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GOOD MORNING: The. Van Trump Report 3-5-20

1 message

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

Thu, Mar 5, 2020 at 5:31 AM

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"Our greatest fear should not be of failure but of succeeding at things in life that don't really matter." - **Francis Chan**

Thursday, March 5, 2020[Printable Copy](#) or [Audio Version](#)

Morning Summary: Investors remain highly uncertain about the fallout that might soon be associated with coronavirus. Bulls were encouraged yesterday by more global central banks taking steps to combat potential economic problems stemming from the coronavirus, as well as Joe Biden's surge in the race for the Democratic nomination. The Bank of Canada slashed its benchmark interest rate to 1.25% from 1.75%, following a similar move by the U.S. Fed and other central banks around the world as they try to stay one step ahead of the fast spreading virus. The Dow jumped nearly 1,200 points yesterday and the Nasdaq actually rallied back into positive territory for the new year. All three indexes however are still off about -8% from their February records. Investors still expect the Fed to do more, with anticipation fairly high that the central bank will announce another quarter-point cut at its next meeting on March 18, potentially followed by another move in April. Personally, I'm not on the same page with that theory but the market clearly thinks the Fed is going to make another move to cut rates sooner rather than later. Bears worry that at a global level, there will now be much less ammunition for countries to work with than what was available during the last global financial crisis in 2007-2008, particularly the EU and Japan which both currently have negative interest rates. Still, the European Central Bank is expected to cut its deposit rate by 10 basis points before its next meeting scheduled on March 12, even with its current rate of -0.5%. The Bank of England is expected to cut

rates by 25 basis points, possibly before its March 26 meeting. Bank of Japan Governor Haruhiko Kuroda said on Wednesday that it was poised to take "appropriate action," but no one is sure what exactly that might look like. Here in the U.S., the virus continues to spread with Los Angeles becoming the latest city to declare a "state of emergency" after confirming several new cases. The state of Washington has now reported 10 deaths from the virus. Keep in mind, the U.S. government just this week increased testing, which officials have warned will show a significant number of new victims. That is not necessarily a sign that the rate of infection is increasing, but that the ability to test more people, more rapidly, is leading to better detection and may create more negative headlines and ultimately trigger more bearish Quant and Algo trading signals. There are obviously concerns that if and when those cases start hitting the headlines, markets could once again head south. On the political front, investors are happy to see Joe Biden is better positioned to become the Democratic Presidential nominee. Michael Bloomberg dropped out yesterday, endorsing Biden, who has now passed Bernie Sanders in the delegate count. Political analysts believe supporters of Bloomberg, as well as those of other more moderate Democrats that have also left the race, will throw their support behind Biden, helping him secure the nomination over socialist-leaning Sanders. Oil investors today are focused on the OPEC+ meeting which runs March 5-6. Traders are expecting the oil cartel to further cut production by -600,000 barrels per day, on top of the current cuts of -1.7 million barrels per day. However, there are rumors that the group is discussing even deeper cuts of perhaps up to -1 million barrels per day. Data released yesterday showed OPEC's crude oil production fell to the lowest in more than ten years last month as a number of producers cut more deeply than they had agreed to and Libya's output continues to fall amid an oil port blockade. OPEC has been desperately looking for a way to stop the oil price decline or at least slow it down, after the coronavirus outbreak in China pressured oil prices into a bear market. Some of those losses have been made up this week though analysts believe the gains are mostly due to expectations for OPEC action. Those heavy end-users who haven't locked in much 2020 fuel should be taking a very close look. Economic data today includes Productivity and Costs and Factory Orders, neither of which are expected to have much impact on markets, partly due to the fact that investors are more interested in data reflecting the coronavirus impact. It will mostly be April before we start seeing those numbers, though. There are a few earnings releases of interest today, including Costco, H&R Block, Kroger, and Novozymes. Stay nimble... For what it's worth, I've taken a few small bites on the recent breaks but still remain just under 50% invested in the market. I continue to see no reason to be in a hurry and still believe we could ultimately see retesting of the recent lows.

House Passes \$8.3 Billion Emergency Coronavirus Spending Plan: *The House passed a bill Wednesday allocating more than \$8 billion in emergency funds to combat the spread of the deadly coronavirus. The emergency funding package provides more than \$3 billion in vaccine research and \$2.2 billion in prevention and preparedness efforts. The measure now heads to the Senate, where lawmakers hope they can quickly bring it to a vote. The \$8.3 billion congressional spending proposal is more than three times the \$2.5 billion the White House proposed last week devoting to the coronavirus effort. (Source: Reuters)*

Airbnb Worries... *My wife and I have several Airbnb properties and business to this point has been terrific. There are clearly some questions moving forward especially for the properties in heavy tourist locations. Airbnb executives are worried because they were planning one of the biggest and*

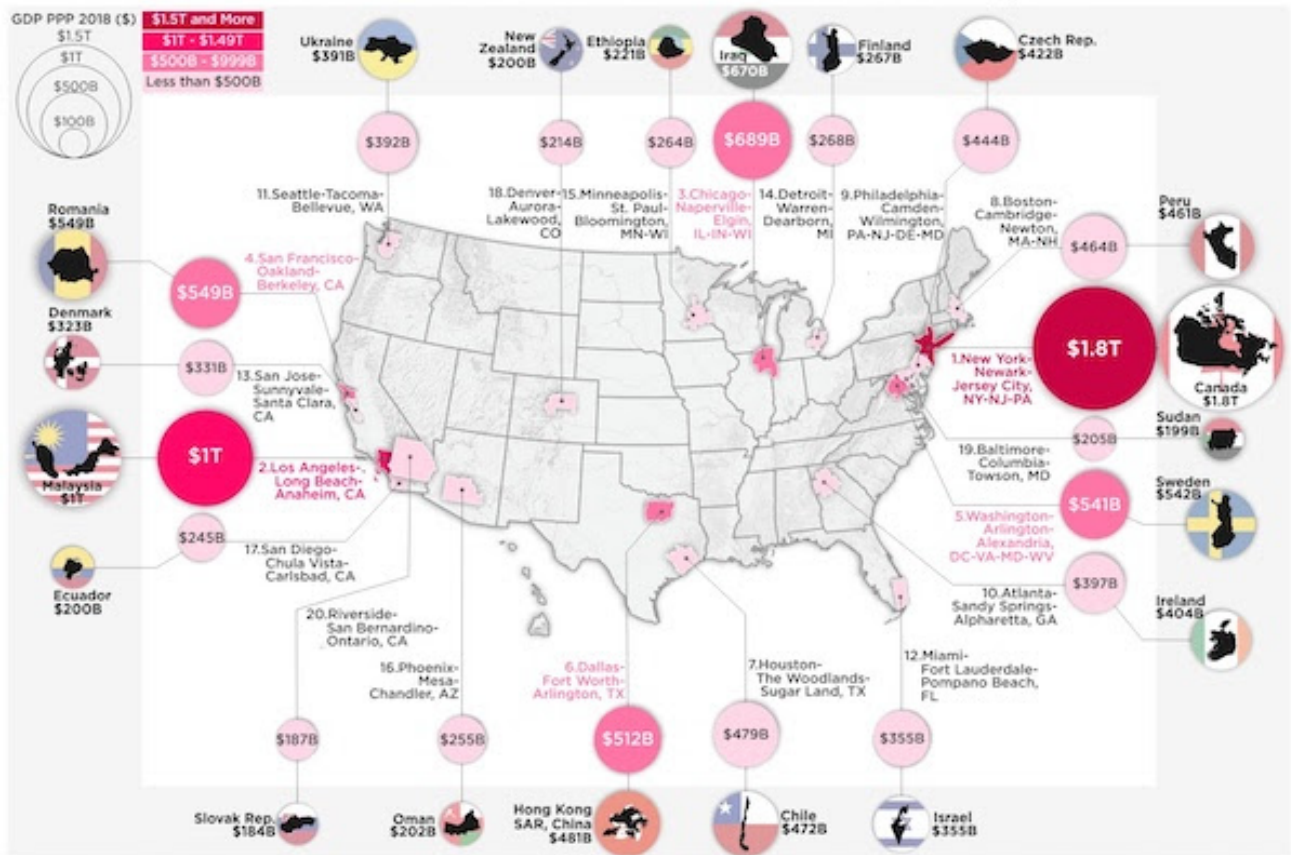
most heavily anticipated IPO's of 2020 and is now in danger of being derailed by the spread of the coronavirus. Airbnb, who is the operator of the largest home-sharing service in the world, has been working toward a stock market debut this year and was looking to start the process around March or April... That kickoff looks like it could get pushed back. And now, with consumers and businesses canceling travel plans around the globe, Airbnb's plan is at risk of slipping into 2021. The coronavirus is seriously impacting many businesses. Source: Bloomberg

