

GOOD MORNING: 04/24/19 Farm Direction - Van Trump Report

1 message

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

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"When you miss a shot, never think of what you did wrong. Take the next shot thinking of what you must do right." - Tony Alfonso

WEDNESDAY, APRIL 24, 2019
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Morning Summary: Stocks remain strong as both the Nasdaq and S&P 500 post fresh new record closing highs. Bloomberg analyst noted that it took 14 weeks for the stock market to fall and 17 weeks to recover. As long as you didn't blowout of your positions, most investors are now made whole and perhaps even up a bit. The question is, can the market keep pushing higher? I think we can nearby, but at the same time, I'm trimming a few more stocks that are posting new all-time highs. I've learned through the years, there's a significant difference in my own "psychology" when I sell as the market is moving higher vs. selling when the market is moving lower. It's hard to explain on paper, but it's certainly different, and can greatly impact and influence my next several moves. I urge those readers who have to sell grains, energy or other commodities for a living to reflect back and think about the psychological impact of such a simple thing. On the surface you wouldn't think it matters much, but it does! Bulls argue that with the Fed on pause until inflation pushes back north of 2.5% or the stock market explodes even higher, it is giving them a huge window of opportunity to squeeze the bears and get more distance between themselves and the money-managers who are caught "under-invested". I'm also hearing bulls say, with the Fed on pause, stock valuations are actually fairly cheap. A valuation and trading formula that takes interest rates into account -- the S&P 500's earnings yield less the 10-year Treasury inflation-protected security's yield -- is cheaper than it's been in the past and certainly shows stocks being cheaper in relation to where they were during the previous highs in January and September of 2018. Hence, there's the argument that we could continue to melt-up higher, just like Larry Fink, CEO of Blackrock, the world largest money manger suggested last week, "the stock market is more at 'risk of a melt-up, not a meltdown'". Michael Carr offered up an interesting perspective on Fink's comments on a financial blog at Banyan Hill, I encourage you to read it in full by Clicking [HERE](#) . As for today, it's all about earnings, with big names like: AT&T, Boeing, Biogene, Caterpillar, Credit Suisse, Dunkin, Facebook, Microsoft, Tesla, Visa and Xilinx all reporting. Tomorrow, will bring earnings from names like: 3M, Amazon, Bristol-Meyers, Cerner, Comcast, Discover, Ford, Hersey, Intel, Southwest Airlines, Starbucks, UPS, and Valero. I like the thought of trying to become more defensive with our positioning into the new highs!

Challenging Your Thoughts... Tesla Robo-Taxi and Much More - Elon Musk made another round of big promises at his recent "Autonomy Day" event. The biggest takeaways in my mind where Musk promising to deliver a million Tesla Robo-Taxis. I also found it interesting that Musk is talking about being able to retro-fit all previously sold Tesla's with a wildly cool autonomous feature that would allow you to put your vehicle to work earning money while you are at work. From what I can understand, your car will simply drop you off at work, then if you want, you can flip it into some type of autonomous ride sharing mode and it spend the day earning you money. Sounds like a plan to me:) I hate losing money on vehicles! Also challenging your thoughts, if this can happen in a fairly quick timeframe like Musk is promising, what happens to the valuations of companies like Uber and Lyft? For full disclosure I currently own Tesla stock. I'm not currently racing out and adding to my position. Earnings are scheduled to be released today and there's some technical analyst that I really like who think the stock could face a lot more pressure nearby. I'm staying patient and looking to add at better prices on deeper breaks.


Davos on the Delta

Davos on the Delta sits at the crossroads of dramatic change in agriculture, food, and health — where the most innovative entrepreneurs, top industry experts, early adopter customers and smart investors in risk capital come together to map the future of food system innovation.

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Van Trump Report

Today in History
1781, British Generals William

You Will Soon Be Able to Make Amazon Returns at Kohl's: Kohl's exec's announced they will start accepting returns for items purchased on Amazon at all of its stores across the country, starting in July. The company believes it will help bring customers into their stores and perhaps improve sales. The company has also been dividing some of its stores to make room for tenants like grocery chain Aldi and gym operator Planet Fitness. Again, the hope for Kohl's is to drive more foot traffic inside their stores. Interesting!

Zoom Tops Lyft as the Most Valuable Tech IPO in 2019: In only the third day of trading, Zoom has already passed Lyft to become the most valuable tech company to go public this year. Zoom jumped another +5% yesterday to \$69 to close trading, which puts the company's market capitalization currently at \$17.7 billion. Lyft continued to fall yesterday by 1.1% bringing its value to \$17.2 billion. Zoom continues to see massive growth because of their doubling sales in 2018 and the company is profitable while the others continue to burn cash. Definitely worth keeping an eye on moving forward.

Measles Moving to the Midwest: The US recorded 71 new measles cases last week, a +13% increase, as the country faces its second-worst outbreak of the disease in almost two decades. The US Centers for Disease Control and Prevention said it had recorded 626 cases of the highly contagious and sometimes deadly disease in 22 states as of April 19. Iowa and Tennessee were the two newest states that joined the CDC list of new measles cases in 2019. (Source: [BusinessInsider](#))

Coca-Cola Making a Big Push Into Coffee: Coca-Cola is releasing "Coca-Cola Coffee" in more than 25 markets around the world by the end of 2019. The drink blends Coke with coffee and has slightly less caffeine than a normal cup of coffee, but more than a can of the soda. Coke seems to be making this move because many consumers have shifted from drinking soda to choosing less sugary options such as bottled water and Coca-Cola Zero. In addition, ready-to-drink coffee is the fastest growing area in the coffee space, which has grown 31% in 2016 and 2017, according to Mintel. I suspect we start to see more of this shift as Millennials continue to change consumer habits.

Russell Wilson Gives Linemen Amazon Stock: Seattle Seahawks quarterback Russell Wilson became the highest-paid player in the NFL signing a \$140 million deal a few weeks ago and now he's spreading the wealth to the players protecting him. Wilson gave \$156,000 worth of Amazon stock to the 13 offensive linemen, which comes out to be \$12,000 for each member of the o-line. Wilson wrote in a letter to his teammates, "You sacrifice your physical and mental well-being to protect me, which in turn allows me to provide care for my family. Now it is my turn to return the favor." Keep in mind, over the past 10 years Amazon shares have posted a return of about 2,200%, according to FactSet. If that performance is replicated over the next 10 years, then each of the linemen's Amazon stake would be worth north of \$270,000.



