

GOOD MORNING: 05/10/19 Farm Direction - Van Trump Report

1 message

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

Fri, May 10, 2019 at 7:15 AM

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"I got to grow up with a mom who taught me to believe in me. I hope I was able to pass along the same to my children." - Kevin Van Trump

FRIDAY, MAY 10, 2019
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Morning Summary: Stocks are lower as U.S. officials hike tariffs on \$200 billion of Chinese goods. In addition, President Trump said the U.S. would start the "paperwork" to apply a 25% tariff on all remaining Chinese imports, worth an additional \$325 billion. Bears are saying the trade "ceasefire" is now over and things might start to get much more complicated. If there is a bright spot, the two nations have agreed to resume trade talks in an effort to perhaps settle the dispute. Bulls are happy to see lines of communications staying open and perhaps a path to a compromise still exists. The past few days there has been some fear that both nations might simply throw in the towel and walk away once the U.S. upped the ante on tariffs. Whether talks will ultimately yield a deal is still a huge wild-card and big unknown, but at least there's a bit more discussion? China previously vowed to retaliate against the increased U.S. tariffs so that headline is still live and loaded. Most suspect the U.S. ag sector will be one of the hardest hit if China choses to aggressively retaliate. Interestingly, vice-president Mike Pence was in Minnesota yesterday and said a new farm aide package of some sort was being discussed at the White House. Let's keep in mind, there's also political tensions heating up with Iran, North Korea and Venezuela. Tensions with Iran have been escalating ever since the Whitehouse withdrew last year from a 2015 international nuclear deal with Iran and began ratcheting up sanctions to throttle the Iranian economy. As for North Korea, the country supposedly fired two short range missiles. The U.S. has now seized a North Korean freighter that was caught in violation of U.N. sanctions. Federal prosecutors said the seizure marks the first time the U.S. has taken possession of a North Korean ship for violating international sanctions. Keep in mind, the announcement of the seizure came just hours after North Korea launched suspected short-range missiles — the second such weapons test in a week. It will be interesting to see how North Korea elects to play its hand. Tensions in Venezuela have also been escalating, following the failure of a U.S.-backed effort to oust President Nicolás Maduro. As for today's more traditional economic data, the Labor Department is scheduled to release April inflation figures. Don't forget, the most hotly anticipated IPO of the year will happen, as shares of Uber begin trading today under the symbol UBER on the New York Stock Exchange. I've heard the stock will begin being priced at \$45 per share. I suspect the excitement and buzz will initially drive prices higher. The big question is can the rally hold and momentum build for further price appreciation in the coming weeks? As for next week, there's really nothing major in the way of traditional economic headlines. There will be a wave of Fed speakers delivering speeches, as well we will be digesting the latest in U.S. retail sales, consumer confidence, U.S. housing starts, and the U.S. Philly Fed Business Outlook. I suspect political headlines out of Washington will continue to dictate overall market direction, stay tuned...

Map Shows How Soft Bank is the One Dominating Ride-Share: *Even with Uber's major IPO this week, the map below shows, it's actually SoftBank and the \$100 billion Vision Fund it manages who dominates the space. As you can see, it has a hand in almost every major ride-sharing market across the globe. SoftBank chairman and CEO Masayoshi Son has been making deals in the ride-sharing space for years and now the Japanese conglomerate has a hand in almost every major ride-sharing company. In fact, SoftBank has investments in Uber, Didi Chuxing, Grab in Southeast Asia, Ola in India and 99 in Brazil, with investments totalling almost \$20 billion. I should mention, with the investments comes significant influence, meaning SoftBank is brokering peace by bringing competitors together so they can share resources and technology. But the investments also allow*



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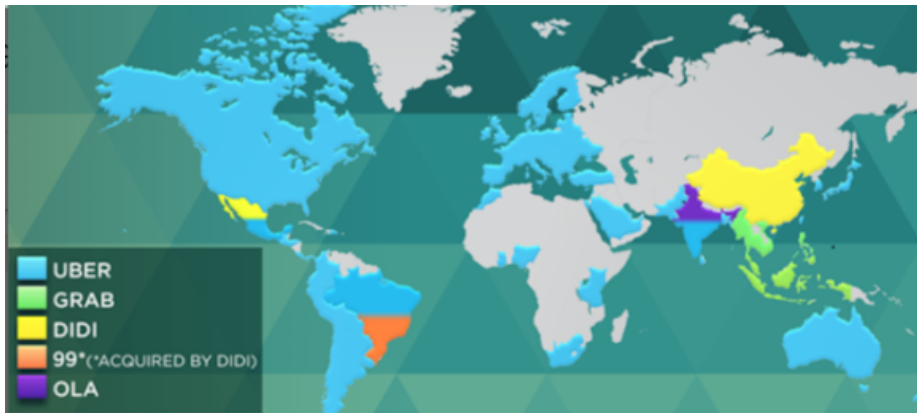




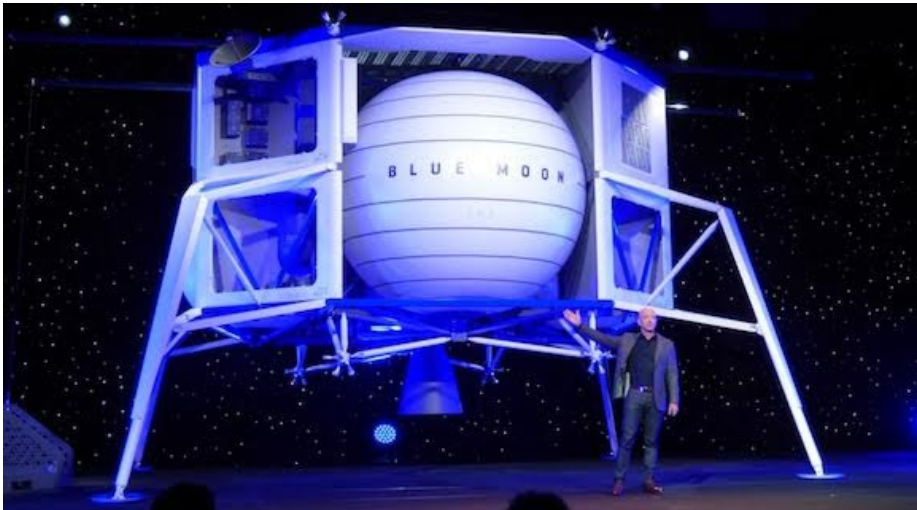


Today in History

SoftBank to carve out regional winners through consolidation. For example, when SoftBank's Vision Fund invested almost \$8 billion in Uber, it got two board seats and the ability to implement corporate governance changes that altered Uber's power dynamics. Following that investment, Uber retreated from Southeast Asia where it faced intense local competition from Grab. This made Grab the indisputable market leader in Southeast Asia. Read more [HERE](#).



Jeff Bezos Unveils "Lunar Lander": Jeff Bezos, the founder of Blue Origin, unveiled his space company's lunar lander for the first time yesterday, which he believes will be able to take astronauts to the moon by 2024. The company has been fairly quiet to this point so far only announcing it would send a couple of tons of cargo to the surface of the moon and its New Shepard rocket system. Keep in mind, Blue Origin was established nearly two decades ago working on multiple space systems as Bezos invests more than \$1 billion in the company each year through sales of his Amazon shares. I expect this is only the beginning for this company and there's a lot more to come in the near future. In addition, Bezos also unveiled the company's BE-7 rocket engine at the event and said the engine will be test fired for the first time this summer. From what I've heard, Bezos' ultimate goal is to help humanity expand across the solar system by allowing humans to the ability to live and work in space. In fact, I suspect Blue Origin will start to give SpaceX a run for their money and something definitely worth keeping an eye on moving forward.



