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**GOOD MORNING: The Van Trump Report 2-24-20**

1 message

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

Mon, Feb 24, 2020 at 5:30 AM

Reply-To: Jordan &lt;reply-feba10787c62077a-1142\_HTML-68584704-100003450-8@vantrumpreport-email.com&gt;

To: josh@farmdirection.com



"The people God put in your life are not there by accident. Don't get so busy that you just give them your leftover time. " - **Joel Osteen**

**Monday, February 24, 2020**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Investors start the week with the coronavirus and its impact on the global economy at the forefront of concerns. There are a growing number of cases outside China, most notably South Korea, Italy, Japan, and even Iran. The latter is particularly worrisome, according to the World Health Organization, because Iran has no direct ties to China. As confusion and uncertainty grows, money seems to be increasingly moving to the sidelines and the "safe haven" investments such as gold and the U.S. dollar. The "de-risking" seems to involve selling tech, consumer discretionary and energy exposed to the virus fallout, and instead buying the staples and health care stocks. The financials have held up well to this point but the inverted yield curve is causing some worries and uncertainty in the space. Bottom-line, the virus outbreak is proving to be the worry I was most concerned about and the exact definition of a "Black Swan": an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences. It's important to highlight the word "potentially" in that definition. This one situation does not necessarily spell the end of the current bull market but it is a space that calls for more caution than a market that's on an easy upward trajectory. There are also a couple of big positives offsetting the negatives. First is that

corporate earnings continue to surprise to the upside. That's in spite of the U.S.-China tariff war that many analysts projected would deliver devastating blows to earnings growth. The other is strong U.S. economic data which to this point has remained impressive, with recent improvements even in the manufacturing sector. Fresh economic data today is somewhat limited but will pick up later in the week. On Tuesday, Federal Reserve vice-chairman Richard Clarida discusses the outlook for interest rates and the economy at a conference in Washington. Japan has a glut of data later this week, including retail trade and industrial production figures for January. These will offer more insight into the state of the economy following the big blow suffered last week when 2019 final-quarter growth numbers showed the economy shrank at an annualized rate of 6.3%, leaving the country on the brink of recession. Also on Thursday, investors will hear the second estimate for U.S. fourth-quarter GDP. Earnings of interest this will show us . how big-box retailers fared over the holiday season. Fourth-quarter figures are due from Home Depot and Macy's on Tuesday, followed by Lowe's on Wednesday and Best Buy and J.C. Penney on Thursday. Bottom-line, I remain extremely defensive in my stock holdings and continue to hold a "risk off" mentality. As I've said the past few weeks, we have to get to "peak coronavirus" before I start becoming a buyer of any size and I still don't think we are there yet.

**Democratic Race to President:** *Bernie Sanders won the Nevada caucuses by a large margin at the weekend, making him the clear frontrunner to become the Democratic nominee to take on Donald Trump at November's US presidential election. Joe Biden will be looking for a first-place finish in South Carolina on Saturday to prove to voters and his donors that he is still in this race. Moderate Democrats Pete Buttigieg and Amy Klobuchar will want to show they can do well among groups that haven't really warmed to them before. Success in South Carolina also offers the chance to build momentum ahead of Super Tuesday, when Michael Bloomberg, the billionaire former New York mayor, will be on the ballot for the first time. (Source: The Financial Times)*

**Warren Buffett's Annual Letter to Shareholders:** *Written by famed investor Warren Buffett, the CEO and chairman of Berkshire, this letter and others like it are read carefully by investors all over the world. Berkshire Hathaway's stock price has appreciated at an average rate of +20.3% annually between 1965 and 2019. One thousand dollars invested in the S&P 500 in 1965 would be worth nearly \$200,000 today, but that same \$1,000 invested in Berkshire would be worth 130 times more—\$26.4 million. Donald Othmer, a college professor originally from Omaha, invested \$50,000 along with his wife in an early Buffett investment partnership and received Berkshire A shares worth \$42 a share in 1970. When the Othmers died, they left an estate valued at \$750 million—and that was 20 years ago. Assuming the estate had remained invested in Berkshire, that initial \$50,000 would have grown 100,000 times over, to \$5 billion. In total, Berkshire stock has risen by a whopping +2,744,062% since 1965. In his latest letter, Buffett refrained from economic forecasts, as is his norm. But the Berkshire chairman and CEO did say that as long as interest rates remain near their current levels "it is almost certain that equities will over time perform far better than long-term, fixed-rate debt instruments." However, he does warn, "Anything can happen to stock prices tomorrow. Occasionally, there will be*

*major drops in the market, perhaps of 50% magnitude or even greater." Buffett said he is still confident that the "compounding wonders" of the stock market will make stocks a "much better long-term choice" over the long haul for investors willing to keep their emotions in check. You can find Buffett's full letter [HERE](#). (Source: CNBC, Fortune)*

**Saudis Weigh Breaking Oil Alliance with Russia:** *Saudi Arabia, Kuwait and the United Arab Emirates—which collectively represent over half of OPEC's production capacity—are holding talks this week to discuss a possible joint output cut of as much as 300,000 barrels a day, according to Wall Street Journal sources. The coronavirus outbreak has created a rift in the partnership between Russia and the Saudi-led Organization of the Petroleum Exporting Countries. The two sides have collaborated since December 2016 in an effort to balance global oil supply. If the Saudis, Kuwait and the U.A.E. break with the Russians, the split could further weaken OPEC's ability to influence oil prices. The new tensions come ahead of the group's early March gathering in Vienna, where it aims to reach a consensus on how much crude to deliver to an already oversupplied market. At an emergency meeting earlier in February, Russia rejected a Saudi push to deepen the alliance's existing oil production curbs by 600,000 barrels a day. Russian officials still don't see a need for reductions, the people familiar with the matter said. Russian delegates say business activity in China is recovering and the impact of the virus on oil demand is limited, the people said. Moscow says weakened demand would be offset by reduced supply resulting from Libya's oil shutdown and new sanctions targeting Venezuela's crude sales, one person familiar with the matter said. Libya's oil output has fallen to 120,000 barrels a day from 1.2 million daily barrels while the U.S. on Tuesday imposed sanctions on a subsidiary of Russian state-run company Rosneft Oil Co. The latter could cut Venezuelan exports by 600,000 barrels a day. (Source: Wall Street Journal)*

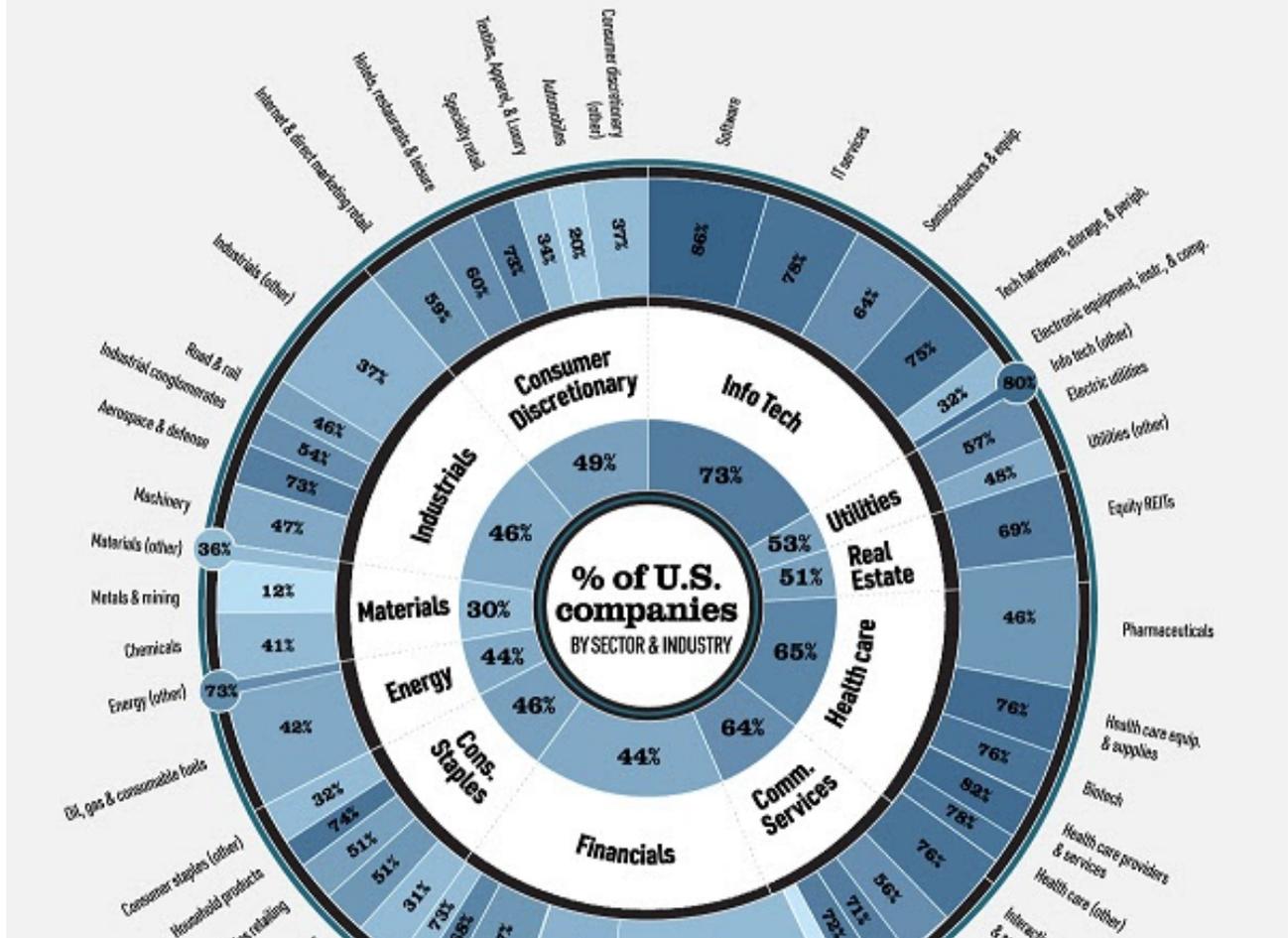
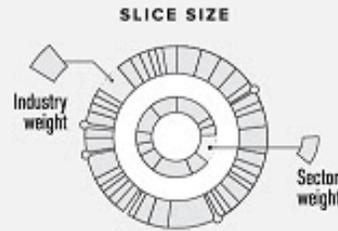
**U.S. Companies Dominate Global Markets:** *With the aim of tracking market performance around the world, global stock indexes incorporate securities from various regions. However, while the number of securities may be relatively well diversified across countries, a dollar perspective tells a different story. When market capitalization is taken into account, country weightings may become much more unbalanced. The visualization below is based on a concept by S&P Dow Jones Indices that shows the percentage of U.S.-based companies in global sectors and industries as of December 31, 2019. The calculations reflect the market capitalization of companies in the S&P Global Broad Market Index (BMI), an index that tracks over 11,000 stocks across 50 developed and emerging economies. U.S.-based companies make up a staggering 73% of the information technology (IT) sector. However, China may soon threaten this dominance. The Made in China 2025*

