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**GOOD MORNING: The Van Trump Report 1-21-20**

1 message

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

Tue, Jan 21, 2020 at 5:31 AM

Reply-To: Jordan &lt;reply-febb10757d6c017b-1142\_HTML-68584704-100003450-8@vantrumpreport-email.com&gt;

To: josh@farmdirection.com



"Do not over anticipate trouble, or worry about what may never happen. Keep in the sunlight." – **Benjamin Franklin**

**Tuesday, January 21, 2020**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stock market bulls are hoping to continue the recent rally as investors prepare for a very busy week, which will include fourth quarter earnings, increased drama surrounding President Trump's impeachment trial, the World Economic Forum in Davos, Switzerland, and the latest policy decisions from the European Central Bank and Bank of Canada. On the earnings front, forecasters expect earnings for S&P 500 companies will be down -0.5% from last year. Stock bulls however are expected to be more focused on corporate outlooks than they are the most recent quarter, hoping 2020 profit outlooks will justify even higher stock prices. Analyst estimates as of last week were calling for a nearly +10% rise in earnings this year. One thing analysts have been pointing out is that they don't expect stock prices to be supported by Central Bank policies this year, which many attribute to 2019's massive gains. Meaning more traditional fundamentals will

likely be the main factor driving gains this year. Today's key releases will come from Netflix, IBM, United Airlines, Halliburton, Capital One, and TD Ameritrade. Today also brings the start of hearings in President Trump's impeachment trial. Republicans are largely standing by the President and are expected to acquit, though it's unclear how long the trial might drag on in the media. It's expected to run in the headlines every day beginning at 12 p.m. CST. The Senate "managers" will likely take two or three days to present their case against the President which will be followed by the defense team, whom will probably take a similar amount of time. While this is a major event in the course of American history, it's not expected to have much impact on stock markets, assuming President Trump is indeed found not guilty. Oil markets are back in focus this week as well after two major oilfields in southwest Libya were shutdown due to a military blockade and Libya's National Oil Corporation declared force majeure on crude loadings. The closure follows a blockade of major eastern oil ports and risks taking almost all the country's oil output offline. However, analysts say the markets are well supplied and don't expect a recent rise in prices to last long. They also don't expect the outages to last long, though some analysts say a prolonged production shutdown could swing the current global oversupply to a deficit if turmoil continues. The country normally produces about 1.3 million barrels of oil a day and currently, about 90% of exports are affected. Currently, U.S. gasoline prices are averaging about \$2.54 per gallon down about -3 cents from last week but up about +30 cents per gallon compared to last year.

### **Davos 2020, The Economic Event Of The Year!**

This week brings the start of the World Economic Forum's 50th annual meeting in Davos, Switzerland. This year's gathering will bring together some 3,000 of the world's greatest minds, including heads of state, government, and international organizations alongside leaders from business, civil society, academia, the arts, and media. Informally called "Davos" for short, the meetings focus on finding ways to reaffirm international cooperation on crucial shared interests. This year's theme is "[Stakeholders for a Cohesive and Sustainable World](#)". The World Economic Forum (WEF) is asking all companies present to commit to net-zero carbon emissions by 2050.

President Trump delivered what the organizers describe as a special address this morning. Then just a couple of hours later teen Greta Thunberg — Time Magazine's Person of the Year — opens a debate on how to avert a "climate apocalypse." Let's also not forget another big spotlight will be shown on Britain's Prince Charles when he delivers a special address Wednesday on "how to save the planet." As you can see, this year, many are focused on the issue of "sustainability". In fact, the multi-faceted environmental crisis has for the first time this year captured up all five top slots in the WEF's annual report on the greatest risks facing the world. This sounds like an increased opportunity for those of us selling carbon credits.

Tickets aren't cheap this year, not only are they invite-only but they are very pricey for businesses. Membership of the WEF costs anywhere from \$60,000 to hundreds of thousands of dollars, and there's an additional fee of around \$27,000 to get into the conference. Below is some additional information about the meeting and a little history about its evolution into what some consider one of the most important global gatherings in any given year.

**It Started As The European Management Symposium:** *In 1971, University of Geneva business professor Klaus Schwab chaired the first gathering. The aim was to brainstorm ways European businesses could catch up with successful American management practices following a stint he spent at Harvard. 450 people attended the first event, prompting Schwab to create the European Management Forum as a non-profit.*

**City Of Davos Was Chosen For Its Isolation:** *Davos is a small alpine ski town that was famous for being a 19th-century destination for wealthy Europeans seeking treatment for lung disease. Schwab and his fellow organizers chose it because of its isolated location and the privacy it would ensure.*

**Politics Was Welcomed After Just Two Years:** *The annual meeting started as a European-centric, business-focused event, but politics and more global awareness soon became part of the central discussions. In January 1974, political leaders were added to the invite list. By 1976, membership in the forum was extended to the "1,000 leading companies of the world."*

**Reagan Involves The U.S.:** *Well after other countries around the world began participating - including India and China - President Ronald Reagan finally got the U.S. involved in the event in 1982. The president appeared via satellite and pledged America's dedication to "work with our allies."*

**Becoming The WEF:** *In 1987, the organization rebranded itself as the World Economic Forum and began broadening its scope to tackle international conflicts. The WEF is undoubtedly the most well known for the annual meeting, but the group also hosts meetings in several other countries every year, including two annually recurring meetings in the United Arab Emirates and China. The WEF produces a series of research papers every year and continuously works to tackle global challenges through public-private collaboration. (Sources: Time, Fortune, Wikipedia)*

**Super Bowl 54... "San Francisco 49'ers vs. Kansas City Chiefs"**

Despite my respect and appreciation for the team they've built out in San Fran, I have to be cheering for my hometown KC Chiefs.! The Vegas oddsmakers have the game ranging anywhere from a "pickem" to the Chiefs being favored by 1.5 points. From what I understand, the Over/Under started out at 51.5 points. The betting ticket count early on was about 30-to-1 coming in on the Over. This included some very sizeable six-figure bets on the Over which prompted some large sportsbooks in the country to move the Over/[Under to 54 to attract some Under interest. The Chiefs and 49'ers are certainly two high scoring offenses, but remember last year's Super Bowl, when the Patriots and Rams combined for just 16 points. I'm taking KC and very uncertain about the Over/Under.

**FARMCON Year #1 is in the Books... Good People and Good Results!**

Thank you again to all of those who took their time to attend our First Annual FARMCON event. We've had tons of positive feedback as well as some constructive criticism on a few things our family could have done better. We are always trying to improve and open to suggestions.

To all of those who attended, I will soon be sending out an e-mail with a few thoughts and things we will be working to improve for next year. I will also be sending out a link to the video coverage of the event so you can review and share it with your family members.

Below are a few picks that show the great mix of agricultural executives and global leaders in farm production all in the same room. It was awesome to see all of the collaboration and sharing. We had folks travel from all across the U.S. as well as from Argentina, Australia, Brazil, Canada, Isreal, Vietnam, etc... Good things happen when you bring good people together!

I ran the video below to open the FARMCON main event. It was an interview I had seen between San Francisco 49'ers QB Jimmy Garoppolo and Fox reporter Carissa Thompson after week seven of the NFL season. I knew at that point San Francisco was going to be tough to beat and have a special year. At the very end of the video, Garoppolo states, "When you bring good people together you get good results". Similarly, at the top of the ag world, everybody is talented but at the end of the day it's all about "good people". Our family appreciates all the "good people" that attended and made FARMCON and awesome event! Click [HERE](#)



























# FARM TANK

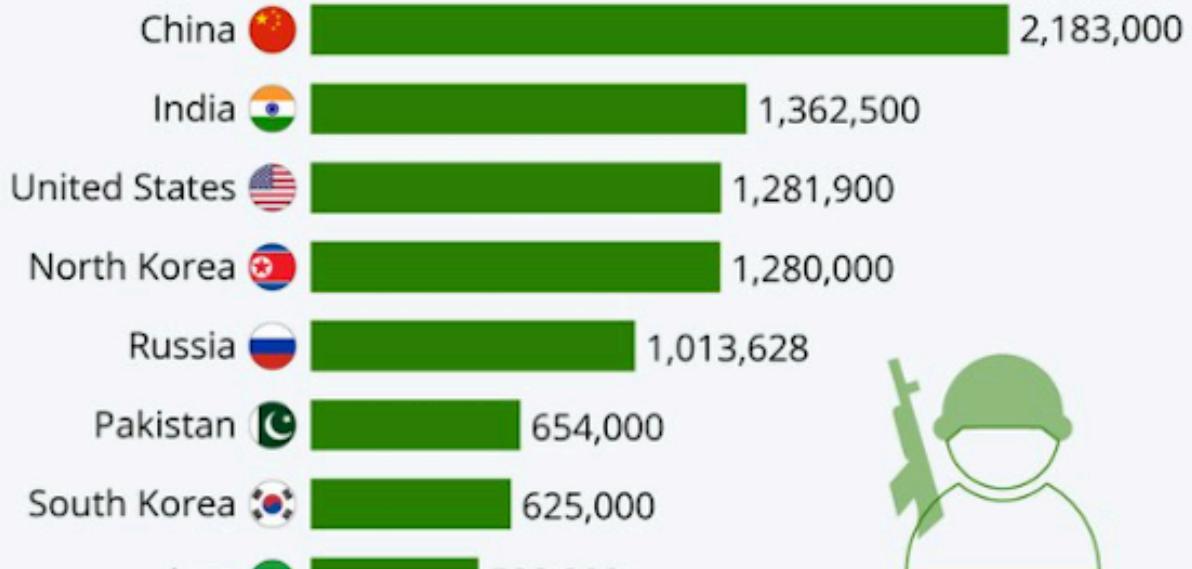
Tweets of the Day





These are the largest militaries in the world:  
[bit.ly/2SUKXdY](https://bit.ly/2SUKXdY) #Iran #Soleimani #WWIII

#### ■ military manpower in 2019



#### Infographic: The Largest Militaries in the World

This chart shows the countries with the largest total available active military manpower in 2019.

