather forecast and conditions would obviously bring about much more concern and additional weather risk premium to the market. I remain a conservative bull in the SRW wheat market. I still see more upside potential than downside risk, but starting to question my nearby vision.

U.S. Wheat Farms & Production



Source: USDA, NASS 2017 Census of Agriculture data



> **Brazilian Soybean and Corn Estimates Raised:** Conab delivered a new bean estimate of 113.823 MMT for Brazil as well as a new corn estimate of 94.008 MMT. I'm told exports will remain the same for both crops.

> **Rosario Raises Bean Estimate for Argentine Beans:** Production estimates for Argentine beans were once again raised by the grain exchange Rosario. Higher yields have sent the new estimate up 2 MMT, taking new production levels to 56 MMT.

> **Stamping Out Improper Payments:** The Government Accountability Office (GAO) said Wednesday that USA should beef up its efforts to reduce improper payments across child nutrition programs that either were made in the wrong amount or shouldn't have been made at all. The USDA's Food and Nutrition Service reported \$1.8 billion in improper payments in fiscal 2018, with the highest error rates among school meal programs.

> **Crowdfunding a Hydroponic Farm:** Kentucky Fresh Harvest, a hydroponic greenhouse operator, raised \$520,000 through a crowdfunding appeal for money to build a facility that could grow 3 to 4 million cherry tomatoes a year. Hydroponics is a method of growing plants without soil by using mineral nutrient solutions in a water solvent. (Source: HortiDaily)

> **April 2019 El Nino Update:** The very weak El Nino of 2018/19 continued through March, and forecasters predict it will likely remain through the summer (65% chance) and possibly continue into the fall (50 - 55% chance). The tropical Pacific Ocean shows El Nino's fingerprint clearly, with warmer-than-average sea surface temperatures stretching across the equator. (NOAA)

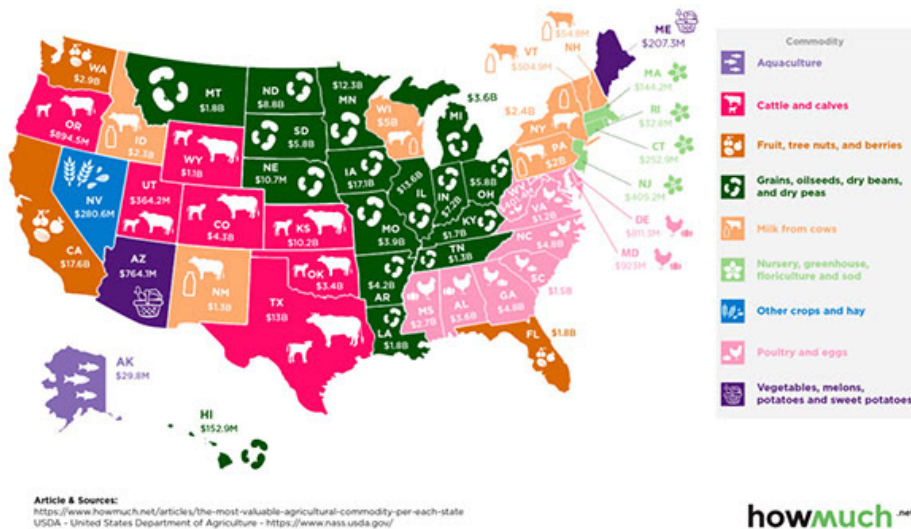
> **France To Cut All Pesticide Use In Half by 2020:** French lawmakers have formed a committed to consider ways in which they could completely phase out pesticides in a

handful of years. Furthermore, they aim to stop using glyphosate use in most cases by the end of 2020.

> **The National Enquirer Is Up For Sale:** The supermarket-tabloid fixture is on the selling block. American Media Inc., its owner, is actively looking to sell off the publication. It's thought that a hedge fund manager whose company controls AMI reportedly became "disgusted" with the Enquirer's reporting, which led to the decision to sell. In 2014, the tabloid sold an average of 516,000 copies per issue -- a number that fell to 218,000 in December. (Source: Washington Post)

> **Brexit Update** - The European Union has extended the Brexit deadline to October 30th.