Phillips and Benedict Arnold Launch Attack on Petersburg, Virginia

- On the evening of April 24, 1781, British General William Phillips lands on the banks of the James River at City Port, Virginia. Once there, he combined forces with British General Benedict Arnold, the former American general and notorious traitor, to launch an attack on the town of Petersburg, Virginia, located about 12 miles away. Defending the town of Petersburg from the approaching British troops was a contingent of 1,000 troops from the Virginia militia led by Major General Friedrich Wilhelm von Steuben. General von Steuben had set up defensive lines of resistance, but had no real hope of victory as the Americans were severely outnumbered by the British army of 2,500 troops. After several hours of fighting, von Steuben ordered a full-scale retreat of the Virginia militia as the city of Petersburg fell into British hands. Although Petersburg was lost, General von Steuben and the Virginia militia were able to resist the British force long enough for Patriot troops to assemble and set up defensive positions in nearby towns. General Phillips had survived three years of captivity after being taken prisoner by the Americans at Saratoga in 1777 and marching with the so-called "Convention Army"—dubbed as such because the British and Americans signed a short-lived convention that the prisoners would be released to Europe if they agreed not to fight in North America again—700 miles from Saratoga, New York, to Charlottesville, Virginia, in November 1778 (after the revocation of the Convention of Saratoga). He was released in exchange for Patriot Major General Benjamin Lincoln in 1780. Despite such earlier fortitude, Phillips died of typhus on May 13 in Petersburg, less than a month after his victory.



1945, President Truman is Briefed on Manhattan Project

- President Harry Truman learns the full details of the Manhattan Project, in which scientists are attempting to create the first atomic bomb, on this day in 1945. The information thrust upon Truman a momentous decision: whether or not to use the world's first weapon of mass destruction. America's secret development of the atomic bomb began in 1939 with then-President Franklin Roosevelt's support. The project was so secret that FDR did not even inform his fourth-term vice president, Truman, that it existed. (In fact, when Truman's 1943 senatorial investigations into war-production expenditures led him to ask questions about a suspicious plant in Minneapolis, which was secretly connected with the Manhattan Project, Truman received a stern phone call from FDR's secretary of war, Harry Stimson, warning him not to inquire further.) When President Roosevelt died on April 12, 1945, Truman was immediately sworn in and, soon after, was informed by Stimson

FARM TANK

Tweets of the Day



Statista
@StatistaCharts

Following

The Texas A&M #Aggies are the most valuable team in the #NCAA.

statista.com/chart/17700/th... @Forbes



Football



Basketball



Infographic: The Most Valuable NCAA Teams

This chart shows the most valuable NCAA teams, in football and basketball.

statista.com

of a new and terrible weapon being developed by physicists in New Mexico. In his diary that night, Truman noted that he had been informed that the U.S. was perfecting an explosive great enough to destroy the whole world. On April 24, Stimson and the army general in charge of the project, Leslie Groves, brought Truman a file full of reports and details on the Manhattan Project. They told Truman that although the U.S. was the only country with the resources to develop the bomb—eliminating fears that Germany was close to developing the weapon—the Russians could possibly have atomic weapons within four years. They discussed if, and with which allies, they should share the information and how the new weapon would affect U.S. foreign-policy decisions. Truman authorized the continuation of the project and agreed to form an interim committee that would advise the president on using the weapon. Although the war in Europe ended in May 1945, Stimson advised Truman that the bomb might be useful in intimidating Soviet leader Joseph Stalin into curtailing post-war communist expansion into Eastern Europe. Truman agreed and said that if the weapon proved feasible I'll certainly have a hammer on those [Russians]. Meanwhile the war with Japan dragged on and it looked to many as if the Japanese would never surrender. On July 16, the team of scientists at the Alamogordo, New Mexico, research station successfully exploded the first atomic bomb. Truman gave Stimson the handwritten order to release when ready but not sooner than August 2 on July 31, 1945. The first bomb was exploded over Hiroshima on August 6, 1945, and a second was dropped on Nagasaki on August 8. The Japanese quickly surrendered. Although other nations have developed atomic weapons and nuclear technology since 1945, Truman remains the only world leader to have ever used an atomic bomb against an enemy.



1953, Winston Churchill Knighted

Winston Leonard Spencer Churchill, the British leader who guided Great Britain and the Allies through

the crisis of World War II, is knighted by Queen Elizabeth II. Born at Blenheim Palace in 1874, Churchill joined the British Fourth Hussars upon his father's death in 1895. During the next five years, he enjoyed an illustrious military career, serving in India, the Sudan, and South Africa, and distinguishing himself several times in battle. In 1899, he resigned his commission to concentrate on his literary and political career and in 1900 was elected to Parliament as a Conservative MP from Oldham. In 1904, he joined the Liberals, serving in a number of important posts before being appointed Britain's First Lord of the Admiralty in 1911, where he worked to bring the British navy to a readiness for the war he foresaw. In 1915, in the second year of World War I, Churchill was held responsible for the disastrous Dardanelles and Gallipoli



Julie Kenney
@JulieKenneyIA

Following

Let the #plant19 fun/craziness begin. Hard to imagine getting through spring without amazing grandmas, neighbors and friends. It takes a village! ❤️



Precision Partners
@PrecPartnersAg

Following

Feels great to be back in the fields. Everyone have a safe spring! #plant19



campaigns, and he was excluded from the war coalition government. He resigned and volunteered to command an infantry battalion in France. However, in 1917, he returned to politics as a cabinet member in the Liberal government of Lloyd George. From 1919 to 1921, he was secretary of state for war and in 1924 returned to the Conservative Party, where two years later he played a leading role in the defeat of the General Strike of 1926. Out of office from 1929 to 1939, Churchill issued unheeded warnings of the threat of Nazi and Japanese aggression. After the outbreak of World War II in Europe, Churchill was called back to his post as First Lord of the Admiralty and eight months later replaced the ineffectual Neville Chamberlain as prime minister of a new coalition government. In the first year of his administration, Britain stood alone against Nazi Germany, but Churchill promised his country and the world that the British people would "never surrender." He rallied the British people to a resolute resistance and expertly orchestrated Franklin D. Roosevelt and Joseph Stalin into an alliance that eventually crushed the Axis. In July 1945, 10 weeks after Germany's defeat, his Conservative government suffered an electoral loss against Clement Attlee's Labour Party, and Churchill resigned as prime minister. He became leader of the opposition and in 1951 was again elected prime minister. Two years later, he was awarded the Nobel Prize in literature for his six-volume historical study of World War II and for his political speeches; Queen Elizabeth II also knighted him. In 1955, he retired as prime minister but remained in Parliament until 1964, the year before his death.

Upcoming Events

Thurs. 04/25 - Export Sales, Jobless Claims

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

Wed. 05/01 - May Day/Labor Day, FOMC Meeting, Grain Crashings

Thur. 05/02 - Export Sales, Jobless Claims

Fri. 05/03 - Unemployment Numbers

Sun. 05/05 - Cinco de Mayo

Mon. 05/06 - Export Inspections, Crop Progress

Thurs. 05/09 - Export Sales, Jobless Claims

Fri. 05/10 - USDA Supply/Demand, Crop Production

Sun. 05/12 - Mother's Day

Mon. 05/13 - Export Inspections, Crop Progress

Wed. 05/15 - NOPA Crush, Retail Sales



UA RICE DEMO

@uaricedemo

Following

UofA Division of Agriculture Rice Agronomy crew getting some Rice in the Ground before the rain. #plant19 @JHardke



Men's Corner

@Mens_Corner_

Following

Son: Can I have the car?



Dad: Sure...