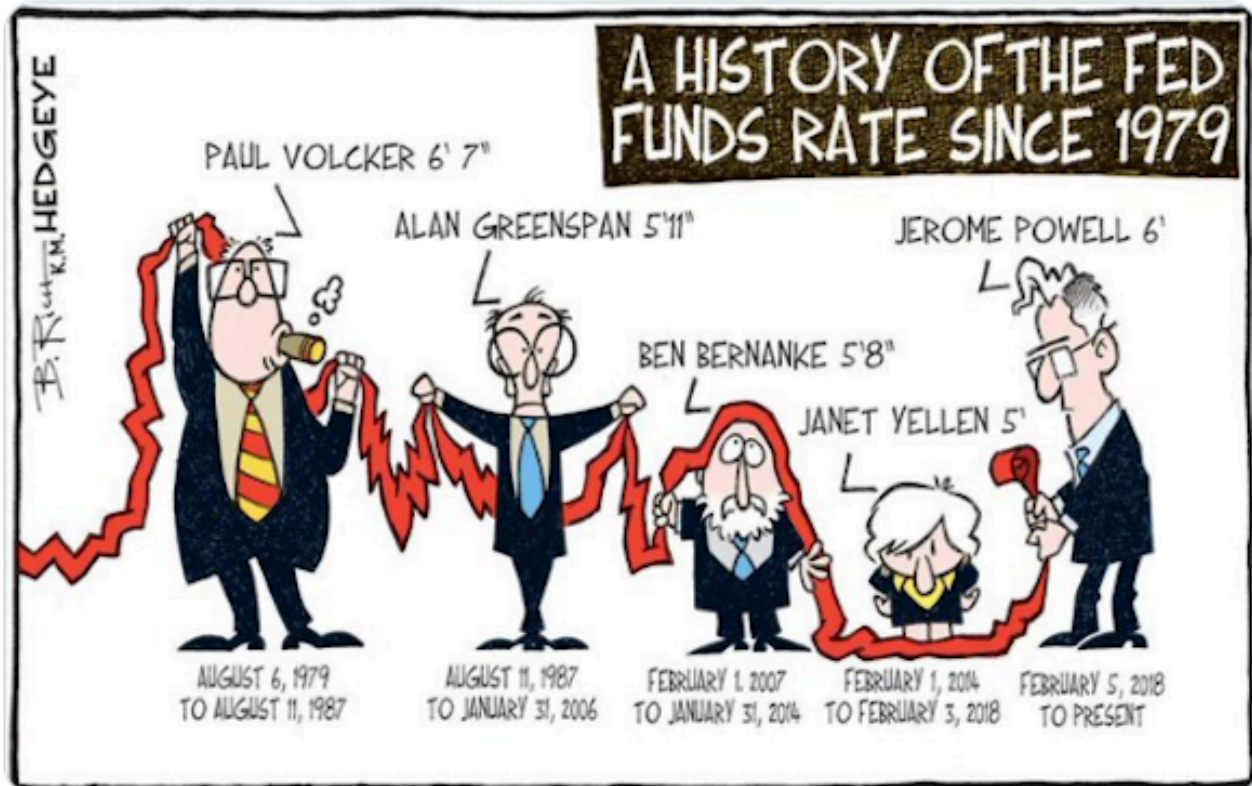
[statista.com](https://www.statista.com)





**Steve Burns**  
@SJosephBurns

Fed Funds rate correlation to the Fed Chairman's height.  
LOL



**LiveLoveHunt®**  
@LiveLoveHunt

Oh my 🤯👹 Be safe out there, everyone!!!

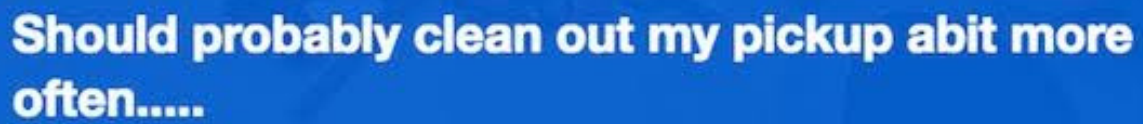
From Rack Junkies:

"Always check and make sure the deer is dead before trying to move it. The deer wasn't dead and this hunter found out the hard way."

[#hunting](#) [#deerhunting](#) [#deerseason](#) [#safetyfirst](#)











**Greg Peterson**  
@MachineryPete



Virginian woman makes 15' tall Hay sculpture of Willie Nelson...story here: [apnews.com/d0726a3520eed7...](https://apnews.com/d0726a3520eed7...)



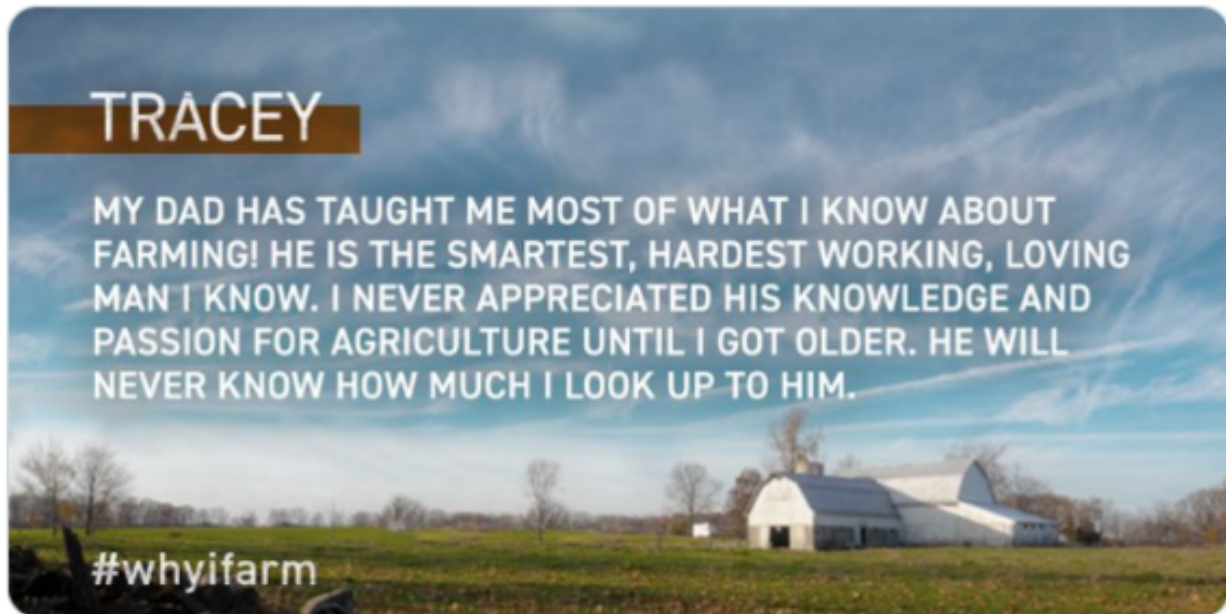


**WhyI Farm**  
@WhyIFarm



Thanks for the wise words, Tracey.

Who do you look up to? [#WhyIFarm](#)





**StartSomeGood**  
@StartSomeGood



Push yourself to try new things!

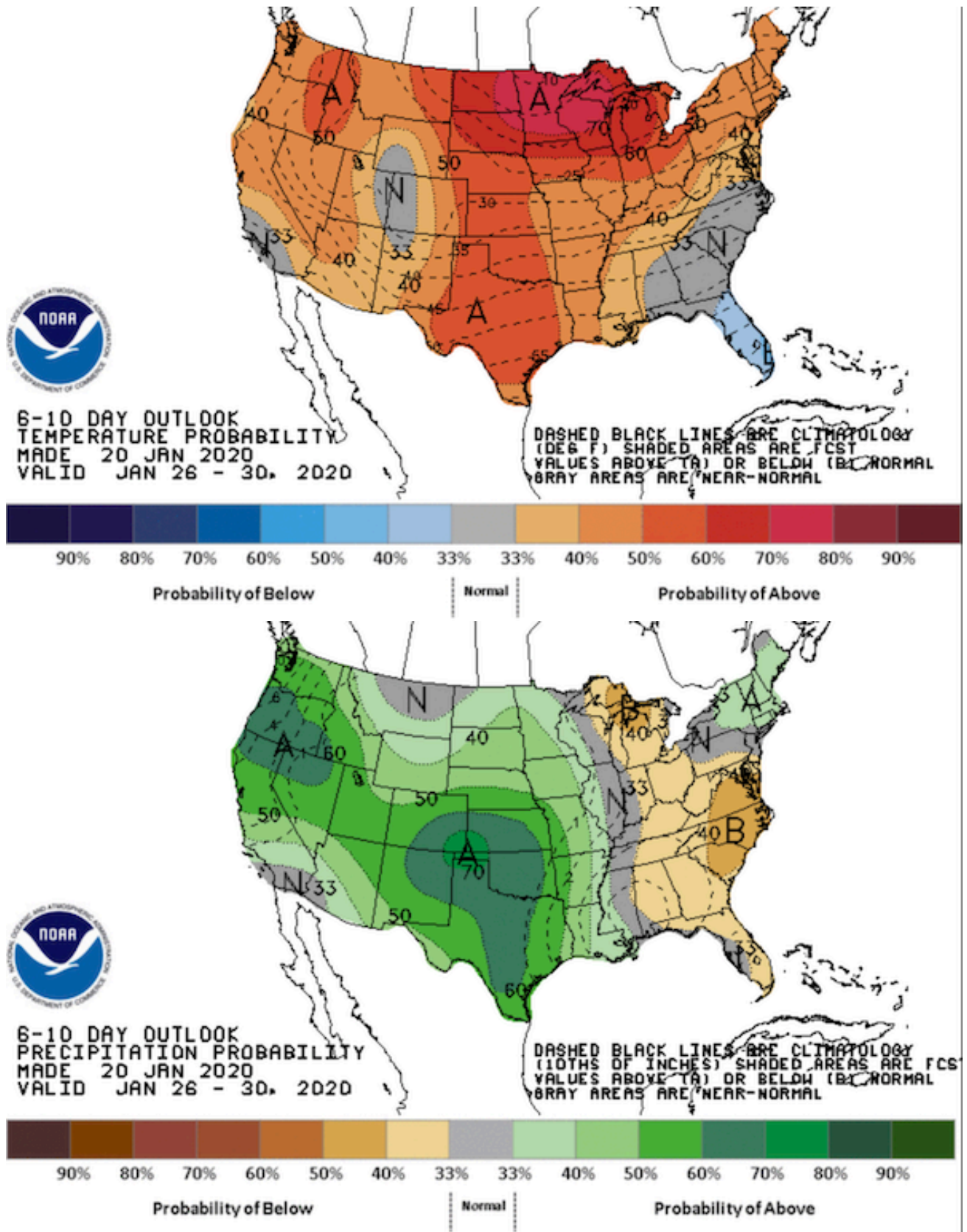
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#quote #inspirationalquotes #inspire #helpful  
#pushyourself #explore #new #trynewthings

“I learned to always take on things  
I’d never done before. Growth and  
Comfort do not coexist.”