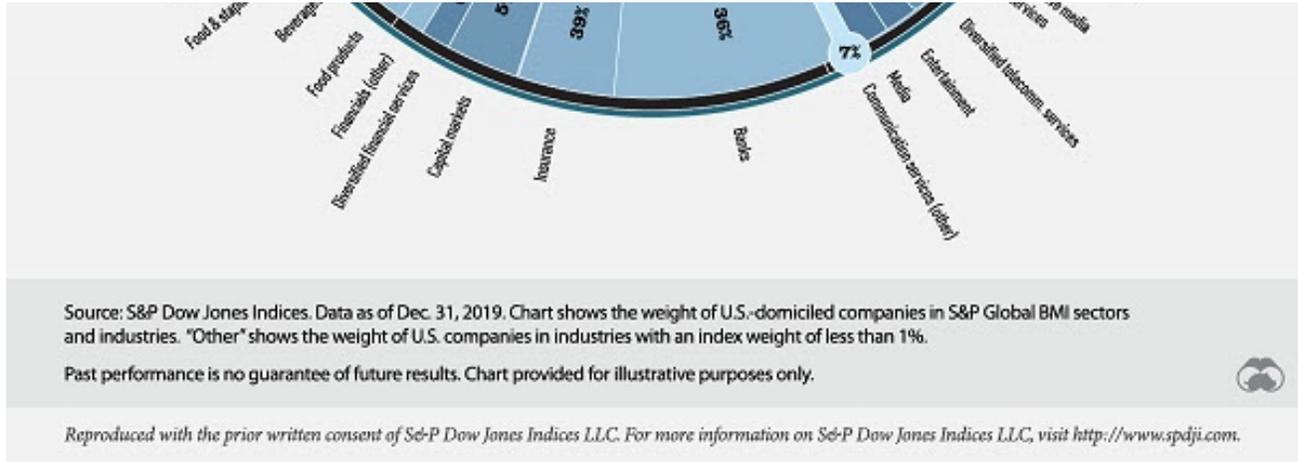
plan highlights new-generation IT as a priority sector for the country. See a larger version of the graphic and more details over at [Visual Capitalist](http://VisualCapitalist.com).

# The Dominance of U.S. COMPANIES IN GLOBAL SECTORS AND INDUSTRIES

The S&P Global Broad Market Index tracks more than 11,000 stocks across 50 developed and emerging markets. U.S.-based companies have a heavy weighting, with their market capitalization exceeding 50% of most industry totals.

HOW TO READ THIS CHART





# FARM TANK

## Tweets of the Day



**Charlie Bilello** ✓  
@charliebilello



Here are the top 20 stocks in the S&P 500 over the past 20 years...

Best Performing Stocks in the S&P 500 over the last 20 Years						
Rank	Symbol	Name	Industry	20-Yr Total Return	20-Yr Ann. Ret	Growth of \$10k
1	MNST	Monster Beverage Corp	Beverages - Non-Alcoholic	98526%	41.2%	\$ 9,862,635
2	TSCO	Tractor Supply Co	Specialty Retail	41322%	35.2%	\$ 4,142,221
3	ODFL	Old Dominion Freight Lines Inc	Trucking	14098%	28.1%	\$ 1,419,800
4	KMX	CarMax Inc	Auto & Truck Dealerships	13075%	27.6%	\$ 1,317,467
5	MO	Altria Group Inc	Tobacco	10506%	26.3%	\$ 1,060,616
6	VTR	Ventas Inc	REIT - Healthcare Facilities	10294%	26.1%	\$ 1,039,357
7	HFC	HollyFrontier Corp	Oil & Gas Refining & Marketing	9708%	25.8%	\$ 980,792
8	NVR	NVR Inc	Residential Construction	9242%	25.5%	\$ 934,182
9	ANSS	Ansys Inc	Software - Application	9197%	25.4%	\$ 929,688
10	AAPL	Apple Inc	Consumer Electronics	8870%	25.2%	\$ 896,963
11	ROST	Ross Stores Inc	Apparel Retail	7879%	24.5%	\$ 797,931
12	DVA	DaVita Inc	Medical Care Facilities	6778%	23.6%	\$ 687,839
13	NVDA	NVIDIA Corp	Semiconductors	6409%	23.2%	\$ 650,944
14	IDXX	IDEXX Laboratories Inc	Diagnostics & Research	6273%	23.1%	\$ 637,308
15	ORLY	O'Reilly Automotive Inc	Specialty Retail	6092%	22.9%	\$ 619,232
16	ATVI	Activision Blizzard Inc	Electronic Gaming & Multimedia	5778%	22.6%	\$ 587,803
17	HUM	Humana Inc	Healthcare Plans	5410%	22.2%	\$ 550,990
18	WRB	WR Berkley Corp	Insurance - Property & Casualty	5215%	22.0%	\$ 531,458
19	UNH	UnitedHealth Group Inc	Healthcare Plans	47.4%	4.4%	\$ 487,323
20	BLL	Ball Corp	Packaging & Containers	44.1%	1.1%	\$ 458,689
	SPX	S&P 500 Index	N/A	259%	4.4%	\$ 35,890



**Jay Magnussen**  
@Agronomyjay

No matter how smart we think we are!!



**Paul Ferda**  
@FerdaPaul

Yesterday I said cow 69 needs to go to town, she's old, probably no teeth and doesn't come up for cake..... Well played 69 well played.







**Carson Dyck**  
@DyckFarmsLtd



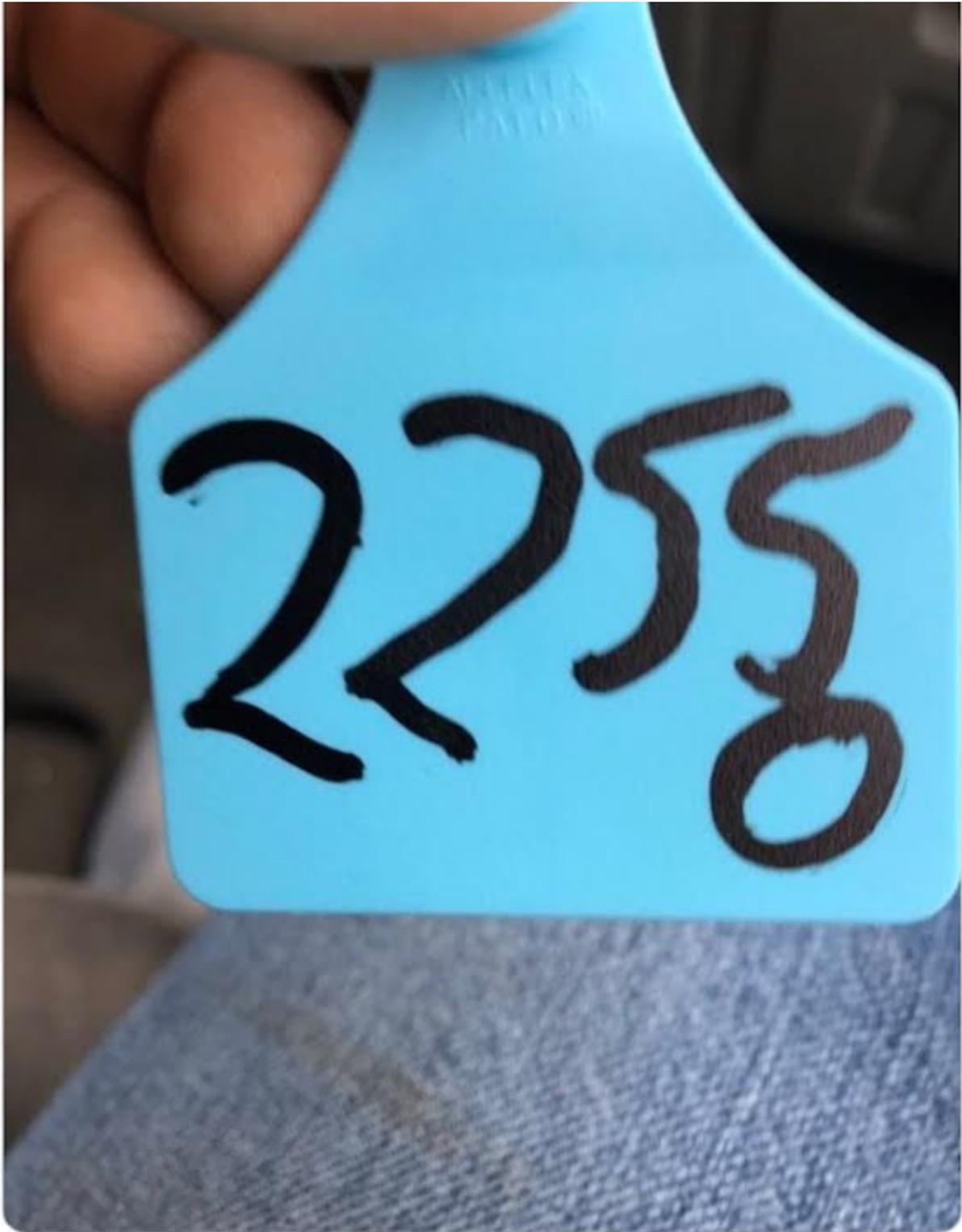
Getting stuff run through the shop to get ready for spring. Can't come soon enough! #plant20 @Case\_IH #steiger



**John Stotts**  
@OkieStotts



Mom normally does all our cow/calf tags. This is what happens when she's in the hospital and it's up to us to do it, my dad is responsible for this masterpiece (it should read 2550).