Tensions are Ramping Up Between Turkey and Russia: *Russia is racing to reinforce its troops in Syria by sea and air before talks between the Russian and Turkish leaders in Moscow on Thursday, flight data and shipping movements show. The two presidents, Vladimir Putin and Tayyip Erdogan, agreed to meet after a surge in tensions between their countries over fighting in Syria's Idlib province between Russian-backed Syrian government forces and rebels allied to Turkey. On Sunday, Turkey, which backs certain rebel groups in Idlib, officially declared the start of a full-scale military operation against Syrian President Bashar al-Assad's forces. Turkey has since downed three Syrian fighter jets and killed dozens of government soldiers and allied fighters - mostly through drone attacks. The fighting has raised the prospect of a direct clash between their armies, which operate in close proximity on opposing sides. A Reuters analysis of flight data and correspondents' monitoring of shipping in the Bosphorus Strait in northwestern Turkey show Russia began to step up naval and airborne deliveries to Syria on Feb. 28, the day after 34 Turkish soldiers were killed in an air strike in Syria. Erdogan hopes to broker a ceasefire in Idlib when he meets with Putin Thursday but it's unclear whether it will stop the Syrian government's attempt to retake the province. Russian officials have said they hold Turkey responsible for the collapse of a cease-fire agreement reached in Sochi, Russia in 2018. Most analysts don't seem to think Russia will desert its Syrian allies but it's unclear how far they will go to help the regime when it comes to outright warfare. (Sources: The Economist, Washington Post)*

20 American Cities with Economies as Big as Countries: *The U.S. accounts for one-fourth of the entire world economy, or about \$21.44T in nominal GDP. Within this massive economy are U.S. cities with GDP's surpassing that of entire countries. New York boasts the largest GDP of any metro area in the U.S. at \$1.8T, the same size as the entire Canadian economy. Los Angeles also has a GDP over \$1T, roughly the same size as Malaysia. Dallas is about as important from a pure GDP perspective as Hong Kong (\$512B), which has its own stock exchange. Chicago alone carries as much economic weight as Iraq (\$689B). Even smaller American cities have enormous economic weight. Riverside-San Bernardino, CA is the smallest one on the map below, and it still generates \$187B in GDP, or about as much as*

Slovakia. Click [HERE](#) for a larger version of the map and visit [HowMuch](#) for more details.

Economic Output of the Largest U.S. Metro Areas Compared to Countries Metro Areas GDP & Countries GDP in Purchase Power Parity, 2018



Article & Sources:
<https://howmuch.net/economic-output-largest-us-metro-areas-compared-countries>
 BEA - <https://bea.gov>
 World Bank - <https://worldbank.org>

howmuch.net

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**FARM
TANK**

0:33 -55:46
The Great Commodity Super Cycle, E
FarmTank — Kevin Van Trump

1x

FARM TANK

Tweets of the Day





Will [#Disney](#) continue to dominate the box office now that [#Boblger](#) has stepped down as CEO. Last year, they became the 1st studio to surpass \$11bn in earnings, beating a record they set in 2016 with \$7.6bn.

statista.com/chart/20304/bo...

Disney Dominates at the Box Office

Worldwide box office revenue of the highest-grossing movies in 2019



Source: Box Office Mojo





Jon Erlichman ✓
@JonErlichman



Tesla vehicle deliveries each year:

2020: +500,000
2019: 367,500
2018: 245,240
2017: 103,097
2016: 76,295
2015: 50,580
2014: 31,655
2013: 22,477
2012: 2,650
2011: 0

(2020 is Tesla's forecast)



Darcy Friesen
@dadfreezin



Replying to @KowalchukFarms

Getting the itch for #plant20

Langham, Saskatchewan

**Andrew Richter****@andyrichter**

I found a picture of my dad combining Ca. 1993. I still have this tractor. The combine is long gone. The tractor was a year old when we got it. It will never leave.





Mrs. Rost
@MonticelloFFA



Drive your tractor to school day!



Nyles Desrochers
@BaldurBarons



Moved buffalo for the first time today. Bull lost it. I guess this is why they say just get out of the way 🤔







ActionComplete
@ActionComplete



Everybody says mistake is the first step of [#success](#) but the real fact is CORRECTION of...

[#quotes](#) [#inspiration](#)

**Everybody says,
mistake is the first
step of success but
the real fact is
correction of
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step of success.**

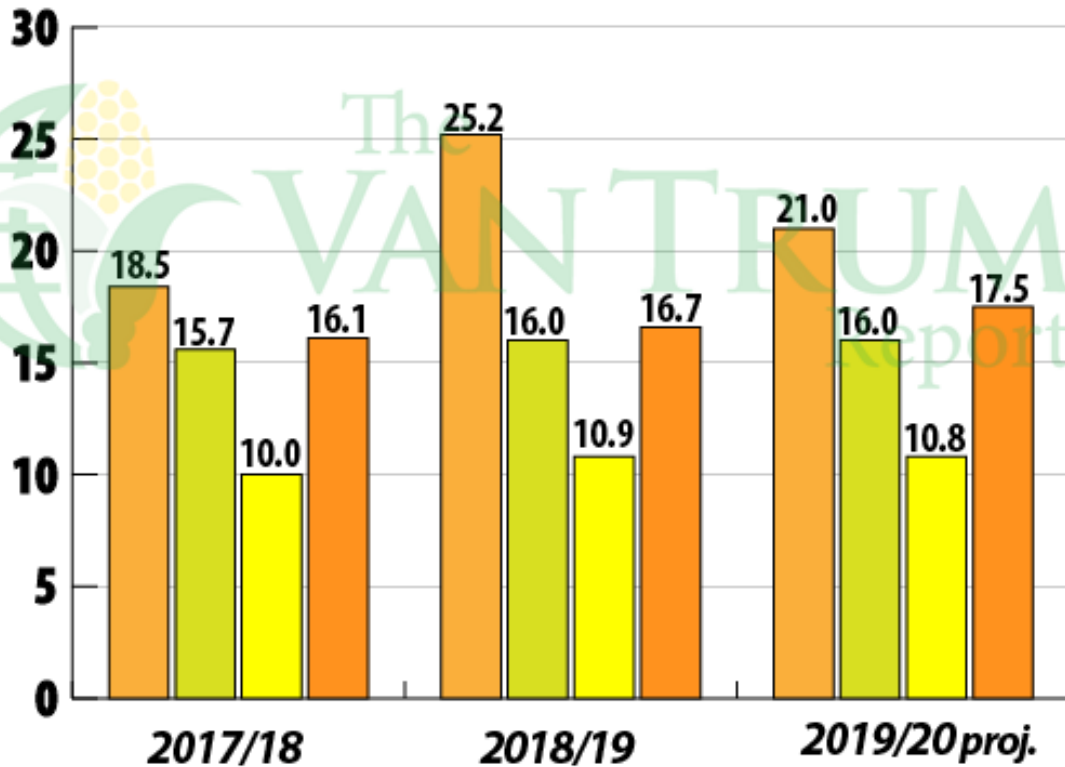
Corn prices closed at their highest levels in the past couple of weeks but will now start to run into a bit more heavy technical resistance on the charts. Keep in mind, the MAY20 contract hasn't traded much outside the \$3.65 to. \$4.15 range since last August. In other words, we are still sitting slightly below mid-range. Bears find

this very hard to believe considering the very sizeable ending stock number we could soon be digesting and are forecasting that prices will be breaking out to the downside and ultimately falling to sub-\$3.50 levels. They simply point to the very realistic chance of Brazil harvesting yet another record-setting crop and the fact U.S. producers could plant +94 million acres of corn and harvest a crop north of 15.0 billion bushels. At the same time, "demand" remains somewhat suspect as South American supplies will soon be extremely competitive because of the strength of the U.S. dollar vs. weakness in the Argentine peso and Brazilian real. In other words, without China stepping in and buying a sizeable amount of U.S. corn the export story could lack any real excitement. The demand story for ethanol is also lacking bullish enthusiasm. Just yesterday, fresh U.S. data showed a record surplus of ethanol at nearly 25 million barrels. Bulls are pointing to the fact China has been in the market buying U.S. sorghum and said to be sniffing around the DDGs market. There is also talk of abnormally hot and dry conditions in parts of Argentina that may work to trim overall production. Bulls also point to the fact U.S. corn is still sitting in the bag with an entire season of risk ahead. As a producer, I want to believe that we will soon see some Chinese buying and start to see more weather worries. But again, I have to remind myself I'm talking my position and my on-farm desire to see higher corn prices. I can't lie, I'm nervous about the downside, especially during this period of time between now and the next big weather worry. If China remains on the sideline and weather here at home cooperates early it will be hard to sustain upside momentum. I will be looking to reduce more of my remaining old-crop risk on the next leg higher.