FARM TANK

Tweets of the Day



1865, Jefferson Davis Captured - Jefferson Davis, president of the fallen Confederate government, is captured with his wife and

entourage near Irwinville, Georgia, by a detachment of Union General James H. Wilson's cavalry. On April 2, 1865, with the Confederate defeat at Petersburg, Virginia imminent, General Robert E. Lee informed President Davis that he could no longer protect Richmond and advised the Confederate government to evacuate its capital. Davis and his cabinet fled to Danville, Virginia, and with Robert E. Lee's surrender on April 9, deep into the South. Lee's surrender of his massive Army of Northern Virginia effectively ended the Civil War, and during the next few weeks the remaining Confederate armies surrendered one by one. Davis was devastated by the fall of the Confederacy. Refusing to admit defeat, he hoped to flee to a sympathetic foreign nation such as Britain or France, and was weighing the merits of forming a government in exile when he was arrested by a detachment of the 4th Michigan Cavalry. A certain amount of controversy surrounds his capture, as Davis was wearing his wife's black shawl when the Union troops cornered him. The Northern press ridiculed him as a coward, alleging that he had disguised himself as a woman in an ill-fated attempt to escape. However, Davis, and especially his wife, Varina, maintained that he was ill and that Varina had lent him her shawl to keep his health up during their difficult journey. Imprisoned for two years at Fort Monroe, Virginia, Davis was indicted for treason, but was never tried—the federal government feared that Davis would be able to prove to a jury that the Southern secession of 1860 to 1861 was legal. Varina worked determinedly to secure his freedom, and in May 1867 Jefferson Davis was released on bail, with several wealthy Northerners helping him pay for his freedom. After a number of unsuccessful business ventures, he retired to Beauvoir, his home near Biloxi, Mississippi, and began writing his two-volume memoir *The Rise and Fall of the Confederate Government* (1881). He died in 1889 and was buried at New Orleans; four years later, his body was moved to its permanent resting spot in Richmond, Virginia.



1877, Hayes has First Phone Installed in White House - On this day in 1877, President Rutherford B. Hayes has the White House's first

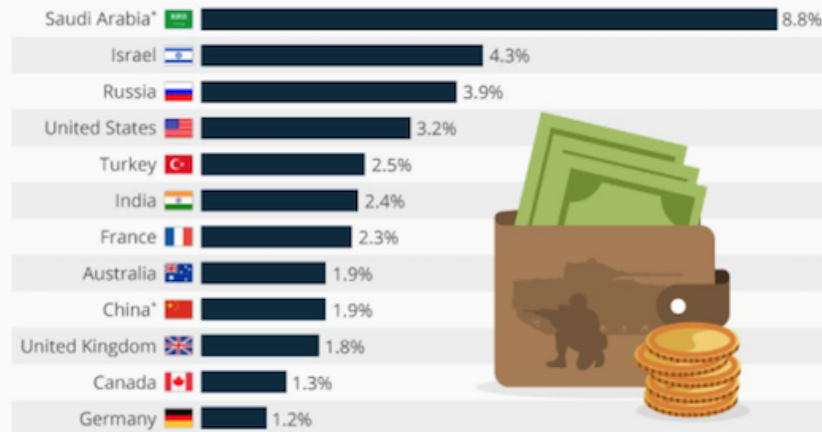
telephone installed in the mansion's telegraph room. President Hayes embraced the new technology, though he rarely received phone calls. In fact, the Treasury Department possessed the only other direct phone line to the White House at that time. The White House phone number was "1." Phone service throughout the country was in its infancy in 1877. It was not until a year later that the first telephone exchange was set up in Connecticut and it would be 50 more

These countries have the biggest military budgets as a percentage of GDP

wef.ch/2LhN1e8 #conflict #military

The Biggest Military Budgets As A Percent Of GDP

Military expenditure as a % of GDP in selected countries in 2018



* Estimations
© StatistaCharts Source: SIPRI

statista

years until President Herbert Hoover had the first telephone line installed at the president's desk in the Oval Office. more recent years, presidential phone recordings have given the public insight into the personalities and political maneuvers of the nation's leaders. On such tapes, Lyndon Johnson, Richard Nixon and Harry Truman were frequently heard using profanity or openly criticizing political opponents without the constraints of being in the public eye or having to maintain a facade of presidential decorum. Most of the time those on the other end of the White House phone line had no knowledge they were being taped. Since 1990, the National Archives and Records Administration has released to the public presidential phone recordings regarding subjects such as Kennedy's handling of the Cuban missile crisis; Johnson's increase in the number of U.S. troops sent to Vietnam; and Nixon's appointment of William Rehnquist to the U.S. Supreme Court. American Radio Works® states Nixon left behind more taped phone recordings than any other president, a fact that led to his political undoing in 1973 when Watergate investigators subpoenaed tapes and transcripts of close to 3,700 hours of Nixon's phone recordings. Since Nixon's administration, declassified transcripts or sound recordings have become increasingly available to the public in print and online.



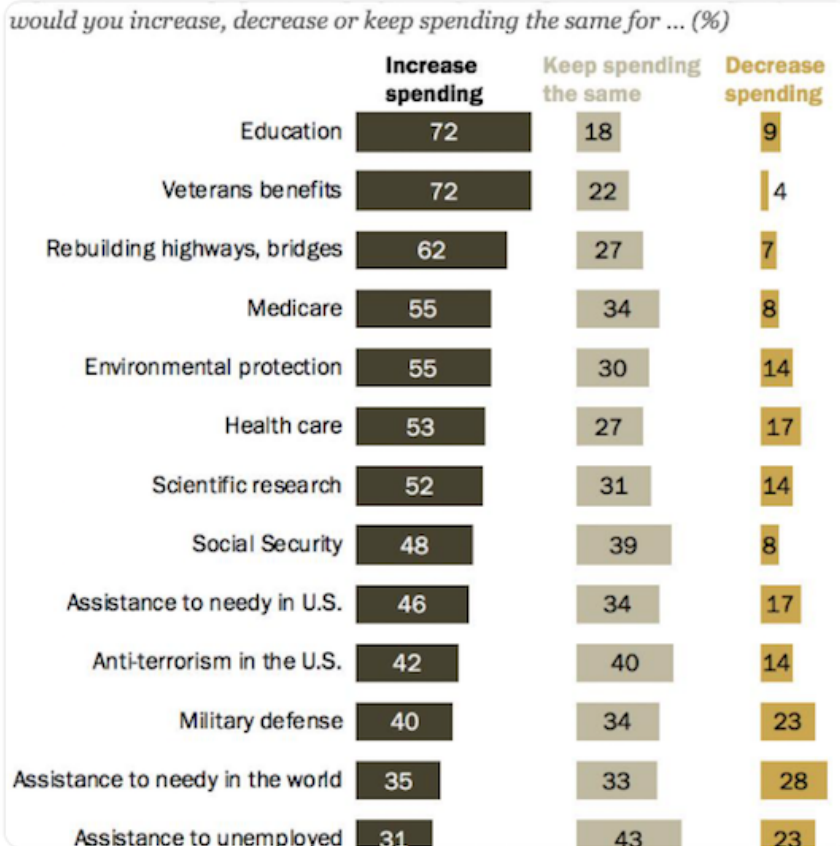
1969, Operation Apache Snow is Launched -

