



Josh Knight &lt;josh@farmdirection.com&gt;

## GOOD MORNING: The Van Trump Report 3-6-20

1 message

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

Fri, Mar 6, 2020 at 5:30 AM

Reply-To: Jordan &lt;reply-feba10797c6d0578-1142\_HTML-68584704-100003450-8@vantrumpreport-email.com&gt;

To: josh@farmdirection.com



"Today is the youngest you'll ever be, so don't put off your goals and dreams." - **Eleanor Roosevelt**

**Friday, March 6, 2020**
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**Morning Summary:** Stock markets are set to close out another week with losses associated with the coronavirus and its anticipated global economic fallout. Stock bulls have been unable to hold the rallies amid the rise in virus cases, governments extending quarantines and travel restrictions, scores of event cancellations, and a growing list of corporate profit warnings. California declared a state of emergency this week, joining the State of Washington and several U.S. cities and counties. The declarations are largely preemptive moves designed to activate emergency response plans and funding as governments try to get ahead of more potential infections. It is no surprise that airlines are expected to be hard hit by the outbreak. The International Air Transport Association yesterday said coronavirus could cost airlines more than -\$110 billion. And airlines aren't alone. The U.S. Federal Reserve's Beige Book indicates the corona outbreak was already weighing on U.S. businesses even before the virus had really begun its spread across the U.S. I've included more details below. Analysts this week have started talking more about the potential hit to consumers as an increasing number of businesses try to figure out how to deal with the situation. Some big firms are asking employees to work from home, including big tech firms like Microsoft, Google, Facebook, and Amazon with offices

in Seattle where coronavirus cases surged this week. The problem is, working from home is not really an option for the majority of the U.S. workforce. There are 144 million U.S. workers, and it's believed that only about 42 million (29%) can do their jobs from home. While there haven't been any major shutdowns or quarantines in the U.S., it's something analysts are certainly worried could happen if stricter measures are put in place to control the virus's spread. And obviously the slowdown in global demand poses a threat to the U.S. labor market overall if companies put a freeze on hiring or worse, need to start laying people off. Bottom line, pretty much every direction you turn, there are a lot more questions and "unknowns" than answers. On the bright side, mortgage rates are at record lows, with the average 30-year mortgage rate falling to 3.29% this week, the lowest level in over 50 years. Freddie Mac chief economist Sam Khater said the decline has sparked another refinancing boom, with applications dramatically increasing last week and expected to skyrocket even further this week following the Fed's emergency 50 point rate cut on Tuesday. I continue to keep a close eye on the oil market. OPEC has decided to reduce output among its 13 members by -1 million barrels per day, and said it would seek an additional -500,000 barrels per day in cuts from longstanding allies including Russia. OPEC is wanting to cut aggressively since oil prices fell into a bear market last month as the coronavirus outbreak destroyed demand for fuel. My opinion is that crude oil prices need to find more stable footing before extreme stock market volatility subsides. There's some talk and fear amongst insiders that if crude oil prices were to slip another -\$5 to -\$7 we could see an additional -5% to -10% setback in the stock market. I'm still in no hurry to be a massive buyer on the current break. I think there will continue to be buying opportunities during the next 30-days and there's still more downside risk. Don't forget, investors are anxious to see the February Employment Report out this morning and expected to show +177,000 new jobs created, compared to +225,000 in January. ADP's employment numbers released on Wednesday showed private payrolls rose by +183,000. International Trade, Wholesale Trade, and Consumer Credit are also on today's calendar. The Federal Reserve will also be in the spotlight today with six Fed Presidents scheduled to speak today. Investors will be listening for clues as to whether the central bank might be leaning toward another rate cut at its upcoming meeting on March 17-18. Next week's key data includes the NFIB Small Business Optimism Index on Tuesday; the Consumer Price Index on Wednesday; the Producer Price Index on Thursday; and Export/Import Prices on Friday.

**U.S. Ports Likely to See Slump in Cargo Volume From Coronavirus:** *Many U.S. ports are expected to handle 20% less cargo this quarter as fewer shipments from China make their way to America as a result of the coronavirus epidemic, according to the American Association of Port Authorities. As Chinese factories struggle to ramp up production, containership operators have canceled nearly 60 trans-Pacific sailings to the ports of Los Angeles and Long Beach, California, in the first quarter, according to the ports, which together comprise the largest U.S. gateway for seaborne trade. Carriers have canceled roughly 110 trans-Pacific sailings to North America from early February to early April, according to Denmark-based maritime research group Sea-Intelligence. Typically there are about 20 to 30 canceled sailings in the first quarter because of Lunar New Year factory closures in Asia, a Port of Long Beach spokesman said. The increase this year is because of the coronavirus, he said. A number of container terminals have eased back on the*

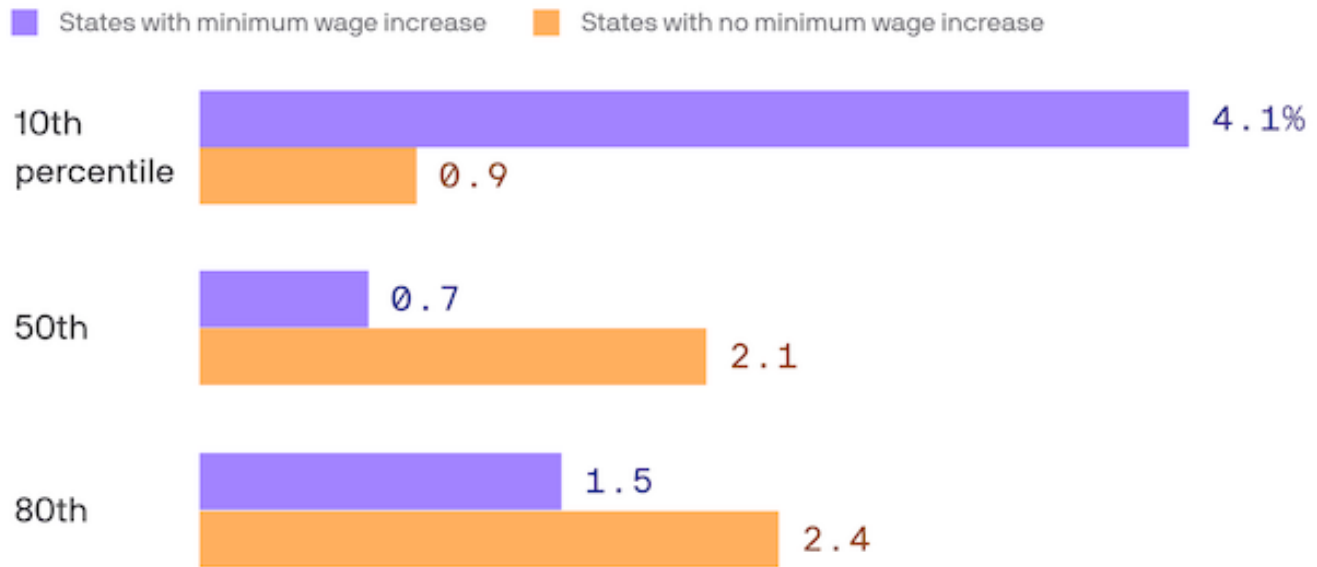
*number of work shifts as terminals are only operating at about 30% to 40% of normal capacity. Transportation analysts expect the import lull to last for some weeks because of low staffing levels in China, with the effects rippling out across domestic logistics networks. While freight flows could pick up in late April or May, "port volumes are correlated to rail volumes, and we would expect volume declines to accelerate in March and April for the industry," (Source: The Wall Street Journal)*

**U.S. Businesses Already Feeling Impact of Coronavirus:** *The COVID-19 outbreak began weighing on U.S. businesses even before the virus had really begun its spread in the U.S., according to the Fed's latest beige book. The extent of the outbreak can't yet be quantified, but the report, a collection of anecdotes from the central bank's business contacts around the country, suggests U.S. firms could be in for a significant slowdown in March. The reporting period for the beige book ended on Feb. 24, two days before the first U.S. case of unknown origin, in which an American was affected without visiting the virus' epicenter or being in contact with a person who had. The Fed's report contained 48 mentions of the term "coronavirus," and while the report characterized the U.S. economy as growing at a "modest to moderate pace," it also noted the St. Louis and Kansas City districts, which include 12 Midwestern and Southern states, reported no growth during this period. Overall, growth in tourism was flat to modest, with indications that the coronavirus was negatively impacting activity. Manufacturing activity expanded in most parts of the country; however, some supply chain delays were reported as a result of the coronavirus and several Districts said that producers feared further disruptions in the coming weeks. (Source: Protocol)*

**Government Minimum Wage Hikes Pay Off for Low-Wage Workers:** *American low-wage workers increased their earnings significantly in 2019, seeing higher wage growth than workers at the higher end of the income spectrum. That growth was largely fueled by increases in state minimum wages, a new study from the Economic Policy Institute shows. The think tank's report finds that low-wage workers in the 23 states (plus Washington, D.C.) that raised their minimum wage last year saw "much faster wage growth than low-wage workers in states that did not increase their minimum wage between 2018 and 2019." Workers in the 10th percentile, or the lowest 10% of wage earners in the country, had significantly different levels of income growth depending on where they lived, the report found. Workers in states with increased minimum wages saw their earnings grow by more than four times what those in states without the minimum wage increase did. For a full-time worker, the difference adds up to about \$2,500 a year. Wages rose more quickly for workers in states with no minimum wage increases at higher income levels. (Source: Axios)*

