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GOOD MORNING: The Van Trump Report 3-12-20

1 message

The Van Trump Report <reply@vantrumpreport-email.com> Thu, Mar 12, 2020 at 7:40 AM Reply-To: Jordan <reply-fec81170716c047b-1142_HTML-68584704-100003450-8@vantrumpreport-email.com> To: josh@farmdirection.com



"True genius resides in the capacity for evaluation of uncertain, hazardous, and conflicting information." - Winston Churchill

Thursday, March 12, 2020 Printable Copy or Audio Version

Morning Summary: The markets have clearly gone from worried to freaking the hell out. I'm not sure I personally have anything more intelligent to relay to readers than I wrote in yesterdays report. We are in uncharted waters in regard to the coronavirus. Everybody is canceling everything. March Madness will be played without any fans in the stadiums. The NBA has suspended their season. And President Trump has banned all travelers coming from Europe starting tomorrow. The speed at which the markets have done a 180 has many heads spinning. Just a month ago we were posting fresh new all-time highs. The old adage, the markets take the stairs up and the elevator down is certainly evident during the past couple of weeks. We are now down over-20% from the highs and officially in what many deem a bear market. Meaning one of the longest bull runs in history has now officially ended. Make sure you have changed your perspective as the market has clearly changed its directional flow. If the algo's and quants have actually learned and patterned historical tendencies then I suspect another 5 to 10 major down

days of around -5% will be in the mix along with a couple of major huge up days +8% to 10%. I'm worried however that we could soon see several down days strung together that will cumulatively inflect a lot of pain on the average investor... Choppy back and forth trading is one thing to try and navigate but when we start to cluster aggressively in one direction it can very difficult for the less experienced to navigate... heed my warning, be careful here this is a very slippery slope. The next five to seven trading days could be extremely dangerous! The World Health Organization yesterday declared the global outbreak a "pandemic," noting the group's deep concern about the "alarming levels of spread." The formal warning is just one more layer of fear added to the already large mountain that's grown as the virus has been confirmed in more than 100 countries around the world. Cases have been reported in 40 U.S. states and Washington, D.C., with the number of infections having risen from just 70 a couple of weeks ago to over +1,000. Health officials have said that the swift rise in confirmed cases is largely due to increased testing but the steady climb is shining a light on how widely the virus has already spread in the U.S. It's no doubt scary stuff and that's part of the "contagion" that investors are trying to navigate. Unfortunately, there is no way to predict human emotions or anticipate just how deep panic might run. This thing is now in the back yard of average Americans that don't travel a lot or don't have ties to China. If the U.S. consumer is sidelined, the full economic fallout will largely depend on how long the crisis lasts. It is encouraging to see progress in China where the number of new cases has drastically declined, businesses are starting to resume operations, and port activities are steadily increasing. Keep in mind, the outbreak was first detected in Wuhan at the end of December. That's a relatively short period of time for the worst of the outbreak to be brought under control, assuming it doesn't crop up in a new and different regions. Meaning in a really good case scenario, the West is able to get the virus contained in short order as well and things start to get back to normal within a few months. My biggest fear is the Chinese dictatorship instilled strict quarantines and harsh regulations on their people to limit them from moving about in order to get on top of the virus. I'm just not sure that's going to go over in Europe or here in the U.S. It seems possible but I personally feel it's a long-shot. I think it's going to linger longer and be harder to control in a more "politically correct" society. Unfortunately one thing most everyone seems to agree on, the situation is going to get worse before it gets better. I'm keeping all downside hedges in place and still keeping a majority in "cash".

READ... Why U.S. Pork Industry Worried About Coronavirus: The industry is becoming increasingly concerned and worried about labor shortages on farms and in processing plants linked to the coronavirus outbreak and the fact it could cause serious headwinds for the pork industry and ultimately the hog producer. There's a worry that school closures could keep many of their processing plant workers at home. Interesting to think about the impact and effects shutting down the elementary schools could have... Many are saying more grandparents will be tasked to take care of the kids which could ultimately mean more risk for the elderly. There's just a ton. of moving parts here to think about and consider. Crazy!