-Ginni Rometty

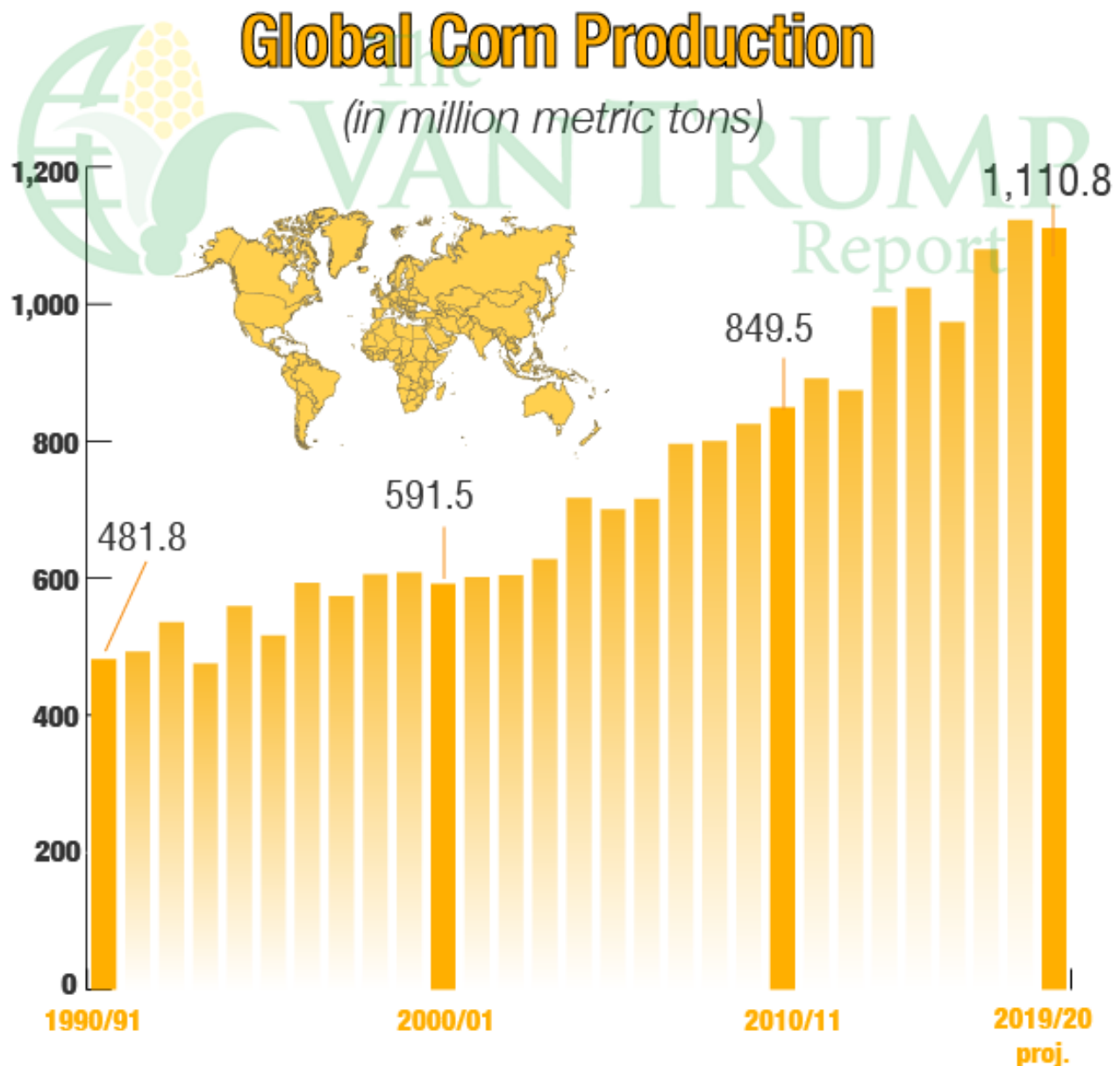
#### 6-to-10 Day Weather Forecast



**Corn** bulls will be trying to add to last week's small gains. There's been continued talk and rumors of Chinese buyers looking at U.S. corn. In fact, there was some



talk that China had booked five cargoes of U.S. corn off the PNW. From an economic standpoint this makes sense for the Chinese as U.S. corn seems to currently be the cheapest and the purchase would work to help fulfill their "Phase One" agreement. This would also help improve U.S. exports which have been lagging the USDA's forecast. As a spec, I'm currently flat this market. I'm wanting to be a longer-term bull but just worried about timing. With no real major widespread weather complications in South America at the moment, ample U.S. supply at +1.8 billion bushels, and talk of increasing U.S. corn acres in 2020, it's just tough to get wildly bullish nearby especially when you start thinking about the headline trading algo and quants. I'm constantly asking myself what will be the nearby wave of headlines the computer models will be chewing on. As a bull, we have to hope it's Chinese buying and an improved macro landscape i.e. weaker U.S. dollar. I'm just wondering if that window of opportunity for the bulls might be more apt to develop in Q2 or perhaps Q3 of 2020 rather than during Q1? I always feel like the traditional fundamentalist arrives way too early to the party these days so I'm being a bit hesitant. Technically, the corn market has now fallen below its 40, 50, and 100-Day Moving Averages.

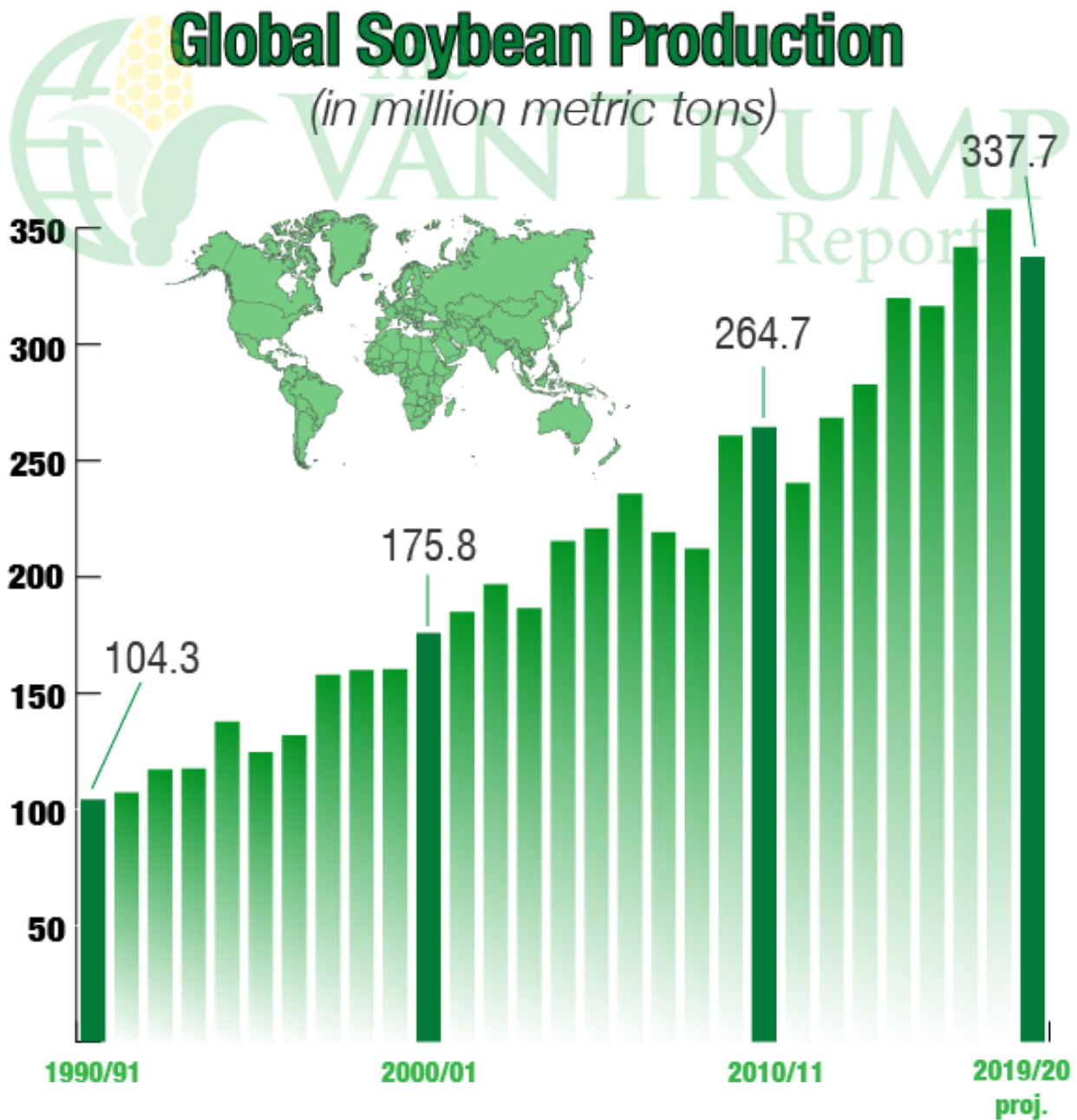


Source: USDA, PS&D, January, 2020

**Soybean** bulls will be trying to stop the bleeding. The high in 2020 was posted on the first trading day of the new year and is now about -30 cents lower. Technical bulls are hoping to find nearby support in the MAR20 contract around the \$9.15 area. Bears are thinking prices could easily be pressured down to larger psychological support around \$9.00 per bushel, especially with more talk of another record crop now being harvested in Brazil and improved conditions in Argentina. Bears are also pointing to the fact Chinese buyers have been purchasing Brazilian soybeans for March/April deliveries, which is normal for this time of year, but a disappointment to the bulls who were hoping to see associated "Phase One" buying kick-in. Remember, SAM generally wins the Chinese soybean business out into July-August. In other words, we might not see heavier Chinese