# Wage growth for workers

By earnings percentile, 2018-2019



## What Scientists Do and Do Not Know About the New Coronavirus

The new coronavirus that's been wreaking havoc on stock markets and economies around the world has also spawned a lot of disinformation and fear mongering. While it completely makes sense to be cautious and even worried, some of the extremes I've seen online seem to serve no purpose other than to spread panic. They could also prompt scared and vulnerable people into throwing money at useless products or avoid things that pose no threat to begin with. With the number of U.S. cases looking set to rise substantially in the coming weeks, it seems like a good time to lay out what's known and what may not be so clear. (Sources: CDC, WHO, LiveScience)

**What is the new coronavirus?** *Coronaviruses constitute a large family of viruses that can cause respiratory illnesses such as the common cold. The new virus is a type of coronavirus that had never been seen before. It first appeared in Wuhan, China, in December 2019. Officials have named the new virus SARS-CoV-2, due to its genetic similarity to the coronavirus that causes severe acute respiratory syndrome, or SARS. The official name for the disease caused by SARS-CoV-2 is COVID-19.*

**What are the symptoms?** *Reported symptoms in patients have varied from mild to severe and can include fever, cough and shortness of breath, according to the CDC. According to a report in the Journal of the American Medical Association, as many as 98% of COVID-19 patients have a fever, between 76% and 82% have a dry cough, and 11% to 44% report exhaustion and fatigue. In more serious cases of COVID-19, patients experience pneumonia, which means their lungs begin to fill with pockets of pus or fluid. This leads to intense shortness of breath and painful coughing.*

**What should you do if you show symptoms?** *If you become ill with these symptoms and live in or have traveled to an area where COVID-19 is spreading, which now includes parts of*

*the U.S., the CDC recommends calling your doctor first rather than traveling to a clinic. Physicians work with state health departments and the CDC to determine who should be tested for the new virus. However, the CDC also recommends that people with COVI-19 or any respiratory illness monitor their symptoms carefully. Worsening shortness of breath is reason to seek medical care, particularly for older individuals or people with underlying health conditions. The CDC information page has more information on what to do if you are sick.*

**How long does it take for symptoms to show up?** *The time between catching a virus and showing symptoms of the disease is estimated to be between one day and 14 days, although some studies have reported an incubation period as long as 24 days. Most people start showing symptoms about five days after becoming infected, according to the World Health Organization (WHO).*

**How does the coronavirus spread?** *The new coronavirus spreads mostly through person-to-person contact within about a 6-foot radius, according to the Centers for Disease Control and Prevention (CDC). People with COVID-19, which is the disease caused by the coronavirus, spread viral particles through coughing and sneezing. It might also be possible to catch SARS-CoV-2 by touching a surface where the virus has recently landed and then touching one's face, including mouth, nose, and eyes. Some coronaviruses can live on surfaces for days, but not much is known about the new coronavirus' ability to survive on surfaces. Fortunately, ethanol, hydrogen-peroxide or bleach-based cleaners are effective at killing those coronaviruses that do survive on surfaces. Unlike some extremely contagious pathogens, the virus is not thought to spread via smaller droplets that can remain airborne for long periods of time. Concerns about catching the virus via packages from China or other countries with outbreaks are probably unwarranted as it's not believed the virus can survive outside the human body long enough to make an overseas trip.*

**How deadly is the virus?** *The fatality rate of the new coronavirus is still being studied, but it appears to be deadlier than the flu, which has a fatality rate of about 0.1%. In a large study published Feb. 18 in the China CDC Weekly, researchers found a death rate from COVID-19 to be around 2.3% in mainland China. But on March 5, the World Health Organization announced a slightly higher fatality rate of around 3.4%. Still, it's possible that mild cases of the virus are being missed, which could lower the death rate. Overall, older adults and those with underlying medical conditions appear to most at risk for serious complications from COVID-19.*

**Where did the coronavirus come from?** *The exact source of the new coronavirus is not known. One recent study shows SARS-CoV-2 likely originated in bats. However, no bats were sold at the Huanan Seafood Market, the market in Wuhan where the outbreak is thought to have originated, which suggests that another, yet-to-be-identified animal acted as a steppingstone in transmitting the virus to humans. The Wuhan market sold a number of different animals so it could take a while to track down the source. But what we do know, and what is most important, is that the primary form of transmission is through droplets spread between humans.*

**What is the treatment?** *Currently, there is no cure for this coronavirus, and treatments are based on the kind of care given for influenza (seasonal flu) and other severe respiratory illnesses, known as "supportive care," according to the Centers for Disease Control and*

*Prevention (CDC). These treatments essentially treat the symptoms, which often in the case of COVID-19 involve fever, cough, and shortness of breath. In mild cases, this might simply mean rest and fever-reducing medications such as acetaminophen (Tylenol) for comfort. In hospitals, doctors and nurses are sometimes treating COVID-19 patients with the antiviral drug oseltamivir, or Tamiflu, which seems to suppress the virus' reproduction in at least some cases. In cases in which pneumonia inhibits breathing, treatment involves ventilation with oxygen. Health officials have also been stressing that antibiotics are not effective against the virus as those medications only kill bacteria, an entirely different type of microbe. For viruses, antiviral medications are needed.*

**How can you protect yourself and your family?** *In general, the CDC recommends the following to prevent the spread of respiratory viruses: Wash your hands often with soap and water for at least 20 seconds; avoid touching your eyes, nose and mouth with unwashed hands; avoid close contact with people who are sick; stay home when you are sick; and clean and disinfect frequently touched objects and surfaces. Note that wearing a standard surgical face mask will not protect you from the coronavirus. For one, the airborne particles are too small to be stopped by the masks. And two, they do not form a snug seal around your face. The CDC also does not recommend N95 respirators—the tight-fitting masks designed to filter out 95% of particles from the air that you breathe—for use, except for health care workers. The U.S. Surgeon General said wearing a mask can actually increase risks, as people not used to wearing them tend to touch their faces a lot and actually can increase the spread of coronavirus.*

**Where can you get credible information?** *There is a lot of false information circulating, especially on social media. Public health websites are going to have the most up-to-date and credible information. Below are links to reliable sources, but you can also check in with your local health department or even call your own doctor if you don't feel your questions have been sufficiently answered. Avoid any claims of a "cure," and devices or potions that will provide "immunity." If they existed, this would be widespread information endorsed by the overall health community and U.S. government.*

[The U.S. Center for Disease Control and Prevention](#) has an entire section of its website dedicated to the coronavirus.

[The World Health Organization](#) also has a dedicated coronavirus landing page that includes links to a variety of information. All of the agencies latest updates are available as well.

[John Hopkins University](#) has a live map showing all global health alerts for COVID-19 cases.







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# FARM TANK

## Tweets of the Day



**Statista**  
@StatistaCharts



[#football](#) (not soccer) fever is slowly heating up, especially among the younger generation where it's now tied with hockey at 7% as their favorite sport to watch. So what should American football change their name to?

[#MLS](#) [#MLSisBack](#)

[statista.com/chart/15869/fa...](https://www.statista.com/chart/15869/favorite-sports-league-to-follow/)