Several Political Polls flipping the Past Two Weeks: Not that I'm a fan of any political pols but Wall Street does pay close attention. In the blink of an eye we went from Bernie Sanders almost certainly winning the Democratic nomination and President Trump seemingly guaranteed another term in the White House, to former Vice President Joe Bidden now almost certain to win the Democratic nomination and President Trump rapidly falling in the polls as the stock market melts down and coronavirus becomes a much more concerning problem to the American voter. Wall street is definitely taking notice and becoming more concerned about change in Washington. Most polls still think the Republicans would hold onto the Senate but some political gurus are starting to think if the virus headlines stay in play and the market doesn't rebound Democrats have an outside chance of sweeping. I say there's still a ton of time and a ton of unknowns, but it's certainly crazy how quickly things are changing.

Energy Update: Currently, the energy sector is one of the hardest hit as it has also been dealt a blow by the rout in oil prices. Oil traders are still holding out hope that Russia and Saudi Arabia can restore the OPEC+ alliance and work out a deal to restrict production. Russia continues to tease work arounds, such as an informal agreement to cooperate. If they don't work it out, it's estimated the market could be flooded with as much as +1.5 million barrels per day of additional output as both parties try to capture market share. The world is already swimming in oil and inventories are expected to keep climbing due to reduced demand amid the global coronavirus outbreak. Yesterday, the U.S. Energy Information Administration reported a crude oil inventory build of +7.7 million barrels, compared to a build of +800,000 the week before. Even if new oil production cuts are agreed upon, the demand side of the equation could take months to recover as the coronavirus brings global economies to a halt.

Energy Companies with the Highest Debt-to-Earnings Ratio: I've been keeping a close eye on the fallout in oil and what it's doing to stock prices. Interesting research has to do with debt-to-earnings. I've included a list that has been circulating by FactSet and reference to an article written by Phillip Van Doorn former senior analyst at TheStreet.com and credit analyst now at MarketWatch. Exxon Mobil's long-term debt was estimated at around 12.7% as of Dec. 31. Chevron's was estimated to be around 15%. Below are those thought to be most leveraged. Dimitry Dayen, senior research analyst for energy at ClearBridge Investments, said in an interview that "the vast majority" of U.S. shale oil producers "are not cash flow positive," and that "you will see bankruptcies" for some of the most highly leveraged players." Shale-production costs in the U.S. market vary, but according to Dayen, "the best players in the Permian Basin [in the Southwest] need crude north of \$50 a barrel in order to be cash flow positive." Read more at MarketWatch

COMPANY	TICKER	LONG-TERM DEBT/ EQUITY	INDUSTRY
Equitrans Midstream Corp.	ETRN, -0.929%	90.2%	Oil & Gas Pipelines
Tetra Technologies Inc.	TTI, -9.449%	84.6%	Oilfield Services/Equipme
Apache Corp.	APA, -17.897%	71.8%	Integrated Oil
Core Laboratories NV	CLB, -9.877%	66.1%	Oilfield Services/Equipme
Oneok Inc.	OKE, -2.156%	66.0%	Oil & Gas Pipelines
U.S. Silica Holdings Inc.	SLCA, -13.750%	63.1%	Other Metals/Minerals
Archrock Inc.	AROC, -2.926%	63.1%	Oilfield Services/Equipme
Nabors Industries Ltd.	NBR, -11.767%	62.8%	Contract Drilling
Denbury Resources Inc.	DNR, -0.314%	60.5%	Oil & Gas Production
Gulfport Energy Corp.	GPOR, -11.235%	59.7%	Oil & Gas Production
Consol Energy Inc	CEIX, -5.52%	58.7%	Coal
Laredo Petroleum Inc.	LPI, -29.937%	58.1%	Oil & Gas Production
Halliburton Co.	HAL, -8.487%	57.7%	Oilfield Services/Equipme
Range Resources Corp.	RRC, -6.204%	57.5%	Oil & Gas Production
Williams Companies Inc.	WMB, -0.614%	56.7%	Oil & Gas Pipelines
Exterran Corp.	EXTN, -2.772%	53.3%	Oilfield Services/Equipme
Occidental Petroleum Corp.	OXY, -15.969%	53.1%	Oil & Gas Production
Penn Virginia Corp.	PVAC, -14.205%	51.7%	Oil & Gas Production
Noble Corp. plc	NE, -9.559%	50.5%	Contract Drilling