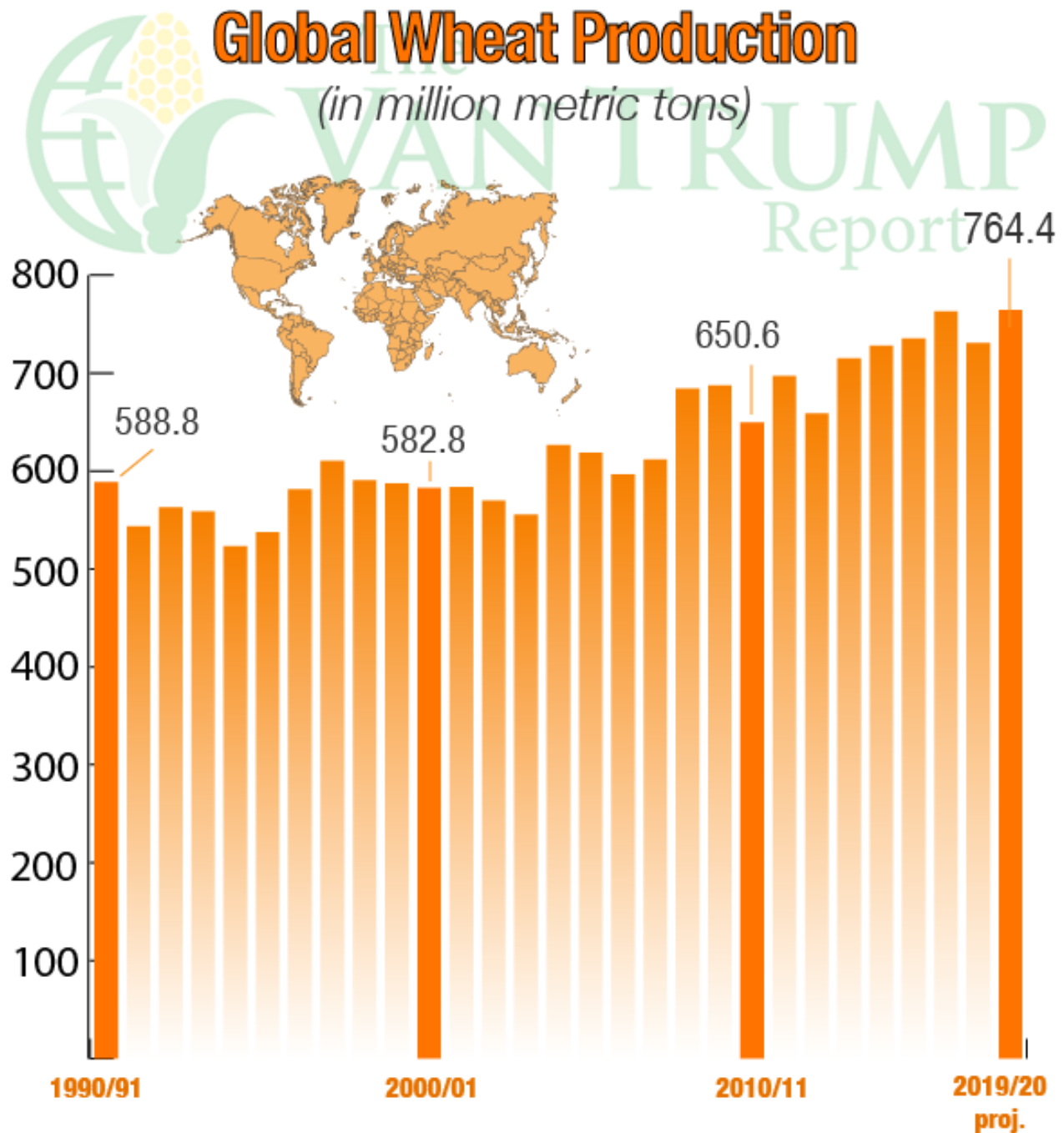
buying until it becomes more economically acceptable. There's also been data circulating that brings about debate regarding overall Chinese demand. Pork production in China during 2019 declined a whopping -21.3% from the previous year, the lowest since 2003. Additionally, the National Bureau of Statistics reported China's total pig herd at the end of 2019 was down a massive -27.5% from the previous year. The good news is China's total meat production in 2019 fell by just -10.2%, as poultry production increased +12.3% and beef production increased by +3.6%, helping to partially offset the problems being faced in pork production. I should also note, there have also been some good demand headlines here at home circulating. The NOPA crush was reported at 174.8 million bushels which smashed the previous December record. In fact, last month's crush was the second largest on record for any month. Let's also keep in mind, soybean meal and oil exports have been improving. As a producer, it was good to hear U.S. Ag Secretary Sonny Perdue last week say he expects farmers to receive the third and final round of "trade war" subsidy. Unfortunately, that would complete the \$16 billion aid package announced last May with perhaps nothing else to follow. This means we have to be paying very close attention to the soybean market. U.S. acres could be substantially higher than last year and South American production could be record large. Using rallies to reduce additional price risk still seems like best-of-practice. Again, this still doesn't feel like the place to be swinging for the fences. For the past several years the soybean market has mostly traded in a range between \$8.50 and \$10.50 per bushel. Nothing currently on the radar makes me believe otherwise. As a spec, I would prefer being a longer-term bull from the lower end of the above-mentioned range. I suspect I will start taking some nibbles if prices tumble sub-\$9.00. Until then I remain comfortably on the sideline and continue to watch global trade headlines and weather forecasts. There are some dry areas in SAM that are still worth keeping on the radar. We also have some extremes here at home that we need to monitor in the weeks ahead, some areas too dry and some will again be dealing with overly wet conditions.



Source: USDA, PS&D, January, 2020

**Wheat** bulls are trying to stay in control of the market. During the past 90-days, HRW sheat prices are up +12%, SRW up +7%; spring wheat up +2%. There's been continued buzz that the Chinese are going to be larger buyers of U.S. wheat. There also been some talk of curbing Russian exports and a few production hiccups in the European Union. Reports out of France have been showing wheat planting at a fresh 19-year low and down roughly -5% from last year. Funds are net-long the wheat market and perhaps improving global economic headlines could creat more bullish macro interest. As a spec, I banked profits and moved to the sideline. Some of my bullish friends argue that I exited way too early, but similar

to corn and soybeans, I worry about the next couple of months and if the market will continue to find enough fresh bullish news to keep the computer models wanting more length. As a producer, I recently made a few SRW sales in an effort to reduce some longer-term risks. I am eager to learn more about the Chinese buying U.S. wheat, the direction of the U.S. dollar in 2020, and U.S. spring weather?



Source: USDA, PS&D, January, 2020



**> Doud Discusses Strong Enforcement in "Phase One" Deal:** *The chief ag negotiator for U.S. trade, Gregg Doud, says there are strong enforcement mechanisms in the newly inked phase one trade agreement with China. Doud was asked about enforcement during a meeting with wheat growers in Washington. "Either country has the right to put tariffs on, commensurate with the value of whatever the problem is—and, importantly, if and when that happens, the other side cannot retaliate," Doud says. "The goal is not to have that happen—and I will tell you, that's very sincere on both sides." Doud also addressed concerns with a provision stating the Chinese will buy U.S. ag goods "in line with market terms".*

*Doud says that revolves around the ag economic term of "seasonality". "We don't expect China to buy U.S. soybeans in the middle of the Brazilian harvest. That's what that term means," he says. "The expectation is they have a commitment to make. We expect them to make that, when it's our time." Doud says trade officials from both countries will continue to meet on a regular basis to ensure the terms of the agreement are being met. (Source: [Brownfield Ag News](#))*

**> Rain-Hit French Wheat Sowing Seen Down -10% at 19-Year Low:** *The area sown with soft wheat for this year's harvest in France, the European Union's biggest grain producer, is estimated to have declined by -10% compared with 2019 to a 19-year low after heavy rain disrupted field work, a survey showed on Friday. The area was seen at 11.05 million acres, down from 12.28 million acres last year, Sigma Conseil, a market analysis firm, said in a survey of French grain handling firms. Like Britain, France experienced very wet weather during autumn*

*that hampered sowing of wheat and barley crops before winter. France's farm ministry in December estimated the soft wheat area for the 2020 harvest would be down nearly -5%, but traders and analysts have pointed to the prospect of a double-digit drop. The wheat area estimate remained tentative, as some sowing work was continuing in southwest France while grain firms also fear that some of the struggling crop will need to be replanted, Sigma Conseil said. It projected French soft wheat production in 2020 at 33.3 million metric tons, down from a 2019 crop of 39.5 million metric tons that was the second-largest on record. (Source: Reuters)*

**> China Opens its Market to Russian Beef Producers:** *China has opened its market to Russian beef supplies and has certified two Russian producers for deliveries starting from this Friday, Russia's agriculture safety watchdog said. China's decision to open its beef market to two of Russia's producers is the result of years of talks and is unrelated to the situation with African Swine Fever, Rosselkhoznadzor representative Yuliya Melano told Reuters. The two Russian producers are Bryansk meat company, part of privately held group Miratorg, and another privately-held firm Zarechnoe, Melano added. The deal on beef was reached days after Russia's watchdog issued a warning that it could temporarily limit supplies of some types of fodder and fish from China. (Source: Reuters)*

**> Australian Ag Sees "Massive Scale of Destruction":** *Rain has been falling in Australian regions affected by the historic bushfires, but after almost two years of drought, the country's livestock and crop producers now face the detrimental impact of the bushfires. It's estimated nearly 25 million acres of land have been destroyed by fires, and more than 1.25 billion wildlife animals are thought to have been killed in the wake of these bushfires, but agricultural losses are not known yet. While crops have certainly been affected by the fires, drought had already reduced production output. USDA meteorologist Harlan Shannon said that the greatest agricultural impact is expected to be seen in the beef, dairy and sheep industries. The fires have killed livestock, burned pastures, destroyed buildings and fencing and interrupted transportation throughout the affected regions, he added. USDA livestock analyst Shayle Shagam said already lower Australian beef inventories could continue to be reduced throughout the year due to the effects of the ongoing drought and wildfires. Additionally, it may be up to a year or even two years before pastures fully recover. Read more from [Feedstuffs](#).*

**> What Happens When Herbicides Don't Get Along?** *Just like most families, herbicides don't always bring out the best in each other. In the human world, it's called "sibling rivalry" or "personality differences." In the chemical world, scientists call it "herbicide antagonism," a phenomenon wherein two or more herbicides in a tank mix produce poorer weed control than the individual herbicide components would supply alone. The primary victim of herbicide antagonism tends to be glyphosate, still a staple of many farmers' tank mixes. Clethodim (Select) is*



*another herbicide often on the losing end of this phenomenon. And the chief antagonists? Well, like most feuds, it can vary depending on factors such as environment and targeted weed species. But recently, auxin herbicides such as 2,4-D and dicamba are showing their antagonistic side. Contact herbicides, such as glufosinate, can cause problems, too. A very informative article from DTN...check it out [HERE](#).*

**> China to Curb Farming Near Rivers in Push to Reverse Water Pollution:**

*China will impose more curbs on agriculture and widen restrictions on industrial development in the next five years in a bid to protect scarce, already contaminated water supplies from further pollution, a government official said on Friday. The government is planning to restrict farming that encroaches on major rivers, restore wetlands and ecosystems, and tackle excess water consumption in its 2021-2025 five-year plan, said Zhang Bo, head of the water department at the Ministry of Ecology and Environment, speaking at a news briefing. China is in the midst of a campaign to clean up the Yangtze river, which provides water to 40% of the country but has been damaged by years of land reclamation, water diversion, and toxic waste. (Source: Reuters)*