**Jack of all trades master of none**  
@justinfastert



The Boss wanted to help unload pigs today.  
[#realpigfarming](#)





**Motivational Quotes**  
@DavidRoads



## #QuoteOfTheDay



Worrying won't stop the  
bad stuff from happening,  
it just stops you from  
enjoying the good.

David Roads

**Kevin Van Trump  
and David Stark**

Townhall Meeting about Agriculture

Presented By :

 & 

Come join us: **February 25<sup>th</sup>**

307 E 5th St, Concordia, KS

Doors open : 10:00 - Lunch : 12:30

**Event is NO COST** **Please RSVP : [mark@farmdirection.com](mailto:mark@farmdirection.com)**

**Corn** bears get the numbers they were looking for from the USDA as U.S. ending stocks are projected higher by a whopping +745 million bushels in 2020-21 to 2.7 billion. Keep in mind, that's almost a +40% jump in ending stocks. The total U.S. corn crop is projected at 15.5 billion bushels, +13% above last year on a 4.3 million acre increase in acreage and an average yield forecast of 178.5 bushels per acre. Total U.S. corn supplies at 17.4 billion bushels are forecast to be a record high. Total U.S. corn demand is forecast to rise +5% from last year ago on record domestic use and a rebound in exports. Food, seed, and industrial use is projected up fractionally at 6.8 billion bushels, driven by slightly higher corn used for ethanol. Feed and residual use is raised higher by +275 million bushels to 5.8 billion, with expectations for a larger crop, cheaper corn prices and more livestock

to feed. Corn exports are raised higher by +375 million bushels on hopes of increased demand from the Chinese and other global buyers. Bottom-line, however, total production is again forecast to largely outweigh growth in total demand. with that in mind, the USDA dropped its season-average farm price down to \$3.60 per bushel. I personally think it's too early to assume a perfect U.S. growing season for 2020 but that's how the trade begins its forecast each year. If U.S. weather starts to look more uncertain and Chinese demand begins to arrive I have to believe the market will begin adding more risk-premium to price. The market will also continue to keep a close eye on weather in South America. From what I understand about 80% of Mato Grosso's second-crop corn is now planted. Moral of the story, until we see more worries about U.S. or South American weather or larger buying interest from the Chinese, I worry that prices nearby could continue to slowly deteriorate with the chart pattern confirming lower highs and lower lows.

**Table 3. Corn Supply, Demand, and Price, 2017/18-2020/21**

	2017/18	2018/19	2019/20 1/	2020/21 2/
Area planted (mil. ac.)	90.2	88.9	89.7	94.0
Area harvested	82.7	81.3	81.5	86.6
Yield (bu./ac.)	176.6	176.4	168.0	178.5
Production (mil. bu.)	14,609	14,340	13,692	15,460
Beginning stocks	2,293	2,140	2,221	1,892
Imports	36	28	50	25
Supply	16,939	16,509	15,962	17,377
Feed & residual	5,304	5,432	5,525	5,800
Ethanol 3/	5,605	5,376	5,425	5,450
Total food, seed & industrial	7,057	6,791	6,820	6,840
Total domestic use	12,361	12,223	12,345	12,640
Exports	2,438	2,065	1,725	2,100
Total use	14,798	14,288	14,070	14,740
Ending stocks	2,140	2,221	1,892	2,637
Stocks/use (percent)	14.5	15.5	13.4	17.9
Season-avg. farm price (\$/bu.)	3.36	3.61	3.85	3.60

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season-average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 11, 2020. 2/ Projections based on analysis by USDA's Feed Grains Interagency Commodity Estimates Committee. 3/ Corn used to produce ethanol and by-products including, distillers' grains, corn gluten feed, corn gluten meal, and corn oil.

Note: Totals may not add due to rounding.

<b>Top U.S. Corn Production States</b>													
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Record	10 yr. Trend
Colorado	153	151	133	133	131	146	142	137	143	130	123	153	138
Illinois	174	157	157	105	178	200	175	197	201	210	181	210	176
Indiana	171	157	146	99	177	188	150	173	180	189	169	189	164
Iowa	181	165	172	137	164	178	192	203	202	196	198	203	181
Kansas	155	124	107	95	126	149	148	142	132	129	133	155	131
Kentucky	165	124	139	68	170	158	172	159	178	175	169	178	152
Michigan	148	149	153	132	155	161	162	157	159	153	149	162	153
Minnesota	174	177	155	165	159	156	188	193	194	182	174	194	174
Missouri	153	123	114	75	136	186	142	163	170	140	155	186	142
Nebraska	179	166	160	142	169	179	185	178	181	192	182	192	174
North Carolina	117	91	84	117	142	132	113	129	142	113	111	142	117
North Dakota	115	132	105	122	110	124	128	158	139	153	141	158	130
Ohio	171	160	153	120	174	176	153	159	177	187	164	187	163
Pennsylvania	142	128	111	131	146	154	147	129	161	140	153	161	140
South Dakota	151	135	132	101	137	148	159	161	145	160	145	161	143
Tennessee	148	117	131	85	156	168	160	151	171	168	177	177	148
Texas	124	144	91	129	136	148	135	127	140	108	133	148	129
Wisconsin	153	162	155	120	145	156	164	178	174	172	168	178	159
<b>U.S. Total</b>	<b>164.4</b>	<b>152.6</b>	<b>146.8</b>	<b>123.1</b>	<b>158.1</b>	<b>171</b>	<b>168.4</b>	<b>174.6</b>	<b>176.6</b>	<b>176.4</b>	<b>168</b>	<b>176.6</b>	<b>161.8</b>

Source: USDA, WASDE, February, 2020

**Soybean** bulls were happy to see the USDA's Ag Outlook balance sheet projections as U.S. ending stocks are now forecast to fall to just 320 million bushels, which is -105 million bushels below the current estimate. The 2020/21 outlook for U.S. soybeans is for higher supplies, crush, and exports, and lower ending stocks. Soybean supplies are projected at 4.6 billion bushels, up +3% compared to last year. total U.S. soybean production is projected at 4.2 billion bushels, up +18% compared to last year on a 8.9 million increase in planted acres and an average yield estimate jumping from 47.4 in 2019 to 49.8 in 2020. On the demand side of the equation, U.S. soybean crush is projected at a record 2.1 billion bushels, driven by higher domestic use of soybean meal that more than offsets slightly lower meal exports. U.S. soybean exports for 2020/21 are projected at 2.05 billion bushels, up +225 million from the 2019/20 forecast. Unfortunately, many bears worry that the current coronavirus situation in China could greatly delay a large portion of the intended Chinese buying. In fact, many bears point to Presidents Trump's recent tweet that more U.S. farmer "Trade Aid" might have to be made available if countries can't follow through with their buying commitments i.e. the trade takes that as meaning perhaps the President knows that the purchases probably are not coming any time soon and he may have to approve another round of MFP payments. Bottom-line, it gives the bear a bit of credence and credibility to their argument that Chinese buying is still a ways off on the horizon. Similar to the corn market, I will continue to closely monitor the extended U.S. forecast and the headlines out of China. Remember, bears will want to argue that early U.S. weather worries could actually mean more U.S. soybean acres. I think it's going to be tough for this market to mount an extended rally

nearby without confirmation of Chinese buying. As a producer, I want to keep all of our hedges in place. As an end-user and a speculator, I remain on the sideline thinking there will be better buying opportunities ahead, still looking for choppy trade that produces lower highs and lower lows. Despite the tighter outlook, I'm still in no hurry to be a big bull, thinking the timing will be better deeper into 2020...

**Table 6. Soybean Supply, Demand, and Price, 2017/18-2020/21**

	2017/18	2018/19	2019/20 /1	2020/21 /2
Area planted (mil. ac.)	90.2	89.2	76.1	85.0
Area harvested	89.5	87.6	75.0	84.2
Yield (bu./ac.)	49.3	50.6	47.4	49.8
Production (mil. bu.)	4,412	4,428	3,558	4,195
Beginning stocks	302	438	909	425
Imports	22	14	15	15
Supply	4,735	4,880	4,482	4,635
Crush	2,055	2,092	2,105	2,130
Seed and Residual	108	132	128	134
Total domestic use	2,163	2,224	2,233	2,264
Exports	2,134	1,748	1,825	2,050
Total use	4,297	3,971	4,058	4,314
Ending stocks	438	909	425	320
Stocks/use (percent)	10.2	22.9	10.5	7.4
Season-avg. farm price (\$/bu.)	9.33	8.48	8.75	8.80

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, crush, exports, ending stocks, and season-average farm price are projections from the *World Agricultural Supply and Demand Estimates* report, February 11, 2020.