The U.S. 9th Marine Regiment and the 3rd Brigade of the 101st Airborne Division, along with South Vietnamese forces, commence Operation Apache Snow in the A Shau Valley in western Thua Thien Province. The purpose of the operation was to cut off the North Vietnamese and prevent them from mounting an attack on the coastal provinces. The operation began with a heliborne assault along the Laotian border and then a sweep back to the east. First contact with the enemy was made by a rifle company from the 101st Airborne on the slopes of Hill 937, known to the Vietnamese as Ap Bia Mountain. Entrenched in prepared fighting positions, the North Vietnamese 29th Regiment repulsed the initial American assault and on May 14 beat back another attempt by the 3rd Battalion, 187th Infantry. An intense battle raged for the next 10 days and the mountain came under heavy Allied air strikes, artillery barrages, and 10 infantry assaults. On May 20, Maj. Gen. Melvin Zais, commanding general of the 101st, sent in two additional U.S. airborne battalions and a South Vietnamese battalion as reinforcements. The communist stronghold was finally captured in the 11th attack, when the American and South Vietnamese soldiers fought their way up to the summit of the mountain. In the face of the four-battalion attack, the North Vietnamese retreated to sanctuary areas in Laos. During the intense fighting, 597 North Vietnamese were reported killed and U.S.



62% of Americans support more government spending for rebuilding the nation's highways, bridges and roads

pewrsr.ch/2v1d5z7 #infrastructure



casualties were 56 killed and 420 wounded. Due to the bitter fighting and the high loss of life, the battle for Ap Bia Mountain received widespread unfavorable publicity in the United States and American media dubbed it "Hamburger Hill," a name evidently derived from the fact that the battle turned into a "meat grinder." Since the operation was not intended to hold territory but rather to keep the North Vietnamese Army off-balance, the mountain was abandoned soon after the battle and occupied by the North Vietnamese a month later. American public outrage over what appeared to be a senseless loss of American lives was exacerbated by publication in Life magazine of the pictures of the 241 U.S. soldiers killed the week of the Hamburger Hill battle. Gen. Creighton Abrams, commander of U.S. Military Assistance Command Vietnam, was ordered by the White House to avoid such battles. Because of Hamburger Hill, and other battles like it, the U.S. started to shift its policy towards Vietnamization, wherein primary responsibility for the fighting would be handed over to the South Vietnamese.

Upcoming Events

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

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



Jeff LeBrun
@jlebrun05

Following

Waiting for someone to come pull you out really makes you reevaluate your decisions....



Jeff Knobloch
@JeffKnobloch1

Following

She's all ready for the prom but has to wait for her date to stop two timing with the drill.
#plant19



WHAT I'M LISTENING TO:



"Redneck"
Hardy

Kevin's Song of the Week

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



John
@KowalchukFarms

Following

I always like to do this outside round before the sun goes down. About a 300' drop off 30 feet that way!

#RedDeerRiver

#Plant19



The Old Man Club
@TheOldManClub

Following

This is how I ground my kids now.



This is how I ground my kids now

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 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.



Sports Motivation
@Sports_HQ

Following

Don't focus on the struggle, it's just the price you pay for reaching the goal.

"STRENGTH IS THE PRODUCT OF STRUGGLE, YOU MUST DO WHAT OTHERS DON'T TO ACHIEVE WHAT OTHERS WON'T"

HENRY ROLLINS

Farm Direction
RECIPES

★ FAMILY ★
FAVORITES

-SENT IN BY OUR READERS-

Chocolate Fudge Layer
Cake with Caramel
Buttercream



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:

What language does a billboard speak?

Corn prices are steady as traders brace for the latest USDA supply and demand update, numbers will be released today at 11:00 CST. Prices in the JUL19 contract are down roughly -10% in the past 90-days and down close to -20% in the past 52-weeks. The new-crop DEC19 contract is down roughly -11% in the past 52-weeks. Bears continue

to point towards the obvious: SAM producing +30 MMTs more corn; U.S. ending stocks extremely burdensome at +2.0 billion bushels; U.S. demand growth in question perhaps lower exports, feed and residual and ethanol estimates; Chinese trade uncertainty; U.S. drought concerns non-existent. On the flip side, bulls are betting on the wild-cards that are now in play: U.S. weather extremes causing major delays in planting, perhaps major acreage reduction and yield drag; Ongoing trade negotiations and perhaps a Chinese trade deal in the near future that brings larger U.S. corn purchases; Bottom-line, this market is very intriguing right now. On one hand we have easily explainable bearish fundamentals, on the other hand we have several major wild-cards now in the deck. As a spec, I like the thought of taking a shot and buying cheap out of the money calls. If the rains and complications continue here in the U.S., the market may quickly need to add more risk premium. I'm not looking to buy and hold, but rather buying in hopes of catching a bounce back higher and picking up a good return on what might be undervalued calls. There's some interesting plays in selling ATM calls and using the premium to buy heavy doses of deep OTM calls. As a producer, you might want to talk with your individual advisor about some type of small re-ownership program on previously sold bushels.

U.S. Corn Costs and Returns Per Planted Acre

(excluding government payments, 2013-2018)



	2018	2017	2016	2015	2014	2013
Total, Gross Value of Production	631.54	603.28	603.92	612.60	603.18	720.51
Total, Costs (Operating costs + Over-head)	679.64	667.56	678.48	675.33	689.80	676.45
Total, Returns (per planted acre)	-48.1	-64.28	-74.56	-62.73	-86.62	44.06
Supporting Information						
Yield (bushels per planted acre)	184	185	183	167	170	156
Price (dollars per bushel at harvest)	3.42	3.25	3.29	\$3.66	\$3.54	\$4.61
Production Practices:						
Irrigated Acres %	11	11	11	11	11	11
Dryland Acres %	89	89	89	89	89	89

Compiled by USDA, ERS using Agricultural Resource Management Survey data, updated 05/01/19

Soybean bulls, despite Chinese trade headlines, will continue to battle the bearish balance sheet. Prices in the JUL19 contract are down roughly -14% in the past 90-days and down just over -20% in the past 52-weeks. The new-crop NOV19 contract is down roughly -15% in the past 52-weeks. Bears will continue to point towards massive ending stocks, only twice in the past five-decades have they been higher. Most inside the trade are currently using a new-crop yield estimates just over 49 bushels per acre. The range for most pre-planting yield estimates are calling for between 47.5 and 50.5 bushels per acre. At the same time, traders are starting to have bigger questions about growth in U.S. demand. China has been more aggressively buying soybean cargoes from Brazil as of late and U.S. export business seems to have fallen out of favor. Bears continue to believe it could take an extended period of time for U.S ending stocks to move to more manageable levels and seem content shorting most extended rallies. We might be overdue for a bounce to the upside, but lower highs and lower lows continues to be the music we are dancing too... I'm actually going to swim against the steam for a while, by looking for opportunities to start dipping a toe in the water as a longer-term bull. I believe there's ultimately going to be a story or at least a period of time where the bears get caught offside and provides a significant opportunity for the bulls. Unfortunately, I don't see that window of opportunity happening until the second half of 2019. Hence, I'm in no major hurry and only want to be a buyer on the deep breaks. Not interested in chasing temporary short-covering rallies or weather related premium. Longer-term protein value is interesting...