**> Bose to Close Retail Stores in North America, Europe, Japan, and Australia:**

*Bose plans to close its entire retail store footprint in North America, Europe, Japan, and Australia. The company announced the decision earlier today and pointed to the fact that its headphones, speakers, and other products "are increasingly purchased through e-commerce" as the reasoning. Hundreds of employees will be laid off as a result. The stores are used to showcase the company's product lineup, which has grown beyond Bose's signature noise-canceling headphones in recent years to include smart speakers and sunglasses that double as earbuds. "Originally, our retail stores gave people a way to experience, test, and talk to us about multi-component, CD and DVD-based home entertainment systems," said Colette Burke, Bose's vice president of global sales. "At the time, it was a radical idea." A total of 119 stores will close "over the next few months." Bose stores in other parts of the world will remain open, including approximately 130 stores located in Greater China and the United Arab Emirates; and additional stores in India, Southeast Asia, and South Korea. (Source: The Verge)*

**> The Decade of the "Young Old" Begins:** *2020 marks the beginning of the decade of the yold, or the "young old", as the Japanese call people aged between 65 and 75. The height of the baby boom, the period of high fertility in rich countries after the second world war, was 1955-60. The traditional retirement age is 65, and 2020-25 is 65 years later. One might therefore expect peak retirement for baby-boomers in the coming years—except that they are not retiring. By continuing to work, and staying socially engaged, the boomers, in their new guise as the young old, will change the world, as they have done several times before at*



*different stages of their lives. The yold are more numerous, healthier and wealthier than previous generations of seniors. There will be 134m 65- to 74-year-olds in rich countries in 2020 (11% of the population), up from 99m (8%) in 2000. That is the fastest rate of growth of any large age group. In short, the yold are not just any group of old people. They are challenging the traditional expectations of the retired as people who wear slippers and look after the grandchildren. That will disrupt consumer, service and financial markets. Read more from [The Economist](#).*

**> Indiana's Oldest State Worker Retiring at 102 Years Old!** *Bob Vollmer is ready to retire after almost 60 years at the Indiana Department of Natural Resources. The 102-year-old World War II veteran, who is older than the agency itself, was hired as a land surveyor in 1963 and has worked there ever since, according to a department spokesman. Vollmer's job has taken him all over the state over the years and he said he occasionally had to deal with some pretty rough customers...disputes over property lines can get pretty heated. "I've had people shoot at me, I've had people sic their dogs on me," he told WXIN. One problem brought Vollmer face-to-face with one of notorious mob boss Al Capone's top lieutenants. "We got along real good, we got along real fine. There was a problem but we worked it out," he told the station. "I couldn't believe a gangster could be so nice." Vollmer walks with a cane, has hearing aids and told WXIN that "my legs are giving out." That's why he decided it was time to stop working. "The time comes when, heck, you have to give it up," he said. "I guess your body tells you when it's time to go." Vollmer will report to work for the last time on February 6, which is pretty special for him. "That's the day I got married, that's the day the war was over," Vollmer recalled. When he finally punches out, Vollmer wants to devote himself to reading and farming. He also plans to take trips to some of the South Pacific islands he was on during the war. Watch the full interview [HERE](#).*



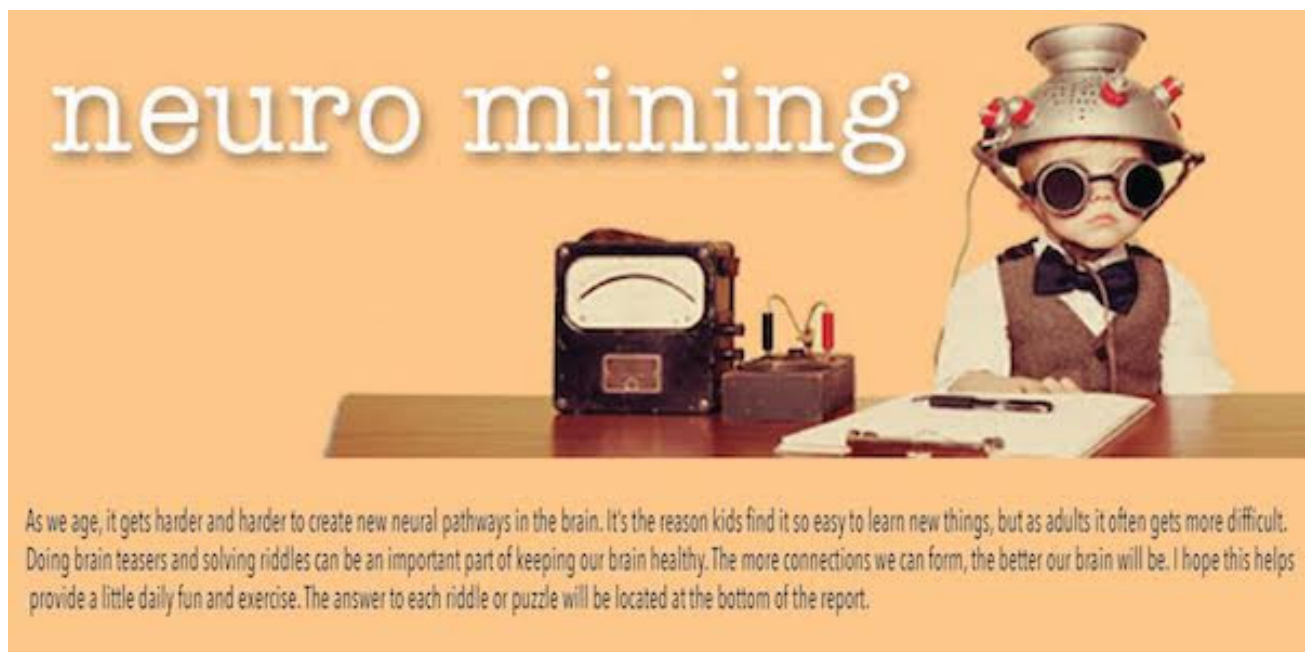
**Western Iowa** - *This year was a wild one and a struggle. We struggled to get the crop in and planted in terrible conditions. We did that just to get our crop Insurance policy started. Through June, the crop grew and stands were pretty good. July we had a dry spell that was 6 weeks with very little precipitation and thought we were going to loose the crop. Then we got one of those just in time rains. Harvest was a battle to the end between wet ground conditions and a wet crop and then LP shortages. We finished 12/12 - about a month later than normal. In 2020, we are hoping Mother Nature gives us a better window to grow a crop, but we are making changes to better battle adverse conditions. We converted both corn planters to high speed, bought a larger soybean planter, and a larger grain dryer just to keep us more efficient.*

**Western Missouri** - *With all things considered we had a decent year. I'm very*



*disappointed with soybean yields and somewhat disappointed in corn. It's not every year you get to complain about too much rain. We are looking to go up on corn acres this year. Waiting on the weather to cooperate so we can get hot on anhydrous and fertilizer application that should give us a little more direction on acres.*

**Northeast Kansas** - *The yields in 2019 were good but not great. We battled late rains and planting. Once the corn got rolling it took off but it was a slow start to things. The corn made 203 bushels per acre and the soybeans made 70 bushels per acre. I priced everything decent. Missed a great year by being too bullish. Since no two years seem to be alike we are hoping to get a better start. We have high hopes for a better growing season next year!*



**TODAY'S RIDDLE:** What can be swallowed, but can swallow you?



### **From High School Dropout to Candy Kisses... How Millions Were Made!**

Milton Hershey can thank his mother Fanny for stepping up to the plate to raise him after she left his father following years of his repeated failures as he searched

for the "next big thing." With Hershey's upbringing left in the hands of his mother, the strict Fanny instilled in her son an appreciation for hard work, which he would embrace by the age of 14 when he dropped out of school for good. After deciding that apprenticing in a print shop was boring, and being influenced by his mother and aunt to pursue his interest in candy making, Hershey went to work with a master confectioner in Lancaster Pennsylvania.

Four years later Hershey would borrow \$150 from his aunt to begin is the first business in Philadelphia, but eventually, shut operations down after just 5 years. Interestingly, he would move to Denver, reunite with his father and once again find work with a confectioner. It would be here that the trajectory of Hershey's life would soon change, after discovering caramel and how fresh milk was used to create it.

Coming home to Lancaster in 1883, Hershey borrowed seed money from the bank and started the "Lancaster Caramel Company". Using the recipe he had obtained in his travels he quickly became a success after discovering that caramels sell better in bulk. An English businessman wandered into the store one afternoon, tasted a Hershey caramel and immediately placed a huge order to be delivered to Britain and profits soared. Prudently, Hershey used his financial success to pay off all his debt and buy more equipment and ingredients.

Visiting Chicago to attend the World's Exposition in 1893, Hershey got his first up-close look at the art of chocolate making and was immediately hooked. While his caramel business boomed he would go on to start the "Hershey Chocolate Company" and focus on milk chocolate, which at the time was not only considered a delicacy, but also the domain of the Swiss. Like the caramel bulk sales that brought huge success, Hershey was determined to find a chocolate formula that allowed for mass production and distribution. Interestingly, at the height of his success, Hershey sold the Lancaster Caramel Company for an astonishing \$1 million, which at the time was huge money.

Through trial and error, Hershey would eventually create his own formula for milk chocolate and on March 2, 1903, he began construction on what was to become the world's largest chocolate manufacturing company. The facility was completed in 1905 and would use mass-production methods and quickly became the first nationally marketed product of its kind. I should mention the first Hershey bar was produced in 1900 and was soon followed by the Hershey's Kiss in 1907 and the Hershey's Bar with almonds in 1908.

Building their success was due in part to Hershey's belief that providing better living conditions for its workers resulted in better work, today we would call this establishing a successful culture. As the company grew and Hershey's wealth expanded, so did his vision for creating a model community in his home region. In



the town that came to be known as Hershey, Pennsylvania, a young Milton Hershey would build schools, parks, churches, recreational facilities and housing for his employees. I'm told he even added a trolley system for his workers.

Milton Hershey definitely knew the benefits of helping others. Though not educated himself and not much of a reader or writer like most successful businessmen of the day, he did what he could to influence those around him to pursue higher education. It's worth mentioning that Hershey and his wife Catherine, who couldn't have children of their own, directed a good portion of their giving on endeavors that positively impacted kids, and in 1909, opened the Hershey Industrial School. The Facility is still in operation today as the Milton Hershey School, originally a facility for orphaned boys, but has since become a landing spot for girls as well.