> **The Most Valuable Ag Commodity in Each State:** Today's infographic comes to us from HowMuch.net, and it color codes each state based on the most valuable agricultural commodity it produces, based on USDA data. Broadly speaking, the category of "Grains, oilseeds, dry beans, and dry peas" is the most valuable Ag commodity in 16 states, while aquaculture was the most important in only one state, which is Alaska. Obviously, this map doesn't surprise us most of us in the industry. I am interested in seeing what happens in the future as the legal cannabis industry continues to grow. Will the USDA incorporate that crop into its rankings in future years? (Source: HowMuch.net) click graphic for a larger view.



Southeast Minnesota - We may have put the snow mobile away to early around here. As of yet we have only picked up an extra 2", but it's still early in the storm. Up here, everyone for the most part does spring fertilizing and the retailers and coops are set up that way, meaning we won't have the same "rush for the door" the folks down south will trying to get anhydrous lined up to apply. We will be sticking with normal rotations, including a bit of corn on corn. Like a lot of folks this way, we are sitting on more bushels than I would like am looking for a little assistance to get them moved. Basis has gotten better and I've locked that in on some of my old crop. It now looks like we will be early May, we were getting very close to turning a wheel before this latest moisture.

Southwestern South Dakota - We are officially not planting any spring wheat this year. We have to have the wheat in the ground by the end of April or the crop won't be worth a darn. We usually try to have wheat in the ground by the middle of April, but the end still works. With our current snow situation, we will not have wheat in the ground by the middle of May if we are lucky. We are approaching a foot of snow and this storm seems to be swirling in a circle around our area. We are seeing winds upwards of 50 miles per hour. This snow is heavy and wet, yet we are still seeing drifts around buildings and ditches. This is not good for any of us here in South Dakota.

Northeast South Dakota - We farm about 40-50 miles south of Aberdeen. We farm mostly corn, soybeans and a little bit of spring wheat. I wanted to give a quick update on the winter storm that's hitting us. Visibility is under 100 yards at the best-case

scenario, drifts are 5-6 feet as you can see in the following picture of our patio. We were not supposed to get any snow Tuesday morning but when we walk outside, we already had 10-12 inches by 10 AM. We got a short break and it's been snowing ever since. Wednesday was our early planting date and we will have 25-30 inches of snow with 45 mile per hour wind to open up corn planting season...not good! On the wheat side most, guys like to have wheat sowed by the 20th of April and there isn't a shot in hell of that happening. This is a wet snow that is blowing, we will be lucky to be in the field 3 weeks from now.



Data Science Makes Global Insurance a Reality: *Farmers can now for the first time insure their produce against price volatility as easily as insuring their homes, with a global platform based on hundreds of niche commodity indexes, underwritten by Lloyd's of London syndicate Ascot. The new products have been made possible by recent advances in data science and the reduced cost of running the trillions of computer simulations needed to calculate risks across the portfolio of commodity indexes used by the platform's developer Stable. I'm told Stable is a British-based start-up whose investors include agrochemical company Syngenta, seed stage investor Anthemis Group and Swiss insurer Baloise Group, as well as Ascot. From what I understand, there have been about 450 farmers to use the platform so far, which has been running for eight weeks. It will be interesting to see what traction the platform gets moving forward and when or if it becomes available in the U.S. At the moment, the platform is currently available for farmers in Britain, France, Russia, South Africa, Poland, the Netherlands, Chile, Australia, New Zealand, Ireland, Brazil, Uruguay, Sweden, Croatia, Portugal and Spain. Read more [HERE](#).*

Could Mental Models Change the Way You Think: *Scott Page, author and Professor of Complex Systems at the University of Michigan, explains the power of mental models in a recent podcast episode with Farnam Street. If you want to better understand how we see the world, uncover creative solutions, or solve complex problems this episode is for you. In the podcast you will come to understand why a great athlete or artist for instance isn't someone of great ability, it's someone who loves practicing, why you want a set of diverse perspectives involved in your decision making and that there are no "best" answers. Discussions in the podcast also cover the*

"hierarchy of wisdom," the three ingredient recipe to succeeding in a complex world, the power of mental models when interpreting new information, and of course, whether ketchup belongs in the refrigerator or the cupboard. In my opinion, if you are looking to expand your perspective and elevate your thought processes, this might be for you. Click [HERE](#) to read more highlights or listen to the podcast.