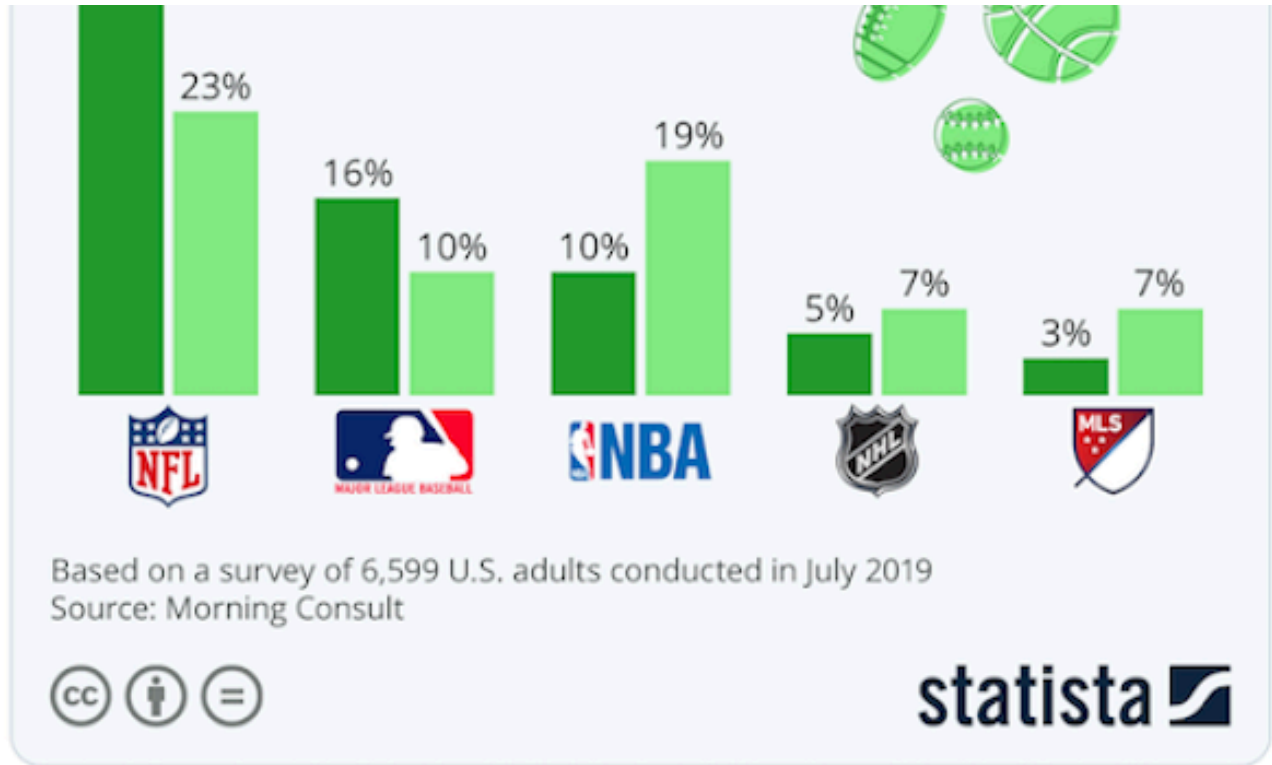
### Americans Love the NFL, But Change Is Looming

% of U.S. adults saying ... is their favorite professional sports league to follow

■ All adults   ■ Gen Z (18-22)

33%







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While working checked baggage, Agriculture K9 Jarvis alerted to a passenger's luggage at O'Hare. Upon inspection of the luggage, 22 lbs of stink beans, 8 lbs of edamame, & 2 lbs of a variety of bamboo shoots were removed & inspected for pests; 3 Lepidoptera were discovered.







**Stevan Hofreiter**  
@SMHofreiter



1st in field in Illinois didn't when any prizes



**Chad Wetzel**  
@txgrainfarmer



And we're off. #plant20









**Olivia Strickler**  
@CrystalCoOlivia



Finally getting that corn off back home in Euclid, MN.  
Better late than never!

[#harvest19](#) or [#harvest20](#) [#agriculture](#)





**David Burge**  
@iowahawkblog



just an average winter day in Decorah, Iowa





Peter Ballerstedt  
@GrassBased

The gateway meat...

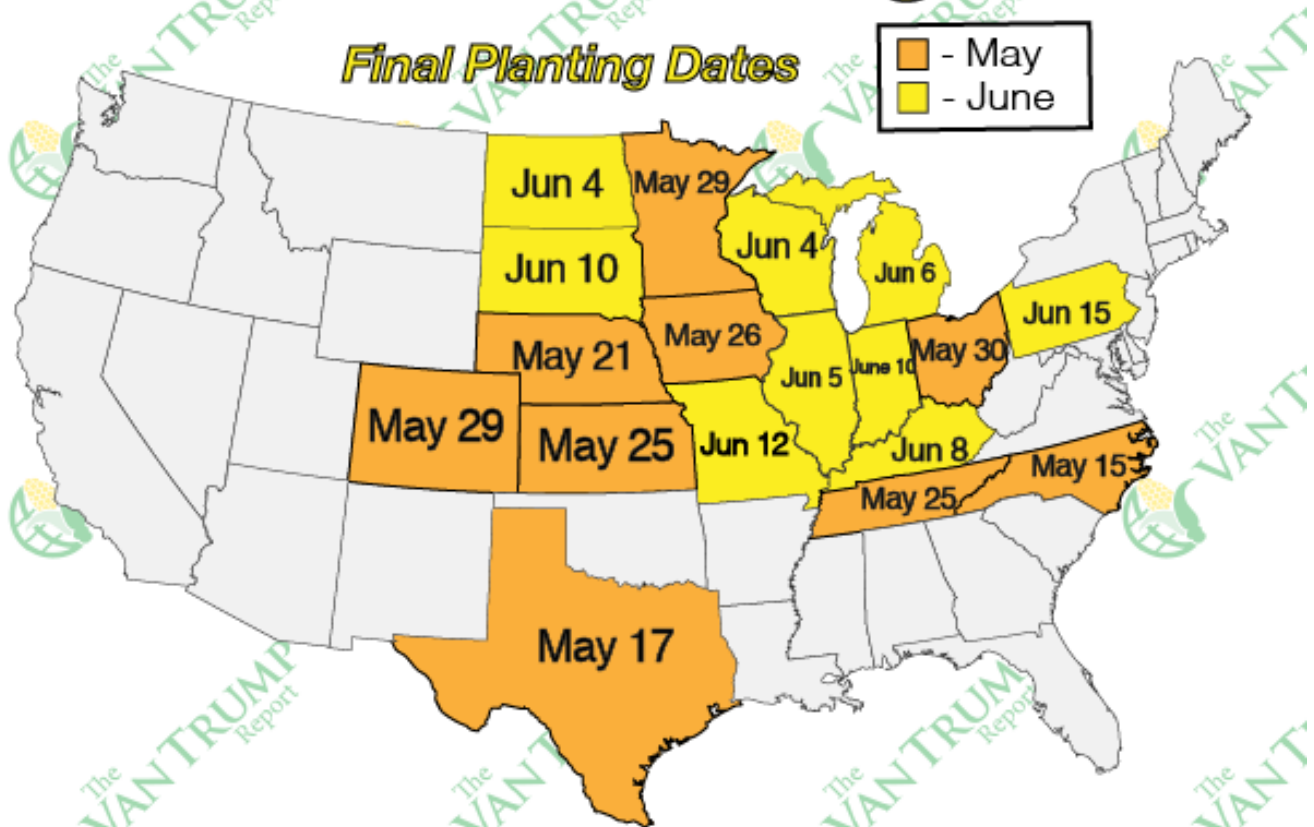


**Corn** traders are positioning themselves ahead of Tuesday's scheduled USDA report. Traders are also more closely monitoring next week's rains in Argentina that now become more important following the recent round of hot and dry weather. If the rains don't show up early next week the trade might start adding in a bit more risk-premium based on yield drag in parts of Argentina. Traders are also monitoring the continued deterioration of the Argentine and Brazilian currency which continue to post new record lows. China remains a huge "wild-card". Here at home, weekly exports were towards the lower end of the trades guesses but still +750K metric tons. Weather here in the U.S. is



being digested as mostly cooperative as a mild winter starts to come to an end. There are some areas where too much moisture could certainly be a problem. I suspect if the extended forecast shows heavier springs rains in areas that are already wet bulls will start to add some risk-premium. It's just tough to get overly excited as a bull knowing the USDA is going to soon be talking +2.5 billion ending stocks and a trade that's concerned about overall demand.

# U.S. Corn Planting Dates



State	Begin	End	Most Active
Colorado	Apr 19	May 29	Apr 28 - May 20
Illinois	Apr 14	Jun 5	Apr 21 - May 23
Indiana	Apr 20	Jun 10	May 1 - Jun 1
Iowa	Apr 19	May 26	Apr 25 - May 18
Kansas	Apr 5	May 25	Apr 15 - May 15
Kentucky	Apr 6	Jun 8	Apr 14 - May 24
Michigan	Apr 21	Jun 6	May 1 - May 27
Minnesota	Apr 22	May 29	Apr 26 - May 19
Missouri	Apr 3	Jun 12	Apr 11 - May 27

Nebraska	<i>Apr 19</i>	<i>May 21</i>	<i>Apr 27 - May 15</i>
North Carolina	<i>Apr 1</i>	<i>May 15</i>	<i>Apr 10 - Apr 25</i>
North Dakota	<i>Apr 26</i>	<i>Jun 4</i>	<i>May 2 - May 28</i>
Ohio	<i>Apr 18</i>	<i>May 30</i>	<i>Apr 24 - May 24</i>
Pennsylvania	<i>Apr 30</i>	<i>Jun 15</i>	<i>May 10 - May 25</i>
South Dakota	<i>Apr 26</i>	<i>Jun 10</i>	<i>May 2 - May 27</i>
Tennessee	<i>Apr 1</i>	<i>May 25</i>	<i>Apr 5 - May 10</i>
Texas	<i>Mar 1</i>	<i>May 17</i>	<i>Mar 8 - May 7</i>
Wisconsin	<i>Apr 26</i>	<i>Jun 4</i>	<i>May 2 - May 27</i>