Source: FactS

Banks with the Biggest Oil Exposure: I included a list that was recently circulating inside the trade. As you can see none of the big major banks made the list of overly exposed. The Top Four based on December 31 fillings... J.P. Morgan Chase's has an estimated 7% oil and gas loan exposure, the largest U.S. bank said total credit exposure to the oil and gas industry was \$41.57 billion, or 4.4% of wholesale credit exposure, net of hedges, and 22.1% of TCE. Bank of America had total oil and gas loan exposure of 10%. But the bank said on page 65 of its 10-K that total credit and committed credit exposure to the energy industry was \$36.33 billion, or 3.5% of total commercial credit exposure and 21.2% of TCE. Citigroup's oil and gas loan exposure was 15%. Wells Fargo's oil and gas loan exposure is estimated to be around 10% of TCE as of Dec. 31. Below are what is believed to be the most exposed... (Source: MarketWatch)

Here's KBW's list of U.S. banks whose loan exposure to the energy industry are highest relative to TCE as of Dec. 31, 2019:

BANK	TICKER	ENERGY LOAN EXPOSURE/ TCE	HEADQUARTERS
BOK Financial Corp.	BOKF, -7.501%	108%	Tulsa, Okla.
Bank7 Corp.	BSVN, -3.27%	104%	Oklahoma City, O
Cadence Bancorporation Class A	CADE, -10.072%	76%	Houston
CrossFirst Bankshares Inc.	CFB, -6.376%	69%	Leawood, Kan.
Cullen/Frost Bankers Inc.	CFR, -7.502%	53%	San Antonio
Independent Bank Group Inc.	IBTX, -8.580%	45%	McKinney, Texas
First Horizon National Corp.	FHN, -9.198%	39%	Memphis, Tenn.
Hancock Whitney Corp.	HWC, -9.312%	38%	Gulfport, Miss.
Associated Banc-Corp	ASB, -4.875%	35%	Green Bay, Wis.
CBTX Inc.	CBTX, -2.829%	33%	Houston
Comerica Inc.	CMA, -6.213%	32%	Dallas
Allegiance Bancshares Inc.	ABTX, -6.921%	31%	Houston
East West Bancorp Inc.	EWBC, -7.410%	29%	Pasadena, Calif.
Prosperity Bancshares Inc.	PB, -6.962%	26%	Houston
BancFirst Corp.	BANF, -4.59%	25%	Oklahoma City, O
Zions Bancorporation	ZION, -5.676%	25%	Salt Lake City
			Sources: KBW, Fact

The World Health Organization's Pandemic Declaration has nothing to do with how serious the illness is. It just means a disease is spreading widely. The label triggers governments to activate preparedness plans and possibly take emergency procedures to protect the public, such as more drastic travel and trade restrictions. Dr. Michael Ryan, the WHO emergencies chief, cautioned that use of the word pandemic to describe the outbreak "is not a trigger for anything other than more aggressive, more intensive action." Exactly when enough places have enough infections to declare a pandemic isn't a black-and-white decision. But generally, the WHO looks for sustained community outbreaks on different continents. In other words, when people start becoming infected without obvious links to known links, that signals wider spread of an infection throughout a population, key for a pandemic declaration. For flu, the WHO typically calls a pandemic when a new virus is spreading in two regions of the world; COVID-19 is now spreading in parts of four. The last disease the WHO declared a pandemic was the new H1N1 flu strain, initially called "swine flu," in 2009. Today, that

strain is what's known as "endemic" worldwide — it became part of every season's regular flu outbreak. This is the first time a coronavirus has been labeled a pandemic. H1N1 flu turned out to be relatively mild, which again highlights that a pandemic declaration does not have anything to do with how serious an illness is. More details are available HERE.