Worlds Top Importers of Corn

EU JAPAN SOUTH KOREA MEXICO

Top 4 Global Corn Importers
(in Million Metric Tons)



Source: USDA, PS&D, March, 2020



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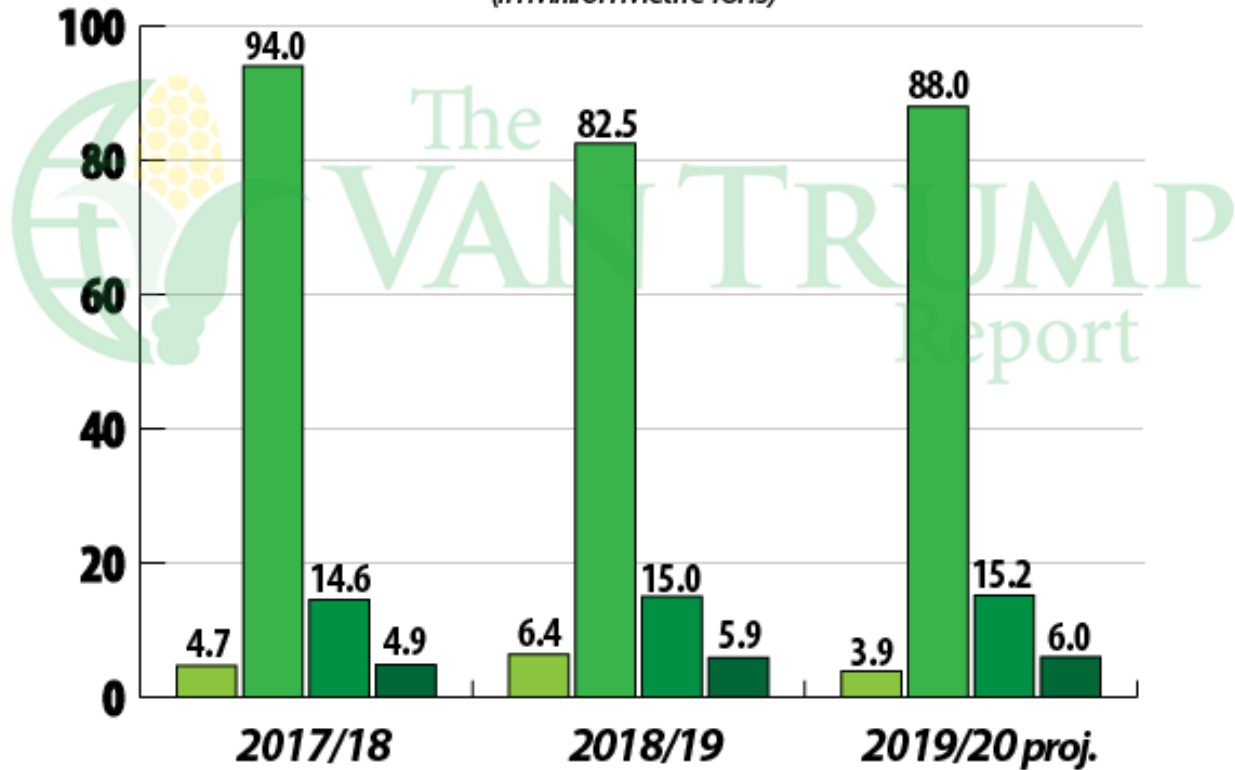
Soybean bulls point to China recently buying U.S. sorghum as a sign they might soon start buying more U.S. agriculture. Bulls want to argue that China is finally starting to come back online and getting back on their feet after battling the coronavirus for the past two months and in theory, this should provide a nice tailwind for the soybean market. There's also talk that the rising export tariffs in Argentina will help to limit some supply coming onto the global market. Technically, bulls are talking about breakout to the upside on the move back north of \$9.10 per bushel in the MAY20 contract. The next level of resistance now seems to be in the \$9.25 to \$9.35 area. Bulls are hoping the \$8.90 to \$9.00 are can hold itself as nearby support. Bears worry, similar to corn, that Chinese buying might not happen in a sizeable way for several more months and if U.S. weather cooperates early in the season bullish headlines could be somewhat limited. In other words, nearby rallies might be best viewed as opportunities to sell old-crop cash bushels and tighten up new-crop hedges. As a spec, I remain on the sideline and still not interested in buying upside momentum, at least not in this overall macro environment.

Worlds Top Importers of Soybeans

■ ARGENTINA ■ CHINA ■ EU ■ MEXICO

Top 4 Global Soybean Importers

(in Million Metric Tons)



Source: USDA, PS&D, March, 2020

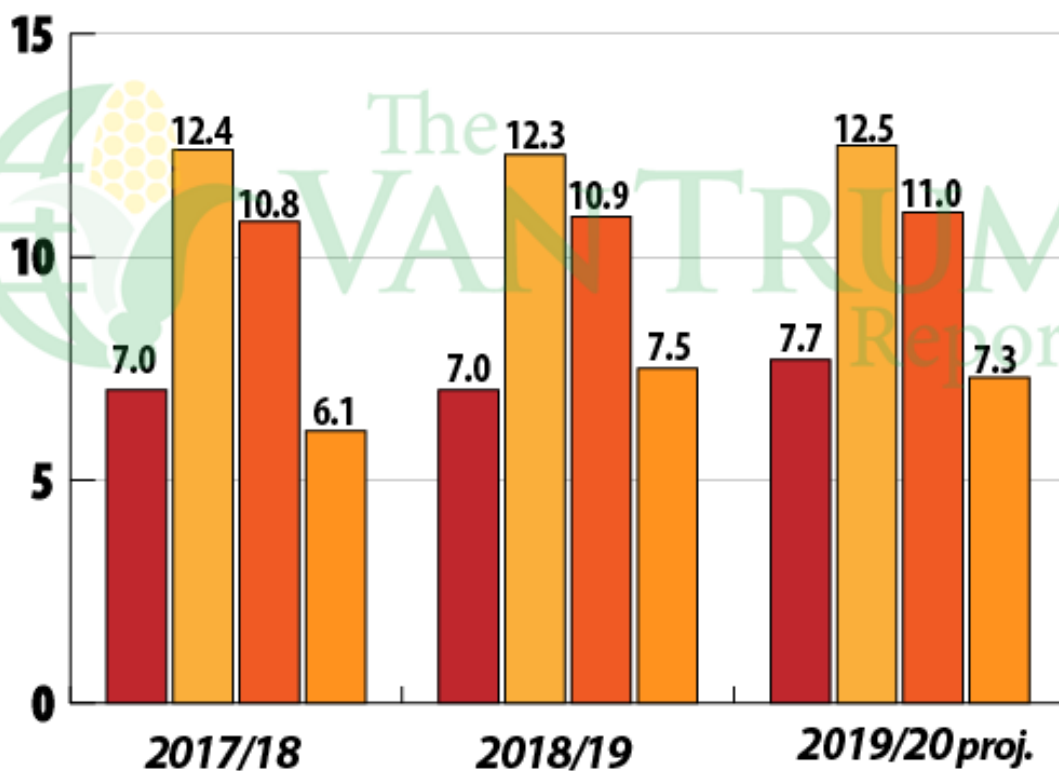
Wheat bears continue to question overall demand and point to record global supply. Bears also point to cheaper prices in Russia and part of the European Union along with mostly cooperative weather here in the U.S. Bulls want to argue that warmer than normal U.S. weather is bringing the crop out of dormancy too early and putting it at risk of a late-winter cold-snap. While this is a legit argument the market currently sees it as a stretch with the large ending stocks in play. Bottom line, bulls need a more widespread weather worry here in the U.S. and more detailed confirmation of Chinese buying in order to get sustained upside momentum. I also suspect as long as the larger macro bulls worry about corona it will be tough to get a major bullish tailwind. As a producer, I'm thinking the virus has now pushed our window-of-opportunity back further into the marketing year. As a spec, I'm thinking about jumping in the water as a bull and giving the position very little room to. the downside. I worry if the next -20 to -25 cents don't hold as support prices could more rapidly deteriorate. On the flip side, if we can hold, buy some time and start to base out in this area it might be just the right time to reenter as a bull. I exited my last bullish position at just the right time and have remained patient for several weeks waiting to reenter. I've always

hated trying to grab falling knives, but I think I'm going to give it a shot and keep a very close eye on. the position. I'm going to give myself two opportunities to price average in so I'm going to starting with a small bullish position right here. Let's just say I'm going to jump in the water and hold my breath...

Worlds Top Importers of Wheat

■ BRAZIL ■ EGYPT ■ INDONESIA ■ PHILLIPPINES

Top 4 Global Wheat Importers
(in Million Metric Tons)



Source: USDA, PS&D, March, 2020



> Ag Chief Perdue Expects Chinese Soy Buying in Late Spring, Summer: U.S. Agriculture Secretary Sonny Perdue on Wednesday predicted China will come into the U.S. market for soybeans in late spring and summer, after Beijing in January promised to buy more American farm goods as part of an interim trade deal. Major Chinese purchases of U.S. agricultural products have not yet been seen, increasing doubts among traders and farmers that Beijing will follow through on its pledges. African swine fever has reduced China's demand for soy used to feed hogs and the spread of the new coronavirus is also threatening China's economic growth. Soybeans made up more than half of China's U.S. agricultural purchases in 2017 before the countries' trade war erupted. Speaking to Congress yesterday, Perdue said President Trump is only willing to support 2020 Market Facilitation Program payments if the expected trade with China doesn't materialize. "None of us, obviously, know what the impact of the coronavirus and that's yet to be determined. We're going to do what we've always done and do what needs to be done in that regard, nationally and internationally, in that way." (Source: Reuters, Brownfield Ag)

> Farmer Sentiment Reaches All-Time High in Latest Ag Economy Barometer: Purdue University's Ag Economy Barometer rose slightly compared to a month earlier, with a reading of 168 in February, just one point higher than in January. The one-point rise in the sentiment index was enough to push the barometer to a new all-time high. The barometer's strength was underpinned by an improvement in producer's perceptions of current conditions, which offset a small

decline in expectations for the future. The Current Conditions Index set a new record high in February with a reading of 154, up 12 points from January. Expectations for the future remained strong from a historical perspective, although the Index of Future Expectations reading of 175 represented a 4 point decline from its record high set in January. Check out the full report [HERE](#).