Thur. 05/16 - Export Sales, Jobless Claims

Mon. 05/20 - Export Inspections, Crop Progress

Wed. 05/22 - Cold Storage

Thurs. 05/23 - Export Sales, Jobless Claims, New Home Sales

Fri. 05/24 - Cattle on Feed, Durable Goods

Mon. 05/27 - Memorial Day, Markets Closed

Tues. 05/28 - Export Inspections, Crop Progress


Thur. 05/30 - Jobless Claims, GDP Q1

Fri. 05/31 - Export Sales, Personal Income

Kevin's Song of the Week

WHAT I'M LISTENING TO: 



 "God's Country"
Blake Shelton

Kevin's Song of the Week



Super 70s Sports
@Super70sSports

Following

I believe this is Ric Flair's yearbook photo from when the seniors voted him "Most Likely to Style and Profile."



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 most dangerous risk of all - the risk of spending your life not doing what...

~Randy Komisar

#quotes #action

"The most dangerous risk of all - The risk of spending your life not doing what you want on the bet you can buy yourself the freedom to do it later!"

-Randy Komisar

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 has 12 faces and 42 eyes?

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.

Corn has tumbled to fresh new contract lows as funds continue to expand their record short position. The South America crop is significantly larger than last year, the U.S. dollar has pushed to fresh new multi-month highs, and very few forecasters here in the U.S. are seeing many longer-term complications. Soil moisture is more than adequate in major product areas and most sources believe there's still plenty of time to get the crop in the ground. Bulls continue to argue more "preventive plant" acres, an entire growing season of "unknowns" ahead, a few hiccups being monitored in Ukraine, and the ongoing possibility of China perhaps stepping in as a significant buyer of U.S. corn, ethanol and DDGs. I'm most concerned that the funds can stay short for an extended period of time. Often much longer than most seasoned traders believe possible or rational. Hence, I'm worried that the funds could use any nearby rallies as an opportunity to add to their current short positions, not as a reason to blow out. This window of transition between the South American crop and the U.S. crop is always a bit

slippery, especially when we are sitting on burdensome stock levels and the bears are pushing holes in the demand story i.e. talks of fewer exports as competition stiffens, a stronger U.S. dollar, talks of lower feed and residual usage based on quarterly stocks report, continued uncertainty in the ethanol space.



Marketing Highlights: As a producer, I'm extremely happy I elected to bail out of all old-crop cash bushels several months back. I've included below the thoughts I passed along to our paid subscribers several months ago. If you are not getting our "Special Reports"... you are missing out! You can [Click HERE](#) to learn more about all of our NEW subscriber benefits. You can also call the office at (816) 322-5300 to learn more about the ways we are helping producers improve their overall on-farm profitability.

This was written and sent to subscribers on 12/03/18 - Special Report -

CORN prices have rallied roughly +30 cents in the front-end of the trade and +20 cents in the back-end of the trade compared to the late-September lows. Producers should be thinking of ways to protect downside exposure and reduce some risk of their longer-term risk into the rally. Below are some strategies and ideas I've been hearing of this morning that make some sense. Bottom line, the market is giving us some opportunity to reduce a portion of our longer-term risk. Make sure you are talking to your individual licensed advisor about risk management strategies that are right for your individual's operation and risk tolerance levels.

Corn Old-Crop Bushels - Producer can Buy the \$3.80 JUL19 puts and Sell the \$4.20 calls for near even money. This essentially provides a floor at \$3.80. The drawback is it caps the upside at \$4.20 per bushel. Those who don't like the thought of capping their upside would simply purchase the puts for downside protection and not sell the call premium.

Corn New-Crop Bushels - Producers can Buy the SEP19 \$3.70 puts and Sell the \$4.40 calls at a slight credit. If you don't like the early delivery of the September contract, producers can Buy the DEC19 \$3.80 put and sell the \$4.40 call for a slight credit. The high this year in the DEC19 contract was posted on May 29th at \$4.23^6. This is essentially building a floor at or around \$3.80 in the DEC19 contract. The only drawback is it caps upside potential at around \$4.40 per bushel, which during the past four years would have been near the high of the market. Bottom-line, there might be several opportunities to reduce longer-term risk in the market. Make certain you are paying close attention and working to develop and implement a strategy that is best for you and your operation!

SOYBEAN prices have rallied +70 to +80 cents from the most recent lows depending on the contract. Producers who are looking for ways to help limit and reduce longer-term risk should be paying extremely close attention to the market and working with their individual advisor to create and implement strategies that will work in their favor. Below I've included a few ideas I've heard circulating. Bottom-line, it's when the market is rallying that we should be looking for ways to build a floor and or reduce risk!

Soybeans Old-Crop Bushels - Producers can Buy the JUL19 \$9.00 puts and Sell the \$10.00 calls for around even money. Essentially this provides a \$9.00 floor on the downside. Unfortunately it caps the upside at \$10.00 per bushel.

Soybeans New-Crop Bushels - Producer are looking to Buy the NOV19 940 puts and Sell (2) 1060 calls for a slight credit. Those who don't like the thought of selling 2:1 ratio's and carrying the margin are looking at strategies that involve Buying the NOV19 \$9.20 puts and Selling the NOV19 \$10.00 calls for even money.

This was written and sent to subscribers on 10/15/18 - Special Report -


Farm Direction

RECIPES

★ FAMILY ★

FAVORITES

-SENT IN BY OUR READERS-



Leftover Ham and Bean Soup

CLICK TO SEE RECIPE

ATTENTION: This is not the time to be burying our heads in the sand! I know it's depressing on the front-end, but the backend is offering some opportunity to reduce risk... Make sure you are paying close attention and working your longer-term plan. Below is my plan and current goals:

2018-19 CORN - REDUCED Downside Risk - Purchased the JUL18 \$4.00 Puts We currently have 55% of our price-risk removed. I want to take advantage of the recent rally and reduce longer-term downside risk. I am doing this by purchasing the JUL19 \$3.80 puts on the remainder of my unpriced bushels. This gives me a floor right around \$3.70 per bushel and leaves me with unlimited upside. With the downside limited and floor in place I can sleep easier at night and feather in sales if the market continues to work itself higher. The July options expire in 249 days or June 21st.

2019-20 CORN - REDUCING Longer-Term Risk - Hedging 10% - With prices back up above \$4.00 per bushel I'm reducing another small portion of our longer-term risk. My goal has been to price another 10% between now and year-end. I would like to have 30% of our 2019-20 price-risk removed by late-December. I will then try and price another 10% to 20% by the end of Q1 2019. That would give me anywhere between 40% and 50% priced heading into planting. To eliminate some downside, I've purchased the DEC19 \$4.10 puts and sold (2) DEC19 \$4.50 calls to finance. There's many ways to reduce longer-term risk, so talk to your individual advisor. The point is I'm looking to reduce exposure. Make sure you have a game plan mapped out and thinking about longer-term risk.