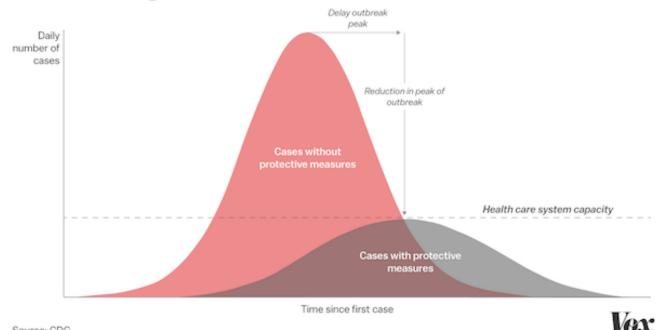
Wall Street Tells President Financial System is Strong, Ready to **Support Borrowers:** The U.S. banking industry is strong and ready to help businesses and consumers weather economic fallout from the fast-spreading coronavirus, Wall Street chief executives told President Donald Trump during a meeting at the White House on Wednesday. "This is not a financial crisis. The banks and the financial system are in sound shape and we are here to help," said Michael Corbat, chief executive of Citigroup, during the meeting. The President convened the executives to hear their views on the economy and his proposed stimulus package, which includes potential tax relief, paid family leave, and small business assistance. Parts of the plan will require Congressional approval. "The first thing is, to add that fiscal stimulus in the time of stress is absolutely the right answer ... Keeping people who are unemployed or under-employed with cash flow and money is key," said Brian Moynihan, CEO of Bank of America. U.S. banking regulators on Monday urged lenders to go easy on consumers and businesses who may have trouble repaying loans if coronavirus-related disruption causes businesses to lose revenue, close temporarily, or lay off staff. Yesterday, the executives discussed how they can make the most of that regulatory flexibility through measures such as loan repayment holidays, waiving some fees, and low or no-cost loans. Read more from Reuters.

This is How Canceled Events and Self-Quarantines Save Lives: The main uncertainty in the coronavirus outbreak in the United States now is how big it will get, and how fast. In the past few days, we've seen cases jump dramatically. The Centers for Disease Control and Prevention's Nancy Messonnier told reporters Monday, "many people in the US will at some point, either this year or next, get exposed to this virus." So far, 80% of cases globally have been mild, but if the case fatality rate is around 1% (which several experts say it may be), a scenario is possible of tens or hundreds of thousands of deaths in the U.S. alone. Yet the speed at which the outbreak plays out matters hugely for its consequences. epidemiologists fear most is the health care system becoming overwhelmed by a sudden explosion of illness that requires more people to be hospitalized than it can handle. In that scenario, more people will die because there won't be enough hospital beds or ventilators to keep them alive. A disastrous inundation of hospitals can likely be averted with protective measures we're now seeing more of — closing schools, canceling mass gatherings, working from home, self-quarantine, avoiding crowds — to keep the virus from

Source: CDC

spreading fast. Epidemiologists call this strategy of preventing a huge spike in cases "flattening the curve," which is illustrated in the graphic below. Flattening the curve means that all the social distancing measures now being deployed in places like Italy and South Korea, and on a smaller scale in places like Seattle and Santa Clara County, California, aren't so much about preventing illness but rather slowing down the rate at which people get sick. Click HERE for a larger view of the graphic. Learn more over at Vox.