Source: USDA, NASS - Usual Planting and Harvesting Dates Report, March 2020



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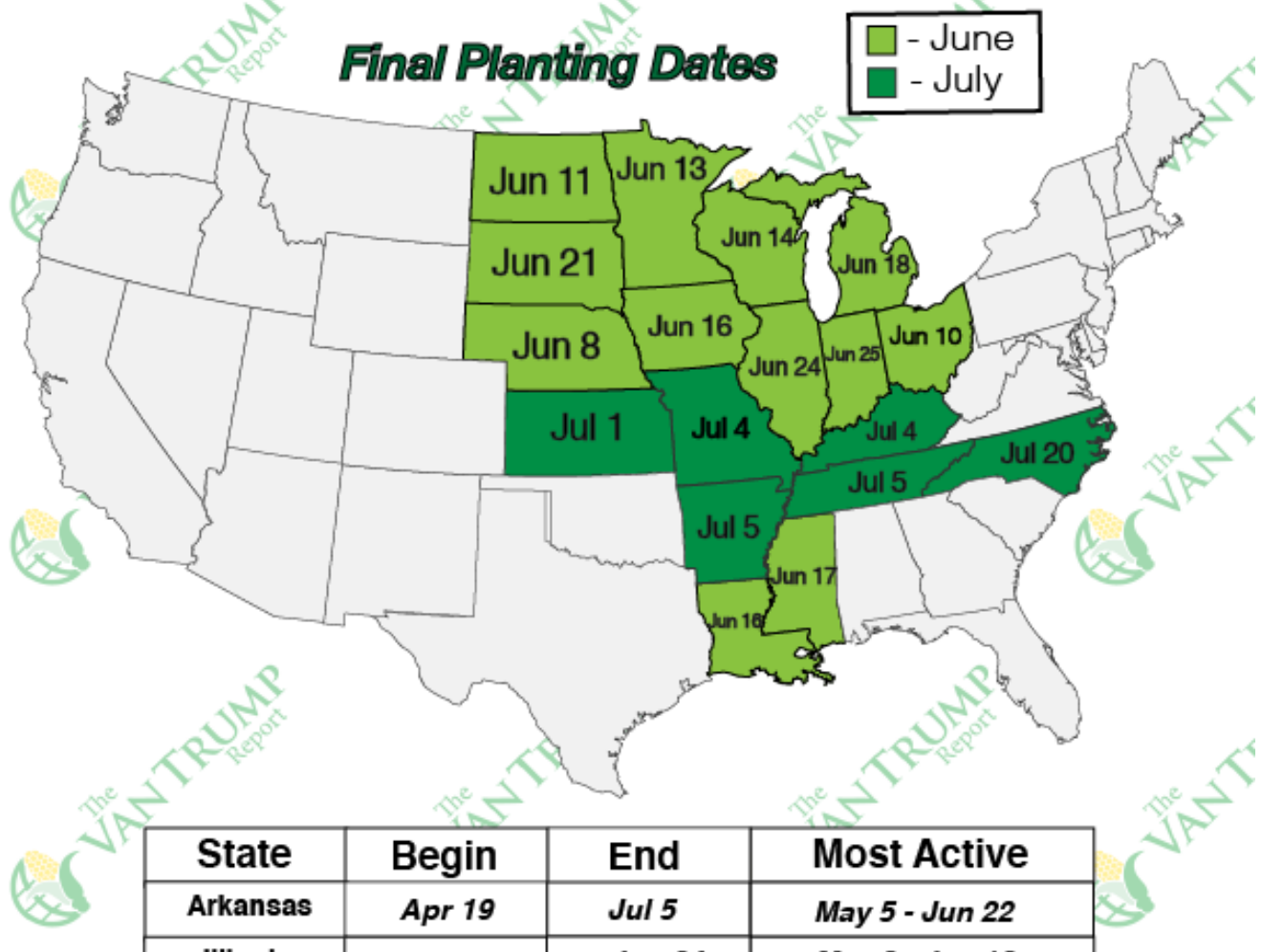
**816-322-5300**

**Soybean** bears point towards weaker than expected export sales and more talk that Chinese buyers might not jump more heavily into the U.S. market until late-spring or summer when we become more competitive vs. SAM suppliers. As I mentioned above, the Argentine peso and Brazilian real continue to post fresh all-time lows vs. the U.S. dollar. This is providing the SAM producer with incentive and creating a continued headwind for U.S. exporters and overall price. I should also note, the production



estimate for both Argentina and Brazil continues to creep higher and not lower. As for China, I continue to hear that its economy is coming back online but there are still questions as to the percent of full capacity. As I pointed out earlier this week, it seems like workers are coming back to their jobs but traffic data is showing that people are still hunkering down at nights and on the weekends. In fact, there was data circulating the other day that showed China's soybean oil stocks had jumped by around +50% from the beginning of the new year on a significant reduction in demand as Chinese consumers stay home and avoid restaurants and fast food. Several insiders have said soybean oil demand in China is running about half of what it would normally be this time of year. The bright spot for the bulls is the fact China's livestock industry is trying to rebuild and meal supply is about -30% below last year. Meaning despite the glut of beanoil supply Chinese crushers might need to ramp up production if the Chinese consumer starts to get back out of the house at nights and on the weekends. Looking to next week, I will be keeping a close eye on the Chinese consumer, Argentine weather, and Tuesday's USDA report.