2018-19 SOYBEANS - REDUCED Downside Risk - Pricing Another 10% vs. JAN19 @ \$9.00 per bushel & Buying JUL18 \$9.00 Puts - With prices rallying and now about +70 to +80 cents off the recent lows, I'm reducing a bit more risk. I've had 60% of my production priced for months and was lucky to make some great sales ahead of the tariff tantrum. I'm reducing more risk today. Pricing another 10% of my production in the January contract just north of \$9.00. That brings me to 70% priced. At the same time I'm purchasing the JUL19 \$9.00 puts for around 30 cents on the remainder of my unpriced bushels. That gives me a final flat-price floor at \$8.70 and hopefully I can add another round of subsidy (Market Facilitation Program) bringing me up closer to \$9.50 per bushel. This also allows me to keep my upside open in case there's a trade resolution with China or a weather-related rally. I'm just nervous about the downside with such a burdensome balance sheet. Those that don't want to pay the put premium can offset the cost by selling the JUL19 \$10.00 calls to finance for close to even-money. In other words, giving yourself a floor at \$9.00 and a sale at \$10.00 should we rally higher. There's a million ways to play it, so talk to your individual advisor. I'm just wanting to let people know I'm reducing all downside risk on the rally.

2019-20 SOYBEAN SALE - SOLD 20% @ \$9.48 per bushel & Hedge 10% - I've been a bit worried because I've not yet reduced any of my new-crop price risk. With the balance sheet extremely burdensome and South America planting another record crop, I'm nervous about longer-term price depreciation, especially if the Chinese trade negotiations drag out for an extended period. With that in mind, I pulled the trigger on 20% of my estimated production with prices just north of \$9.45 per bushel. For what it's worth, we have not closed above \$9.45 since June 14th. I also hedged 10% by building a floor at \$9.00. Make sure you are paying attention to the deferred contracts and the carry.

This was written and sent to subscribers on 7/31/18 - Special Report -

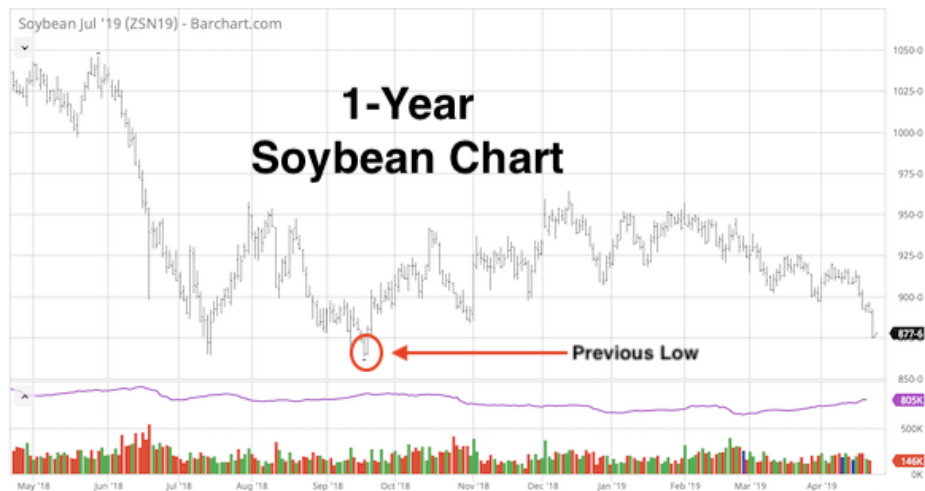
2019 NEW-CROP WHEAT SALE - Our sales target for new-crop 2019 wheat was triggered once again at \$6.00 vs. the JUL19 SRW and HRW wheat contracts. This now gives us 40% of our new-crop price risk removed at \$6.00 or better. Below are a couple examples of what I've been hearing some producers doing on the board to help mitigate risk. As always, be sure and talk with your individual advisor about specifics for your operation:

This was written and sent to subscribers on 5/22/18 - Special Report -

NEW 2019 Wheat Sale: I pulled the trigger on another 10% of my estimated 2019 wheat bringing me to 30% sold. Our \$6.25 target vs. the JUL19 was triggered. I'm becoming a little concerned as almost everyone I speak with becomes more bullish. In my experience when everyone starts leaning heavily in one direction, it's time to pull some chips off the table. Remember it's not about "predicting price," it's about "managing risk" and I believe we are at profitable levels and need to reduce some longer-term exposure.

Soybean prices are now down more than -75 cents from their February highs, trading down to a fresh 9-month low in the NOV19 contract. Both the JUL19 and NOV19 contracts are now less than -30 cents away from their all-time contract lows. I've explained my view several times during the past few weeks. Without an official trade deal with the Chinese, concerns surrounding African Swine Fever remaining heavily in the headlines, the South American crop coming out of the fields and weather risk being

removed, along with burdensome old-crop supply here in the U.S., has opened up a window of time and opportunity where the bears can swing freely for the fences... and that they are doing! I should note, soybean meal prices have fallen to fresh new contract lows on the frontend of the trade. Soybean oil prices have also fallen to fresh multi-month lows. As I've been saying for many weeks, I see no compelling reason to be in a hurry to be a buyer of the soybean market, at least not at this stage of the game. I'm hoping that opinion changes as we get deeper into the U.S. growing cycle. We need South America to chew through a large portion of their recently harvested crop and of course get a U.S. trade deal inked with the Chinese. Even then there are no guarantees without a U.S. weather story of some sort and improvement in Chinese demand. Reports circulating yesterday, showed more talk of Chinese soybean demand falling below the current USDA estimate as African Swine Fever creates more substantial headwinds. If you're a spec, it looks safest to stay on the bearish side of the bet. If you're a producer needing to price more new-crop production, close your eyes and hold your breath, we might be trapped underwater for longer than most anticipated. I am keeping my eye on some logistical complications brewing in Brazil as truck drivers are threatening a nationwide strike. The situation is fluid and dates and demands are continually changing. I will continue to monitor and keep everyone unto date as I learn and hear more specifics.



Wheat prices remain near the contract lows. Bears continue to talk about the HRW wheat crop here at home getting larger not smaller. I've several insiders talking about the crop being +100 million bushels larger than last years crop. At the same time, I keep hearing talk that the USDA's current new-crop wheat export estimate will need to be trimmed aggressively in the coming weeks, some thinking by -75 to -125 million bushels. Net-net, bears are talking about an already burdensome U.S. ending-stock estimate getting even larger. Keep in mind, the U.S. dollar has just pushed to a fresh new multi-month high and is creating additional export headwinds for U.S. suppliers. Bulls are keeping their eye on dry conditions possible building in parts of the Black Sea region, the slow pace of spring wheat planting here in the U.S., and flooding complications causing uncertainty in some SRW wheat production areas. Don't forget we have the StatsCan numbers being released this morning. Most sources are looking for just a slight tick higher in Canadian wheat acres when compared to last year. It looks like Spring wheat acres are going to increase and Durum wheat acres are going to be significantly lower than last year.