Flattening the curve



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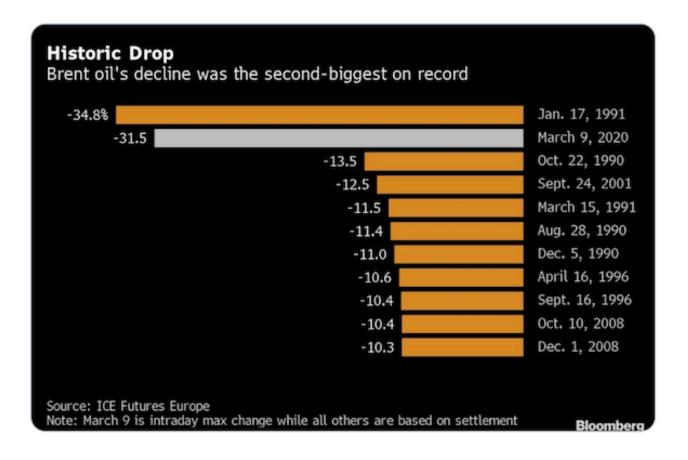
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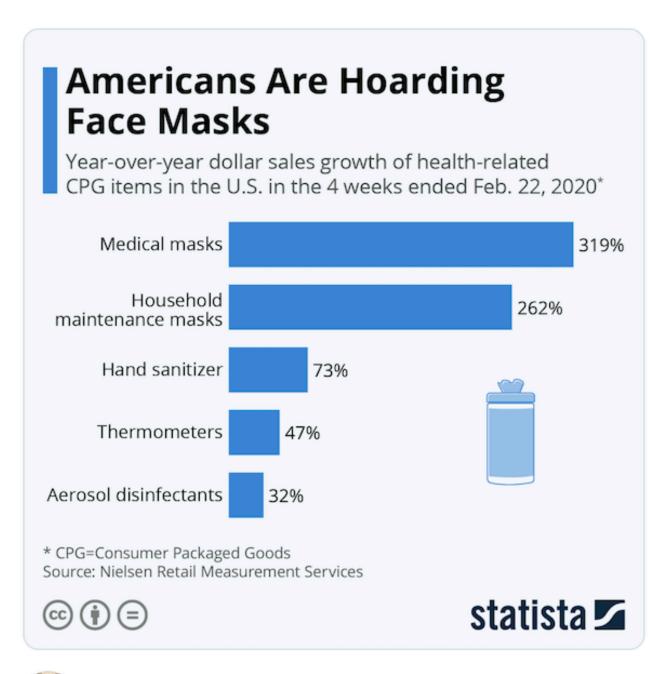


And for context, the largest ever one-day % price drops for Brent oil | via @TheTerminal #OOTT





Americans are hoarding health supplies out of fear from the #coronavirus with sales of #facemasks up 319%. Us Surgeon General tweeted STOP BUYING MASKS in an effort to stop this potentially dangerous practice. statista.com/chart/21032/co...





Going to start some #plant2020 preparation today. Love that smell of freshly worked dirt!!!







Yep it's NH3 season in Mid Mo!! #AgTwitter #alwayswaiting #plant2020





United Steaks of America.





Coronavirus? Who's afraid?

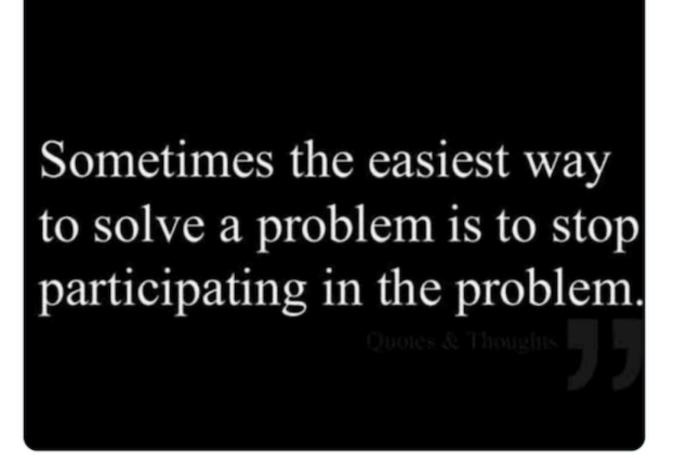






It's difficult to be part of the Solution If you're still part of the problem.

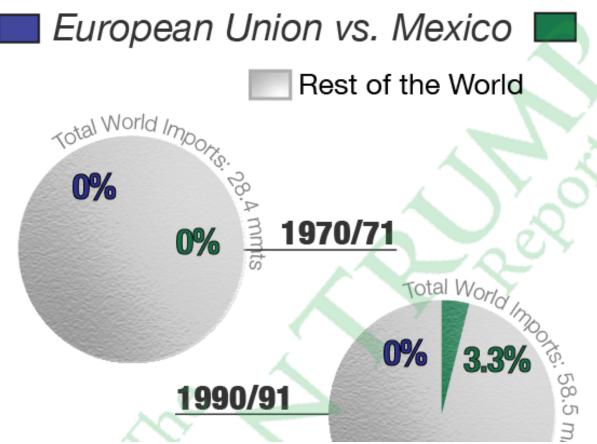
#MondayMotivation #Wellness #MondayThoughts #Believe