# U.S. Soybean Planting Dates

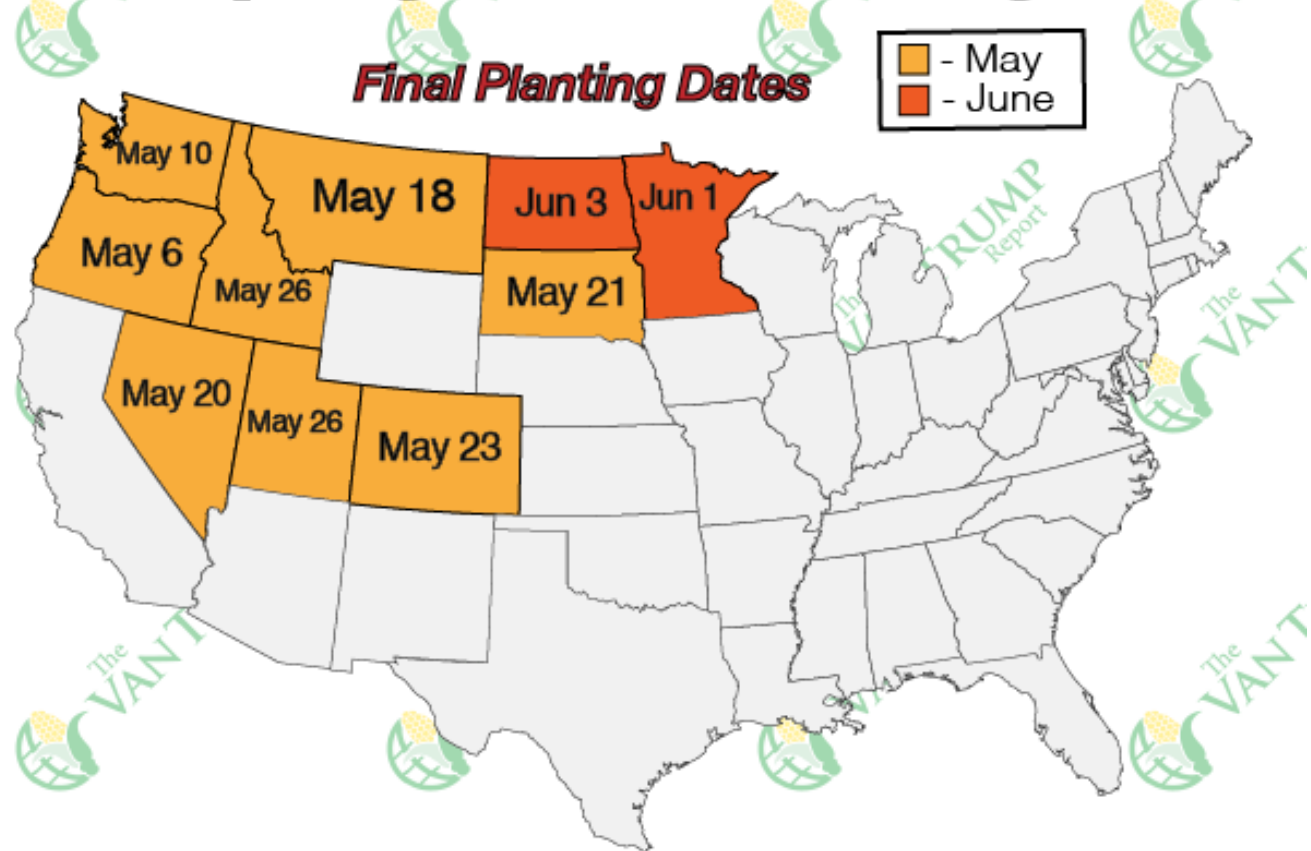


<b>Illinois</b>	<b>May 2</b>	<b>Jun 24</b>	<b>May 8 - Jun 12</b>
<b>Indiana</b>	<b>May 1</b>	<b>Jun 25</b>	<b>May 5 - Jun 10</b>
<b>Iowa</b>	<b>May 2</b>	<b>Jun 16</b>	<b>May 8 - Jun 2</b>
<b>Kansas</b>	<b>May 5</b>	<b>Jul 1</b>	<b>May 15- Jun 20</b>
<b>Kentucky</b>	<b>May 4</b>	<b>Jul 4</b>	<b>May 16 - Jun 27</b>
<b>Louisiana</b>	<b>Apr 18</b>	<b>Jun 16</b>	<b>Apr 23 - Jun 4</b>
<b>Michigan</b>	<b>May 2</b>	<b>Jun 18</b>	<b>May 11 - Jun 9</b>
<b>Minnesota</b>	<b>May 2</b>	<b>Jun 13</b>	<b>May 8 - Jun 2</b>
<b>Mississippi</b>	<b>Apr 19</b>	<b>Jun 17</b>	<b>Apr 26 - May 31</b>
<b>Missouri</b>	<b>May 2</b>	<b>Jul 4</b>	<b>May 13 - Jun 24</b>
<b>Nebraska</b>	<b>May 5</b>	<b>Jun 8</b>	<b>May 11 - May 31</b>
<b>North Carolina</b>	<b>May 1</b>	<b>Jul 20</b>	<b>May 20 - Jun 30</b>
<b>North Dakota</b>	<b>May 7</b>	<b>Jun 11</b>	<b>May 14 - Jun 3</b>
<b>Ohio</b>	<b>Apr 26</b>	<b>Jun 10</b>	<b>May 3 - May 30</b>
<b>South Dakota</b>	<b>May 8</b>	<b>Jun 21</b>	<b>May 15 - Jun 11</b>
<b>Tennessee</b>	<b>May 5</b>	<b>Jul 5</b>	<b>May 15 - Jun 25</b>
<b>Wisconsin</b>	<b>May 7</b>	<b>Jun 14</b>	<b>May 12 - Jun 5</b>

**Source: USDA, NASS - Usual Planting and Harvesting Dates Report, March 2020**

**Wheat** bulls continue to wait on Chinese buying and signs of a more dire and widespread U.S. weather forecast. Bears, on the other hand, seem comfortable leaning on price until these headlines actually show up at the party. Next week's USDA report probably doesn't show much change in the balance sheet. The trade seems to be looking for a slight bump higher in both domestic and global ending stocks but not enough to really change anyone's mind about their current position. Bears continue to talk about mostly cooperative weather in China, India, Russia, Ukraine, and also improved rainfall in parts of Australia. In other words, there's just not much of a world weather concern right now.

# U.S. Spring Wheat Planting Dates



State	Begin	End	Most Active
Colorado	Mar 28	May 23	Apr 9 - May 16
Idaho	Mar 21	May 26	Apr 7 - May 3
Minnesota	Apr 14	Jun 1	Apr 23 - May 23
Montana	Apr 6	May 18	Apr 14 - May 12
Nevada	Apr 5	May 20	Apr 15 - May 15
North Dakota	Apr 16	Jun 3	Apr 24 - May 25
Oregon	Mar 1	May 6	Mar 25 - Apr 15
South Dakota	Mar 31	May 21	Apr 8 - May 12
Utah	Mar 20	May 1	Apr 1 - Apr 20
Washington	Mar 15	May 10	Mar 25 - Apr 30

Source: USDA, NASS - Usual Planting and Harvesting Dates Report, March 2020

**U.S. Grain Ending Stocks 2019/20**

(million bushels)

	March #’s	Avg. Trade Estimate	Range of Estimates	February Estimates	Last Year
Corn	???	1,882	1,767 - 1,942	1,892	2,221
Soybeans	???	432	410 - 586	425	909
Wheat	???	943	910 - 965	940	1,080

**South American Production 2019/20**

(million metric tons)

	March #’s	Avg. Trade Estimate	Range of Estimates	February Estimates	Last Year
Argentina Corn	???	50.40	48.5 - 53.5	50.00	51.00
Argentina Soybeans	???	53.80	53.0 - 55.5	53.00	55.30
Brazil Corn	???	100.90	99.5 - 102.0	101.00	101.00
Brazil Soybeans	???	125.20	124.0 - 128.0	125.00	117.00

**World Grain Ending Stocks 2019/20**

(million metric tons)

	March #’s	Avg. Trade Estimate	Range of Estimates	February Estimates	Last Year
Corn	???	297.40	294.9 - 300.0	296.80	320.50
Soybeans	???	99.70	97.80 - 108.5	98.90	111.20
Wheat	???	288.40	285.0 - 291.0	288.00	278.30





**> House GOP Hits Back on Biofuel Waivers:** *Republicans are asking the Trump administration not to drastically scale back its use of biofuel blending exemptions for oil refiners, despite the EPA's plans to back down on the program following a recent federal court order that struck down a trio of waivers and effectively tightened the requirements for refineries to get out of their blending obligations under the Renewable Fuel Standard, ruling that only refineries that had maintained blending exemptions continuously since 2011 were eligible for an extension. In a letter to President Trump, sixteen members led by Rep. David McKinley (R-W.Va.) said the EPA shouldn't apply the January ruling nationwide, and the agency should seek a rehearing of the case. Top House Republicans including Minority Leader Kevin McCarthy are backing the effort, and GOP senators have also weighed in against the potential policy shift. EPA Administrator Andrew Wheeler has remained mum, promising only that official guidance is coming. "The decision has to be made by next week, so we will be announcing something shortly," Wheeler said at a budget hearing on Wednesday. The EPA is said to be considering new measures to help oil refiners cope with the cost of complying with the Renewable Fuel Standard. (Source: Politico)*

**> World Food Prices Slump in February as Global Grain Supplies Expected to Remain Ample:** *World food prices fell for the first time in four months with the decrease of vegetable oils export prices, according to the Food and Agriculture Organization of the United Nations (FAO). The spread of coronavirus also dampened demand for some products. The FAO Food Price Index, which tracks monthly changes in the international prices of commonly-traded food commodities, averaged 180.5 points in February, down -1% from the previous month but still +8.1% higher than a year earlier. The FAO Vegetable Oil Index declined 10.3% from January as international palm oil prices fell due to increased Malaysian output and temporary decline of India's import*



*demand as the coronavirus continues to spread. An ample supplied wheat market and downturn in feed demand led the FAO's February Cereal Price Index -0.9% lower as wheat and corn prices fell. The FAO's worldwide cereal production forecast for 2019 anticipates a demand increase for corn, estimating the total 2019 production to 2.719 billion metric tons. Its preliminary 2020 worldwide wheat forecast production is set at 763 million metric tons. The FAO's world cereal utilization for 2019-20 is forecast to hit record levels of 2.72 billion metric tons, while world cereal stocks at the close of seasons in 2020 are now expected to reach 866 million metric tons. (Source: World Grain)*

**> USDA Sued Over Organic Labeling for Hydroponic Crops:** *Farmers and food safety advocates are suing USDA over its decision to allow "organic" labeling for hydroponic operations. The Center for Food Safety and a group of organic producers argue in the lawsuit that because hydroponically grown plants have their roots in water or air, they don't foster "soil fertility," one of the requirements for crops to be deemed organic. Those who support hydroponic operations said the suing farmers are trying to limit fair competition and drive up prices. Read more from [Bloomberg](#).*

**> GOP Ag Labor Bill Introduced:** *A Republican labor bill has been introduced in the U.S. House. Congressman Ted Yoho of Florida talked about the Labor Certainty for Food Security Act at this week's House Ag Committee hearing with Secretary Perdue. "The goal is to create a predictable, reliable, certain workforce for our producers but give opportunity to give our workers. And this is both H-2A for the temporary and it creates a year-round program." In a press call earlier this week, Yoho, compared e-verify improvements in the bill to pre-checking onto flights for H-2A guest workers. "Employers are taking legitimate people that have already been background checked and cleared." While not a pathway to citizenship, Yoho says the legislation protects workers and their families for three years at a time. Listen to the full press call [HERE](#).*

**> Before Coronavirus, China Bungled AFS Epidemic with Secrecy:** *When a deadly virus was first discovered in China, authorities told the people in the know to keep quiet or else. Fearing reprisal from Beijing, local officials failed to order tests to confirm outbreaks and didn't properly warn the public as the pathogen spread death around the country. This was long before the coronavirus outbreak, though. For the past 19 months, secrecy has hobbled the nation's response to African swine fever, an epidemic that has killed millions of pigs. A Reuters examination has found that swine fever's swift spread was made possible by China's systemic under-reporting of outbreaks. And even today, bureaucratic secrecy and perverse policy incentives continue undermining Chinese efforts to defeat one of the worst livestock epidemics in modern history. Interesting read! Read the full report [HERE](#).*

**> NOAA to Triple Supercomputing Capacity to Dramatically Improve Forecast Accuracy:** *The National Oceanic and Atmospheric Administration announced it signed a deal to buy two new supercomputers to beef up the computing capacity of its weather forecasting system. By 2022, the agency will have 40 petaflops of computing capacity at its disposal, which will help it run its dozens of computer weather models. The contract has a total value of \$505 million over eight years, and will bring the United States up to scale with the European weather models. The accuracy of the Global Forecast System,*