Borophene... Newest Wonder Material: For years, the material graphene has entranced the scientific world because of its incredible strength and flexibility. It can conduct electricity better than any other material at room temperature, store electronic data, and could transform the way we make computer chips. I should mention, it has even made its way into consumer products, like lightbulbs and jackets, and graphene hair dye might even be on its way. But now there's a new wonder material on the block. Like graphene, it's only an atom thick, and while graphene is made of carbon, this new material-called borophene-is made of the element boron. After being synthesized in 2015, scientists since discovered that it is even stronger and more flexible than graphene. Because it is more flexible than graphene, it could also be used in flexible electronics; researchers additionally speculate that borophene's capacity as a superconductor means it could be used to make next-gen wearables, biomolecule sensors, and even quantum computers. Read more [HERE](#).

MLB Continues to Draw Crowds and Revenues: Baseball is more lucrative than it has ever been because of the continued escalation in the value of the sport's media rights and higher profits. New media deals like the recent one with Fox , who signed a seven-year agreement beginning in 2022, is worth nearly 50% more than its current eight-year deal with baseball on an annual average rights fee basis. As for baseball's P&L statement, by our count, the 30 MLB teams generated record average operating income of \$40 million during the 2018 season, 38% more than the previous year, and last season's revenue increased 4.8%, to an average of \$330 million per team, while player costs (including signing bonuses and benefits) remained flat at \$157 million. Bottom line: The average baseball team is now worth \$1.78 billion, 8% more than a year ago and after 22 seasons of MLB valuations, the average team value has increased at an 11% compound annual rate of growth. On a similar note, over the same span NBA and NFL team values have increased 13% and 12%, respectively. Take a look at your team's value [HERE](#), and hopefully you won't find your team at the bottom of value like my Royals!

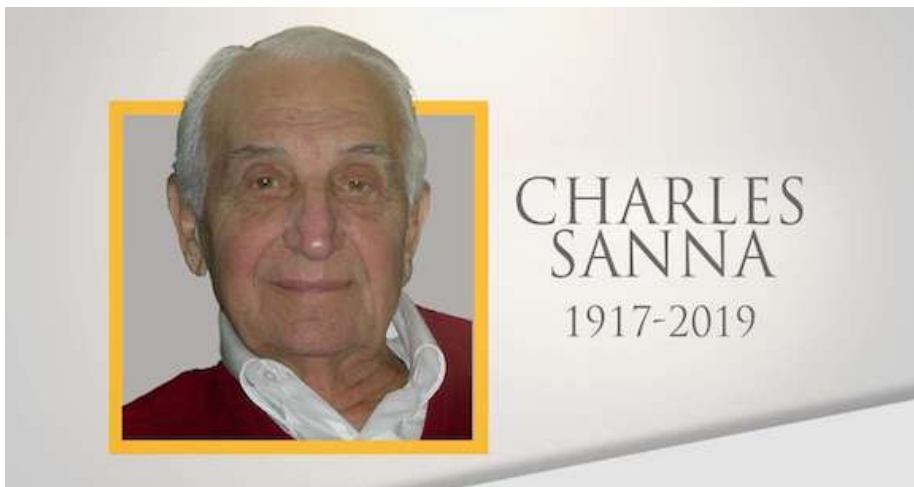
Bruce Willis Has the Perfect Caribbean Compound: Celebrity hangouts don't come much more paparazzi-proof than Parrot Cay. To get to this tiny sliver of paradise nestled in the Turks and Caicos archipelago requires an hour-and-40-minute flight from Miami and a 35-minute boat ride. Willis, 64, acquired the eight-acre plot back in 2000 and took four years to build his dream home on the beach. Neighbors include fashion mogul Donna Karan, supermodel Christie Brinkley and Rolling Stone, Keith Richards. The \$33 million sunset-facing compound, known as the Residence, is set in the protected Rocky Point Bay, and comprises an 11,000 square-foot, two-level main house and two separate, three-bedroom guest villas overlooking Windex-blue water and 1,000 feet of secluded beach. Read more [HERE](#) for all the amenities.