There's a ton of American history that both the man and the company were a part of including his narrow escape from being on board the Titanic as it sunk. From what I understand, the Hersheys were booked on the maiden voyage, but business matters requiring his attention forced him to change travel plans. I'm told a copy of the check he wrote to the White Star Line for a deposit is located at the Hershey Story Museum.

Boomers will remember Hershey's contributions to the WWII war effort as they were kicking out over 24 million ration bars a day by the end of the war. Interestingly, the Ration D bars had very specific requirements from the army, meaning it had to resist melting at temperatures higher than 90 degrees, and it had to have an unpleasant-enough flavor to prevent the troops from developing cravings for them. I should mention, for their service throughout World War II, the Hershey Chocolate Company was issued five Army-Navy 'E' Production Awards for exceeding expectations for quality and quantity in the production of the Ration D and Tropical Chocolate Bars.

Hershey is a great American success story on many fronts with lessons we can take away as we position our businesses for the future, but the bottom line, in my opinion, is the focus on putting people first in life and in business. Milton put his beliefs into action and it made a difference in not only the lives of the workers and the company but for consumers worldwide. (Source: [biography.com](https://www.biography.com), [history.com](https://www.history.com), [wiki.com](https://www.wiki.com), [Hershey.com](https://www.hershey.com))



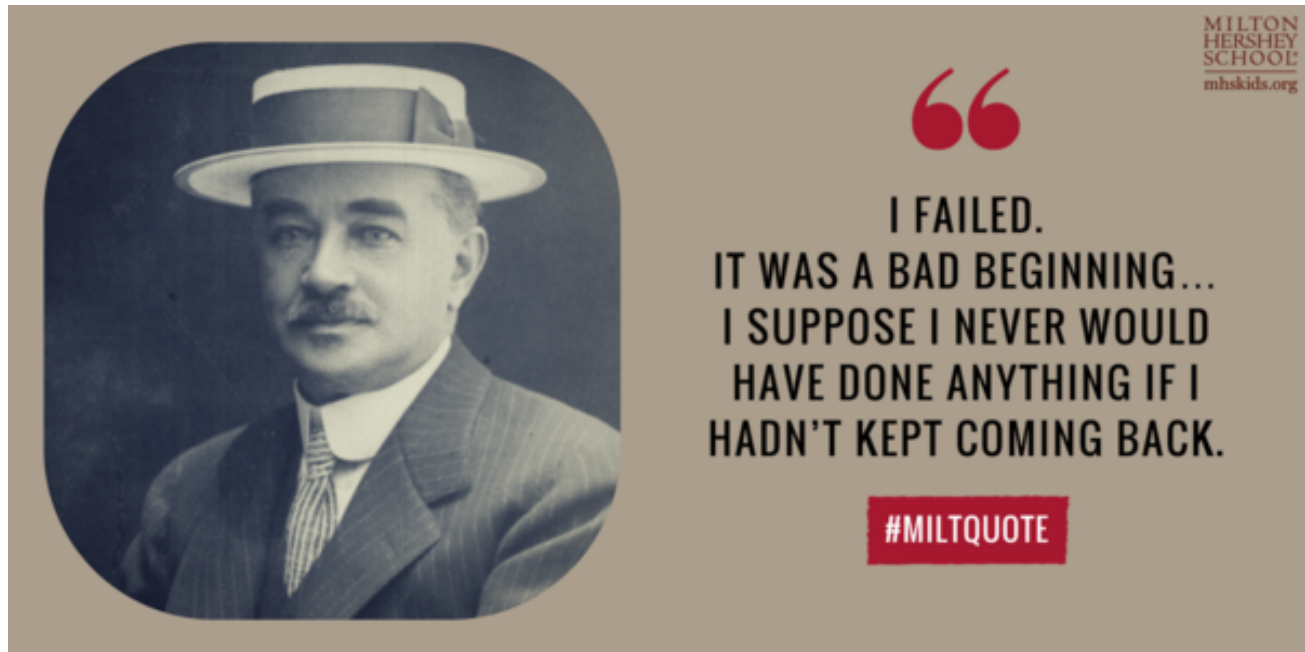
"The help-the-other-fellow principle is the only one that will succeed in modern business."

MILTON S. HERSHEY









### **IBM Introduces the World's Highest-Resolution Global Weather Forecasting Model**

IBM has teamed up with The Weather Company on a global advanced weather forecasting model that they claim delivers a resolution and update frequency that is unheard of in current weather models. IBM says their system brings a much-needed upgrade to the whole weather forecasting industry, which they say falls short on accuracy due to a lack of specialized weather equipment, along with models that update infrequently and at a resolution too wide to capture many weather events.

IBM GRAF, or Global High-Resolution Atmospheric Forecasting System, will offer high-resolution forecasts with details as small as 2 miles wide and up to 12 hours in advance. The system updates hourly, compared to the 6-12 hour frequency that is typical in some parts of the world. That means it will be able to predict something as small as a local thunderstorm anywhere on the planet.

The two major global models that forecasters currently use - NOAA's GFS model and the ECMWF (European) model - use a larger grid of 9 to 13 kilometers (about 5.5 to 8 miles) which is more suited for resolving what are called "large-scale" weather systems, such as hurricanes or nor'easters. GRAF will forecast every landmass on Earth, can provide local forecast at scales of 3km (1.86 miles) that can extend up to 1,200 miles beyond coastlines. It can also predict atmospheric conditions, including humidity, air pressure, temperatures and wind speed.

Another problem that GRAF solves is the lack of data availability in many areas. IBM's system basically crowdsources data from a broad range of sensors around the world, including satellites, aircraft, ground radar, weather balloons, and private weather stations. In addition, hundreds of thousands of personal weather stations, many operated by amateur weather enthusiasts, will also be able to contribute data to the model.

Obviously, a system like this requires some massive computing power. The IBM Power9 system that GRAF runs on is optimized for Graphics Processing Units (GPUs), a processing unit more known for its use in gaming applications. It's the same technology used in the U.S. U.S. Department of Energy's supercomputers Summit and Sierra, which can reportedly perform mathematical calculations at a rate of 200 quadrillions per



second. For the non-super-nerds here, a quadrillion has 15 zeros in it!

While the U.S., Japan, and Western Europe have had precision forecasting capabilities for quite some time, many regions around the world - particularly ones vulnerable to volatile weather swings - don't have access to the same cutting edge technology. The new GRAF model hopes to ensure everyone has access to reliable weather information, something that's becoming more and more critical as the number of severe weather events continues to climb. (Sources: Forbes, Accuweather, IBM)

# IBM's New Weather System

IBM Global High-Resolution Atmospheric Forecasting System (GRAF)  
By the Numbers

IBM's new weather system will provide vastly improved forecasting globally. Here are some facts that illustrate its breakthrough capabilities, and the state-of-the-art POWER9-based supercomputer it runs on.



The number of rapidly updating weather models that will forecast individual thunderstorms (and not just regional disturbances) across the globe.

## 200%

improvement in forecasting resolution for much of the globe (from 12 km to 3 km resolution)

## 25 million

Populated regions around the world that will receive day-ahead weather predictions, updated every hour

## 12 trillion

pieces of forecast information issued per day

## 9x



Increase in forecasted locations over what the best current model can deliver, bringing the rest of the world up to the high-resolution forecasting standards already seen in the U.S., Japan, and parts of Western Europe

## 24



times per day forecasts are uploaded for users

## 25x



minimum increase in computing power required to run a forecasting model at the new 3-km resolution

## 5.6x



Max increase in memory bandwidth between IBM POWER9 CPUs and NVIDIA GPUs over competitive systems

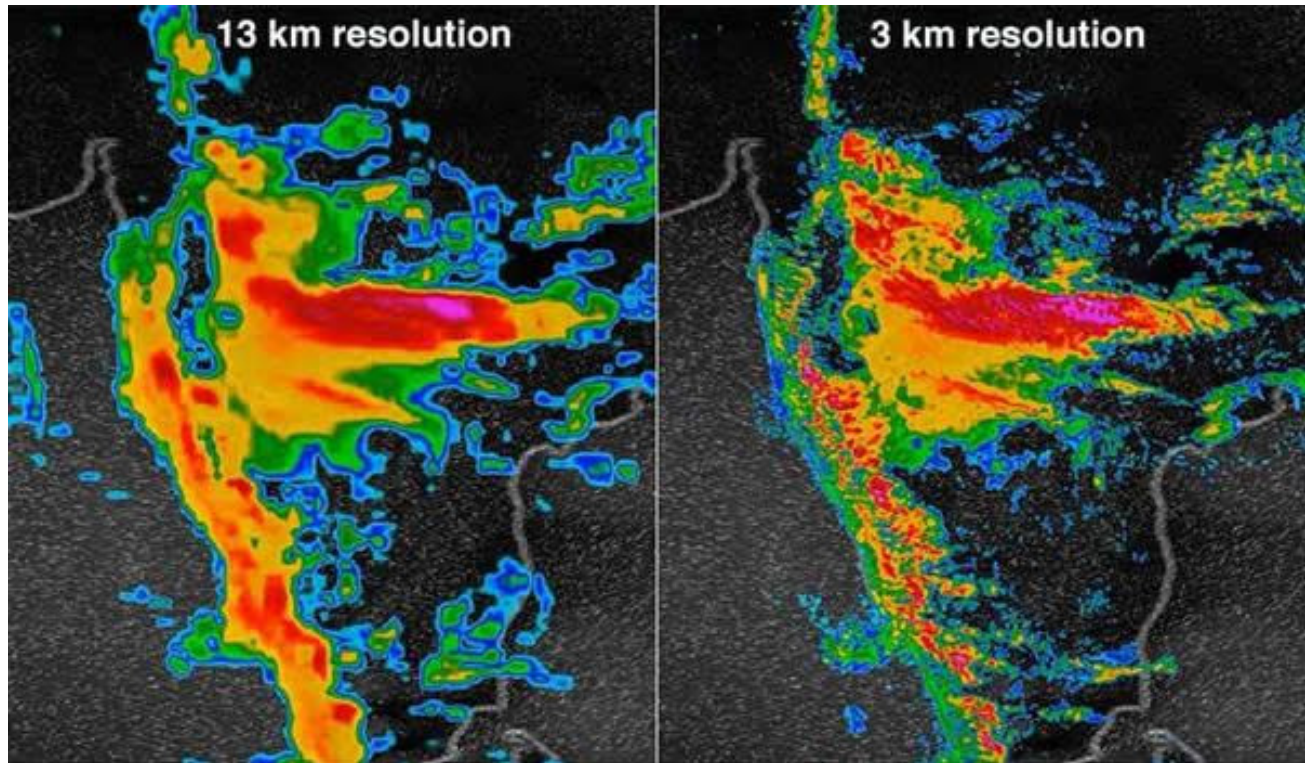
## 84



Nodes of the IBM Power Systems AC922 server in the new supercomputer that will run the model, containing 272 NVIDIA Tesla V100 Tensor Core GPUs

## 3.5 petabytes

of IBM Spectrum Scale storage capacity within the supercomputer. (That's 3.5 quadrillion bytes if you're counting.)