U.S. Soybeans Cost and Returns Per Planted Acre

(excluding government payments, 2013-2018)



	2018	2017	2016	2015	2014	2013
Total, Gross Value of Production	444.21	454.72	491.92	430.56	522.24	571.04
Total, Costs (Operating costs + Overhead)	449.83	443.5	443.46	463.30	466.72	458.31
Total, Returns (per planted acre)	-5.62	11.22	48.46	-32.74	55.52	112.73
Supporting Information						
Yield (bushels per planted acre)	51	49	52	48	48	43
Price (dollars per bushel at harvest)	8.71	\$9.28	\$9.46	\$8.97	\$10.88	\$13.28
Production Practices:						
Irrigated Acres %	10	10	10	10	10	10
Dryland Acres %	90	90	90	90	90	90

Compiled by USDA, ERS using Agricultural Resource Management Survey data updated 05/01/19

Wheat bears have clearly been in control the past few months. Prices in the JUL19 SRW wheat contract are down roughly -18% in the past 90-days and down just over -26% in the past 52-weeks. The new-crop DEC19 SRW contract is down roughly -24% in the past 52-weeks. Prices in the JUL19 HRW wheat contract are down roughly -22% in the past 90-days and down nearly -35% in the past 52-weeks. The new-crop DEC19 HRW contract is down roughly -32% in the past 52-weeks. Prices in the JUL19 Spring wheat contract are down roughly -10% in the past 90-days and down roughly -21% in the past 52-weeks. Looking ahead, bulls are talking about weather complications in the U.S. starting to bring about more crop concerns? Bulls are also talking about possible weakness in the U.S. dollar and perhaps the bears taking a more bullish macro stance if the dollar weakens. Bears are pointing to improved conditions in parts of Russia and western portions of Europe. Bears are also pointing towards ongoing burdensome supply both domestically and globally. Best advise, be careful trying to pick a bottom. Stay conservative if you wanting to try your luck on he long-side.

U.S. Wheat Cost and Returns Per Planted Acre

(excluding government payments, 2013 - 2018)



	2018	2017	2016	2015	2014	2013
Total, Gross Value of Production	229.75	203.33	208.46	213.90	247.53	286.63
Total, Costs (Operating costs + Overhead)	308.08	302.46	300.94	310.50	316.28	312.03
Total, Returns (per planted acre)	-78.33	-99.13	-92.48	-96.60	-68.75	-25.40
Supporting Information						
Yield (bushels per planted acre)	43	41	51	40	37	39
Price (dollars per bushel at harvest)	\$5.14	\$4.72	\$3.93	\$5.12	\$6.44	\$7.09
Production Practices:						
Irrigated Acres %	5	5	5	5	5	5
Dryland Acres %	95	95	95	95	95	95

Compiled by USDA, ERS using Agricultural Resource Management Survey data updated 05/01/19

U.S. Winter Wheat Production

	May #	Avg. Trade Est.	Trade Range	Previous USDA
All Wheat	???	1.909	1.815 - 1.986	1.884

Winter Wheat	???	1.277	1.116 - 1.406	1.184
Hard Red Winter	???	0.767	0.624 - 0.905	0.662
Soft Red Winter	???	0.277	0.250 - 0.302	0.286
White Winter	???	0.232	0.201 - 0.252	0.236

U.S. Ending Stocks 2018/19

	May #	Avg. Trade Est.	Trade Range	USDA April Est.
Corn	???	2.055	2.011 - 2.135	2.035
Soybeans	???	0.920	0.880 - 1.010	0.895
Wheat	???	1.097	1.079 - 1.187	1.087

U.S. Ending Stocks 2019/20

	May #	Avg. Trade Est.	Trade Range	USDA April Est.
Corn	???	2.131	1.787 - 2.387	NA
Soybeans	???	0.910	0.786 - 1.103	NA
Wheat	???	1.060	0.947 - 1.129	NA

World Ending Stocks 2018/19

	May #	Avg. Trade Est.	Trade Range	USDA April Est.
Corn	???	3.16.0	314.0 - 318.2	314.01
Soybeans	???	108.5	107.0 - 110.6	107.36
Wheat	???	275.89	274.1 - 277.5	275.61

World Ending Stocks 2019/20

	May #	Avg. Trade Est.	Trade Range	USDA April Est.
Corn	???	304.71	271.2 - 322.0	NA
Soybeans	???	109.55	100.0 - 120.0	NA
Wheat	???	277.42	259.0 - 290.0	NA

South American Production

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	May #	Avg. Trade Est.	Trade Range	USDA April
Brazil Corn	???	96.66	95.0 - 98.5	96.0
Brazil Soybeans	???	116.99	116.0 - 118.0	117.0
Argentina Corn	???	48.08	46.5 - 50.0	47.0
Argentina Soybeans	???	55.72	55.0 - 57.0	55.0



> March Ag Trade Balance Falls to Two Year Low: Coming in at just \$111 million in March, the US ag trade balance registered its lowest number since May of 2017, when it hit a negative \$46 million. I'm told March numbers were \$818 million down from February this year. All in, the numbers show that ag exports climbed nearly \$1.2 billion from February to \$12.1 million in March, but ag imports climbed an even greater \$2.0 billion to \$11.9 billion.

> El Nino To Linger Through August: The weak El Nino pattern that has been influencing global weather will stick around through August, possibly helping to ease storm threats during the Atlantic hurricane season. The weather phenomenon has a 70% chance of lasting through June, July and August, up from 66% a month ago according to the latest form the U.S. Climate Prediction Center. Remember, El Nino has been known to make Brazil warmer than normal and bring showers which could hinder some crop harvesting. This is something we will definitely keep our eye on moving forward. (Source: CPC)

> World Food Prices Jump in April: World Food prices rose some 1.5% in April, with a jump in dairy and meat prices offsetting falling cereal prices. FAO's food price index, which measures monthly changes for a basket of cereals, oilseeds, dairy products, meat and sugar, averaged 170.1 points last month against an upwardly revised 167.5 points in March. (Source: FAO)

> Conab Raises Soybean Estimates for Brazil: Production totals for soybeans continue to inch higher with each report, at this time Conab is reporting that soybean totals should increase 490,000 MT from last month, ending at 114.13 MMT. On the export side of things, Brazil will likely export 68 MMT of its crop, a 2-MMT decline from its April outlook.

> Smithfield Foods Retooling for Large Pork Shipment to China: Owned by Chinese interests, but based in the US, Smithfield is the world's largest pork processor that is now working to reconfigure some plants to ship pork carcasses to China. From what I understand, the company will reportedly close its Virginia plant next week to allow some conversions to take place to better handle part carcass shipments to China. According to various reports, its unclear as to whether the company is gearing up for whole or partial carcass shipments at this point.

> The EPA Sent Their 2020 and 2021 RFS Requirements To White House: The rule is expected to preserve the 15 billion gallon requirement for conventional ethanol, but advanced biofuel advocates hope the rules will raise volume requirements for cellulosic ethanol and biodiesel.