> **Swine Fever Roiling Ag Markets:** Chinese soybean imports could be lower than expected this year, as an outbreak of African swine fever continues roiling the country's pork industry. At least 1 million hogs have been culled, and China's Ag Ministry says more than 80% of hog farmers aren't planning to restock their herds. This could mean less demand for soybeans. Hearing that China's soybean imports could drop to 85 million metric tons, down from USDA's forecast of 88 million metric tons for the current marketing year ending in September. (Source: Bloomberg)

> **Truckers in Brazil Threaten to Strike:** Nearly a year later, Independent truck drivers could begin another nationwide strike April 29th. I'm told the date was moved up after diesel prices hiked 4.8% recently. As freight charges fall behind the rising diesel costs, truckers are finding it harder to make a living.

> **Soybean Crushing in Argentina Slows on Protein Issues:** The pace of soybean crushing in Argentina is slowing as the freshly-harvested bumper crop forces crushers to improve their dehulling of the beans in order to meet minimum protein requirements, market sources have told Agricensus. Lower protein levels, due to the higher yields of the beans, is forcing crushers to slow operations by about 25% as they seek to achieve the minimum protein level of 45.5% in soymeal by removing more of the hull. "The official crush for March was 2.9 million mt, versus market expectations of 3.5 million mt," an Argentine broker said.

> **Ohio County Suing EPA Over Algae Blooms:** The Ohio county that includes Toledo accused the EPA of longstanding and indefensible failure to enforce clean water laws and address the algae blooms that appeared in western Lake Erie nearly every summer since 1995.

> **Livestock Programs Get A Boost:** The USDA announced changes to insurance programs that will provide more efficient coverage for livestock and dairy producers. These program improvements to the Dairy Revenue Protection (DRP), Livestock Gross Margin (LGM) and Livestock Risk Protection (LRP) programs take effect July 1, 2019. (Source: [USDA](#))

> **Cargill To Invest \$112 Million to Expand China Corn Facility:** The grain trader announced they would invest \$112 million to expand capacity at its corn processing facility in China's northeastern province of Jilin. This is part of a bigger project being jointly built with the local government called the Sino-U.S. Cargill Biotech Industrial Park. The park aims to have an annual corn processing capacity of up to 2 million tonnes by 2020. According to Cargill chairman and chief executive Dave MacLenna, the company hopes to double its investment in China over the next five years. (source: Reuters)

> **Japanese Government Gives Positive Decision on Plant Breeding Innovations:** A recent signal from the Japanese government that it will not consider organisms produced using gene editing as genetic modification provides reassurance for continued market access for U.S. farmers to one of the largest and most loyal international markets. The decision bears particular importance as food made from crops or other products produced through gene editing will not have to undergo the additional regulatory requirements for food products classified as genetically modified. (Source: USGC)

> **Who are the 10% of Americans Not on the Internet?** According to a new Pew Research Center analysis of survey data, 10% of U.S. adults do not use the internet. I'm told the size of this group has changed little over the past four years, despite ongoing government and social service programs to encourage internet adoption in underserved areas. But that 10% figure is substantially lower than in 2000, when the Center first began to study the social impact of technology. That year, nearly half (48%) of American adults did not use the internet. Find out more about the 10% [HERE](#).

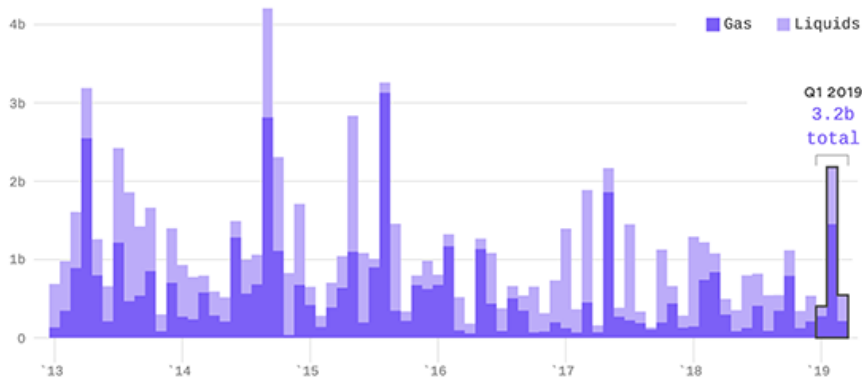
> **Google Offshoot Wing Aviation is First Drone Operator With FAA Approval:** An offshoot of Alphabet Inc.'s Google has become the first drone operator to receive government approval as an airline, an important step that gives it the legal authority to begin dropping products to actual customers. The subsidiary, Wing Aviation LLC, now has the same certifications that smaller airlines receive from the U.S. Federal Aviation Administration and the Department of Transportation. It plans to begin routine deliveries of small consumer items in two rural communities in Virginia within months, the company said.

> **Companies Are Finding Lots of Oil Again:** The oil industry is finding lots of hydrocarbons thus far in 2019, putting discoveries on pace to grow by 30% this year if they keep it up. This is important as it is a sign of ample new supplies that should come

online in coming years, which will further ease concerns about a crude supply crunch down the road. It also signals why OPEC will face ongoing challenges in the years ahead in their quest to keep markets tight and prop up prices. (Source: Rystad, Axios)

Monthly global conventional oil-and-gas discoveries

Barrels of oil equivalent, Jan. 2013 to March 2019



Data: Rystad Energy ECube; Chart: Axios Visuals



Northwest Iowa – We jumped up in temperature over the weekend and early part of the week which surprisingly has sucked the water right off the top of these fields that seem to never want to dry down this spring. We farm a lot of fields that are either rolling hills or have tons of terraces. I did a little scouting today and we officially do not have any more water standing in any of our bottoms or ditches, but most fields are still just a touch to soft to run the planter. We worry a lot about compaction. We have one small field that we are going to try tomorrow afternoon if we don't get rain overnight just to set the planter. I think it's about 23 acres in total and kind of weaves around on higher ground so it's dry enough to plant.

Southwest Texas – We have been done sewing corn for a few weeks now. I would say everything looks as good as we can expect. The corn is nice and even and it's all rowed. I should say it was nice and even... this rain we just got hit with was a gully washer. We have at least a couple fields that will need completely replanted, but it was our latest planted stuff. We have many more fields that we are going to have to patch a corn back in and hope it catches up for harvest, which it normally does. We like rain just in slower, more even doses.

Northern Minnesota – What a few 70-degree days can make around here. We nearly have all the frost out of the ground and the snow melted. The only real snow still standing was piled this winter. I was hauling corn today, west into North Dakota and I saw one guy doing a little field work. I would say we have a chance to be that guy in 1 week if we don't get the rain that's scheduled to hit over the weekend. We want to be planting Spring wheat by the first week of May or we might start wandering towards more seed beans.