### **Simple Lesson... But Very Profound!**

I came across this very valuable lesson in my archives the other day and it just never seems to get old. In fact, I try to revisit this story at least once a year to keep it fresh and to have an impact on my perspective.

A good friend of mine who has been the CEO of a couple of our nation's largest corporations has often passed along some interesting analogies. One that has always stuck in mind is his perception and view in regard to just how short and fragile life really is. He often says things like, "I have to make this Christmas count, statistically I only have about 12 left in me" or, "I really want to enjoy this round of golf since the odds are I will only play this course two more times in my lifetime." Some of our friends find his comments extremely odd and even somewhat morbid, but he believes it forces him to recognize the importance of each moment and every single day.

A few years back he forwarded an e-mail article my direction that perfectly hammered home this concept. I wanted to pass it along to all my friends, family and readers. It was penned by Tim Urban and titled "[The Tail End](#)", I encourage everyone to take the time and read it in full detail. You can also visit the [Wait But Why](#) website for other interesting articles. This is good stuff. Below are a few of the highlights... I encourage everyone to read the article in full detail when you get the chance. I hope it makes us all stop and think!

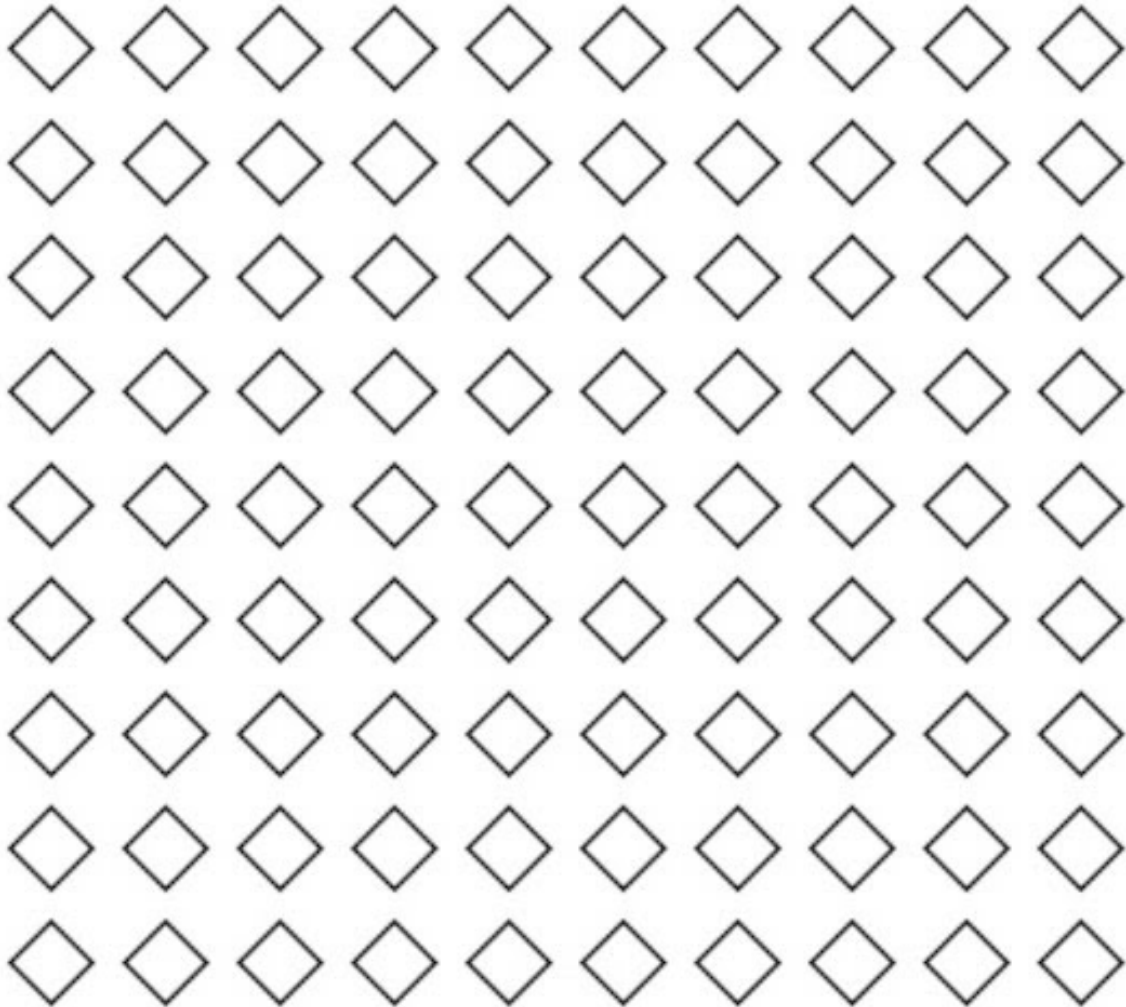
**[The Tail End](#) by Tim Urban**



*In a post last year, we laid out the human lifespan visually.*

**By years:**

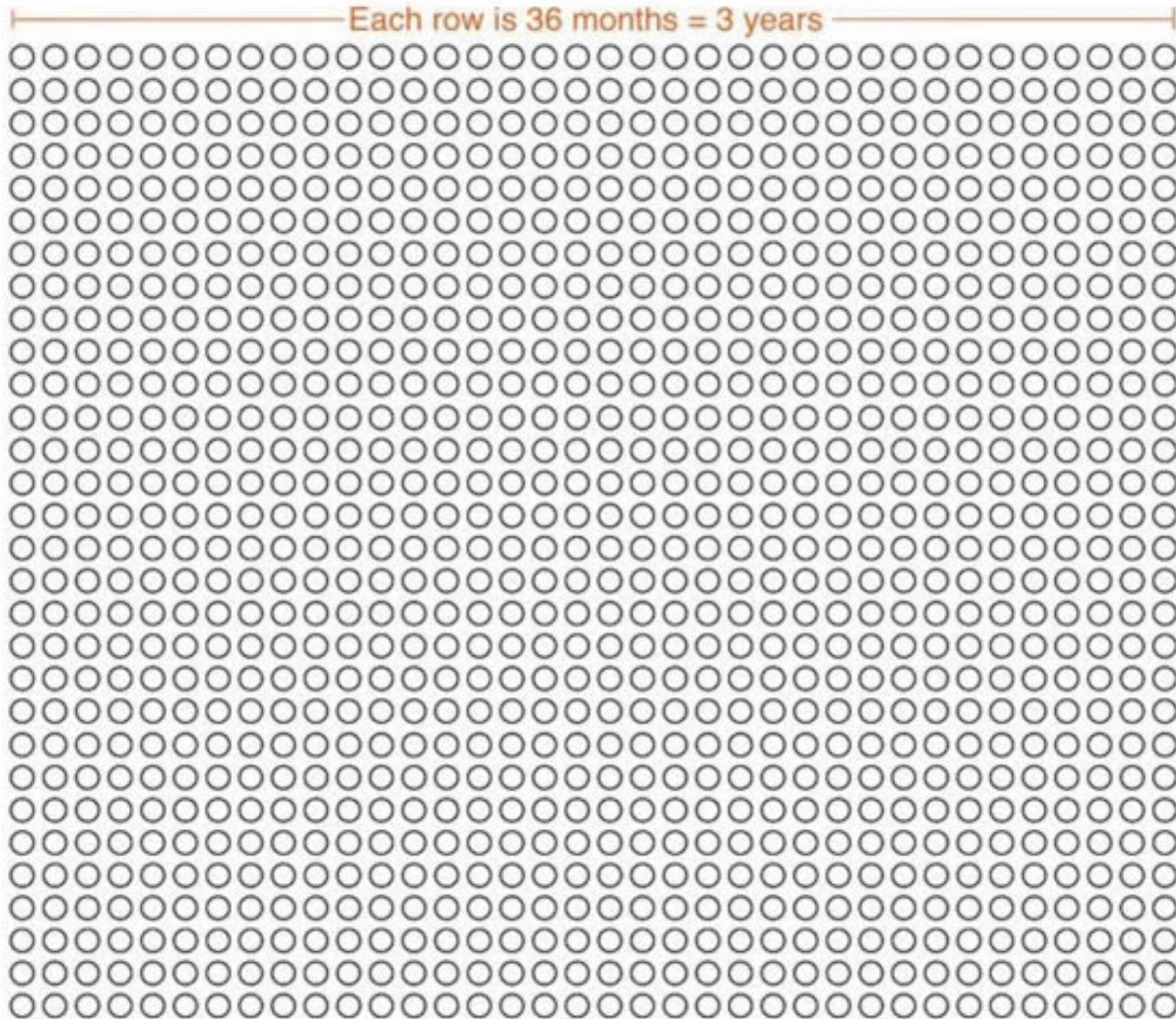
## A 90-Year Human Life in Years



waitbutwhy.com

**By months:**

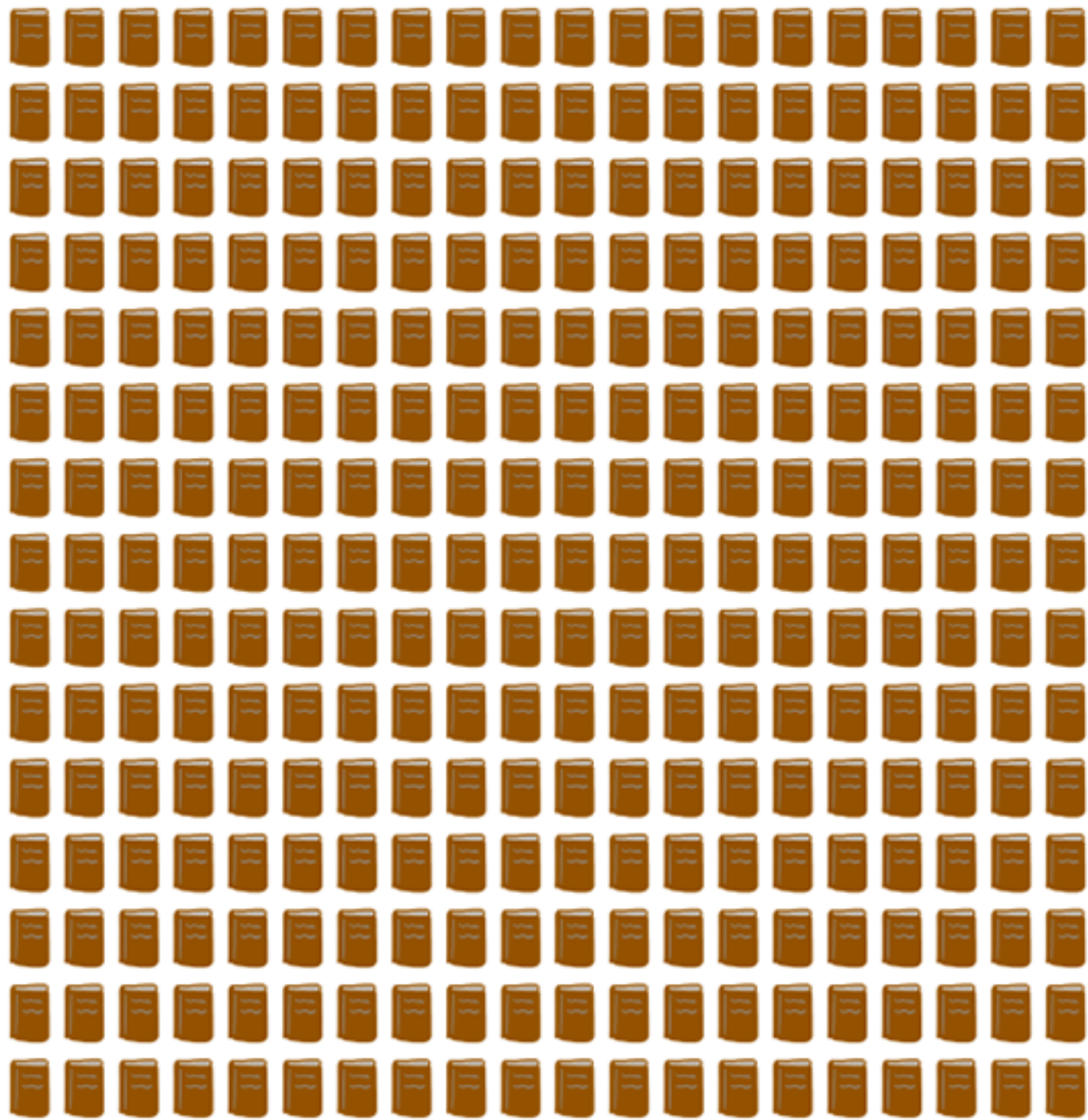
## A 90-Year Human Life in Months



waitbutwhy.com

*Since doing the Life in Months post, I've been thinking about something else. Instead of measuring your life in units of time, you can measure it in activities or events. To use myself as an example: I'm 34, so let's be super optimistic and say I'll be hanging around until I'm 90 so I can conclude some of the following...*

**Books** - *Not counting Wait But Why research, I read about five books a year, so even though it feels like I'll read an endless number of books in the future, I actually have to choose only 300 of all the books out there to read and accept that I'll sign off for eternity without knowing what goes on in all the rest.*



waitbutwhy.com

**Baseball** - *Growing up in Boston, I went to Red Sox games all the time, but if I never move back there, I'll probably continue at my current rate of going to a Sox game about once every three years—meaning this little row of 20 represents my remaining Fenway visits:*



**Presidents** - *There have been eight US presidential elections during my lifetime and about 15 to go. I've seen five presidents in office and if that rate continues, I'll see about nine more.*





*But these things aren't what I've been thinking about. Most of the things I just mentioned happen with a similar frequency during each year of my life, which spreads them out somewhat evenly through time. If I'm around a third of my way through life, I'm also about a third of my way through experiencing the activity or event.*

*What I've been thinking about is a really important part of life that, unlike all of these examples, isn't spread out evenly through time—something whose [already done / still to come] ratio doesn't at all align with how far I am through life:*