> Budweiser's Hong Kong IPO Largest in Years: Anheuser-Busch InBev's Group has filed an application to list on the Hong Kong stock exchange, targeting a valuation of \$70 billion and aiming to list by July, according to sources familiar with the matter. If successful, the stock sale would be one of the largest in recent years in Hong Kong. I'm told The Asia business earned \$1.87 billion in pretax profit in 2018, up 22% from a year earlier, according to its filing. It reported revenue of \$8.46 billion last year, up from \$7.79 billion in 2017.

> Visualizing the Unicorn Landscape in 2019: The term "unicorn" describes any privately-held startup worth \$1 billion or more. At the time, they were so rare, they deserved a special name, but now unicorns have multiplied like rabbits and investors

have propped up the combined value of the world's 326 unicorns to the tune of \$1.1 trillion. today's chart uses data from the Unicorn Tracker created by CB Insights, and it breaks down the unicorn landscape by sector, valuation and country. Interestingly, nearly half of the world's unicorns come from the U.S. including 7 of the 10 largest by valuation. (source: Visual Capitalist)

The Unicorn Landscape

BREAKING DOWN THE WORLD'S 326 UNICORNS BY COUNTRY, SECTOR, AND VALUATION

The unicorn club is growing.

These fast-growing private companies, each valued at over \$1 billion, have been multiplying fast - and according to CB Insights, **more than 119 new companies joined the global unicorn club since last year.**

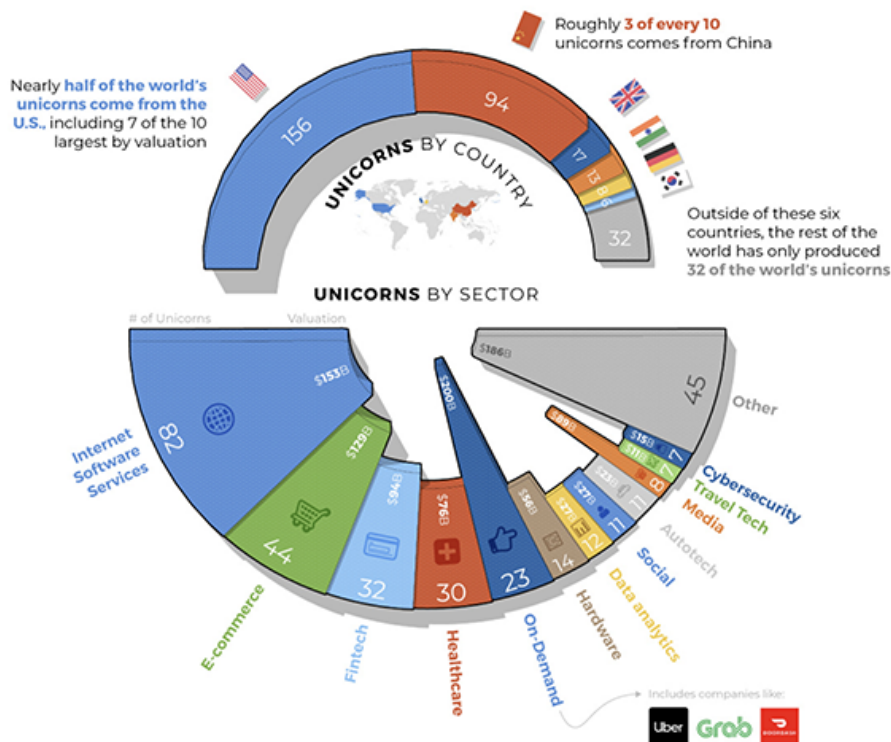
Let's take a look at how the current landscape breaks down, by sector, country, and valuation.

TOP 10 UNICORNS BY VALUATION



Together, the **Top 10 unicorns** are worth a total of \$388 billion, which is roughly **36% of the total value of all 326 unicorns that currently exist.**

ALL 326 UNICORNS, SORTED





FROM THE FIELD

Central Illinois – We are hoping to get started planting corn late next week if this warmer weather stays in the forecast. We have a couple small chances of rain in the next 3-4 days but nothing significant. The temperature is going to warm up next week especially late in the week. The sun with a little wind will dry out these fields faster than what most guys think. We have planted corn this late many years but it's generally not when we start planting corn. There are a few guys in this area that have planted corn several weeks ago that is up but it's a little yellow looking. Warmer temperatures and sunlight will green it right back up especially as the roots hit the nitrogen. We remember when we planted our corn over a 6-week period because of rain delays and it was all ready to harvest at nearly the same time span, so corn has a unique ability to catch up even if it's late.

Southern South Dakota – With this recent leg lower we are looking for every and any reason to not plant a single soybean this year. We haven't put much urea down yet so our options are still open on what we can plant. The basis in beans, plus the cost to truck them put us well below \$8 per bushel and we can't even come close to making that work. We are still struggling to determine what to do with the soybeans in our bin. My brother and I are thinking if we don't plant many beans, we might just hold our old crop into new crop and hope for a rally. We don't have many other options at this point because we aren't letting them go at this big of a loss.

Northern North Dakota – We fortunately have all our urea locked in and our seller tells us that it's all sitting in a warehouse. We anticipated, like every year that there would be a shortage. Usually we believe that it's just a ploy to get prices as high as possible right before guys need to put it down. This year I don't think they are messing with us because the river is so high in St. Louis, they actually can get it unloaded off the barge onto the trains. I heard the river is 42 feet and to unload the barges onto the rail cars they need it at 38. I'm just thankful we didn't wait because the truck lines right now are 30+ trucks long at the plant.



CROSSING WIRES

A place to share intelligent thoughts...

Entering Uncharted Territory in the Hog Space: The protein industry is just beginning to understand the impact of the loss of 200 million-plus pigs in China on the worldwide protein markets. One company, Phibro Animal Health Corporation announced disappointing financial results for its third quarter ended March 31, 2019, on a call Monday, including a \$5 million decrease in net income and a \$3 million decrease in net sales. Jack Bendheim, Phibro's chairman, president and chief executive officer, has made multiple trips to China over the last few months to better understand African swine fever (ASF) and its impact on the world's largest hog producer. According to Bendheim, we are entering a period without precedent in the global production of protein, as his sources in China, estimate that losses are at 50% of China's 700-million-head herd, which happens to be the equivalent to all of the pigs the rest of the world raises. In the meantime, he expects the production of swine, poultry and other proteins to increase in the United States, Brazil and other markets to offset the lost animals in China and meet the global demand for pork and other proteins, but he is unsure of the timing and how that will play out. Read more of his comments [HERE](#).

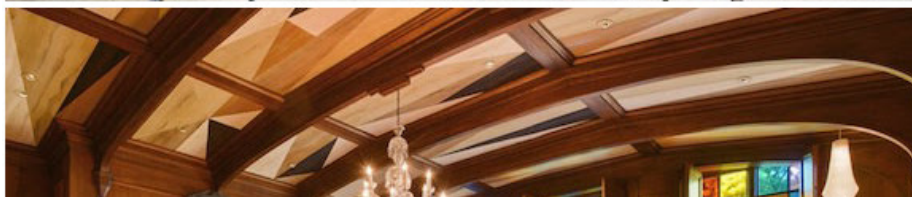
Big Brands and Sponsorship Dollars Starting to Flowing Into Women's Sports: In the last few months, multiple big name brands have pumped significant dollars into women's sports, signaling that an increase in media exposure could be having a seismic impact on the business of female athletics. From what I understand, AT&T signed a multi-year partnership with the WNBA, becoming the first non-apparel company to have its logo featured on the front of all 12 team jerseys. Also, Barclays made the "largest single investment in British women's sports," signing a three-year, \$11 million sponsorship deal that will see the top league rebranded as the Barclays FA Women's Super League. From all accounts it appears that the increased visibility across social media and streaming services, which could start to bring unknown female stars into the mainstream. It will be interesting to see how the sponsorship dollars and deals flow down to individual athletes as viewership continues to increase. Read more [HERE](#).