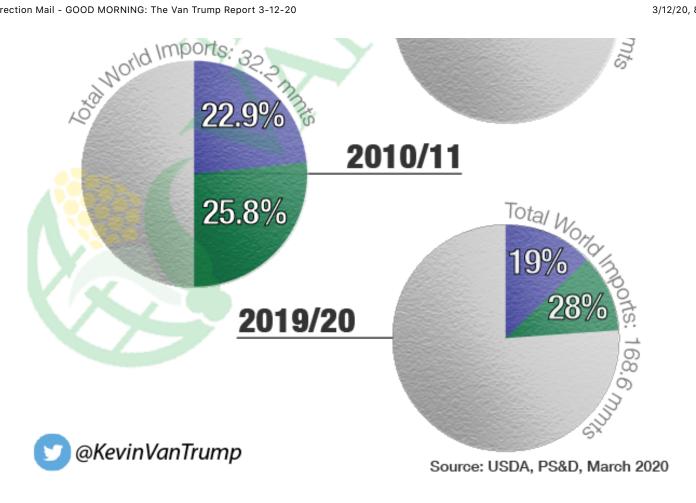


Corn traders are gearing up for U.S planting season. Bulls are pointing to overly wet conditions and the possibility of extreme flooding in many parts of the U.S. Traders are specifically keeping a close eye on the banks of the Mississippi River in parts of Illinois and Iowa, as well as the Red River and Sheyenne Rivers that could impact parts of Minnesota and North Dakota, and the rivers that run through eastern South Dakota. There are many other important areas that seem to be

overly wet so I suspect the market will start paying more close attention. There are also some heavy rains falling in parts of Argentina that are now being monitored perhaps causing some yield loss and harvest complications. Unfortunately, weather worries are taking a backseat to the more dire macro concerns surrounding corona and crude oil. We are seeing China come back online and in the market for some U.S. ag products. But the massive headwinds being created by crude and corona is making it very difficult for the bulls to gain much meaningful traction. The ethanol numbers weren't all that bad this week but the fear is demand for gasoline, in general, is going to get hammered the next few weeks as U.S. consumers hunker down trying to avoid corona. Technically, I still think we retest the MAY20 lows down near \$3.65 per bushel. I'm assuming the new-crop DEC20 contract also retests its recent low down at \$3.74 per bushel. An object in motion tends to remain in motion until acted upon by an outside source. Unfortunately, we have to find something stronger than the bearish crude oil or coronavirus headlines to knock this market off its current track of lower-highs and lower-lows. I just don't see that happening at the moment. Strong Chinese buying could certainly provide a temporary reprieve but I don't see spring weather having enough muscle to overcome and completely reverse the current trend. I think we need to buy some time and perhaps May and June will bring about a much better pricing window. Lets hope:)