*the flagship American weather model, has slipped behind that of the European model, which will have 37 petaflops of computing power as of its latest contract compared to the 16 petaflops NOAA has in existing capacity. According to NOAA, this not only triples the agency's performance capacity, it also doubles the "storage and interconnect speed." This will allow NOAA to develop models with a higher resolution, more advanced physics, and improved ways of incorporating observational data from satellites, aircraft, surface stations and more and feeding them into the models in a way that improves accuracy. (Source: The Washington Post)*

**> Apple to Allow Ads on Push Notifications:** *Apps on Apple products can now send push notifications for ads and promotions as long as customers explicitly opt in to get those alerts, according to the company's updated App Store guidelines. Apple has long prevented ads in notifications. Including marketing material alongside alerts for personal messages and breaking news runs the risk of further cluttering peoples' feeds. Separately, another Apple rule change means the company will reject pitches for "fortune telling" and dating apps "unless they provide a unique, high-quality experience," citing an over-saturation of those apps. (Source: Axios)*

**> The Census Bureau Wasn't Counting on the Coronavirus:** *As census takers for the decennial survey prepare to knock on doors and count residents, anxieties about the spread of COVID-19 could hamper their efforts. For now, much of the work is happening behind closed doors. But enumerators will begin counting homeless populations and going to households that didn't respond to Census mailings as early as April. Door-to-door census count operations, however, could run afoul of a different imperative: keeping away from the novel coronavirus. The Census Bureau has issued an assurance that they're working with health authorities at the federal, state, and local level to prepare for the spread of disease and that they have procedures built in that specifically anticipate epidemics and pandemics. The risk that the virus represents to the 2020 survey extends beyond these door-to-door follow-up counts, however. Read more from [CityLab](#).*

**> Bigger SUVs, Pickups are Outgrowing Home Garages and Public Parking Spaces:** *Across America, the drive for bigger vehicles is bumping into physical limitations. SUVs and pickups are getting so large that they're struggling to fit into some home and parking garages and public parking spaces. Homeowners may need to think twice about purchasing larger vehicles, while parking lot operators are starting to charge oversize fees to accommodate behemoth SUVs and trucks. SUVs like the Chevrolet Suburban and Ford Expedition and pickups like Fiat Chrysler's Ram are examples of popular vehicles that have grown in size in recent years, testing parking limitations. Jake Fisher, director of automotive testing for Consumer Reports, said the trend is becoming a problem. "They are very difficult vehicles to maneuver" and park. Now, some New York lots are starting to charge "super oversize" fees, which applies to truck-based SUVs and pickups, while the "oversize" fees are applying to crossovers. Operators around the country may follow suit. Read more [HERE](#).*

**> Meet Fair Haven, Vermont's New Mayor, Murfee the Spaniel:** *While people headed to the polls for Super Tuesday, there was an election in a small Vermont town*

where even children could vote. And the people there chose a new mayor -- a therapy dog. It was a tight race in the election in Fair Haven, Vermont, but Murfee, a 3-year-old Cavalier King Charles spaniel, came out on top. It's been a two-year tradition to have a four-legged animal as mayor in Fair Haven. The honorary pet mayoral position began when the town decided to switch things up and use the position to help raise money to replace the community's elementary school's playground equipment, which is more than 20 years old. Now, a pet owner can enter their pet in the race with a \$5 registration fee. According to Murfee's owner, "Does this mean I get extra treats?" has been the new mayor's only reaction to the big win! Read more [HERE](#).




**Northeast Indiana** - We farm a few hundred acres but spend the majority of our time with our Lincoln Longwool Sheep. I'm a 4th generation sheep farmer who, along with raising sheep, spends a good deal of time publicly speaking where I can defend how farmers treat their animals. I've never understood why people think we abuse them. Our livelihoods depend on the animals being healthy and unstressed, and we do everything in our power to keep them that way. When I got into the business, I quickly learned that the Lincolns were much easier to lamb, took a quarter less feed, and are not skittish animals like the Suffolks. We will get two shears a year totaling about 24 pounds and



*sell to individuals in the handcrafts instead of commercial operations. Commercial businesses only pay 25 cents versus the \$7 a pound we get from individuals. We have seen a huge uptick in the handcrafts and sales have been good. As far as eating the meat of a Lincoln, it is so much more mild than the majority of lamb you will find in the store which comes in from overseas.*

**Northern Missouri** - *There's not really much changing as far as rotation up here it's just corn and soybeans with a wheat field sprinkled in every so often. The weather pattern has been nearly identical to last late winter early spring, plenty of snow and a lot of rain. We are anticipating another wet year at least for now. If April hits and it's fit to plant we are going to not stop turning wheels until both crops are in, breakdown or get rained out. We lost a lot of nitrogen last year so we are going to attempt to add more as the growing season progresses especially earlier in the season. I think we would have had a little better corn if it didn't leach.*

**Northwestern Mississippi** - *We farm corn and soybeans not too farm off the Mississippi River. The rain has been coming relentlessly. Just a few weeks ago water levels were a few feet short on the river and really giving the barges problems. In the last 2 days, we got another 3 inches of rain that just stopped Thursday. The nice part is we are going to have a really pretty weekend then it's back to rain Monday, Tuesday, and Wednesday. We like to be planting corn anytime after March 1st but the ideal time is March 10th through the 20th. Based on the forecast right now, we don't even have a chance of getting into the fields until the 18th. If we push too much later guys will be trying to plant corn, rice, and soybeans all at the same time. The South Delta is so badly flooded right now that they are a month from even considering doing anything.*



neuro mining

As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

**TODAY'S RIDDLE:** What disappears as soon as you say its name?



### **Good Farm Business Model: Growing the Farm Into a Top Alpaca Business**

Cas-Cad-Nac Farm (CCNF), nestled on the southern slope of Mount Ascutney in Weathersfield, Vermont, is celebrating nearly 23 years in business and is now the largest alpaca farm in New England. Many things set this fully-diversified alpaca operation apart, but CCNF can now claim a world's first, as last fall they produced an alpaca baby from a frozen embryo. While other livestock breeders had used frozen and thawed embryos for years, it hadn't yet happened with an alpaca "cria" or baby. I'm told the project was more than ten years in the making as owner Jennifer Lutz works on it with Iowa State University researcher Curt Youngs, culminating in the two presenting their work at the annual conference of the International Embryo Technology Society in New York City.

Perhaps more impressive, is how the Lutz' has managed to maintain and build out a sustainable and vertically integrated niche business post-recession. First and foremost CCNF is what is known throughout most of the world as a stud farm where they breed, market, and sell elite caliber breeding stock that other farmers, ranchers, or even just hobby owners then use to populate their own farms and breeding programs. Following multiple national breeding competition victories, the Lutz's have been able to sell their registered alpacas for as much as \$20,000 to buyers around the country, and charge stud fees of up to \$4,000 to alpaca owners who bring their females to the farm.

Cas-Cad-Nac Farm produces alpaca fiber as wool which isn't so surprising. Through their partnership in the Vermont Fiber Mill & Studio, located in the town of Brandon, CCNF has created a ready outlet for the vast quantities of luxurious fiber that they shear off the herd every Spring. From what I understand, the end products from the yearly clips are alpaca yarn, rovings, batts, and felt, which are then sold through the Mill. You can read more about the Vermont Fiber Mill & Studio by clicking [HERE](#).

Last but not least is the third leg of the enterprise consists of the processing of some the non-breeding alpacas into meat. While relatively new to the North American marketplace, alpaca meat has been a staple protein of the Andean countries of South America for millennia. So why might you want to consider eating alpaca, for starters I'm told it's delicious by those who have tried it. From what I understand, Alpaca is lean red meat with a very mild sweet flavor profile that the Lutz's say compares most closely to veal. Interestingly, test results came back showing that their alpaca meat was, in fact, lower in cholesterol than chicken and lower in fat than bison.

Bottom line, I like seeing a business that has created three distinct revenue streams i.e.



breeding, fiber, and meat. It helps to build a type of mote around the business and strengthens its chance for existence longer-term. I also like the fact they are working hard to go direct to the consumer. If you'd like to try some of the Lutz's alpaca meat or a full alpaca pelt for those cold winter nights you should check out their store [HERE](#). (Source: vtdigger, ccnfalpacas)



## VERMONT-RAISED PREMIUM ALPACA MEAT

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### Time to "Spring Forward" - Daylight Saving Time Begins Sunday

Daylight saving time starts its annual eight-month run at 2 a.m. this Sunday, March 8. My grandmother always taught me, "spring forward and fall backward." Meaning move the clocks forward in the Spring and backwards in Fall.

Benjamin Franklin is often mistakenly credited for the idea of daylight saving time. Franklin published the proverb "early to bed and early to rise makes a man healthy, wealthy, and wise", and he published a letter in the Journal de Paris during his time as an American envoy to France (1776–1785) suggesting that Parisians economize on candles by rising earlier to use morning sunlight. The suggestion was meant as a joke, however, and Franklin never proposed DST. We can actually blame our annual time changes on New Zealand entomologist George Hudson. His shift-work job gave him leisure time to collect insects and led him to value after-hours daylight. In 1895, he presented a paper to the Wellington Philosophical Society proposing a two-hour daylight-saving shift which gained traction among lawmakers. The idea eventually spread to Europe but it took WWI to see it enacted.