### **Relationships.**

*I've been thinking about my parents, who are in their mid-60s. During my first 18 years, I spent some time with my parents during at least 90% of my days. But since heading off to college and then later moving out of Boston, I've probably seen them an average of only five times a year each, for an average of maybe two days each time. 10 days a year. About 3% of the days I spent with them each year of my childhood.*

*Being in their mid-60s, let's continue to be super optimistic and say I'm one of the incredibly lucky people to have both parents alive into my 60s. That would give us about 30 more years of coexistence. If the ten days a year thing holds, that's 300 days left to hang with mom and dad. Less time than I spent with them in any one of my 18 childhood years.*

*When you look at that reality, you realize that despite not being at the end of your life, you may very well be nearing the end of your time with some of the most important people in your life. If I lay out the total days I'll ever spend with each of my parents—assuming I'm as lucky as can be—this becomes starkly clear: The black and white images at the end of the graphic below are the days Tim has figured he has left to spend with my parents if things continue on their current path and he's lucky enough to see them both live to 90.*





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*It turns out that when I graduated from high school, I had already used up 93% of my in-person parent time. I'm now enjoying the last 5% of that time. We're in the tail end.*

*It's a similar story with my two sisters. After living in a house with them for 10 and 13 years respectively, I now live across the country from both of them and spend maybe 15 days with each of them a year. Hopefully, that leaves us with about 15% of our total hangout time left.*

*The same often goes for old friends. In high school, I sat around playing hearts with the same four guys about five days a week. In four years, we probably racked up 700 group hangouts. Now, scattered around the country with totally different lives and schedules, the five of us are in the same room at the same time probably 10 days each decade. The group is in its final 7%.*



*So what do we do with this information?*

*Setting aside my secret hope that technological advances will let me live to 700, I see three takeaways here:*

- 1. Living in the same place as the people you love matters!** *I probably have 10X the time left with the people who live in my city as I do with the people who live somewhere else.*
- 2. Priorities matter!** *Your remaining face time with any person depends largely on where that person falls on your list of life priorities. Make sure this list is set by you—not by unconscious inertia.*
- 3. Quality time matters!** *If you're in your last 10% of time with someone you love, keep that fact in the front of your mind when you're with them and treat that time as what it actually is: precious.*

**ANSWER to riddle:** Pride.

## CASH SALES & HEDGING TOTALS

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### Corn 2018 Crop

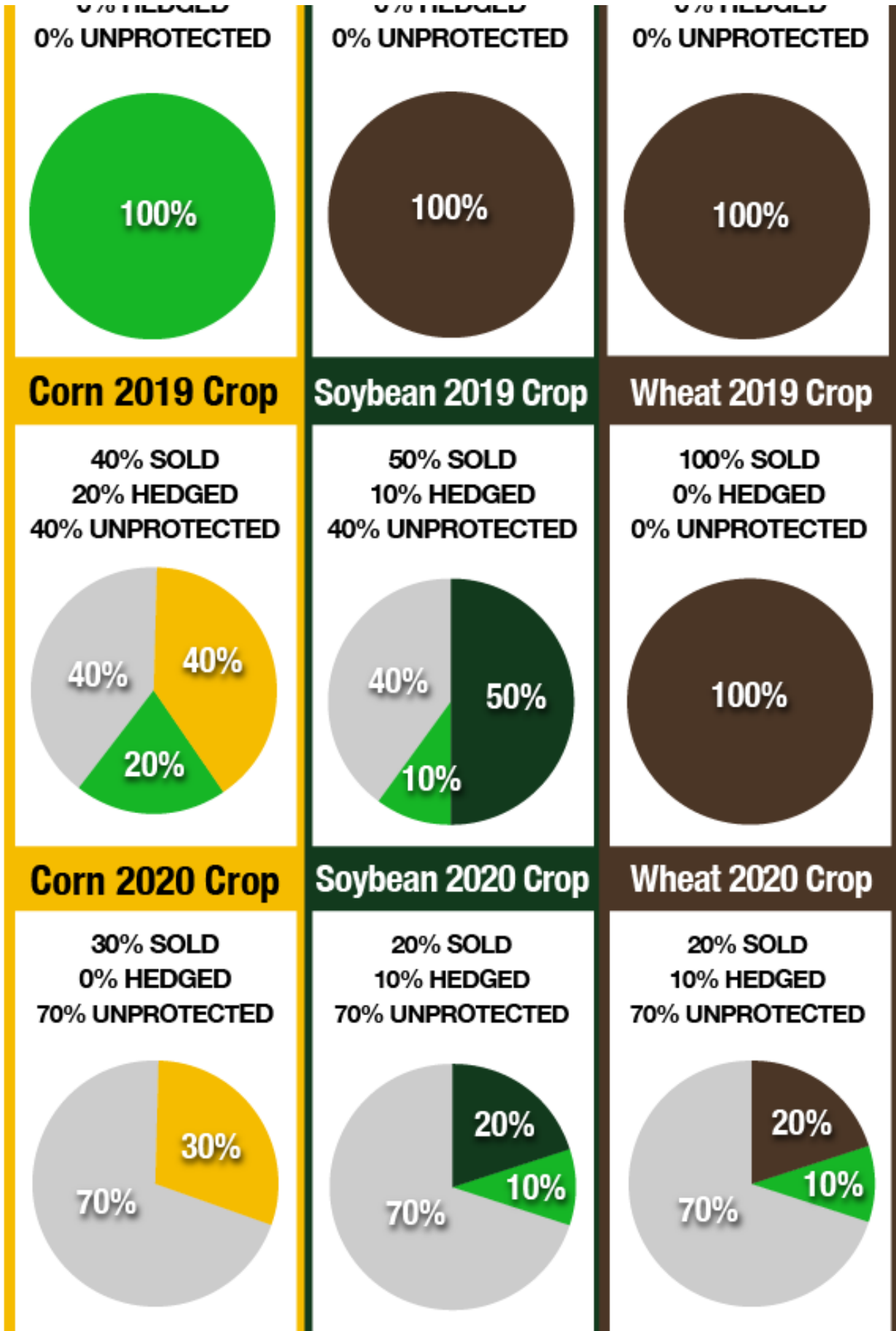
**100% SOLD**  
**0% HEDGED**

### Soybean 2018 Crop

**100% SOLD**  
**0% HEDGED**

### Wheat 2018 Crop

**100% SOLD**  
**0% HEDGED**



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AgSwag logo on a black quilted vest.

AgSwag logo on a white polo shirt.



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