More Money is not the Solution to Your Money Problem: You've heard it before... it's not how much you make but how much you spend. Currently, nearly 60% of Americans, don't have enough in savings to cover an unexpected \$1,000 expense. And

more than one in five, 21%, aren't saving at all. But wealth manager and best-selling author David Bach writes that the solution is forming new habits. Once again, it boils down to execution as you think and change the way you spend. Bach shares that you need to start with the small stuff, such as those regular inessential expenses you may have, like your morning coffee or overpriced lunch. Then, if you would invest what you save, that money could grow substantially, he points out, thanks to compound interest. Keep in mind, trying to save all at once like downsizing the house and getting rid of cars etc, can make trying to change a bit overwhelming. I believe it's no different than how you become successful at anything... first of all have a plan, then execute the plan consistently. It's been my experience that the joy that comes when you look back at your accomplishments are more than worth it as well as providing impetus for your next goal. Learn more tricks to implement as you build new habits [HERE](#).

Video Games Striking a Chord With More Adult Americans: American video gamers are now averaging 33 years old, prefer to play on their smartphone and are spending big on content — 20% more than a year ago and 85% more than in 2015, according to an annual research report from the Entertainment Software Association (ESA). Interestingly, this rise in adult gaming comes as more American households are rethinking how to set limits for their kids on the subject. I'm told, of the \$43.4 billion spent in 2018, mostly it was on content, as opposed to hardware and accessories. Of pay-to-play games, "Call of Duty: Black Ops III", "Red Dead Redemption II" and "NBA 2K19" took the top spots for most units sold but the list did not include free games such as "Fortnite." Believe it or not, nearly 65% of U.S. adults, or more than 164 million people, play games, with the most popular genre being casual games, and 60% of players gaming on their smartphones. All this growth is happening amidst limiting screen time for kids and with 87% of parents requiring permission for new game purchases. Not sure what the trend means but it doesn't appear to be changing anytime soon. Read more [HERE](#).

Presidio Heights Mansion With Interesting History Available for \$30 Million: Just like the palace it's modeled after, Presidio Heights' Le Petit Trianon replica has quite the history. Initially, it was built by a wool merchant in the early 1900s only to be damaged shortly thereafter by an earthquake according to Katherine Clarke for The Wall Street Journal. The next notable purchaser was Salesforce and CNET co-founder Halsey Minor, who abandoned it after going broke during the financial crisis — after which skateboarders broke in to ride the stairwells, and self-described artist and nomad Jeremiah Kaylor squatted in it, according to Clarke. Interestingly, Kaylor told Clarke he sold \$300,000 worth of the house's art. Then, once Minor filed for bankruptcy in 2013, venture capitalist Ron Jankov bought it for \$12 million in a trustee sale, and after spending millions on a multi-year renovation, Jankov is now selling the nearly 18,000-square-foot house for \$30 million because he gets lost inside, he told Clarke. Read more [HERE](#) on the palatial palace.







Reaching 2030 Goals Will Mean More Research Dollars

Agriculture accounts for nearly \$1 trillion of our GDP and 1 in 10 jobs, and from what I'm told, agricultural research and development (R&D) funding has an estimated return on investment of 20 to 1. The problem is that while other federal research investments have grown, U.S. agricultural research funding has stagnated. It's worth noting that China currently invests nearly twice as much as the U.S. in agricultural science, which pushes the total value of their production to more than double the U.S. I should mention that in 1940, almost 40% of the federal investment in research and development was dedicated to the agricultural sciences. Today, U.S. agricultural research funding represents less than 2% of the total, meaning we are hardly keeping up with inflation. This is why I love what my good friends at [iSelect Fund](#) and [The Yield Lab](#) are doing to help entrepreneurs and innovators in agriculture. I should also mention, I'm pleased to see the current budget proposal from the White House acknowledges the issue and has requested a +20% increase for the Agriculture and Food Research Initiative (AFRI). Interestingly, through its 11-year history, the USDA's flagship research grants program has never received the full \$700 million budget that Congress authorized, but instead the AFRI program has started at one-third of this amount, with only incremental adjustments following. In so many terms, a +20% boost, taking the current budget to \$500 million would be historic! In 2018, The National Academies released its Science Breakthroughs to Advance Food and Agricultural Research by 2030 report that identified the greatest scientific opportunities to make the U.S. food and agricultural system more efficient, resilient, and sustainable. Below are a few of the goals properly funded research in the breakthrough areas of genomics, microbiomes, sensors, and data/information are hoping to achieve in agriculture by 2030. You can dig deeper by clicking [HERE](#). I have no doubt we will eventually get to each of the levels prescribed below, but the question is when? I suspect a lot of that depends on research dollars from the public or private sector and if producers will have the available money to adopt and put the new technology into play. If the new technology is too expensive or the farmers stay under financial pressure, adoption rates and real traction will take much longer to play-out! (Source: [supportagresearch.com](#), [ers.usda.com](#))

Reduce Water Use in Ag by -20%

- Develop more water-efficient crops and livestock using advanced biotechnology tools.
- Enhance drought resistance by harnessing naturally-occurring microbial populations (microbiomes) to improve soil health and its ability to retain water.

Reduce Fertilizer Use by -15%

- *Increase yields by employing naturally occurring soil and plant microbial populations (microbiomes) as biological sources of key nutrients.*
- *Utilize sensors and data-driven applications for early detection of nutrient deficiencies and field variations.*

Significantly Reduce Number of Infectious Disease Epidemics in Livestock

- Reduce antibiotic use by introducing additional disease resistance traits into major commercial breeds through advanced biotechnology.
- Develop probiotics to increase livestock immune function using advances in the animal microbiome.

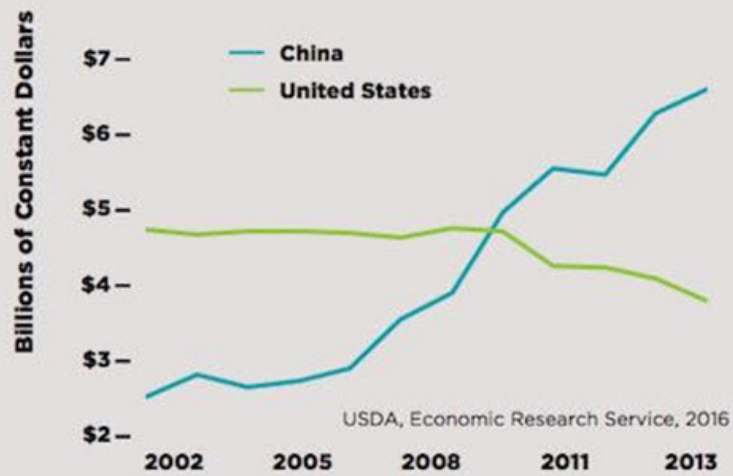
Reduce Foodborne Illness Incidences by -50%