Germany and Austria were the first countries to use daylight saving time (DST). Clocks in the German Empire, and its ally Austria, were turned ahead by one hour on April 30, 1916 — 2 years into World War I. The rationale was to minimize the use of artificial lighting to save fuel for the war effort. Within a few weeks, the idea was followed by the United Kingdom, France, and many other countries. In the U.S., DST was first enacted by the federal government on March 19, 1918, as a way to conserve coal during WWI.

DST was a hotly contested idea in the U.S. and was abolished after World War I. It became a state option until 1942 when President Franklin Roosevelt instituted "War Time", which was year-round daylight saving time. That ended after the war and for many years, cities and counties were allowed to make their own decisions on daylight saving time.

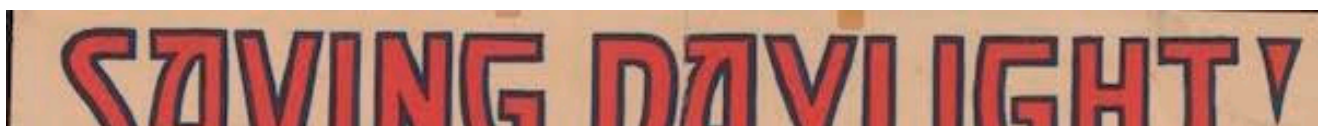
In 1966, the Federal government enacted the Uniform Time Act, which established a system to guarantee the time change was uniform across the country. Before that, state and local governments didn't always start or end DST on the same dates. St. Paul and Minneapolis, Minnesota, for instance, were on different times for two weeks in May 1965 when the capital city decided to join most of the nation in starting Daylight Saving Time on April 25, while Minneapolis opted to follow the later date set by state law. Making things even more confusing, until passage of the UTA, some cities and towns within the same state did not recognize DST at all.

As you can imagine, these inconsistencies were a nightmare logistically for any sort of interstate commerce, especially for transportation systems. At the time when Congress was trying to justify a uniform time law, they released a report that showed on a 35-mile stretch of highway (Route 2) between Moundsville, W.V., and Steubenville, Ohio, every bus driver and his passengers had to endure seven time changes! So now, DST participation is optional only for entire states. The only two states in the U.S. that don't participate are Hawaii and Arizona, the exception for the latter being the Navajo Nation, which does observe DST.

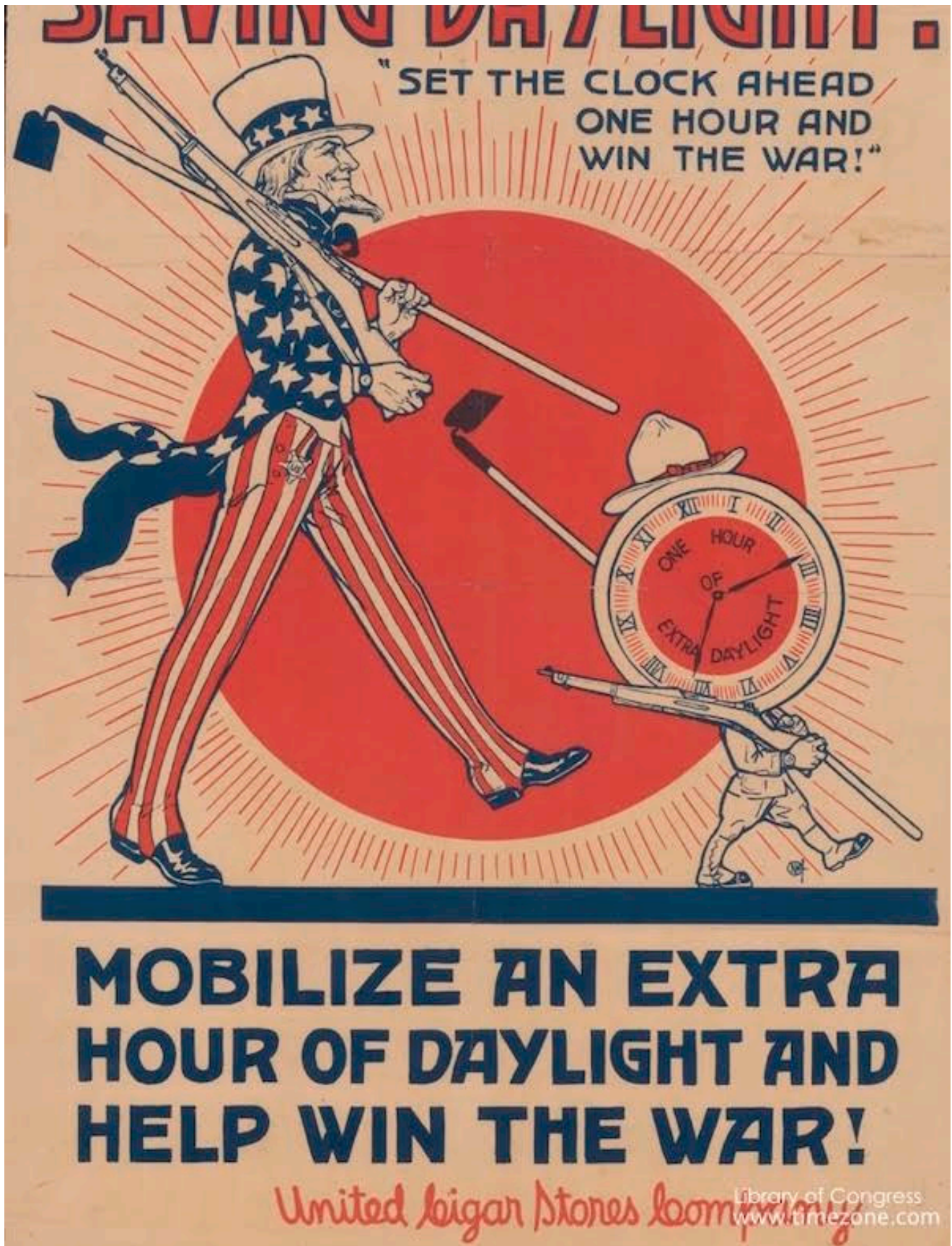
Proponents of DST generally argue that it saves energy, promotes outdoor leisure activity in the evening (in summer), and is therefore good for physical and psychological health, reduces traffic accidents, reduces crime or is good for business. Opponents argue that actual energy savings are inconclusive, that DST increases health risks such as heart attack, that DST can disrupt morning activities, and that the act of changing clocks twice a year is economically and socially disruptive and cancels out any benefit. Interestingly, farmers have tended to oppose DST even though they've incorrectly been blamed for its creation.

Currently, daylight saving time begins on the second Sunday of March and ends the first Sunday of November. In our tech-centric modern world, most of our time tracking devices don't need to be physically adjusted as they automatically update themselves. If they are connected to the internet, they do this via what's called the National Time Protocol (NTP), which is designed to synchronize the time of all participating devices within a few milliseconds of Coordinated Universal Time. Basically, every time your device connects to the internet, it "checks in" with this system and updates the time. That leaves most of us with relatively few clocks that need to be manually adjusted. Another ritual that many Americans have adopted is an annual reminder to change the batteries in your smoke detectors the same time you change your clock for DST, making it more likely we'll remember this important but easy-to-overlook task. (Sources: Time and Date, Wikipedia, Almanac.com)









During the short-days of winter, daylight saving time is not observed.