> Meat Stockpiles Surge as Coronavirus Epidemic Curbs Exports: *The coronavirus epidemic is exacerbating a meat glut in the U.S., filling cold-storage facilities with pork, chicken and beef intended for export to markets hit by the outbreak. Rising quantities of breasts, thigh meat and drumsticks lifted the amount of chicken in U.S. cold storage facilities by 12% over the first month of the year to the highest level on record for the month of January. U.S. meatpackers have been counting on big orders from Chinese buyers, as trade tensions ease and China struggles to fill a pork shortfall after losing hundreds of millions of hogs to a swine disease. U.S. hog farmers have ramped up production, and chicken companies have been raising fatter birds. U.S. meat exports to China surged in late 2019, with more U.S. pork shipped to the country in November and December than in all of 2018, according to the USDA. The new coronavirus has scrambled that outlook as government mandated quarantines have led to lower meat consumption and logistical snarls. Read more from [The Wall Street Journal](#).*

> Bayer's Top Seed Faces U.S. Soybean Challenge from Corteva: *Bayer told Reuters it expects plantings of its genetically modified Xtend soybean seeds to flatline this year for the first time, after three years of strong growth since launch. It projects plantings in 2020 will stay at about 50 million acres, which was 66% of the American crop last year. Meanwhile Corteva, formed last year from the agricultural units of Dow Chemical and DuPont, expects its Enlist E3 seed to make up 20% of the U.S. crop in 2020, the first year it has been widely available. The problem for Bayer is its companion herbicide, dicamba, which is known to drift and damage unprotected crops. Bayer isn't sitting still, though, with plans to launch XtendFlex in limited quantities this year, which can be used with an additional herbicide. Meanwhile, sales of Corteva's new seeds are going strong, according to five U.S. dealers interviewed by Reuters. Enlist demand is eating into sales of Xtend as well as LibertyLink soybeans, developed by BASF and MS Technologies, they said. LibertyLink GT27 soybeans, which also resist glufosinate and glyphosate, were launched last year on over 4 million acres, according to BASF. Read more [HERE](#).*

> Campbell Soup is Increasing Production to Prepare for Coronavirus Demand: *Campbell Soup CEO Mark Clouse said Wednesday that the company is increasing soup production in response to the coronavirus outbreak. Consumers, particularly those closest to virus clusters, have been stockpiling canned soup and other shelf-stable foods as more cases of the disease are reported in the U.S. Hand sanitizer and cleaning supplies have also seen their sales surge, presenting a*

problem for grocery stores and other retailers, who may be unprepared by the sudden swing in demand. Clouse said the company has been talking with some retailers to better understand what demand could look like. Campbell's noticed an uptick in demand, both online and in stores, over the weekend, but Clouse said it was still too early to call it a trend. The food company is also preparing to prevent any supply chain interruptions for products such as Goldfish crackers and Milano cookies. Only about 10% of its products are sourced outside of the U.S., with less than 2% in China. Campbell's stock, which has a market value of \$15.9 billion, closed Wednesday up 10% after its second-quarter earnings topped estimates and it raised its full-year outlook. Shares have been given a lift in recent days as investors forecast increased demand for its soup due to the outbreak. (Source: CNBC)

> Fossil Fuels for Power at Turning Point as Renewables Surged in 2019:

The use of fossil fuels such as coal and oil for generating electricity fell in 2019 in the United States, the European Union and India, at the same time overall power output rose, marking a turning point for the global energy mix. Those countries and regions are three of the top four largest producers of power from fossil fuels. The declines suggest the end of the fossil fuel era could be on the horizon, said Tomas Kaberger, an energy professor at Chalmers University of Technology in Sweden, who provided the power generation data to Reuters. The data also indicates that renewable power generation increased at a faster rate than the overall growth in power output for the first time, rising by 297 TWh versus 233 TWh for overall output, Kaberger said. With electric vehicle usage surging and their batteries being increasingly recharged by renewable electricity supplies the decline of fossil fuels is likely to accelerate, he said. (Source: Reuters)

> United Slashing U.S. and International Flights, Offering Voluntary

Leave: *United Airlines, faced with a steep drop in travel demand due to the coronavirus crisis, is aggressively cutting April and May flights, freezing hiring and offering employees voluntary unpaid leave. The airline announced the unprecedented steps, the first by a U.S. airline since the outbreak began, in a memo to employees Wednesday. The airline did not provide specific routes being targeted but said it is reducing its international schedule by 20%, including previously announced cuts to China and Hong Kong, and 10% in the United States. An undisclosed number of wide-body planes, used on long-haul flights, will be parked. United said it will not abandon any cities but is temporarily cutting some routes and frequencies on other routes. With less flying, United said it will be offering employees voluntary unpaid leave. The airline is also freezing hiring through June and delaying the payment of merit raises for management and administrative employees. "We sincerely hope that these latest measures are enough, but the dynamic nature of this outbreak requires us to be nimble and flexible moving forward in how we respond," the executives said. (Source: USA Today)*

> James Bond Release Pushed Back 7 Months Due to Coronavirus: *MGM, Universal and producers Michael G. Wilson and Barbara Broccoli announced on Twitter Wednesday that the release of the James Bond film "No Time To Die" would be pushed back from its April release to November 2020. The announcement cited consideration of the global theatrical marketplace in the decision to delay the release of the film. "No Time To Die" will now hit theaters in the U.K. on Nov. 12 and worldwide on Nov. 25. The Bond films make a significant portion of their profits from international markets. The last film, "Spectre," made over \$679 million from overseas theaters in 2015 with over \$84 million of that total coming from China. Publicity plans in China, Japan and South Korea had previously been canceled. And on Monday, the popular James Bond fan site MI6-HQ published an open letter to the producers urging them to delay the film's rollout. (Source: Associated Press)*

> Archery Dodgeball Delivers a New Twist on an Old Schoolyard Game: *Dodgeball is one of the best parts of being a kid (or the most malicious, depending on whom you ask). Now, scores of adults around the country are appropriating the schoolyard classic, and they're adding a new fold: bows and arrows. People in the U.S. are taking up archery dodgeball, which is exactly what it sounds like. Instead of playing with the aforementioned rubber balls, the middle of the archery dodgeball playing area is littered with foam-tipped arrows, and everyone is equipped with a bow. Check out some video of the crazy game [HERE](#). (Source: [InsideHook](#))*

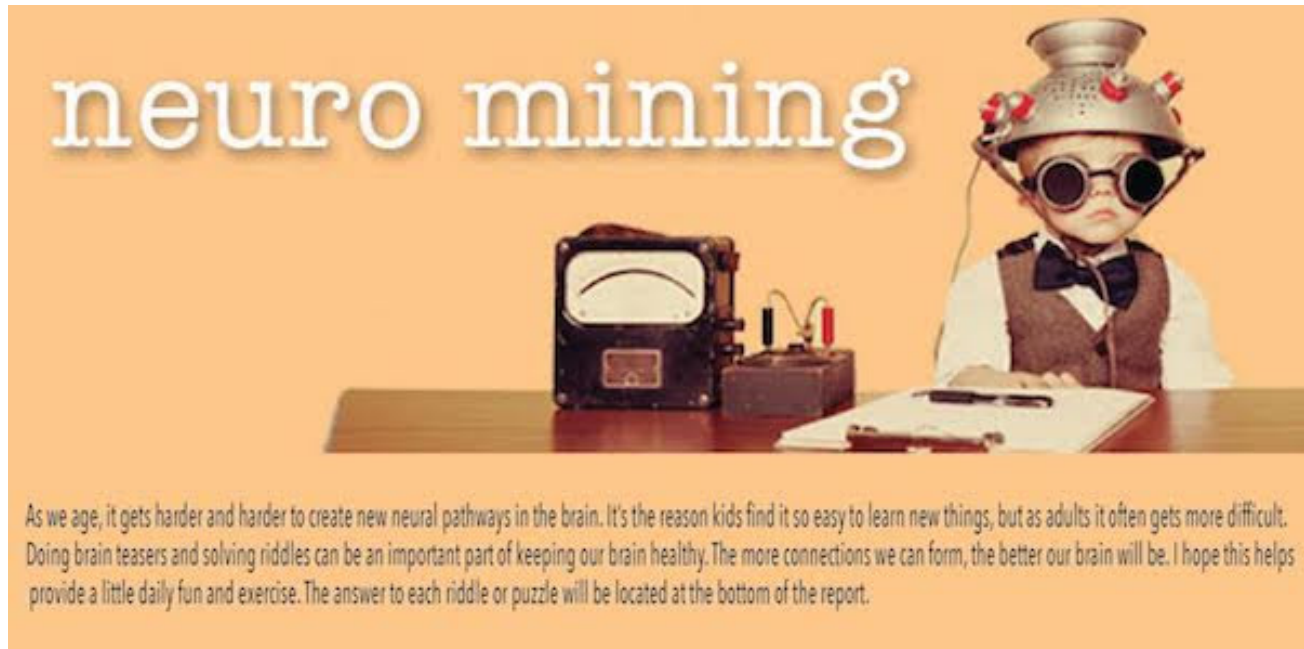


Central Indiana - We have some very good soils here that average 225-240 bpa corn on non-irrigated acres. We have been doing some reduced till the last four or so years and are considering putting down some Holganix after listening to the guys discuss it. We would use it on our lesser ground as well as for some new hemp acres that we are putting in. One of my buddies and his partners have put a