China's Role in South America's Largest Solar Farm: In an arid, lunar-like landscape in the sunny highlands of northern Argentina, South America's largest solar farm is rising, powered by funding and technology from China. Local officials said they had sought help at home, the United States and Europe without success. Potential lenders and partners, they said, were spooked by the project's size and the fiscal woes of Jujuy province, one of the poorest in the country. The Import-Export Bank of China saw it differently and financed 85% of the project's nearly \$400-million pricetag. At 3% annual interest over 15 years, it is "cheap money" for Jujuy, a person familiar with the terms said. The catch: the province had to purchase nearly 80 percent of the materials from Chinese suppliers,

including Huawei Technologies, the Chinese telecom giant under fire from U.S. President Donald Trump. In Juju, the company is supplying inverters, technology that turns power from solar panels into useable current and serves as a critical gateway to the electrical grid. Read more [HERE](#) on the massive project and China's role in supplying emerging economies infrastructure

Scientists Are Trying to Keep up With Earth's Magnetic North: The Earth's north magnetic pole (which is not the same as geographic north) has led scientists on something of a goose chase over the past century. Each year, I'm told it moves north by an average of about 30 miles. That movement made the World Magnetic Model — which tracks the field and informs compasses, smartphone GPS, and navigation systems on planes and ships — inaccurate. Since the next planned update of the WMM wasn't until 2020, the US military requested an unprecedented early update to account for magnetic north's accelerated gambol. From what I understand, authors of a new study have gained insight into why magnetic north might be moving — and are learning how to predict these shifts. I should mention, the earth's magnetic field exists thanks to swirling liquid nickel and iron in the planet's outer core some 1,800 miles beneath the surface. Also, it is anchored by the north and south magnetic poles (which tend to shift around and even reverse every million years or so), the field waxes and wanes in strength, undulating based on what's going on in the core. Read more [HERE](#) to find out how periodic changes in the distribution of that turbulent liquid metal can cause idiosyncrasies in the magnetic field.

Amazon Can Now Deliver to Your Garage: Amazon just launched the in-garage package delivery service it announced with Chamberlain Group in January. In fact, if you have a MyQ garage door opener or control hub from LiftMaster or Chamberlain, you can link it through the Amazon Key app for iOS or Android, then choose "in-garage delivery" when placing an order on Amazon, which will allow the courier to open your garage and drop packages inside. Installing the Key Edition of Amazon's Cloud Cam will let you view a live or recorded video of the delivery, but unlike with Amazon's in-home delivery service, the camera is optional for garage deliveries. I'm told Amazon is also adding Key support in 13 cities, bringing the total up to 50 U.S. cities that allow for deliveries inside homes, garages, and car trunks. Read more [HERE](#).

Musk Throws Down Gauntlet to Automakers: Elon Musk — known for making bold, and by some measures outlandish statements — threw down the gauntlet to other automakers. "The fundamental message that consumers should be taking today is that it's financially insane to buy anything other than a Tesla," the CEO of the electric auto maker said after Monday's robotaxi announcement. "It would be like owning a horse in three years. I mean, fine if you want to own a horse. But you should go into it with that expectation." On stage at the Tesla Autonomy Investor Day in Palo Alto, California, Musk boasted about Tesla's self-driving technology, predicting his company will have more than 1 million robotaxis on the road next year. "If you buy a car that does not have the hardware for full self-driving, it is like buying a horse," he reiterated. "And the only car that has the hardware for full self-driving is a Tesla." History shows Musk's predictions are not always on time, but you can usually bank on them. Read more [HERE](#).

Check out the Nubia Alpha Watch Phone: While the Galaxy Fold phone is grabbing all the attention because Samsung is delaying the launch of its foldable phone, Nubia, an associate company of Chinese phone-maker ZTE, announced today that it plans to launch the Nubia Alpha, a different kind of foldable phone, later this week. Is it a watch phone? Or a phone watch? After a short tour, the Nubia Alpha feels more like a watch with a phone built in. But either way, it's an interesting and welcome change from a sea of black rectangle phones. In fact the Nubia Alpha is a 4-inch smartphone with a flexible OLED display that wraps around a your wrist like a cuff. I'm told it will launch tomorrow for \$449 or €449 with a Bluetooth-only model in the US and Europe. However, an eSIM version will be available in China. I should mention, if you are one of the first 50 buyers, you'll receive a free pair of Bluetooth Nubia Buds. Learn more on the watch [HERE](#).





AIRBNB FOR FARMLAND IS HERE

WEBINAR: APRIL 25TH AT 3PM CT
PRESENTED BY: TILLABLE

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During 2019, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aquaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

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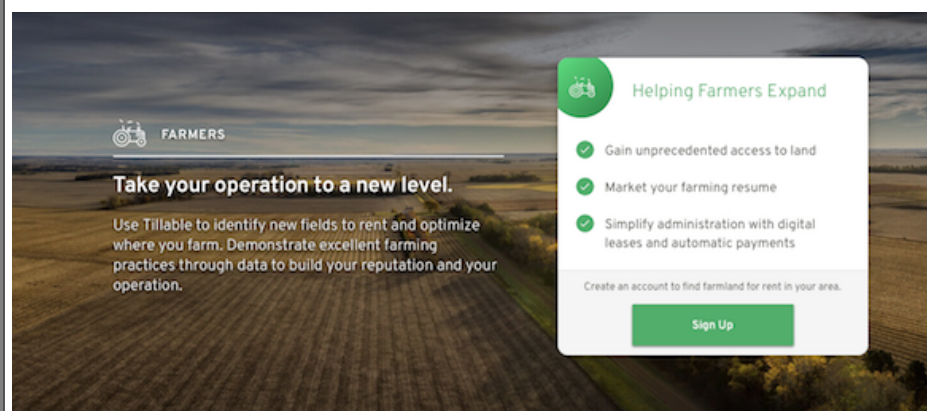
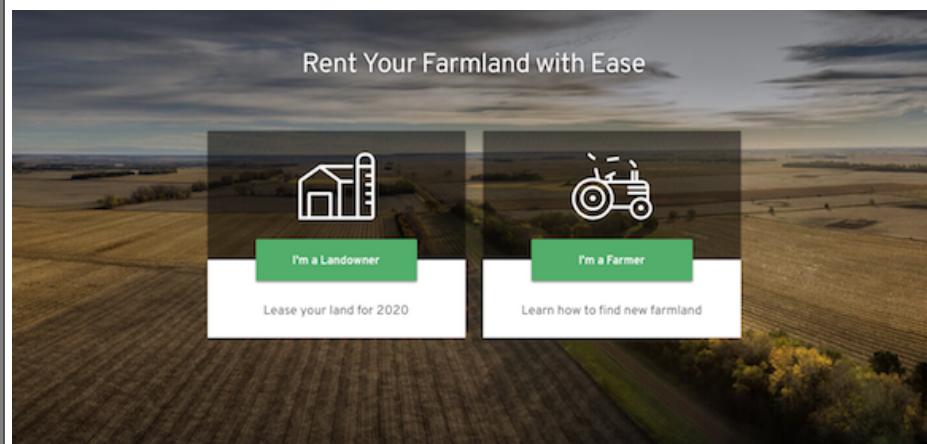
Title: Airbnb for Farmland is Closer Than You Think