2/ Projections based on analysis by the USDA's Oilseeds Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

## Top U.S. Soybean Production States

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Record	10 yr. Trend
Arkansas	37.5	35	38.5	43.5	43.5	49.5	49	47	51	50.5	49	51	45
Illinois	46	51.5	47.5	43	50	56	56	59	58	63.5	54	63.5	53
Indiana	49	48.5	45.5	44	51.5	55.5	50	57.5	54	57.5	51	57.5	51
Iowa	51	51	51.5	45	45.5	51	56.5	60	57	56	55	60	53
Kansas	44.5	33	27.5	23	37	35.5	38.5	48	37.5	43	41.5	44.5	37
Kentucky	48	34	39	40	50	47.5	49	50	53	51	46	53	46
Louisiana	39	41	36	46.5	48.5	56.5	41	48.5	54	51.5	48	56.5	46
Michigan	40	43.5	44.5	43	44.5	42.5	49	50.5	42.5	47.5	41	50.5	44
Minnesota	40	45	39	43.5	42	41.5	50	52	47.5	49	44	52	45
Mississippi	38	38.5	39	45	46	52	46	48	53	54	50	54	46
Missouri	43.5	41.5	36.5	30	36	46.5	40.5	49	49.5	44.5	46	49.5	42
Nebraska	54.5	52.5	54	41.5	53.5	54	58	61	57.5	58	58.5	61	55
North Carolina	34	26	30.5	39.5	33.5	40	32	35	40	33	35	40	34
North Dakota	30	34	29	34.5	30.5	34.5	32.5	41.5	34.5	35	32	41.5	33
Ohio	49	48	48	45	49.5	52.5	50	54.5	49.5	56	49	56	50
South Dakota	42	38	37	30.5	40.5	45	46	49.5	43	45	42.5	49.5	42
Tennessee	45	31	32	38	46.5	46	46	45	50	45.5	47	50	43
Wisconsin	40	50.5	47	42	39	44	49.5	55	47.5	48	47	50.5	46
U.S. Total	44	43.5	42	40	44	47.5	48	51.9	49.3	50.6	47.4	51.6	46.2

Source: USDA, WASDE, February, 2020

**Wheat** bulls continue to point to the lowest number of U.S. planted winter acres in over 100 years. The USDA is also now forecasting U.S. wheat production to be down about -4% compared to last year on lower projected yield. There's also continued talk that U.S. spring wheat acres could be lower on persistent wet soils and unharvested corn in the Northern Plains which could prevent or delay some planting. Total wheat acres are projected at 45.0 million, down -158,000 acres from the previous year and a record low. The all wheat yield for 2020/21 is projected down nearly -7% from last year's near-record to 48.2 bushels per acre. On the demand side of the equation, exports are left unchanged at 1.0 billion bushels. Net-net, U.S. wheat ending stocks are reduced to 777 million bushels, more than -17% below last years 840 million ending stock estimate and the lowest level since 2014/15. The tighter balance sheet pushed the USDA's season-average farm price to \$4.90 per bushel, up +\$0.35 from the previous year. Moving forward, it's the same story as for corn and soybeans, traders will be closely monitoring U.S. weather, Chinese headlines, and the overall direction of the U.S. dollar.

**Table 2. Wheat Supply, Demand, and Price, 2017/18-2020/21**

	2017/18	2018/19	2019/20 1/	2020/21 2/
Area planted (mil. ac.)	46.1	47.8	45.2	45.0
Area harvested	37.6	39.6	37.2	38.1
Yield (bu./ac.)	46.4	47.6	51.7	48.2
Production (mil. bu.)	1,741	1,885	1,920	1,836
Beginning stocks	1,181	1,099	1,080	940
Imports	158	135	105	140
Supply	3,080	3,119	3,105	2,916
Feed & residual	47	90	150	120
Food & seed	1,028	1,013	1,015	1,019
Total domestic use	1,075	1,103	1,165	1,139
Exports	906	936	1,000	1,000
Total use	1,981	2,039	2,165	2,139
Ending stocks	1,099	1,080	940	777
Stocks/use (percent)	55.5	53.0	43.4	36.3
Season-avg. farm price (\$/bu.)	4.72	5.16	4.55	4.90

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season-average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 11, 2020. 2/ Projections based on analysis by USDA's Wheat Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

## Top U.S. Wheat Production States

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Record	10 yr. Trend
Arkansas	44	54	58	55	62	63	56	54	52	55	52	63	55.0
California	84.3	85.5	91.6	90.9	82.5	83.4	79.1	79.7	68.2	81.5	59.4	91.6	80.6
Colorado	40.6	43.5	38.1	31.3	25.3	38.1	37.1	48.2	43.2	36.1	49	49	39.1
Idaho	79.3	80.4	83.3	78.2	82.2	78.4	77.4	91.4	81.8	91.9	87.8	91.6	82.9
Illinois	56	57	61	64	67	67	65	74	76	66	67	76	65.5
Indiana	67	60	62	67	73	76	68	81	74	71	62	81	69.2
Kansas	42	45	35	42	38	28	37	57	48	38	52	57	42.0
Michigan	68	70	75	76	75	74	81	89	79	76	71	89	75.8
Missouri	47	46	50	58	57	58	53	70	68	59	63	70	57.2
Montana	33.3	41.7	35.2	34.8	39	37.1	35.1	42.4	27.3	38.3	42.4	42.4	37.0
Nebraska	48	43	45	41	35	49	38	54	46	49	57	57	45.9
North Carolina	49	38	68	57	57	58	53	41	55	57	56	58	53.5
Ohio	71	61	57	68	70	74	67	80	74	75	56	80	68.5
Oklahoma	22	31	23	36	31	17	26	39	34	28	40	40	29.7
Oregon	55.7	67.3	76	65.6	62.1	54.3	47.3	50.1	63	67	68	76	61.5
South Dakota	42.4	45.3	37.3	45.9	42.2	55.5	46.2	51.6	34.8	44.4	48	55.5	44.9
Texas	25	33	25	33	29	30	30	32	29	32	34	34	30.2
Washington	54.6	64.9	70.9	66.6	66.9	48.2	50.3	71.5	66.6	70.8	64.7	71.5	63.3
U.S. Total	44.3	46.1	43.6	46.2	47.1	43.7	43.6	52.7	46.4	47.6	51.7	52.7	46.6

Source: USDA, WASDE, February, 2020

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> **President Trump Says U.S. May Give Farmers More Aid Until Trade Deals "Kick in":** *The United States may give American farmers additional money until trade deals with China, Mexico, Canada and other countries fully go into effect, President Donald Trump said on Friday. "If our formally targeted farmers need additional aid until such time as the trade deals with China, Mexico, Canada and others fully kick in, that aid will be provided by the federal government," Trump wrote in a Twitter post. It was not immediately clear how large the aid package would be or how long it would last. (Source: Reuters)*

> **Momentum Growing for CAFO Moratorium:** *In Iowa, 100 organizations signed a letter urging the state's legislature to pass a moratorium on new and expanded factory farms. In it, the signers contend that the state's hog factory farms, also known as concentrated animal feeding operations (CAFO), produce 22 billion gallons of manure annually, the runoff from which has damaged more than 1,000 miles Iowa's rivers and streams and over 59,000 acres of its lakes, ponds and wetlands. They further contend that the state's largest water utility "consistently struggles to provide safe drinking water to Des Moines residents "due to excessive amounts of nitrates from factory farms upstream." You can read the full letter [HERE](#). (Source: Ag Insider)*

> **China's Chicken Chain Comes Unstuck Amid Chaos of Virus Measures:** *China's chicken farmers had been looking forward to a bumper year. But an*

*unprecedented lockdown on people and goods to curb the coronavirus outbreak has disrupted the short but intense poultry lifecycle, threatening output of meat just as the world's most populous country faces a massive pork shortfall. China's poultry production expanded by +12% last year to 22.39 million metric tons, after farmers sought to plug the gap from the pork shortage caused by African swine fever that ravaged the domestic hog herd. About half of China's chickens are raised by individual farmers involved in only one or two steps of the chicken chain, rather than integrated operations. But that has made them vulnerable to restrictions resulting from Beijing's efforts to curb the spread of the coronavirus. Many roads to villages across the country are still blocked and some feed mills and slaughterhouses are still shut, while others are only starting to reopen and operating below capacity. Read more [HERE](#).*

**> Brazil Says U.S. Will Allow Fresh Brazilian Beef Imports:** *Brazilian Agriculture Minister Tereza Cristina Dias said on Friday that the United States had reopened its market for Brazilian fresh beef exports, effective immediately. The United States had halted imports of Brazilian fresh beef in June 2017, alleging that some shipments failed to pass food safety checks. The United States had halted imports of Brazilian fresh beef in June 2017, alleging that some shipments failed to pass food safety checks. The measure will take effect immediately. But there are some necessary steps to be completed, including the Brazilian government sending a list of beef packers approved to export to the United States, a source familiar with the matter told Reuters on condition of anonymity.*

**> Lawmakers Open Groundwater Fight Against Bottled Water Companies:** *Washington state, land of sprawling rainforests and glacier-fed rivers, might soon become the first in the nation to ban water bottling companies from tapping spring-fed sources. The proposal is one of several efforts at the state and local level to fend off the fast-growing bottled water industry and protect local groundwater. Local activists throughout the country say bottling companies are taking their water virtually for free, depleting springs and aquifers, then packaging it in plastic bottles and shipping it elsewhere for sale. Elsewhere, lawmakers in Michigan and Maine also have filed bills to restrict the bottling of groundwater or tax the industry. Local ballot measures have also passed in Oregon and Montana to restrict the industry, though Flathead County, Montana's zoning change remains tied up in court. Though much of the controversy around the bottled water industry has concerned "bottled at the source" spring water sites, nearly two-thirds of the bottled water sold in the United States comes from municipal tap water, according to Food and Water Watch. Read more from [Pew Trusts](#).*

**> Double-Check That Email from Susan in Accounting:** *An international ring of fraudsters dubbed Exaggerated Lion has been tricking American companies into parting with their cash. The group sends emails to workers posing as fellow employees and instructs them to send payments via check or wire transfer. Email*

security firm Agari Data estimates the group has targeted more than 3,000 people at nearly 2,100 businesses. In one of its simplest forms, a business email compromise operator will send an email posing as the chief executive officer to an accounts payable department with an urgent request to transfer funds or fulfill a fake invoice. In another example, payroll representatives will receive an email appearing to be from an employee requesting to update their direct deposit information -- often to a prepaid card account. Companies often realize something is amiss only when it's too late to recover the transferred funds. Read more [HERE](#).