\$13 million processing plant in town for industrial hemp and we will be providing 100 acres to the cause if all goes well. I'm told they will be looking to contract a total of 3,200 acres this season. We are staying away from hemp for CBD oil, believing the industrial fibers will have a lasting play with more manufacturers coming on board as things rev up. We will also have some non-GMO corn grown for which we see a 40 cent premium from our buyer, and we will also be growing some bean seed for a local company.

East central Missouri - *We are working on our hemp plan today. Missouri is now good to go and we are sticking a foot in the water with 11 acres of the crop. We have our eyes wide open, thus only 11 acres, and we are staying in the CBD space. Currently, we are still sourcing buyers and have what we believe to be three reputable options across a couple of states. As I've been to a ton of association meetings, I've picked up enough knowledge to get the ball rolling and hopefully am asking the right questions as I seek a buyer. Seeds will most likely come from an Oregon company that has been in the space a while. We are building a 700 square foot greenhouse to grow our smokeables, which essentially are just the flowers. We have seed that has been feminized and there is quite a market for this part of the plant. For the outside oil-producing plants, we are more concerned with quality versus quantity in year one and will take things nice and easy getting started. We also plan to enter the bamboo space, a plan that takes about 7 years for fruition but once it is established you are in pretty good shape. Beyond just using the plant for landscaping, there are a ton of end uses for bamboo. The last piece of our production puzzle will be some acres of Elderberries for which we have an end-user in place. Outside that, it's just corn and beans.*

East central Iowa - *The organic corn prices seem really weak as the year progresses. I wonder if "new" production acres are the culprit or imports... I think a lot of new acres came about because of prolonged lower conventional prices of corn and soybeans. Quality is pretty poor in our area because of it ALL being planted approximately early to mid-June and getting caught in our early frost. Yields have been real pathetic too. One commercial buyer told me that his needs are all covered and to expect to sell the lower quality stuff as conventional prices. A few other big buyers all say their needs are met until late summer or later. Soybeans were the bright spot. Yields were pretty normal here the last year and demand is improving as fewer acres are planted each year as more corn goes in.*



TODAY'S RIDDLE: What has a head but never weeps, has a bed but never sleeps, can run but never walks, and has a bank but no money?



Mid-Mississippi Delta River Region Could Become the Next California

A report from the World Wildlife Fund details how the Mid-Mississippi Delta River Region could become the "Next California" of fruit and vegetable production because of climate change. The report, titled "The Next California, Phase 1: Investigating Potential in the Mid-Mississippi Delta River Region," examines the potential to boost farming of specialty produce in eastern Arkansas, western Tennessee, southeast Missouri, and northwest Mississippi, aka the mid-Mississippi Delta region. The full report is available [HERE](#).

According to the WWF, California produces more than 1/3 of the vegetables and 2/3 of fruits and nuts that are grown in the United States. The state is the leading producer of dozens of produce items and the sole producer (99% or more) of almonds, dates, figs, grapes (to be made into raisins), kiwifruit, honeydew, olives, clingstone peaches, pistachios, sweet rice, ladino clover seed, and walnuts. However, the state also faces an uncertain future in the face of climate change,

with water shortages and wildfires stemming from increased drought, and other extreme weather like flooding and freezes expected to increase.

Already, the Sierra Nevada mountains are getting less average snowfall and, coupled with warmer springs, this is leading to a faster melt and a lack of water by late summer for the third and fourth production cycles of many crops. It's devastating California's Central Valley orchards and, over time, it's likely farmers will have a tough time maintaining current production levels. They may be at the mercy of state officials, as well, who will need to decide which crops are going to receive the limited available water.

The report finds that while California will continue to be a key agricultural state, the Delta region is well-positioned to supplement fruit and vegetable production, contributing to a more distributed and climate-resilient food system. The mid-Mississippi Delta region includes an area in cultivation that is similar in size to that of California's. Currently, about 75% of that is in row crops with just 25% in specialty crops - just the opposite of California.

The mid-Mississippi Delta has a few key climate differences to California as well. One of the biggest is water availability - water is plentiful in the Delta and is expected to remain so. There are also climate differences that will greatly influence what crops can be grown, including humidity (California is very dry), cold winters, and nighttime temperatures (California's desert gets cool at night, even in mid-summer, whereas the Delta remains hot at night in summer).

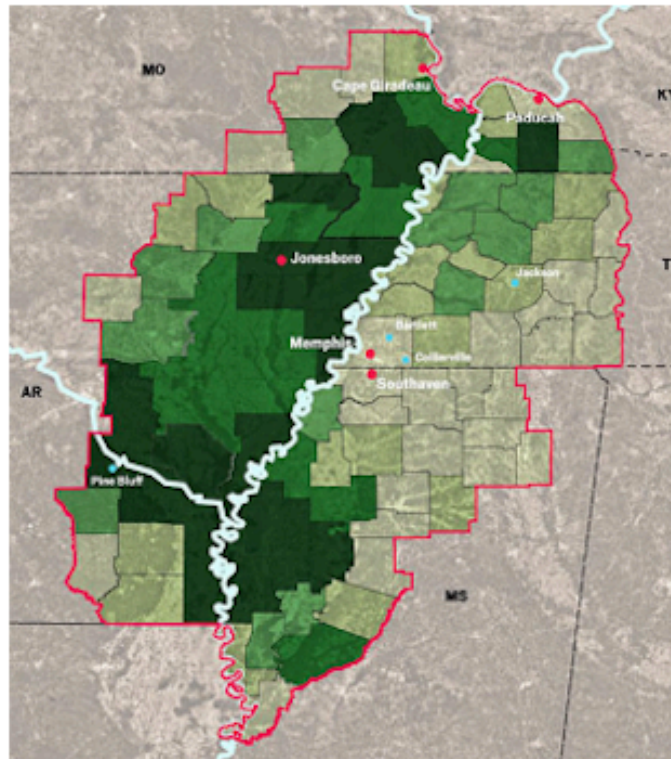
WWF says increasing crop production in the Delta region can diversify where crops are grown and hedge the risks of food insecurity. Equally as important is that ag jobs in this region of the country could alleviate widespread poverty and unemployment. While there are many opportunities, there are also hurdles to shifting agricultural production in the region which needs to be explored further:

- *Significant farmer/grower labor education will be needed since at this time farmers in this region produce only cotton, corn, soy, wheat, and rice in significant quantities.*
- *Rice will be hard to plant. It is the most popular food worldwide but also the least traded. Even if prices are low, there will likely always be a market, making it a "safe" choice.*
- *There is a trained labor shortage for specialty crops.*
- *Rainfall is plentiful but the atmosphere is far more humid than California's Central Valley. Organic crops would be very difficult to grow since the humid air and lack of cold nights means there is a significant pest problem that is not present in the drier California region.*
- *Due to pests, lots of chemicals are sprayed on row crops that could carry over to vegetables and fruits located nearby. This is also true of herbicides*

like dicamba.