Time: Thursday, April 25 @ 3:00 pm CT

There are two sides to the farmland equation: landowners and those that lease from them. But, for both parties, speed is of the essence. Tenant farmers need to secure land well in advance to prepare for the yearly growing season, while landowners need to ensure that their land is rented well before the season starts to ensure a return on their investment. Tillable is the first true online marketplace for the \$32 billion U.S. farmland rental market, optimizing returns for landowners and helping farmers access land to expand operations. Its easy-to-use digital platform makes it easier and faster than ever before for landowners to take care of their farm lease, and for farmers to find available land to rent. Keep in mind, landowners in the U.S. lose an estimated \$8 billion per year because they undervalue their land. Tillable combines the power of current market data with their revolutionary digital platform to help landowners establish fair rent and get paid quickly by receiving full payment for up to 3 years before the growing season starts, finding leases through 2020 and beyond, and Tillable taking care of your farm. What's most interesting about Tillable is in most cases landowners can expect to receive the full lease amount immediately from the company within 7 days of signing the lease. In addition, Tillable also offers users the ability to quickly find land available for rent and make offers on farmland for the coming season. The best part about Tillable is everyone has access to the Tillable platform, tools, and support for free! Remember, if you sign a lease and rent a farm through Tillable, a platform fee of 2% of the gross rent for that farm applies. Learn how one company has developed a digital marketplace to bring both farmers and landowners together and ease the farmland rental process at "Airbnb for Farmland is Here," a webinar to be held at 3 pm CT on April 25th featuring Jamie Potter, vice president at Tillable.



TILLABLE



Democratic Candidate Wall Street is Keeping an Eye On

Democratic presidential candidate Pete Buttigieg has been climbing up the ranks and Wall Street is watching! Most polls show Buttigieg right behind former Vice President Joe Biden and Vermont Senator Bernie Sanders. I thought it would be good to provide a bit of unbiased background about a fairly unknown candidate. There seems to be a lot of conversation popping up as of late. Below are some of the highlights and talking points:

Born and Raised Notre Dame - Pete Buttigieg was born in South Bend, Indiana, to Jennifer Anne and Joseph Buttigieg. His father, an immigrant from Malta, initially studied to be a Jesuit priest before immigrating to the United States and embarking on a secular career as professor of literature at The University of Notre Dame at South Bend. His mother was a professor at Notre Dame for 29 years. In 2000 Buttigieg was valedictorian of his high school senior class at St. Joseph High School in South Bend.

Graduate of Harvard University and Oxford University: Buttigieg attended Harvard College, majoring in history and literature. While at Harvard he was president of the Harvard Institute of Politics Student Advisory Committee. He wrote his undergraduate thesis on the influence of puritanism on U.S. foreign policy as reflected in Graham Greene's novel *The Quiet American*. Upon graduating from Harvard in 2005, Buttigieg was awarded a Rhodes Scholarship and in 2007 he received first-class honors in philosophy, politics and economics from Oxford.

Employed at McKinsey and Company a management strategy consulting firm from 2007 to 2010

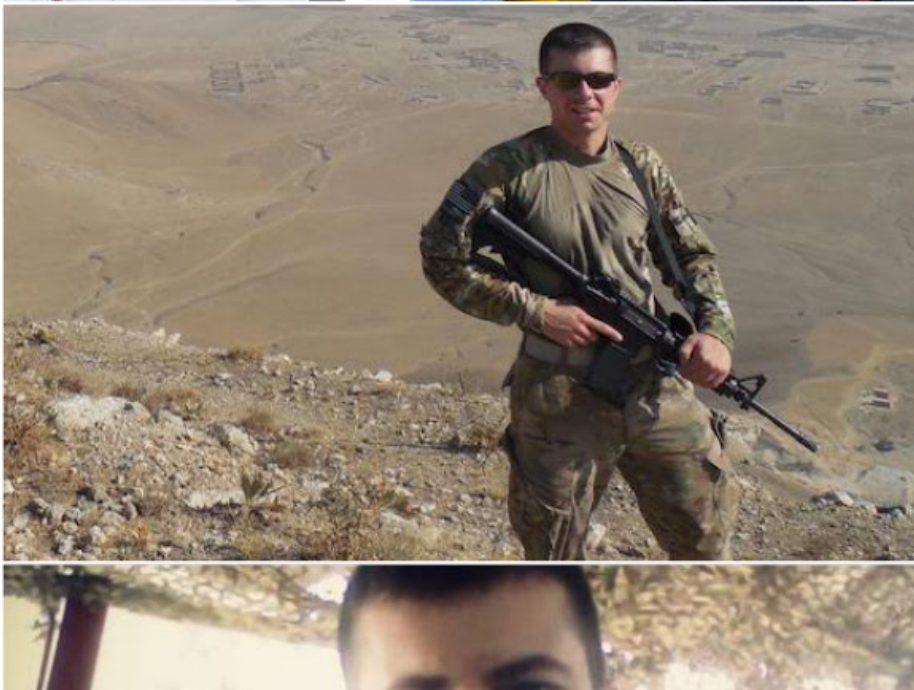
Former Naval Intelligence Officer - From 2009 to 2017 Buttigieg served as an intelligence officer in the United States Navy Reserve, attaining the rank of

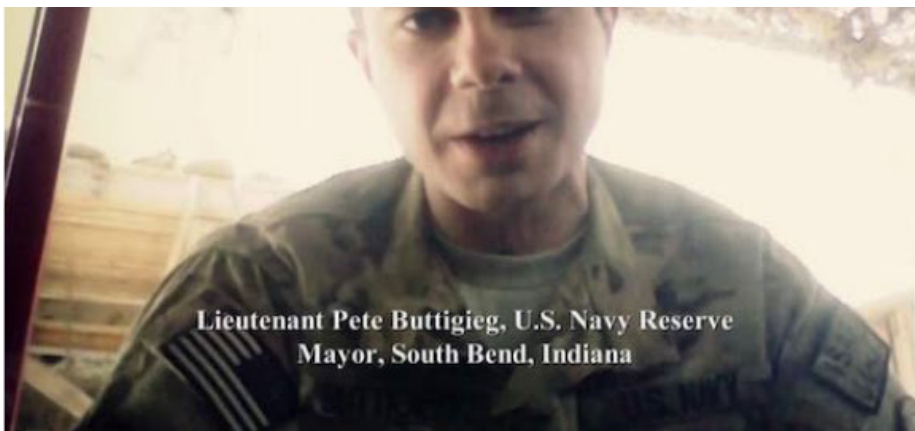
lieutenant and deploying for the War in Afghanistan in 2014.

Mayor of the city of South Bend, Indiana - Buttigieg was first elected mayor of South Bend in 2011 and was reelected in 2015. During his tenure as mayor of South Bend, Buttigieg's policies were widely credited with significantly spurring economic growth and business investment. In 2013 he won GovFresh's Mayor of the Year award. Buttigieg also campaigned for Indiana State Treasurer in 2010 and for chair of the Democratic National Committee in 2017. His platform includes support for universal healthcare, reducing income inequality, pro-environmental policies, dialogue and cooperation between the Democratic Party and organized labor, universal background checks for firearms purchases, federal legislation that would ban job discrimination against LGBT people.