Great Story: Dairy and Culinary Legend that Started "Swiss Miss"

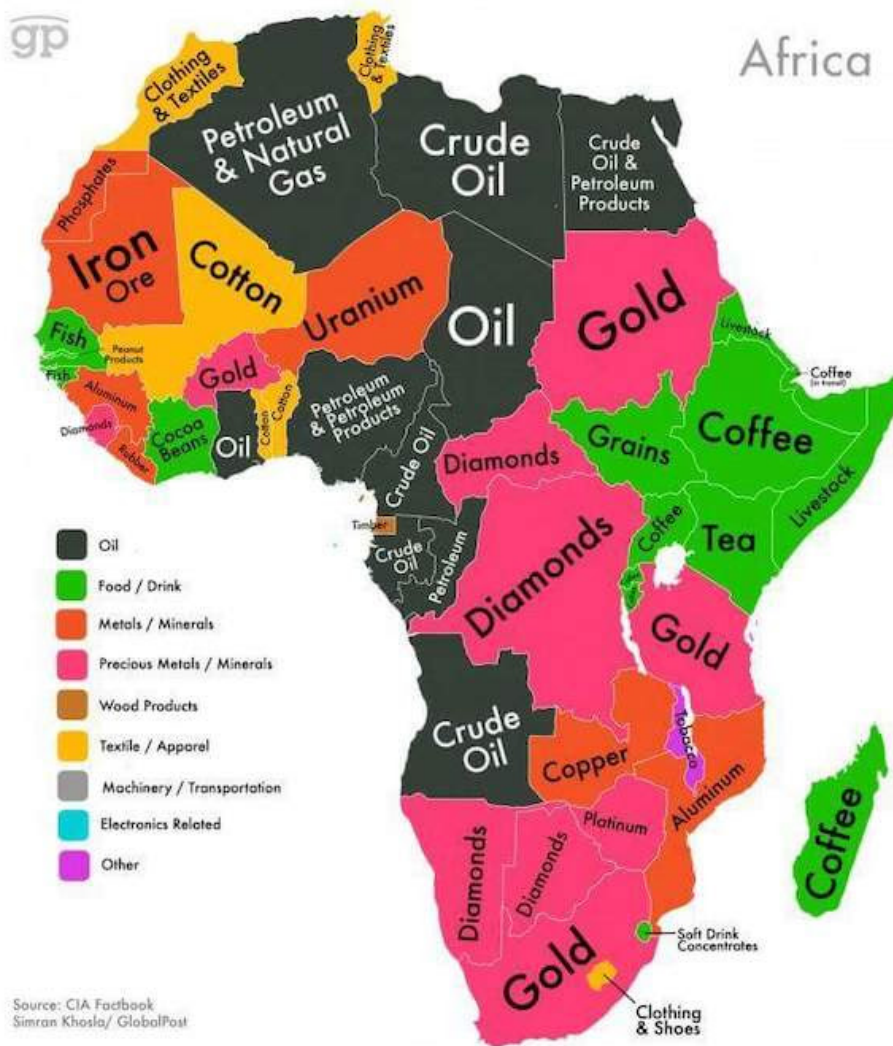
Charles Sanna -- builder of submarines, tower spray dryers, and founder of Swiss Miss passed away earlier this year at the age of 101. After coming home from World War II, Sanna became the chief engineer at Sanna Dairies, a Wisconsin business formed by his father, an Italian immigrant. Sanna came up with a way to prolong the shelf-life of dehydrated coffee creamers by reducing the amount of oxygen in the packets. This in turn allowed the company to ship its powdered creamer to American soldiers in Korea. The company supplied the U.S. military with coffee creamer, producing