- *A current lack of infrastructure for processing, packaging, and shipping specialty produce.*





Shifting food sourcing Mid-South Mississippi Delta

□ Delta

● Largest cities by state in the Delta

● Other cities with population over 40K

Total farm sales (\$)

□ <\$50M

□ \$50M - \$100M

□ \$100M - \$150M

□ \$150M - \$200M

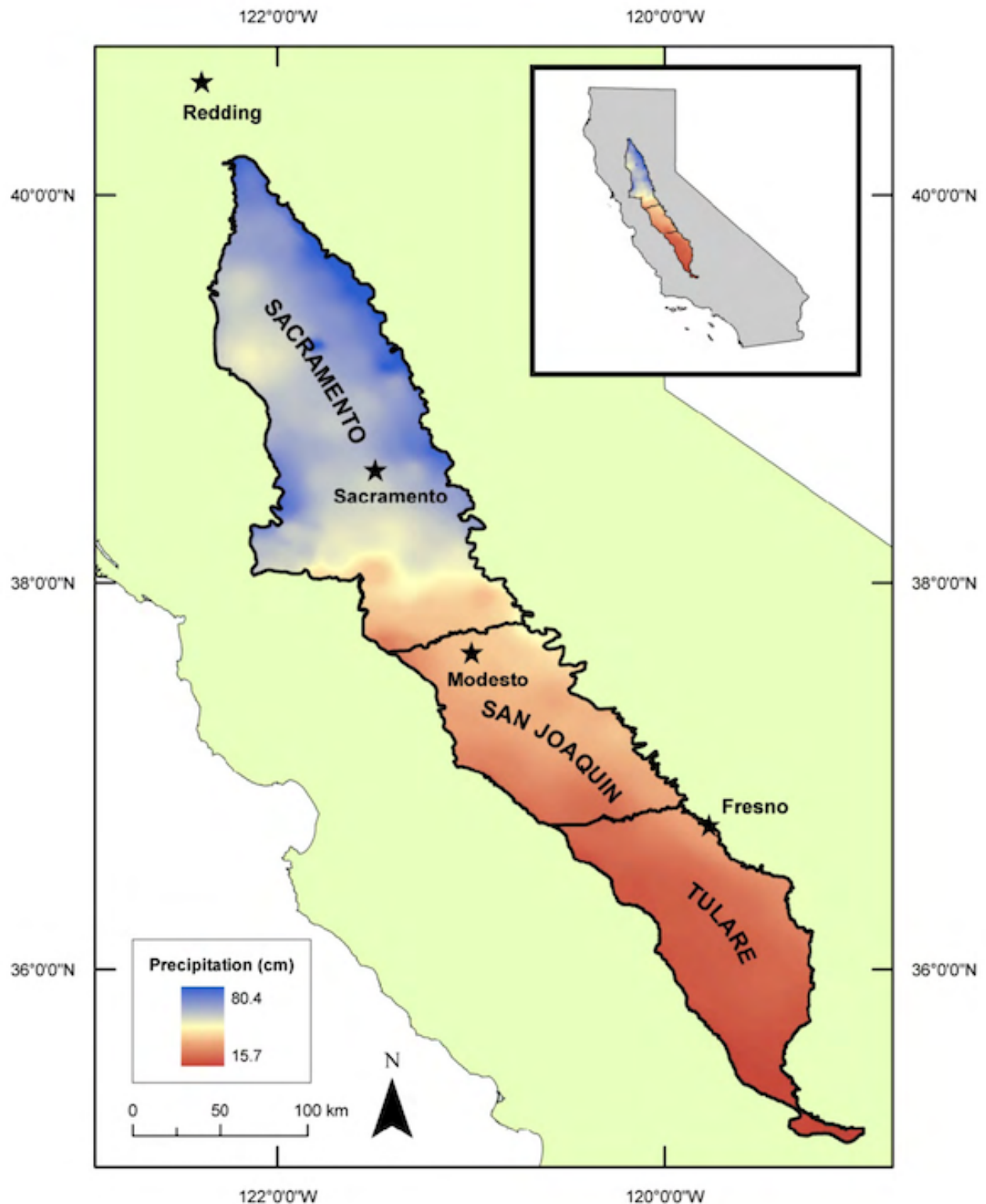
□ \$200M - \$340M

Source: Karen Karp & Partners, Innovating Food and Agriculture in the Mid-South Delta, August 2017

State	Farmland (acres)	Average Farm Size (acres)	Farms >5,000 acres	Total Market Value of Farms	Average Market Value of Farm
California	24.5M	348	923	\$45.2B	\$640K
Tennessee	10.9M	155	90	\$3.8B	\$54K
Arkansas	13.9M	326	227	\$9.7B	\$226K
Mississippi	10.4M	298	162	\$6.2B	\$177K
Missouri	27.8M	291	260	\$10.5B	\$110K

Facing a different climate, it is important to narrow focus and concentrate on specialty crops currently grown in California that can potentially grow profitably and sustainably in the Delta region. These include:

- Strawberries
- Blueberries
- Blackberries
- Lettuce
- Collard Greens
- Kale
- Walnuts
- Chestnuts
- Peanuts
- Pecans
- Hazelnuts
- Peaches
- Tomatoes
- Bell Peppers
- Hot Peppers
- Eggplant
- Watermelon
- Cantaloupe
- Muskmelon
- Honeydew
- Sweet Potatoes
- Turnips
- Peas
- Brussels Sprouts



NEW Netflix Rival To Change the Way We Watch Shows... but What is a Quibi?

A new video-streaming service that limits the length of its programs and shows to bite-sized chunks will launch in the U.S. in April. It's name is Quibi and it created some of the biggest buzz at this year's Consumer Electronics Show. It will feature exclusive entertainment content made by the likes of Steven Spielberg, Bill Murray and Reese Witherspoon.

Quibi sets itself apart by limiting its content to between four and 10-minute videos - known as "quibis," short for "quick bites" - of programming made specifically for smartphones. Again I questioned whether this was really that noteworthy as it seems like YouTube and similar outlets already fill this space? It was seeing Steven Spielberg, Guillermo del Toro, and Training Day director Antoine Fuqua listed as some of the service's show creators that made me realize Quibi is indeed an entirely new animal.

Without a doubt, it is the first and, so far, only streaming service designed exclusively for mobile devices. Quibi has also developed a new technology to allow viewers to switch back and forth between portrait mode and landscape viewing. Called "Turnstile," the video fills the entire screen in both modes with no black bars on the sides. Every show on Quibi is filmed in both formats, so each one has two ways to watch.

Quibi has three distinct types of content - unscripted shows, movies delivered in 10-minute bites, and what they call "Daily Essentials. Unscripted shows include documentaries and informational programming like cooking, DIY, and travel shows. "Daily Essentials" include specially made news bulletins and other info like sports and weather.

Movies are where Quibi expects to really shine. These are told in "chapters" that range between 7 and 10 minutes. They plan to launch with eight movies, followed by a new movie every other Monday. Some of these shows will take advantage of Quibi's mobile-only platform to add interactivity as part of their stories, too. Spielberg's Quibi show "After Dark," for example, will use viewers' locations to determine what time they can watch the show — it will only be allowed after sunset. In another upcoming Quibi original series, landscape mode presents the action with a traditional cinematic view showing the character looking at their phone. But when viewers tilt their phones to portrait, the show switches to the screen of the character's phone itself, as if it were the viewers' own. Filmmakers will have the ability to tap into all sorts of smartphone features to add another level of immersion so who knows what else they'll come up with.

These are Hollywood-level productions, too. The platform's higher-end programs cost as much as \$100,000 a minute to create. They're bringing some high-quality stars, as well, including Chrissy Tiegen, Laurence Fishburne, Dave Franco, Bill Murray, Emily Mortimer, and Kevin Hart. So no, this is not just another version of

YouTube wrapped up in a fancier package. As founder Jeffrey Katzenberg notes, "we're not trying to do a high-end version of what they're doing. We're actually trying to bring the ecosystem of broadcast, cable, streaming, television and television storytelling and bringing that to this world."

As for the 10-minute-or-less episode length, Quibi is directly targeting the 18- to 34-year-old demographic that already spend loads of time on their smartphones. Last year, American adults spent more time on their phones than they did watching TV for the first time ever.

Aside from big-name show creators for the platform, you might recognize founder Jeffrey Katzenberg's name - he's the former chairman of Disney's film studio and co-founder and former CEO of DreamWorks Animation. During his tenure at the two, Katzenberg oversaw such hits as The Little Mermaid, The Lion King, Shrek, Kung Fu Panda, and How to Train Your Dragon. So he knows a little something about entertainment. At his side is CEO Meg Whitman, the former CEO of Hewlett Packard and eBay, who brings her seasoned tech know-how to the mix. Quibi is also backed by about \$1.4 billion in funding from Hollywood conglomerates like Disney, NBCUniversal, and WarnerMedia.