- *Modify the animal gut microbiome to stimulate natural immunity to pathogens.*
- *Deploy sensors to instantly detect the presence of common foodborne pathogens such as E. coli and Salmonella.*

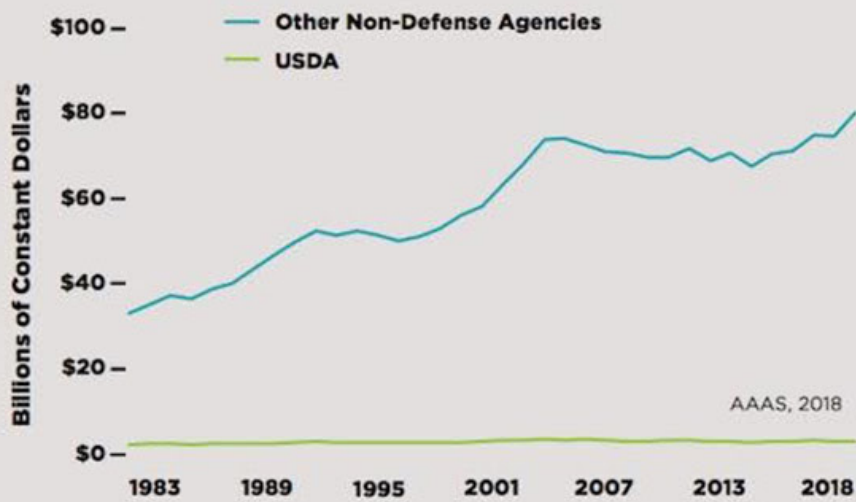
Increase New Plant Varieties and Animal Products with Improved Nutrients

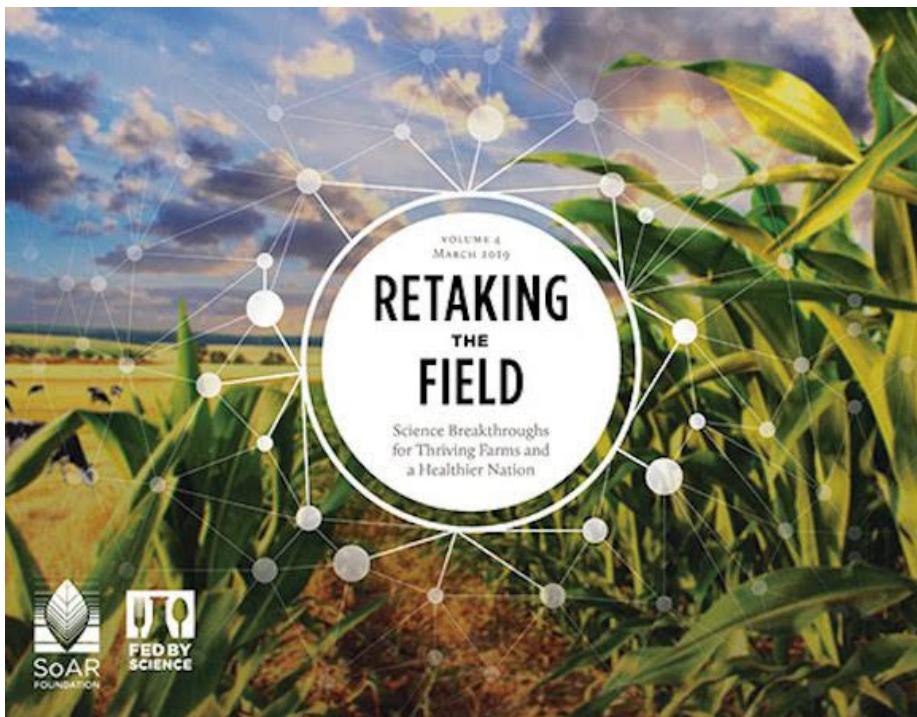
- *Use advanced biotechnology to develop a wider range of locally-adapted livestock and crops that meet consumer health and producer needs.*
- *Support transdisciplinary research that draws on plant and animal microbiology, human physiology, and plant breeding expertise to develop additional foods benefitting the gut microbiome.*

Public Ag R&D Spending for U.S. and China 2002-2013



Funding for USDA R&D vs. Other Non-Defense Agencies FY 1983 - 2018

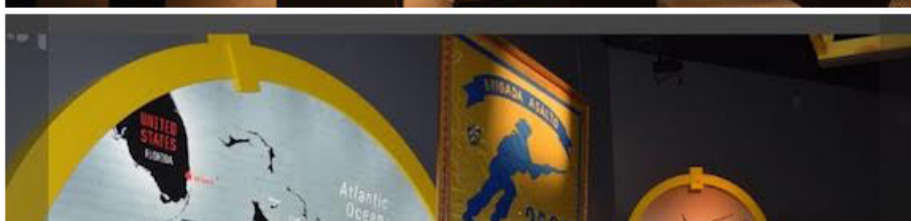
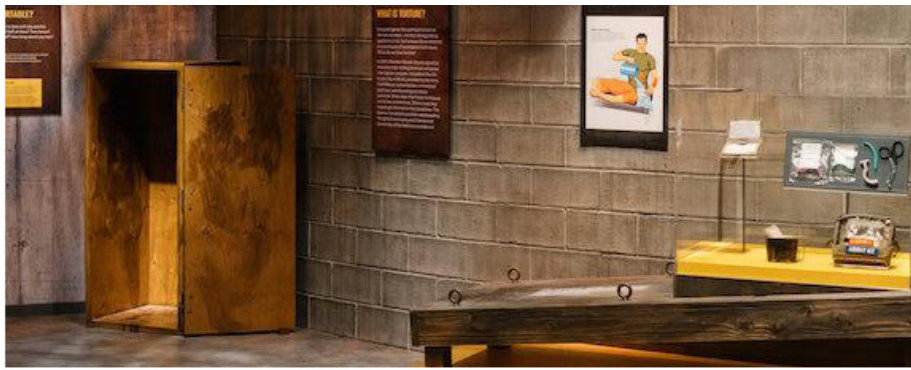