**Turn Clocks Back**  
First Sunday  
in November

**Set Clocks Forward**  
Second Sunday  
in March



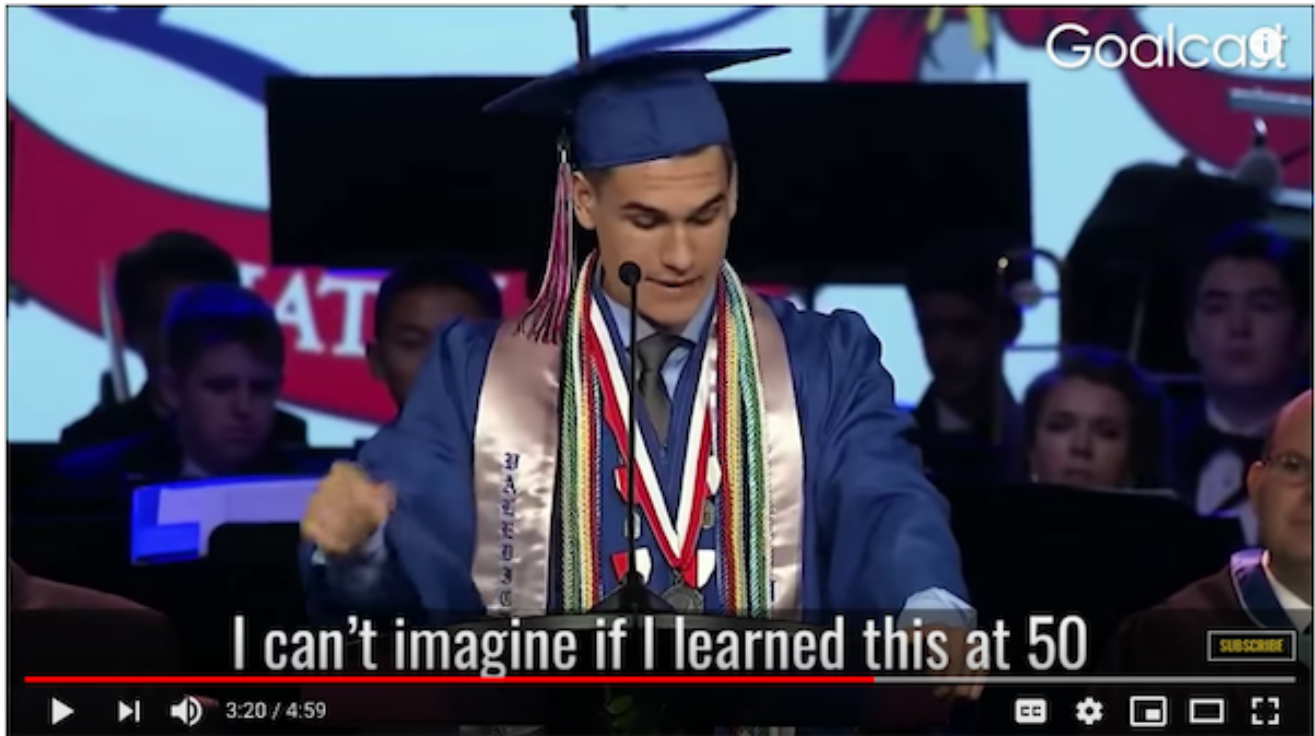
**When daylight saving is in effect, the sun rises and sets one hour later than it normally would.**

SOREN WALLJASPER, NG STAFF



**We Should All Listen to this Amazing Life Lesson... The 16th Second!**

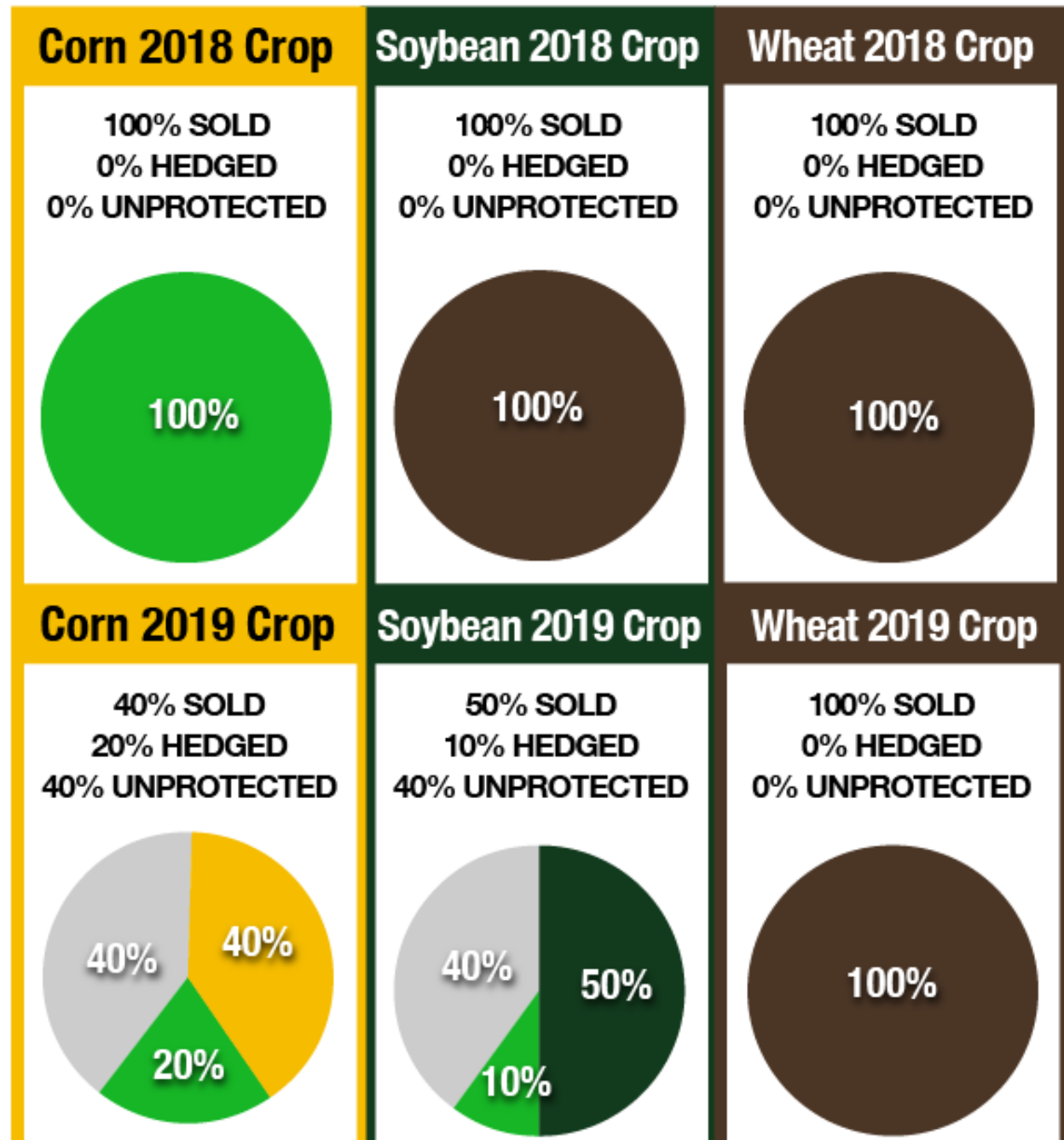
*This was sent my direction the other day and I believe it really rings true. There's no reason for me to write anything or try to add to this young man's message. He does an amazing job and proves why he was selected as the Valedictorian at his high school. It's even more impressive and ironic that he is able to reflect and recognize that reaching his goal may not have been worth the sacrifice and price he had to pay. Please feel free to share with the family and kids, its a great message! Click [HERE](#)*

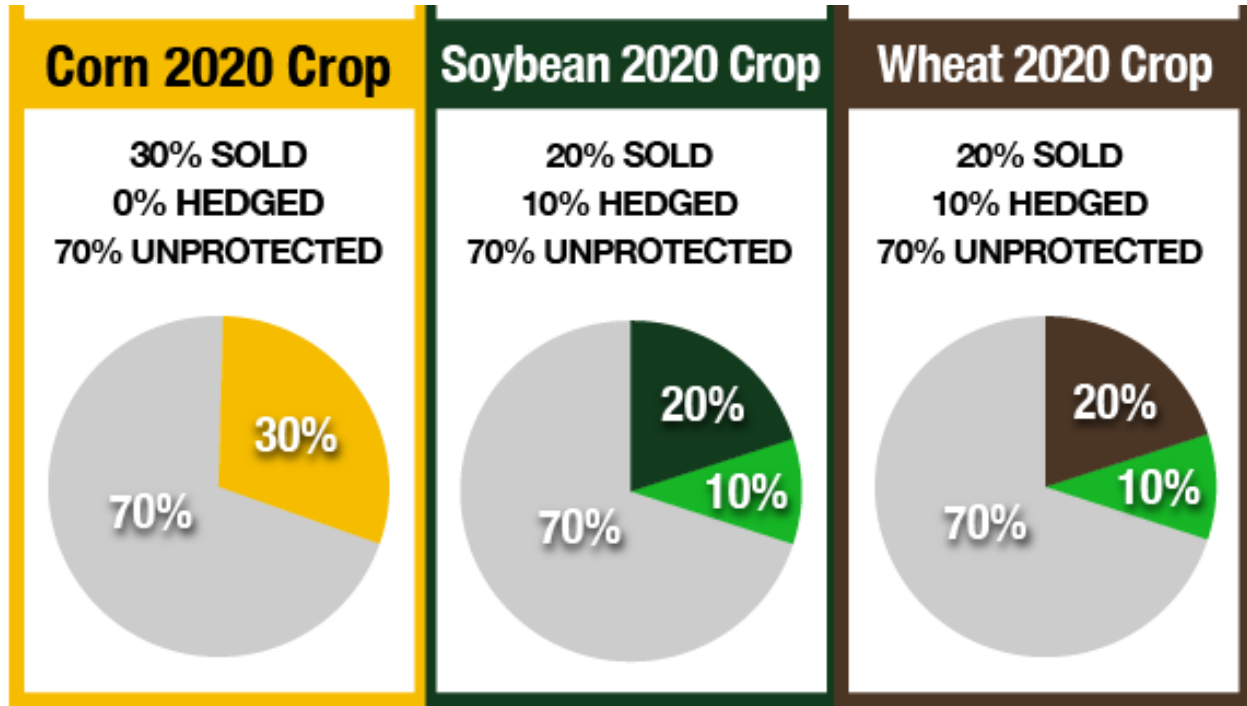


**ANSWER to riddle:** Silence.

**CASH SALES & HEDGING TOTALS**

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