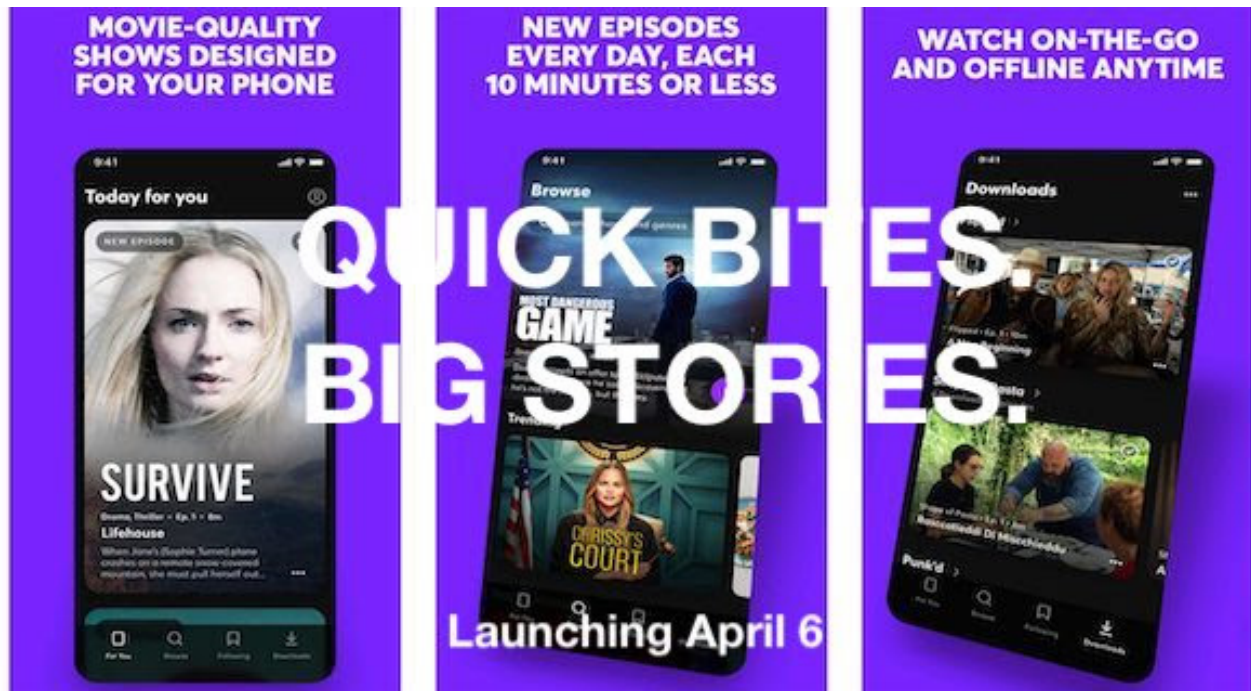
Advertisers seem to be on-board with the idea, too. Quibi said in October that it booked \$150 million in advertising, selling out the platform's first full year of inventory months ahead of launch. One thing that makes Quibi so attractive to advertisers is the fact that it's one of the few new streaming services to include an ad-supported version. Some advertisers are working to create ads that take advantage of Quibi's unique interactivity, including using "Turnstile" and trying the "chapters" format of Quibi's movies, where a longer 60-second ad is broken up into 15-second bites.

Quibi will launch in the U.S. on April 6 and will cost \$4.99 a month for the ad-supported version, or \$7.99 to watch without interruptions. Katzenberg says he expects 70 to 80 percent of people to sign up for the ad-supported option. They'll see one 10-second ad in front of each video of 5 minutes or shorter, and one 15-second ad for longer videos. Now, the big question is whether Quibi's millennial demographic will pay for any of it? Guess we'll find out in April!

FYI... Quibi has now raised about +\$1.75. billion in investor funds, so they have some money to challenge the big players!

To learn more about the service, visit Quibi's website [HERE](#). You can also check out a list of shows that have been announced for the platform [HERE](#). (Sources: TechCrunch, Quartz, AdAge, Business Insider)





Life Lessons from "Dr. Seuss"... I Loved His Books as a Kid!

My Mom said I always loved Dr. Seuss books when I was a kid which is probably why I still find value in many of his quotes. Theodore Seuss Geisel, otherwise known as Dr. Seuss, was born in early-March of 1904 and published over 60 books, including timeless classics like 'The Cat in the Hat' and 'Green Eggs and Ham'. His first book, 'And to Think That I Saw It on Mulberry Street', was finally published in 1937 after being rejected more than 40 times!

His book writing was put on hold during World War II, but soon thereafter Life magazine published a report on illiteracy among school children which concluded that kids were not learning to read because their books were boring. The article prompted Seuss to write a book using 250 simple words that he believed to be most important for first-graders... the result was 'The Cat in the Hat'.

As the world quickly learned, his fun drawing style, zany characters, and simplified vocabulary was a huge hit with beginning readers. Believe it or not, there's really a lot of "logical insanity" to his work. This obviously explains why Dr. Seuss went on to win two Academy Awards, two Emmy Awards, a Peabody Award, the Laura Ingalls Wilder Medal, and the Pulitzer Prize. His work includes many of the most popular children's books of all time, selling over 1 billion copies and being translated into more than 20 languages by the time of his death.

Interestingly, the Dr. Seuss books have stood the test of time. For example, in 2009, 'Green Eggs and Ham' sold 540,000 copies, 'The Cat in the Hat' sold 452,000 copies, and 'One Fish, Two Fish, Red Fish, Blue Fish' (written in 1960) sold 409,000 copies — all outselling the majority of newly published children's

books. At last count, his estate continues to grow and is now estimated to be worth over +\$100 million. Not bad for a guy who took a shot writing a kid's book. Below are just a few of his quotes that I keep in my collection. These quotes always tend to make me stop and think and bring a little smile... (Source: Wiki; brightdrops)

"Oh the things you can find, if you don't stay behind!" - *You've got to keep moving forward and progressing because there are plenty of things in the world to discover. Also, if you lead the way you get to control what it is you find, rather than finding things others think are interesting.*

"You have brains in your head. You have feet in your shoes. You can steer yourself any direction you choose." - *Determining your destination is priority one. What the brain can dream up, the body can fulfill as long as there is a strong determination and a clear vision of what it is that is wanted. The great part is that this is all up to you.*

"Think left and think right and think low and think high. Oh, the things you can think up if only you try!" - *It's funny to think about thinking. It seems like it's something that just happens on autopilot, and not something that you can control. Realizing that you're actually in control of your thoughts is very enlightening. Seuss tends to encourage people to think in all sorts of different ways, and different directions so that you can scour the mind for really amazing ideas.*

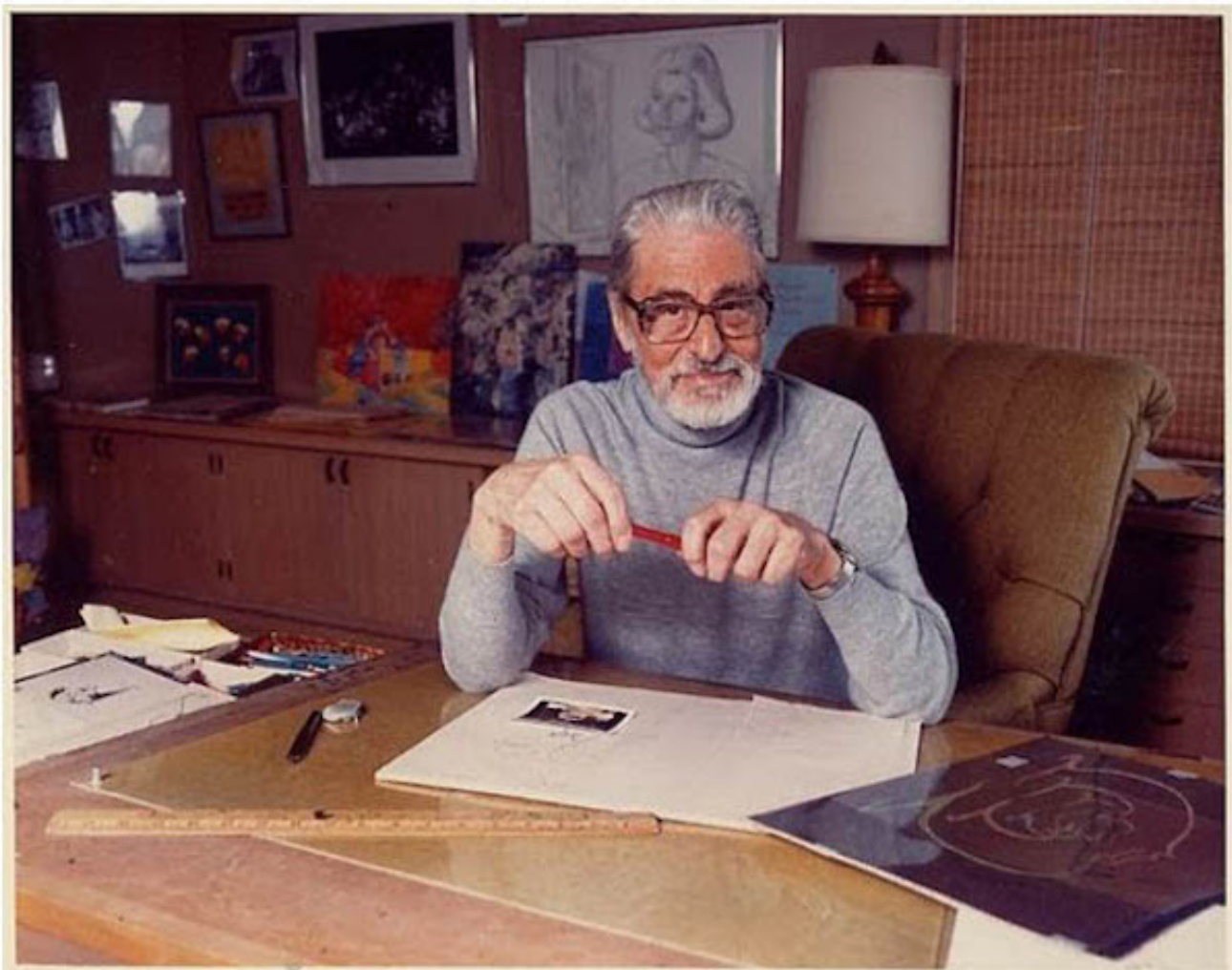
"If you never did you should. These things are fun, and fun is good." - *It's great to get out there and try new things, and this phrase reminds us that fun things are out there waiting for everyone if we just seek them out. Fun is good, and it leads to happy feelings, and that is really the key to having success in life. Make it a point to try new things. They won't all be fun, but it's a sorting out process and you have to try many things to figure out which ones you like and are best for you.*