**> Infertile Cancer Survivor Gives Birth Using Frozen, Lab-Matured Eggs in Scientific "Breakthrough":** A cancer survivor who became infertile after chemotherapy treatment has given birth to a baby in a world first hailed as a breakthrough for reproductive science. The French woman, 34, gave birth after freezing, thawing, and fertilizing her immature eggs in a procedure called in vitro maturation (IVM), according to a study published Tuesday in the journal *Annals of Oncology*. She had been diagnosed with breast cancer when she was 29. Before she began her cancer treatment, doctors removed immature eggs from her ovaries, and froze them in liquid nitrogen. Then, the eggs were later developed in a laboratory. Five years after the IVM procedure, the woman, who was not named, had recovered from cancer but found herself infertile. Doctors thawed her immature eggs and inseminated them with a sperm injection, before transferring the early-stage embryo into her uterus. The woman then became pregnant, and delivered a healthy baby boy named Jules last July, said the news release -- a world first. Read the full story from [CNN](#).

**> What the Beatles Can Teach Us About Tax Policy:** In the mid-1960s, the British government introduced a 95% "supertax" on the some of the United Kingdom's wealthiest residents. Among that group were the Beatles, who gave us the 1966 protest-anthem "Taxman" in response: "Should 5% appear too small / Be thankful I don't take it all / 'Cause I'm the taxman, yeah, I'm the taxman." The Beatles eventually set up Apple Corps, Limited, a company that let them sidestep the high income tax and instead pay a lower, corporate tax rate. Listen to the full story [HERE](#).

**> Drive Like an Assassin: A Ford Mustang Mach 1 Just Like John Wick's Can Now Be Yours:** Oklahoma-based workshop Classic Recreations is giving John Wick super fans a chance to own their very own version of the gorgeous blacked-out Ford Mustang Mach 1 driven by the titular anti-hero. What's more, each example of the sinister muscle car comes with the Detroit automaker's blessing. Dubbed the "Hitman," each restomod begins with a fully restored 1969-70 Mustang Mach 1 body. Things get even better when you get beneath the vehicle's retro-style hood pins. The car is powered by a massive a 5.0-liter Ford Coyote V-8 mated to a six-speed Tremec manual gear box that's capable of churning out 345 horses. If that's not enough for you, a twin turbocharged engine with a staggering

1000 horsepower is also available as an option. More details can be found [HERE](#).

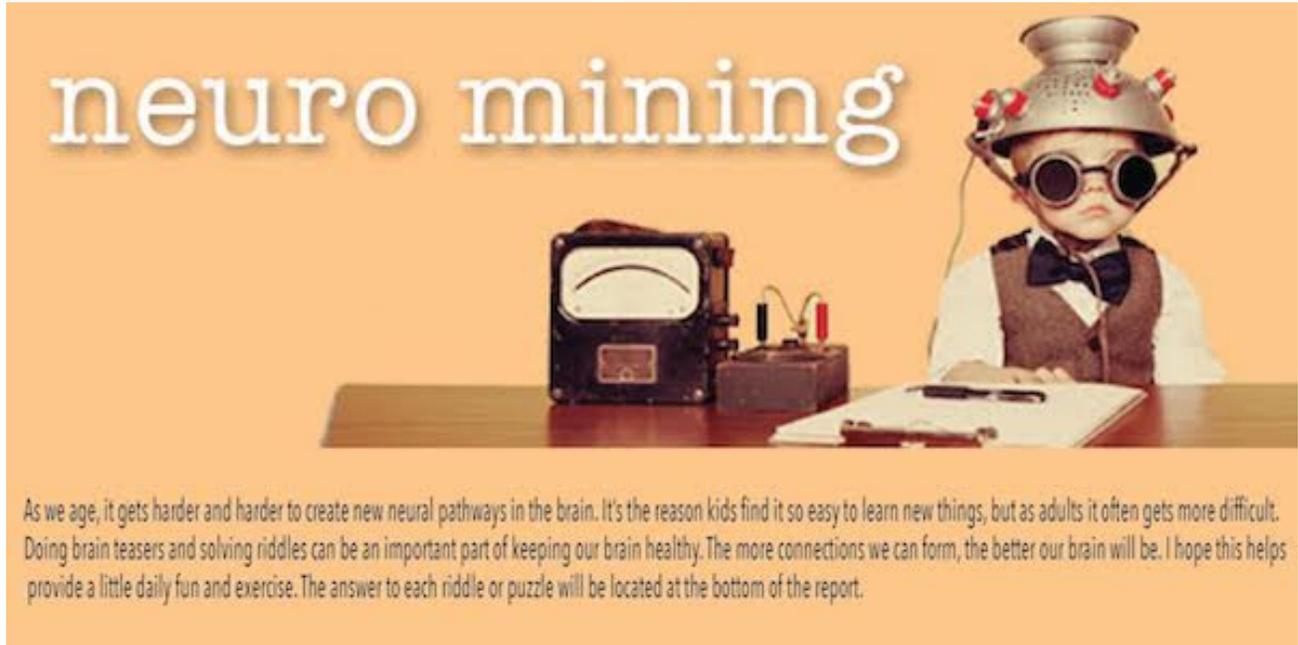




**North Central Kansas** - *In our immediate area you could count the number of corn fields on one hand. I'm not one of the guys that grows corn so I couldn't tell you what it made. There's just something about our dirt that doesn't produce good corn yields. You go two counties in any direction and I would say they're all corn, mostly corn, or at least a corn and soybean rotation. The corn has been making over 150 bushels per acre for 3 years running on dry land on a buddies farm 50 miles west of me. In this area, we pride ourselves on 80-100 bushel wheat and 40-50 bushel soybeans. A few guys plant milo but like corn, it just does poorly. I'm looking forward to listening to Kevin speak in Concordia tomorrow. We put 200 acres of test plots out for Holganix in wheat this year, so we are excited to see what they have to say!*

**Central Minnesota** - *Had a decent year, with yields coming just short of 5-year APH, even with our test weight for some of our corn in the lower 50's. Fortunately, it did dry down for us and we make our sales above production costs. Things are still pretty wet and the water table is above normal, which has kept the tile running all year. We are starting to take a serious look at diversification as well as seeking a premium for the commodities we currently grow. It's pretty obvious that with technology and traits being exported all across the globe, the available profits will only come to those who have a solid production as well as a marketing plan. Starting to see a few acres of organics and watching with interest what happens with hemp this year.*

**Eastern North Dakota** - *To me it seems like everyone is either in the process of opening corn fields or is back to harvesting. When I say open up fields, we are literally cutting a path into the field through a 6 foot drift. The warmer weather is going to pull the snow depth back far enough to get out there and harvest by next week at the latest. I've heard both sides of the story, either test weight has jumped a couple percentage points or it's still the same. It all depends on how mature the corn was when it froze. My rough estimation would be 65-70% has jumped in test weight. I'm basing that on what I've heard and seen. The moisture has dropped roughly 5% so most of our corn should be around 20%, which is a manageable number for our dryer.*



**TODAY'S RIDDLE:** It breaks away from its pack. It creates holes in its victims. It can travel for miles and then disappear. It is part of a dying breed. What is it?

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## Putting America's Land Usage Into Economic Perspective

America has one of the largest landmasses in the world at its disposal with over 3.8 million square miles, and that's without taking into account either Alaska or Hawaii. In an interesting article recently published by the World Economic Forum,

they raised the question of how America's land actually gets used by our economy, meaning for example, what percentage of land is taken up by urban areas, and how much farmland and forests exist in comparison. The maps below were produced by the McHarg Center and offer a unique perspective of the various ways how our resources are managed across various types of lands.