New International Spy Museum Opens Sunday

Espionage has evolved considerably since 2002 when the first International Spy Museum opened, pushing founder Milton Maltz to start over with a new facility bringing it into the modern era of international spying. From what I understand, after 16 years in existence, the old museum became a popular gathering place for authors and speakers on the subject, but some of the displays were coming across as slick and superficial. Maltz and his design team decided to significantly expand the stories they wanted to tell, addressing not only spying in the post 9/11 world, but the growing threat of cyberwarfare, the passionate debate over enhanced interrogation and operations we could not have even imagined 17 years ago. Visitors will quickly notice the changes that had to appeal to not only rambunctious 8-year-olds but also somber retirees and tourists whose notion of intelligence comes from "The Spy Who Loved Me" as well as hypercritical visitors from the ranks of the C.I.A., the National Security Agency and all the rest of the black op communities. From all I can gather, the new museum which opens this Sunday and was built for \$162 million did a remarkable job of addressing what some describe as the history of our intelligence agencies and the various epic failures, ethical troubles, secret surveillance and the strongly debated use of certain torture techniques, namely waterboarding. I applaud the efforts of definitely not playing it safe as they realistically and tastefully deal with the realities of our nations past and current challenges. On that subject, the museum has a room specifically devoted to interrogation and torture, featuring some history (I'm told George Washington took a stand against the mistreatment of British prisoners) and an actual waterboard — the notorious torture device used in the Inquisition, by the Pol Pot regime in Cambodia and by the C.I.A. against Al Qaeda suspects in 2002 and 2003. While in the room, visitors are able to watch two video clips with opposing views on the use of such procedures. I have to admit, I can see both sides of the argument, but I have to suspect my opinion quickly takes a supportive view of the practice if the safety of my family is at stake. It's worth mentioning that the old museum had about 3,000 artifacts and could display about 600 of them at a time, while the new spy museum has 10,000 artifacts, including more than 5,000 items donated by H. Keith Melton, a Florida businessman who spent years crisscrossing the globe to find and buy them. What can you expect to see when the new museum opens... the ice-climbing ax used in the bloody assassination of Russian revolutionary Leon Trotsky, a chunk of Gary Powers' U2 spy plane shot down over the Soviet Union in 1960, the handcuffs used to arrest John Anthony Walker Jr., a former Navy chief warrant officer convicted of spying for the Soviet Union from 1968 to 1985, and a large piece of a tunnel that penetrated East Germany so that the U.S. and allies could tap Soviet and East German communications. Obviously there are a ton more artifacts on display for visitors to view and I definitely consider this a must-see museum where tourists will not only spend a fascinating few hours, but hopefully it will also help Americans gain an understanding of what the secret agencies do in their name and with their money. For more detailed information on exhibits, times, and tickets, go to their website [HERE](#). (Source: NYTimes, clevelandjewishnews)

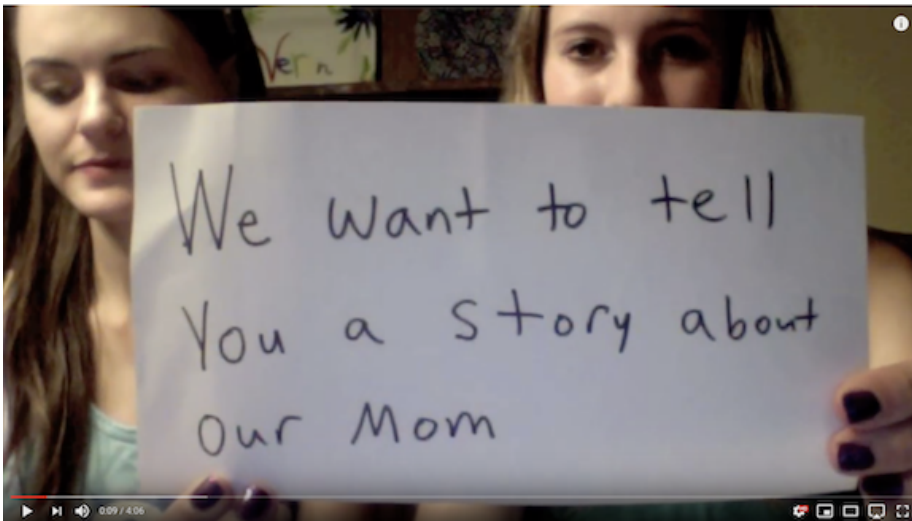






Happy Mothers Day... along with the Most Inspiring Mom Video I've Seen!

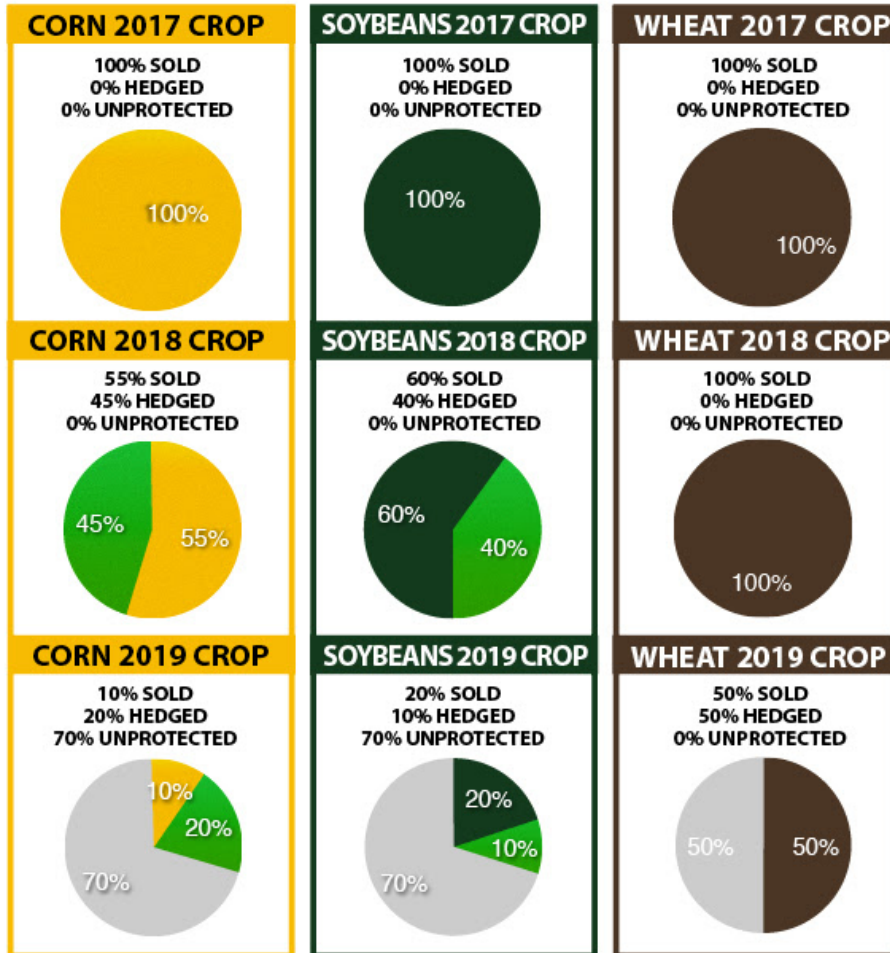
Don't forget...Mothers Day is this Sunday. As most of you know, my Mom passed away back in 2000. Even though she is no longer with us, not a day goes by that her memories and life lessons don't speak to me. I can still hear her voice loud and clear, see her giant smile when Michelle and I would come back home to Kansas City and feel the hugs and kisses when we would leave. I can hear her words of encouragement when she knew I was struggling or needed that little pick-me-up. I can hear her voice of reason when I started getting a little ornery or pushing the limits. I can hear her voice now yelling and cheering from the stands at all the sporting events. There is no debating, our Mom's will always hold a special place in all our hearts! Those of you lucky enough to still have your Mom, give her an extra long hug this weekend. I'm not saying I have any regrets, because I had an awesome relationship with my Mom... but what I wouldn't give for just one more Mother's Day celebration together. I remember hearing Bryant Gumble once say he would exchange the last five years of his life to just play another nine-hole round of golf with his Dad. I hate to point out the obvious, but just remember there is an "expiration date" on life and all the small little details we often take for granted need to be relished in. I know my Mom would be proud of all the grandchildren's accomplishments and the families both my sister and my wife and I have built. Unfortunately, in this life many of us never know what we have until we lose it. "Love you Mom, miss you a bunch." I wish all Mom's out there a happy Mothers Day! I included below one of the most inspirational Mother's Day videos I have seen. I hope it moves you! Click [HERE](#)



ANSWER to riddle: Sign language

CASH SALES & HEDGING TOTALS

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