millions of packets of powdered, sweetened whole milk for troops to use overseas. To avoid penalties written into its Army contracts for failing to make enough creamer, the company would often massively overproduce, leaving its warehouse overflowing with valuable, perishable dried milk. Sanna loved the flavor of the product and thought it would make an excellent ingredient for a hot cup of cocoa. So Sanna got to tinkering. He tried out recipes at the stove of his home in Menomonie, Wisconsin, enlisting his children and local students to act as taste-testers. Using a combination of powdered creamer, cocoa, sugar and vanilla, and hot water, he arrived at a formula for a rich chocolatey drink. The family came up with the original name "Brown Swiss", after a breed of dairy cow. The first recipe they agreed on found some early success and was sold to airlines. However, it was quite expensive and fairly soon the airlines stopped purchasing it. Sanna went back to the kitchen where he reworked the recipe with the help of his children and their friends once again. This time Sanna replaced the creamer powder in the cocoa mix for nonfat milk powder, which was a great deal cheaper and gave the cocoa mix a much longer shelf life. What Charles Sanna created would ultimately become known as "Swiss Miss" -- a powder, when poured into hot water or milk, became a worldwide favorite drink and launched the instant-hot-chocolate industry in the early 1960s. Swiss Miss was originally marketed with mail-order Swiss Miss dolls. The Sanna family sold its company to Beatrice Foods in 1967, which in turn was purchased by the Conagra packaged foods company in 1990. Conagra estimates that it sells more than 50 million boxes every year. Charles Sanna took his money and became an avid investor in the stock market. He also worked hard on improving his golf game. He actually designed and built a special face-balanced putter. At the age of 89, Charles Sanna, decided to write a children's book. It was called, "Daddy, Daddy, There's a Mouse in the House!" and chronicled his attempt to remove a mouse without killing it. Let's just say, Charles Sanna was man that wasn't afraid to take risk and try new things! In his obituary, it read... "Charles Sanna was a generous, giving husband, father and friend, he leaves a legacy of service to his family, Church and community..." He is survived by his wife of 73 years, Margaret "Peggy" Sanna; five children; five grandchildren; and two great-grandchildren. I absolutely love reading about people who have gotten the most out of life. I believe ultimately, life's about using all of the tools God has given us to challenge and push ourselves to become the best we can become. Charles Sanna did just that! (Source: Smithsonian; [Crest Funeral Service](#))



Is Africa the Next European Union?

Gambia recently became the 22nd country to ratify African Continental Free Trade Area (AfCFTA). Now, the AfCFTA aims to create a free trade region among the African Union nations, which -- if realized -- would become the world's largest free movement and single-currency union! A united African continent working towards common goals would be a major force on the globe economic stage. One key to unlocking the region's economic potential is making it easier for Africa's 55 countries to trade with one another. Currently, Africa is a patchwork of regulations and tariffs, as you can imagine, trade between countries has suffered as a result. For example, only 10% of Nigeria's annual trade activity is with other African countries. This is surprising given the country's dominant economic standing and location firmly in the center of the continent. As a whole, Africa's intra-continental trade level hovers at just around 20%, while nations in Asia and Europe are closer to 60% and 70%. Clearly, there is a great deal of room for growth. AfCFTA is the biggest free trade agreement since the establishment of the World Trade Organization. Last year, 44 African leaders signed an agreement to ratify AfCFTA, with half that number needed to move the agreement forward. Earlier this week, Gambia became the 22nd country to announce that its government has ratified the agreement, meeting the threshold to officially put the wheels in motion. The good news for the agreement is that many of Africa's largest economies -- including Egypt and South Africa -- are already on board. There is, however one significant holdout. Even though the threshold for pushing AfCFTA forward has been reached, Nigeria's lack of commitment is still a major blow to the strength and credibility of the agreement. The African nation ranked No. 49 among the United States' top trade partners in 2018. Nigeria's trade with the U.S. rose to \$8.29 billion in 2018 with wheat being the No.3 ranked export at \$2+ million in value. While Nigeria has a lot of economic potential, their situation is complicated. The country's economic prospects are bright, and Lagos (the country's largest city) is on a trajectory to become the world's largest city over the next few decades. For more on Lagos, read a very interesting article on this rising economic power [HERE](#). On the other hand, there is fierce opposition from labor unions, and the country is home to largest concentration of people living in extreme poverty in the world. While the majority of African countries appear to be on board with the plan to enact AfCFTA, it remains to be seen whether Nigeria comes along for the ride or decides to go it alone. The graphic below helps put the region -- and the status of AfCFTA -- into perspective. (Source: [Visual Capitalist](#), The Financial Times)