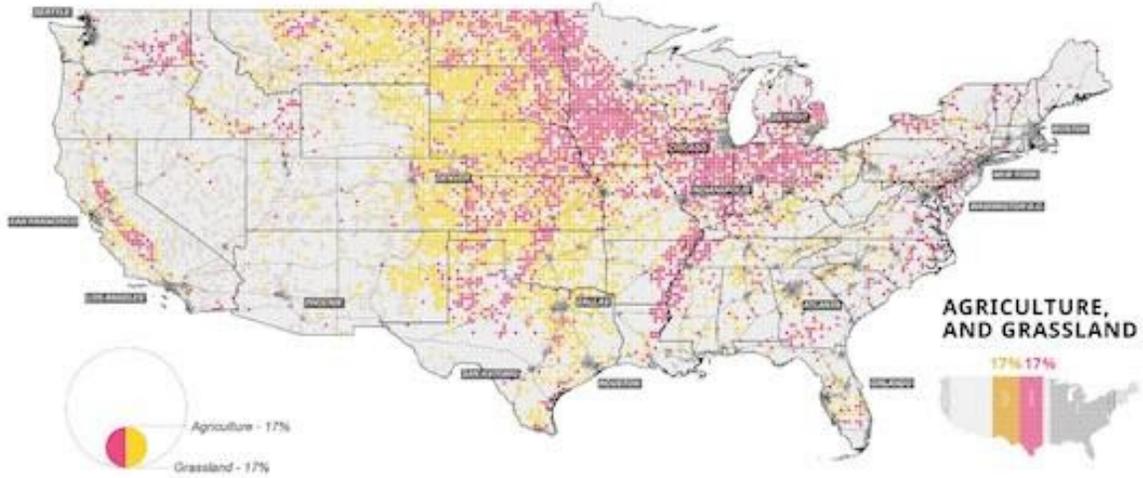
One hundred million more people are expected to live in the US by 2100, making the sustainability of our resources critical. Keep in mind most of them are projected to move into urban settings, placing new challenges as well as opportunities for businesses. The article identifies three specific types of land, urban areas, forests, and agriculture.

Urban Areas may only take up 2% of the land, but nearly 82% of Americans called it home in 2018. Economic productivity generally follows the masses and in the same year it was estimated that 32% of our national GDP came from a mere 31 counties. Most of those were located around major cities such as Los Angeles or New York. I should mention, according to research by the McKinsey Global Institute, it's estimated that by 2030, 60% of job growth could come from just 25 urban areas.

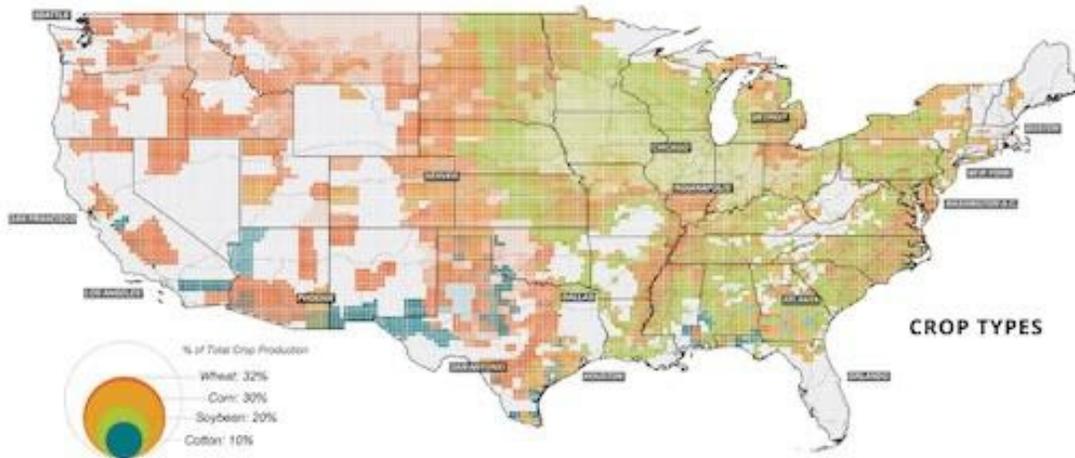
Forests, parks, and wetlands, on the other hand, make up over 30% of our country's land, including our protected national and state parks. California and Oregon are the states with the most forested land, but as we have unfortunately witnessed in recent years, they have been plagued by wildfires in the dry summer months. Wetland acres are also suffering as they nearly been cut in half over the years having been drained to make way for agriculture, most notably in the Great Lakes region.

Finally, the last set of maps below reveal where and what is grown across our country. Agricultural, food, and related industries contributed \$1.05 trillion or 5.4% to U.S. GDP in 2017. Much of these crops feed not only Americans but other parts of the world too. Presently, the U.S. is the world's largest beef producer, followed by Brazil. In fact, beef production takes up 40% of total livestock-related land-use domestically. It's worth noting that although fewer American consumers are opting for meat in their diets, production is remaining high. Further, as incomes continues to increase worldwide, the global appetite for meat is set to rise along with it.

Rising regulatory pressures will most likely be put on the limited U.S. land and natural resources in the coming years, and this pressure along with consumer sentiment and quickly changing technology will be agricultures playing field of the near future. Make sure you are staying on top of the trends as this pressure will be felt everywhere. (Source: [weforum.org](https://www.weforum.org), [mcharg.upenn.edu](https://www.mcharg.upenn.edu))



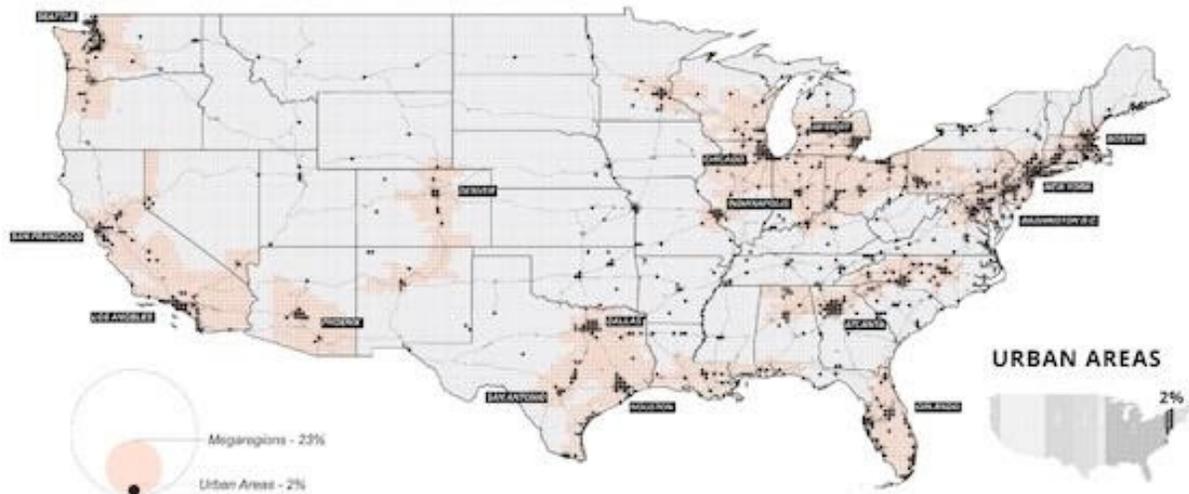
Disproportionate: 40% of U.S. corn is turned into livestock feed.



A global supplier.



Many national parks are under threat from big industry.



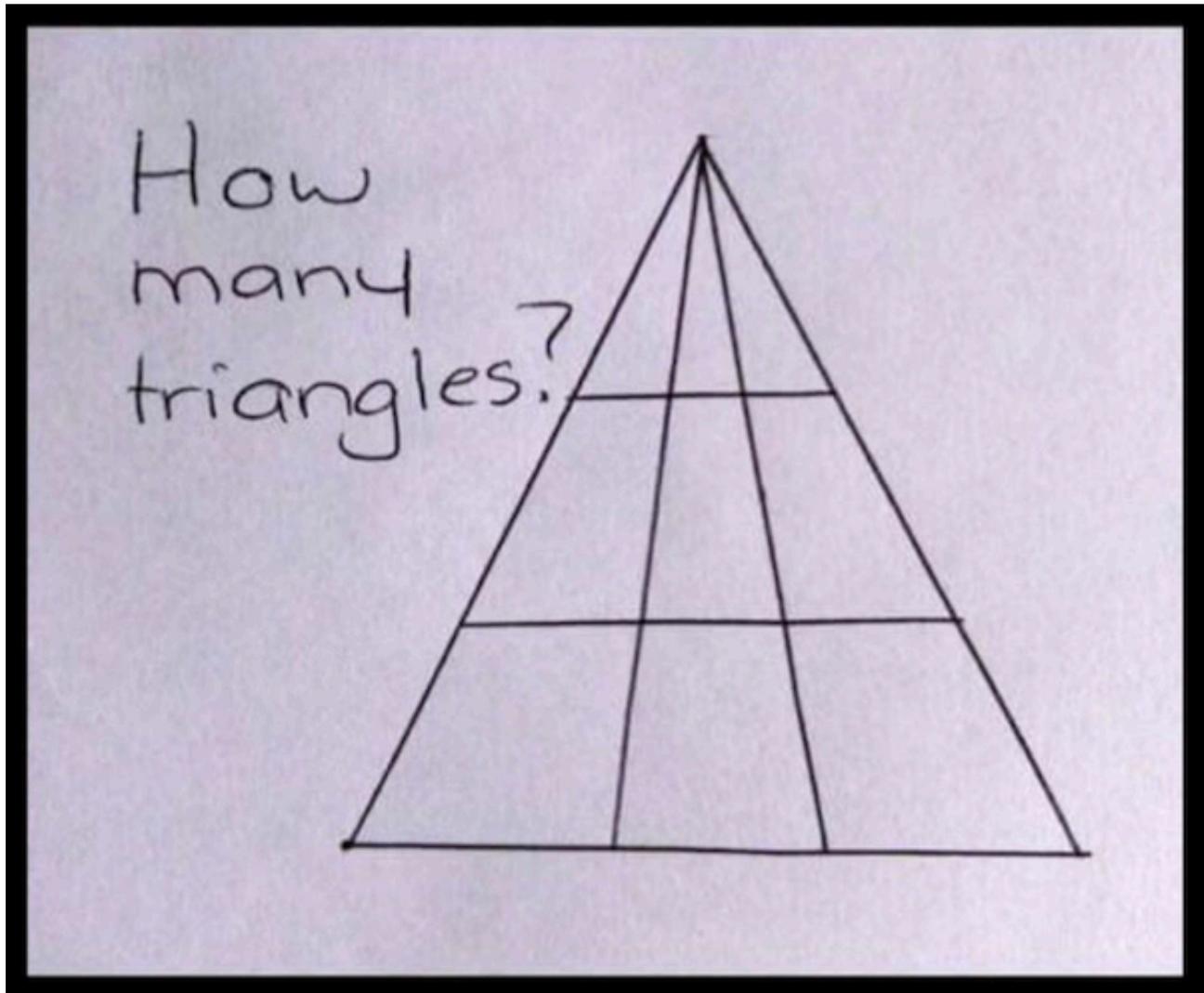
Urbanites make up a majority of the U.S. population.