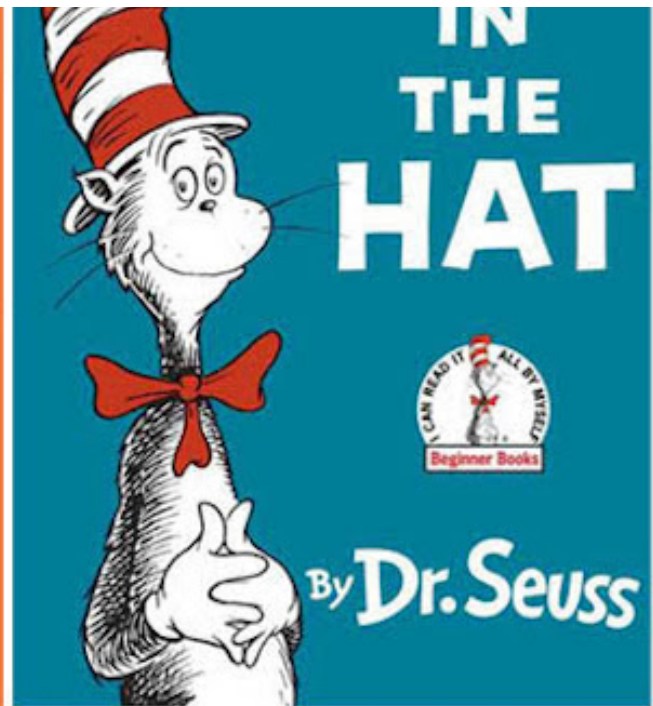
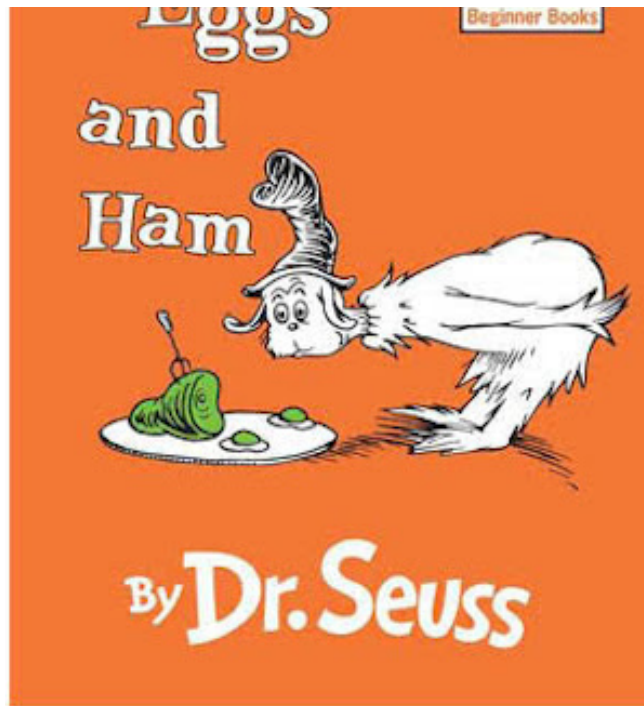
"Sometimes the questions are complicated and the answers are simple." - *No matter how complicated we make the questions, the answers remain simple. It may be human nature to want to make life seem more complicated than it really is. Our brains have evolved so much, and we're able to think thoughts on a level that far surpasses the other animal life on the planet, but the true nature of things remains what it was millions of years ago and what it will be millions of years from now... Simple, trumps complex and complicated every time!*

"If things start happening, don't worry, don't stew, just go right along and you'll start happening too." - *Sometimes things start to*

happen that we didn't plan for, or we weren't expecting. But it's times like these that you just have to get moving as well, go with the flow rather than grind against it. Grow with the situation, don't let the situation grow out of control while you look the other direction. Spending time worrying or complaining about it isn't going to make matters any better. Go with the flow...

"I know it is wet and the sun is not sunny, but we can have lots of good fun that is funny." - *It's not going to be sunny everyday, which is why it's important to know that you can still have fun. Perhaps the analogy is that life is not always going to go the way you plan, conditions aren't always going to be perfect for having a good time, but if you apply yourself you can still feel good and make the most out of it. It's more about the journey and the climb rather than the destination. Enjoy the process...*





ANSWER to riddle: A river.

CASH SALES & HEDGING TOTALS

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Corn 2018 Crop

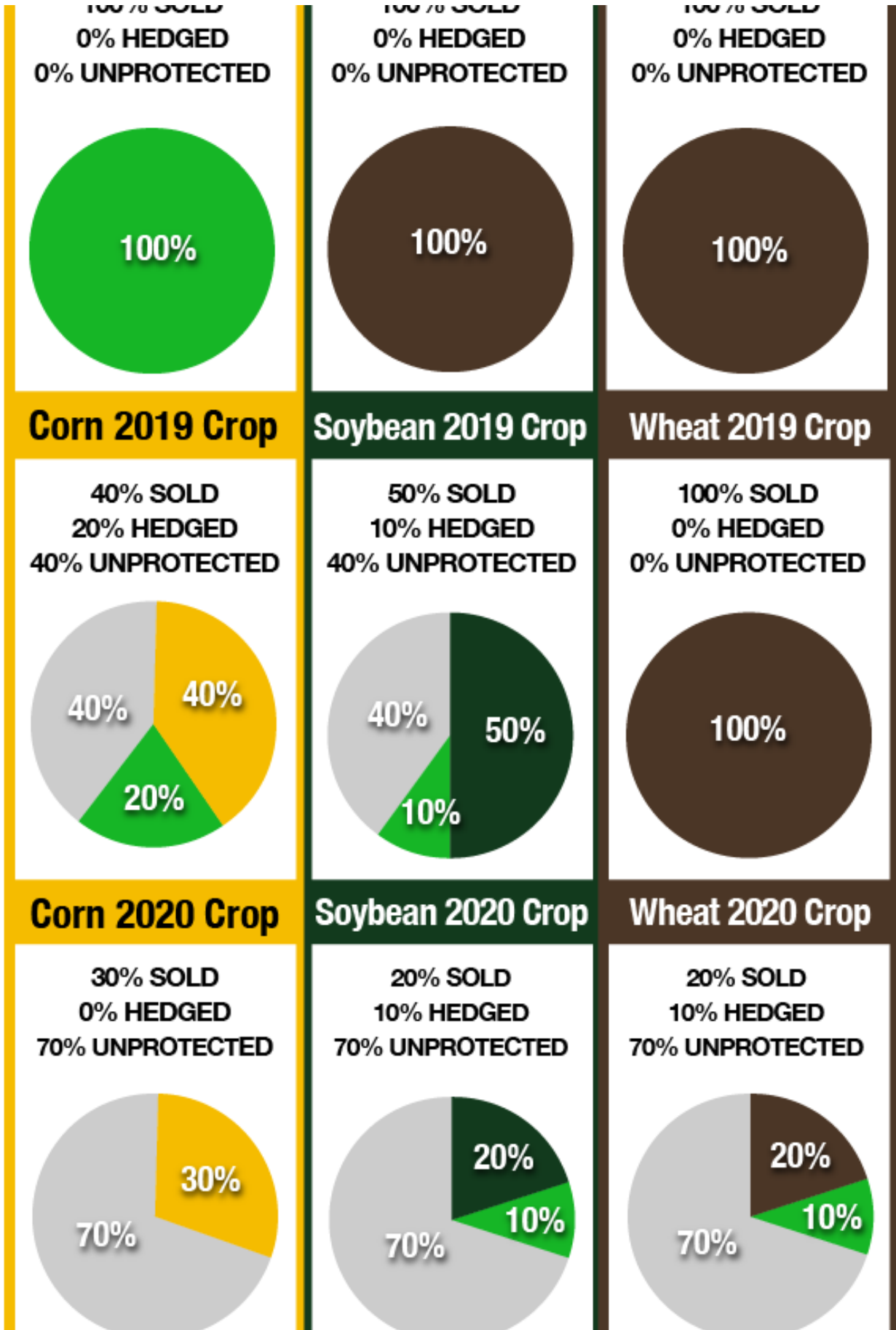
100% SOLD

Soybean 2018 Crop

100% SOLD

Wheat 2018 Crop

100% SOLD





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