Personal Life - Buttigieg is a devout Christian, and he has said his faith has had a strong influence in his life. Buttigieg plays guitar and piano and in 2013 performed with the South Bend Symphony Orchestra as a guest piano soloist along with Ben Folds. In a June 2015 essay in the South Bend Tribune, Buttigieg announced that he is gay. He is the first openly gay municipal executive in Indiana. In December 2017, Buttigieg announced his engagement to Chasten Glezman, a junior high school teacher whom Buttigieg had been dating since August 2015 after meeting on the dating app Hinge. They were married on June 16, 2018, in a private ceremony at the Cathedral of St. James.

**I'm curious if your opinion of Buttigieg's leadership and abilities changed after reading the last paragraph? It's certainly worth reflecting and thinking about our knee-jerk reactions. I personally don't agree with some of his political views, and each of us are certainly entitled to our own perspectives. I just think it will be interesting to see how the country as a whole reacts to his personal life choices?*





The Trojan Horse... And Why I Still Remind Myself of the Message!

It was on this day back in 1184 BC that the Greeks are said to have entered Troy using the Trojan Horse. There's been a ton of debate about the story for centuries, some argue it's historical fact while others say it's mostly fiction. Many scholars believe that there is a historical core to the tale but the details remain fuzzy. To refresh everyone's memory, in an elementary context, the Trojan war really got started when soldiers from Troy, took Helen from her husband who was the king of Sparta. The Greeks became enraged and a massive war was started. The Trojan War had been going on for a decade, with no real end in sight. The Greeks finally decided to "think-outside-the-box"...an idea that ultimately won them the war! Because the Trojans considered horses to be sacred, the Greeks decided to build them a massive horse that they would embrace and bring inside their heavily fortified city walls. Not missing a detail and to make even more desirable the Greeks are said to have used wood from the Cornish trees, which were considered sacred, to construct it. A group of the Greeks most trained and dangerous soldiers were placed inside the horse and left outside the city gates. The rest of the Greek army pretended to leave the area, destroying their camp and boarding their ships. Following heavy debate and uncertainty as to whether the Greeks could be trusted, the Trojans finally agreed to drag the giant horse inside the walls of the city. The people were suspect at first, but after inspecting the horse and letting it sit there for several hours, the people of Troy began to celebrate, believing the end of the bloody 10-year war was ending, with a peace offering from the Greeks. The people of Troy spent the night celebrating, with most falling into a drunken stupor by midnight. The Greek warriors inside the Trojan Horse remained extremely patient, waiting until all had either passed out or fallen asleep to come out of the horse. The rest of the Greek army had been hiding and waiting patiently as well. The warriors who were in the Trojan Horse were able to sneak up and kill the unsuspecting guards at the city's gates and open the doors for the rest of the Greek army. The Greeks then massacred the Trojans and won the war, ultimately taking other areas nearby which some argue led to the building of Rome. I suspect there have been many conclusions and theories drawn about the message of this tale. But for me, I like to think about it often for three important reasons:

Be Open to New Ideas - Building the Trojan Horse was huge gamble by the Greeks and certainly outside-the-box type thinking.

Trust Your Intuition - The Trojans knew the right answer immediately, that's why they didn't race out to go get the horse and bring it inside the gates of the city. But as they waited their brains took over. They wanted the war to be over and started talking themselves into the horse being a peace offering. Intuition is generally the best choice and often comes immediately. It's our own perception, wants and needs that start to convolute and cloud our clarity. I always refer back to the stories we read about a person being taken or snatched, they almost always say something just didn't feel right, but they went ahead and got in the car

anyway, rationalizing ion their head that they didn't want to make the interaction uncomfortable or go against the grain. Sadly, the victim most always has the right answer in the beginning and very quickly, it's when we take over the wheel and start manipulating our thoughts to fit what we want to see happen that things can go massively wrong!

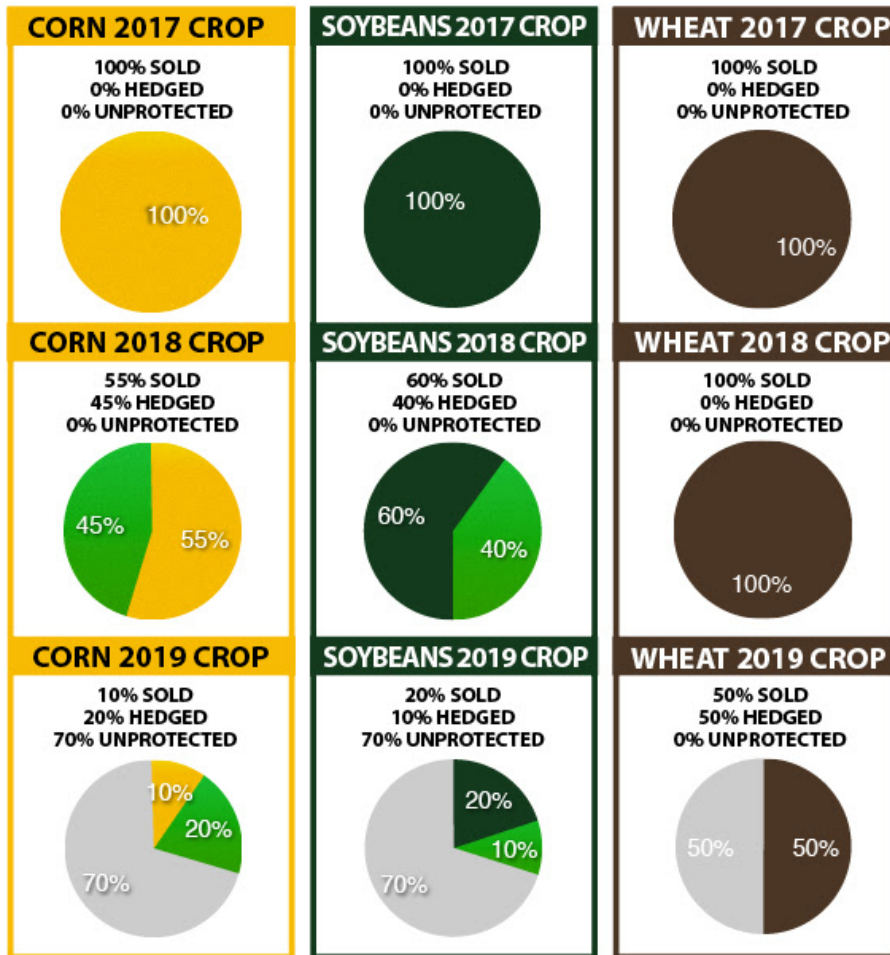
Stay True to Your Plan and Remain Patient - The key was the Greek warriors staying patient and not allowing their anxiousness and or nervousness to get the best of them. As my grandmother always told me, " Good things come to those who wait." She also said, "Patience is the remedy for all troubles." Telling someone to hav patience is easy, but as we've all learned in life it's extremely difficult to execute. In other words, patience is not always easy, but it is always worth it. Many philosophers argue, patience is much more than a virtue – it is a lifestyle!



ANSWER to riddle: A pair of dice.

CASH SALES & HEDGING TOTALS

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