Land type	Land use (%)	Land area
Forests	27%	842,400 mi <sup>2</sup>
Shrubland	24%	748,800 mi <sup>2</sup>
Agriculture	17%	530,400 mi <sup>2</sup>
Grasslands and Pasture	17%	530,400 mi <sup>2</sup>
Wetlands	5%	156,000 mi <sup>2</sup>
Other	5%	156,000 mi <sup>2</sup>
Open Space	3%	93,600 mi <sup>2</sup>
Urban Areas	2%	63,400 mi <sup>2</sup>
<b>Total</b>	<b>100%</b>	<b>3,120,000 mi<sup>2</sup></b>

With urban living on the rise, the pressure will be felt to make room for city dwellers.

### Fun Brain Teaser... How Many Triangles Do You See?

As you know, we are huge fans of riddles and puzzles around here, so it's no shock that a simple brain teaser that's been traveling around the internet caught our eyes. I was actually surprised to hear how many different answers were given. Again this is a good test of perspective and how we look at things... I've included the answer at the very bottom of today's report. Have fun!



### If You Like Piña Coladas...

Today is Rupert Holmes 72 birthday! If you are curious, Rupert Holmes is the singer-songwriter, musician, and author who is most widely known for the hit single "Escape" (The Piña Colada Song), which became the final Hot 100 #1 of 1979. My mom did her part in making this song a pop hit as I remember her listening to it hundreds of times:) Michelle and I still get a smile on our face when we hear it playing:)

The lyrics remind us all that we can often overlook what's right under our own nose. The song speaks in three verses and three choruses through a series of ads placed in the personals column of a local newspaper. Through the process, the couple discovers their mutual interests and likes have been there all along they just failed to communicate and let each other know their true feelings and emotions. I think this life lesson is something we all need to revisit from time-to-time. I included the lyrics below along with the music video. **Click [HERE](#)**

*I was tired of my lady, we'd been together too long  
Like a worn-out recording, of a favorite song  
So while she lay there sleeping, I read the paper in bed  
And in the personals column, there was this letter I read*

*"If you like Pina Coladas, and getting caught in the rain  
If you're not into yoga, if you have half a brain  
If you like making love at midnight, in the dunes of the cape  
I'm the love that you've looked for, write to me, and escape"*

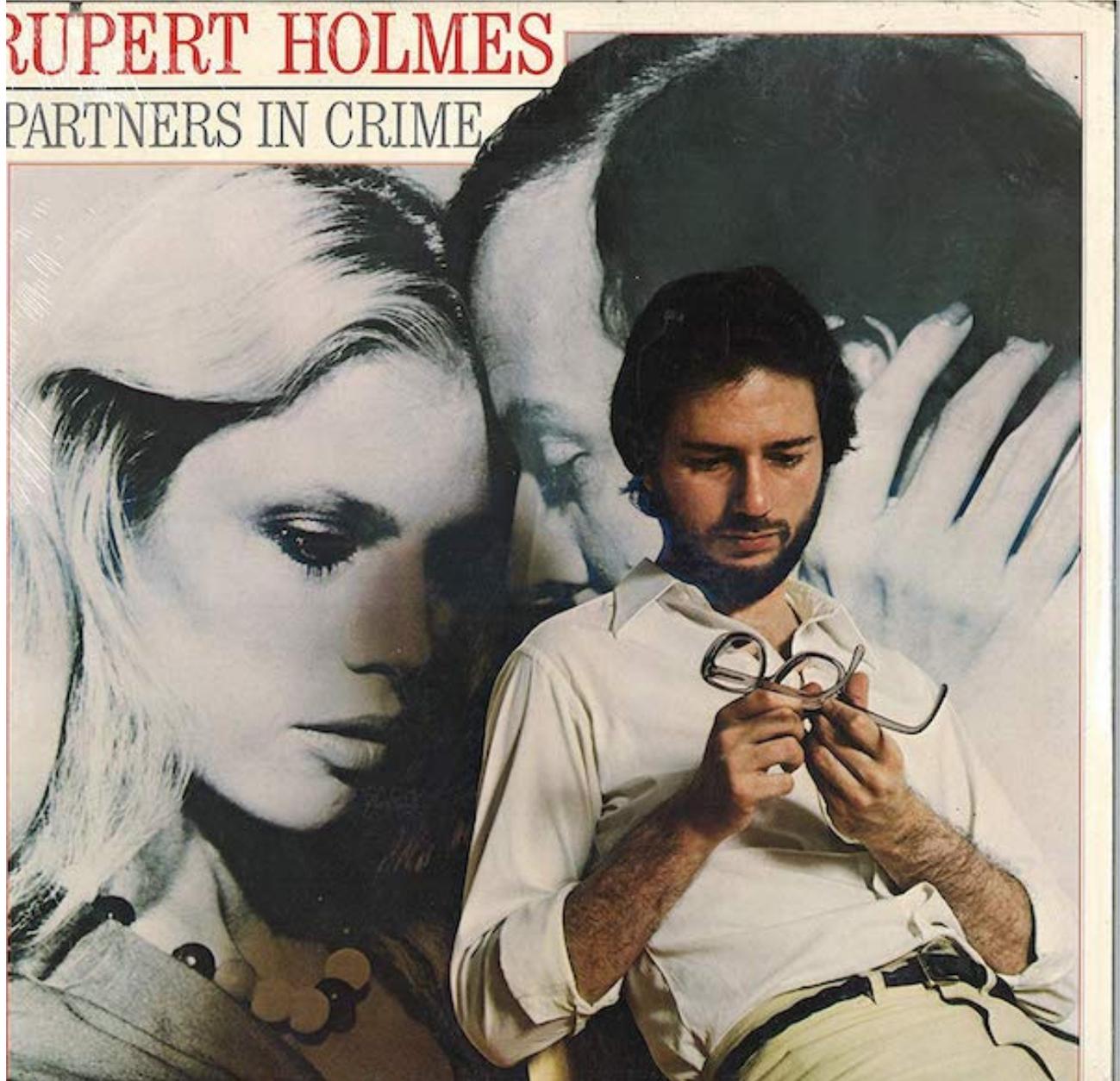
*I didn't think about my lady, I know that sounds kind of mean  
But me and my old lady, had fallen into the same old dull routine  
So I wrote to the paper, took out a personal ad  
And though I'm nobody's poet, I thought it wasn't half bad*

*"Yes, I like Pina Coladas, and getting caught in the rain  
I'm not much into health food, I am into champagne  
I've got to meet you by tomorrow noon, and cut through all this red tape  
At a bar called O'Malley's, where we'll plan our escape"*

*So I waited with high hopes, then she walked in the place  
I knew her smile in an instant, I knew the curve of her face  
It was my own lovely lady, and she said, "Oh, it's you"  
And we laughed for a moment, and I said, "I never knew"*

*"That you liked Pina Coladas, and getting caught in the rain  
And the feel of the ocean, and the taste of champagne  
If you like making love at midnight, in the dunes of the cape  
You're the love that I've looked for, come with me, and escape"*