NBA Playoffs... What You Need to Know for Conversation

The 2019 playoffs will start tomorrow with the Brooklyn Nets playing the Philadelphia 76ers. I included below all of the talking points you need to stay engaged in a conversation:

No LeBron James: This will be the first time LeBron James will miss the NBA playoffs in 14 years. Keep in mind, this postseason is only the third time in his career he won't participate in the playoffs and the first since his 2004-05 NBA season with the Cleveland Cavaliers. To keep this in perspective, Maroon 5 took home the Grammy for the best new artist, the New England Patriots won their third Super Bowl in four seasons, "Million Dollar Baby" dominated the Oscars, and Condoleezza Rice became the first African-American woman to serve as U.S. secretary of state in 2005. In addition, this will be the first time in eight years we won't see LeBron in the NBA Finals.

Teams in the 2019 NBA Playoffs: *The Eastern Conference teams include the Milwaukee Bucks, Toronto Raptors, Philadelphia 76ers, Boston Celtics, Indiana Pacers, Brooklyn Nets, Orlando Magic, and Detroit Pistons. Western Conference Teams include the Golden State Warriors, Denver Nuggets, Houston Rockets, Portland Trail Blazers, Utah Jazz, Oklahoma City Thunder, San Antonio Spurs, and Los Angeles Clippers. Remember there are no first-round byes in the NBA playoffs and all rounds are best-of-seven series.*

The Best Team in the NBA: *The Warriors weren't the best team in basketball this year. The Bucks took the best record in the NBA this season going 61-21 and clinched home-court advantage in the East. Keep in mind, this is the first time the Bucks have had the best record and home-court advantage throughout in NBA playoffs since 1974 when Kareem Abdul-Jabbar claimed the third of six MVP awards in his career.*

Odds to Win the NBA Title: *Warriors 5/11, Bucks 15/2, Raptors 10/1, Rockets 11/1, 76ers 13/1, Nuggets 18/1, Celtics 18/1, Thunder 35/1, Trail Blazers 50/1, Jazz 65/1, Clippers 70/1, Spurs 70/1, Pacers 80/1, Pistons 100/1, Magic 100/1, Nets 125/1 (Source: Odds Shark)*

Golden State Warriors Injuries?: *Steph Curry (foot), Kevin Durant (illness), Klay Thompson (knee), and Draymond Green (knee) are currently listed as day-to-day, who are all apart of the Warriors starting five. In addition, Andre Iguodala is out with a toe injury and Damian Jones with a pectoral injury, who will be able to return in May. Despite the injuries, the starting five is expected to play in the playoffs even Curry, who was diagnosed with a sprained ankle this week.*

East Dark Horse: *The Toronto Raptors locked in the second seed in the East this year and it looks like the Kawhi Leonard and Danny Green trade paid off for them. In addition, the Raptors have Pascal Siakam, Kyle Lowry, Serge Ibaka, and Marc Gasol. Keep in mind, the team has seven players who are averaging over 10 points per game this season and Marc Gasol isn't one of them averaging just over nine a game on the season. The team also has Jeremy Lin coming off the bench, who I think could get hot this postseason. I think the Raptors could very easily give the Bucks a run for their money to make it to the title game and the Warriors as well in the championship if they can make it that far. Remember, the Raptors beat the Warriors in both matchups this season, the Bucks won three of four against them this season.*

West Dark Horse: *If any team out of the West is going through the Warriors, then it would have to be the Denver Nuggets. Many could argue the Houston Rockets have a chance, but I don't think they do without Trevor Ariza and with Chris Paul underperforming this season. The Nuggets are led by Nikola Jokic and Jamal Murray both averaging over 18 points per game. In addition, the Nuggets have seven players who are all averaging over 10 points a game this season. Keep in mind, Michael Porter Jr. has been sidelined all season with an injury and seems to look 100% in practice as of late. Remember, Porter is the high school star out of Missouri who fell from the first overall pick to 14th overall due to health issues in last years draft. The Nuggets are definitely a team to watch in this year's NBA playoffs!*

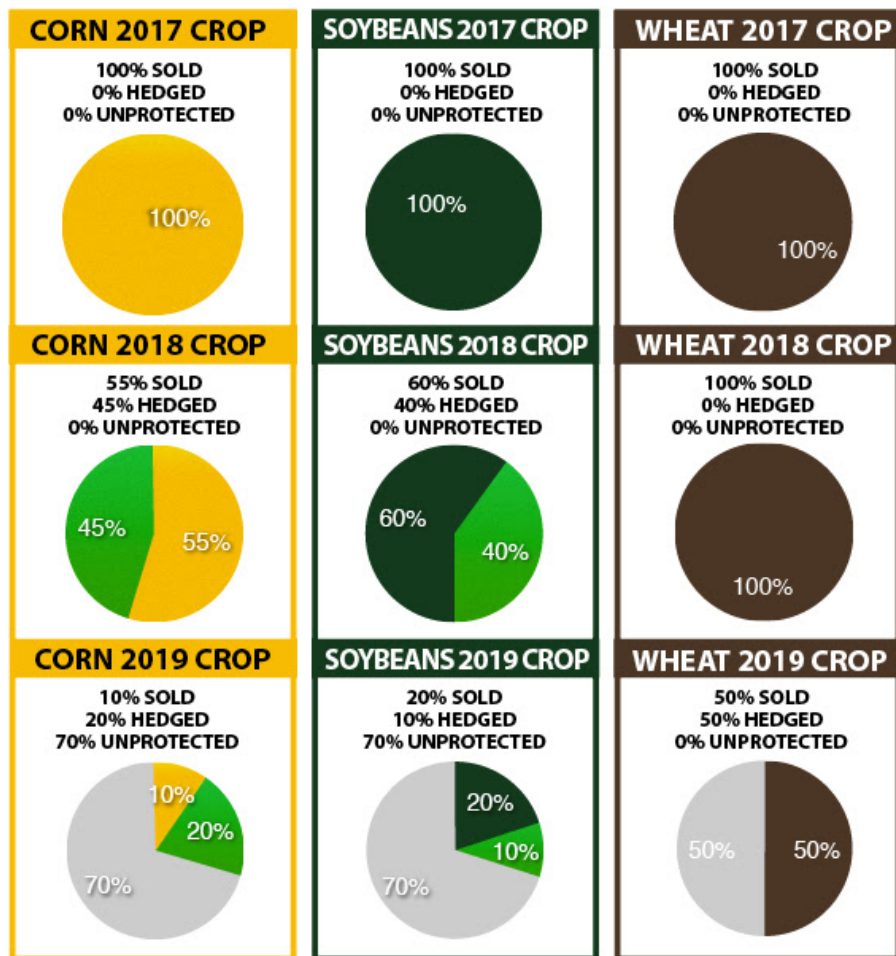
Remembering Some Greats: *Dwyane Wade and Dirk Nowitzki announced they will be retiring! Wade is a three-time NBA champion, NBA Finals MVP, 13× NBA All-Star, NBA All-Star Game MVP, NBA scoring champion, Miami Heat all-time leading scorer, Miami Heat all-time assists leader, and member of the 2008 U.S. Olympic gold medal team. In addition, his number is retired by Marquette, which is No. 3. Nowitzki is an NBA champion, NBA Finals MVP, NBA Most Valuable Player, 14× NBA All-Star, a member of the 50-40-90 club, NBA Three-Point Shootout champion, NBA Teammate of the Year, the all-time leader with 26 consecutive free throws made in the Finals, ranked 6th in all-time-scoring, ranked 5th in all-time defensive-rebounds, ranked 2nd in all-time NBA Finals free throw percentage, and one of three players with at least 30,000 points, 10,000 rebounds, 3,000 assists, 1,000 steals and 1,000 blocks. Nowitzki is also one of two players with 150 three-pointers and 100 blocks in a single season and one of four players with an NBA Playoff career average of 25 ppg and 10 rpg. In addition, he is the Dallas Mavericks all-time statistical leader in games, seasons, points, rebounds, blocks, field goals, three-point field goals, and free throws and has the NBA record for most seasons with one team, 21, and games played in a career spent with only one team. These are both two of the league's best players to ever play the game and future Hall of Famers!*



ANSWER to riddle: A parking lot.

CASH SALES & HEDGING TOTALS

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