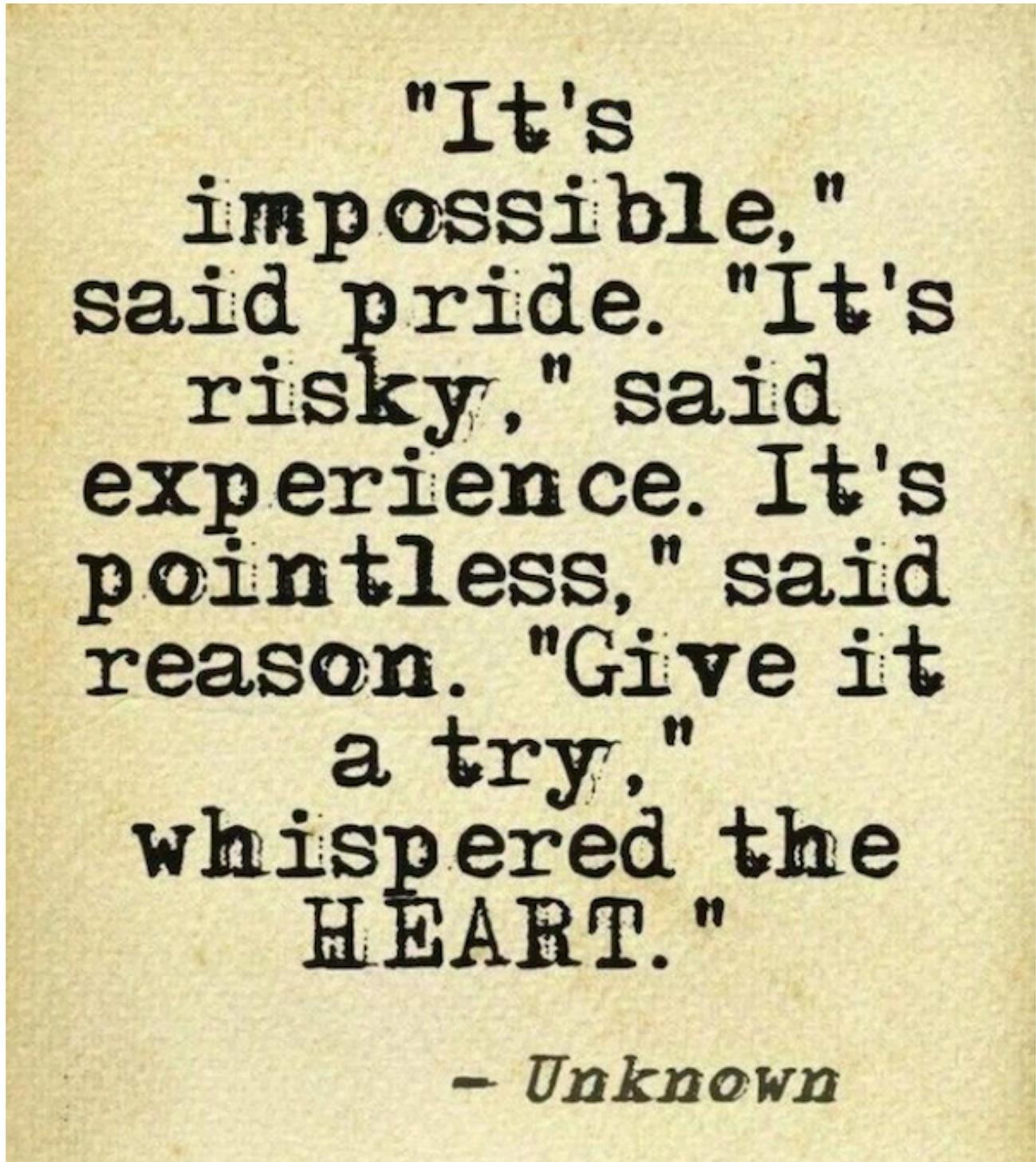
*"If you like Pina Coladas, and getting caught in the rain  
If you're not into yoga, if you have half a brain  
If you like making love at midnight, in the dunes of the cape  
I'm the love that you've looked for, come with me, and escape"*



We come to love not by  
finding a perfect person,  
but by learning to see  
an imperfect person  
perfectly.

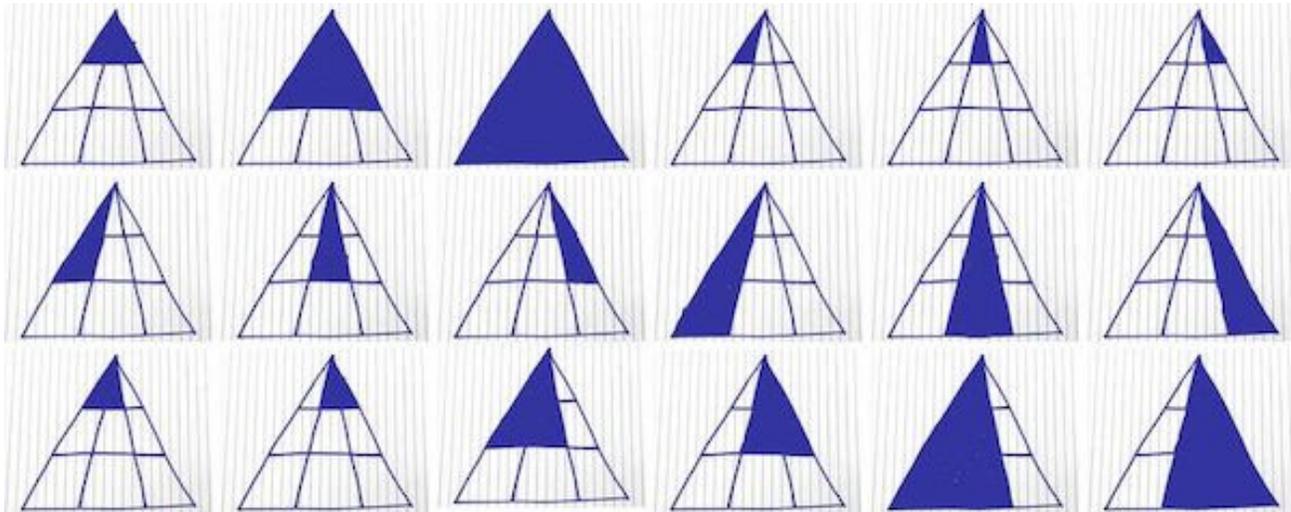
*Wisdom  
Quotes*





### Triangle Answer

Some folks might be tempted to give a quick answer of 4, including the large main triangle and the three mini triangles at the very top. Sadly, that answer is incorrect. Others might notice that there are a few medium-sized triangles within the large main shape and cap their answer at 7. Unfortunately, that answer is also wrong. I've also heard 8, 10, 12, 16, but the correct answer is 18.

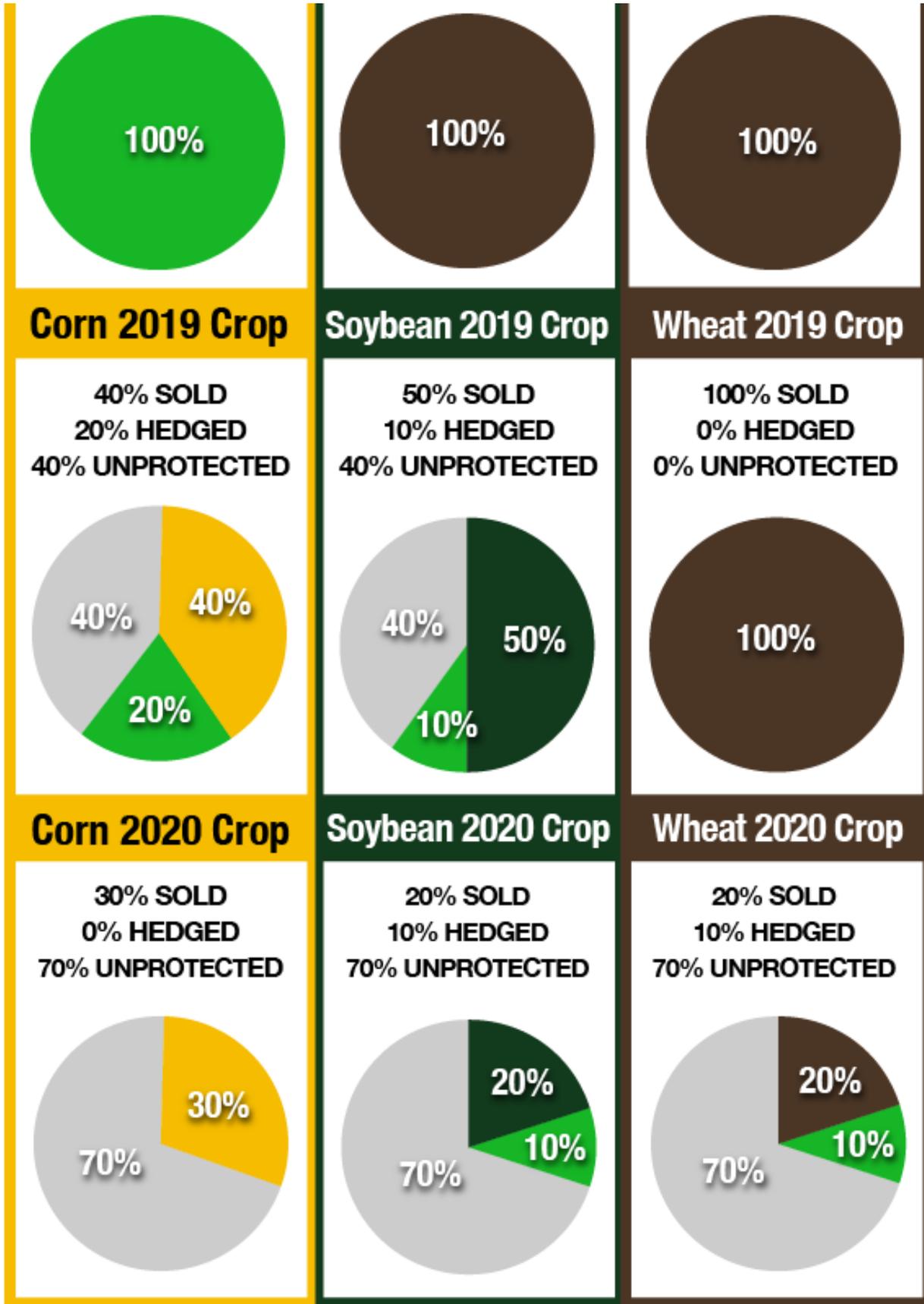


**ANSWER to riddle:** An iceberg.

## CASH SALES & HEDGING TOTALS

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<b>Corn 2018 Crop</b>	<b>Soybean 2018 Crop</b>	<b>Wheat 2018 Crop</b>
<b>100% SOLD</b>	<b>100% SOLD</b>	<b>100% SOLD</b>
<b>0% HEDGED</b>	<b>0% HEDGED</b>	<b>0% HEDGED</b>
<b>0% UNPROTECTED</b>	<b>0% UNPROTECTED</b>	<b>0% UNPROTECTED</b>



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