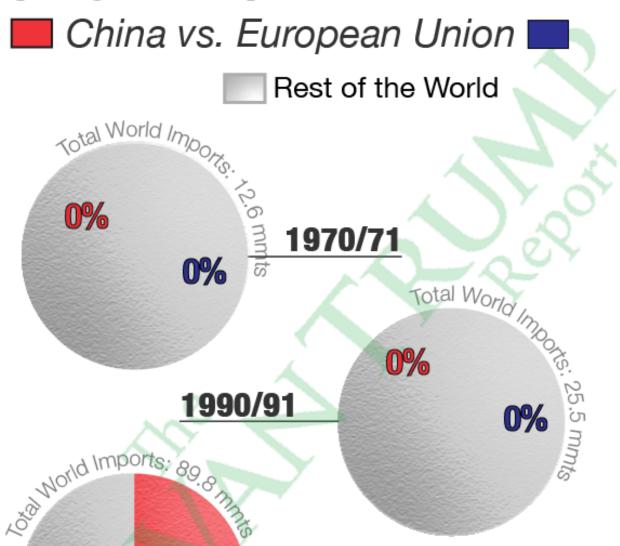


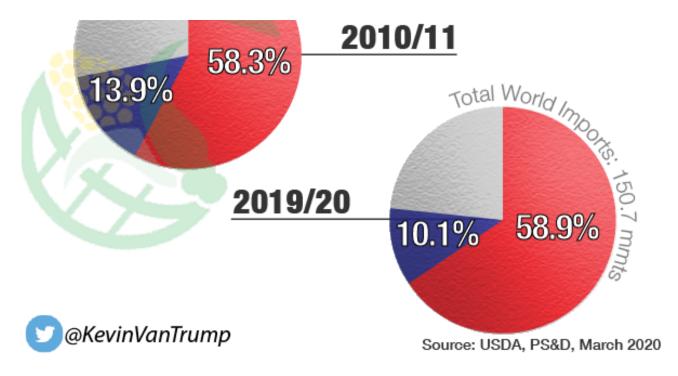
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Soybean bulls are pointing to reports of very strong soybean crushing inside China and the fact the USDA has announced three consecutive days of sales to "unknown" which many traders presume is a Chinese buyer. The trade is also talking about the fact China has come online and started being a more aggressive buyer U.S. cotton. Perhaps the Asian giant is awakening? Unfortunately, it's going to be tough to build bullish momentum as bears continue to point towards the fallout in the energy space and the macro weakness associated with coronavirus headlines. Weather in SAM is mostly mixed but not extreme enough to worry the trade. Here at home, we are certainly keeping an eye on the overly wet conditions, but it's somewhat a double-edged sword as early-Spring wet weather generally prompts the market to think fewer corn acres and more soybean acres as planting

will be delayed. So in my opinion, weather really isn't a factor in the market at this moment. I'm not saying it couldn't eventually become an issue, but early on it might be a better bet made for the corn market? As a spec, I'm keeping a close eye on the \$8.50 area in the MAY20 contract as a spot I might dip a bullish toe in the water. I know I'm not going to pick a bottom but I like it as a starting point and anchor to trade around. As a producer, I like the thought of using larger rallies as an opportunity to sell some out-of-the money call premium. I've heard some producers who still have old crop supply locking in the basis, buying JUL20 puts, and selling new-crop NOV20 call premium to help finance. I've also heard some buying ATM calls in the JUL20 contract and selling (2) OTM calls in the JUL20 contract. They are essentially trying to double-up on their remaining old-crop cash bushels in case we catch a nearby bounce. If the market doesn't bounce they aren't really out anything. Make sure you talk with your individual advisor as selling option premium involves margin and more detailed risk management.

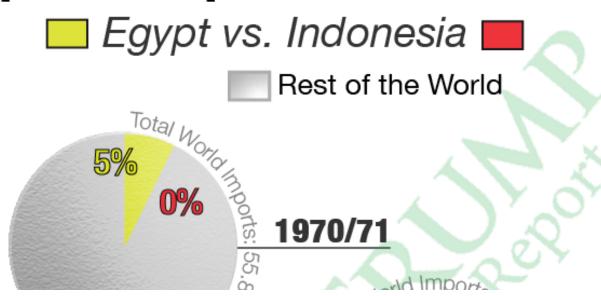
Top Soybean Importers Market Share

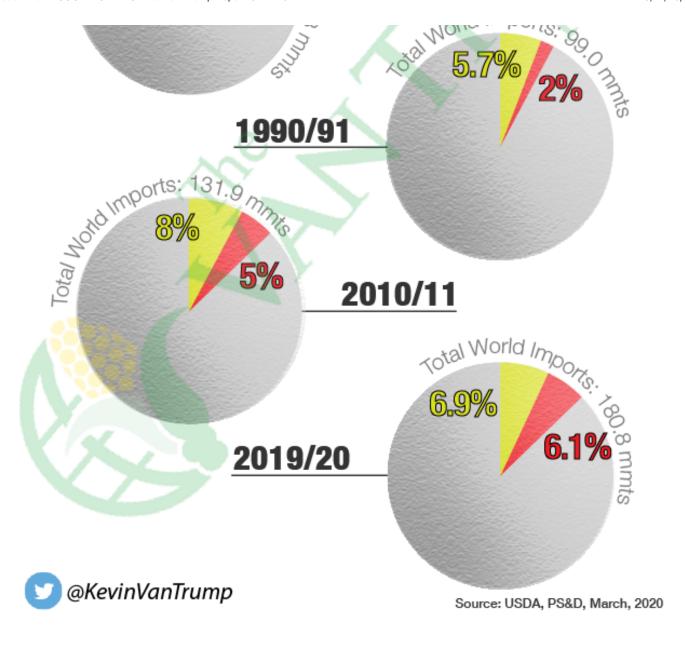


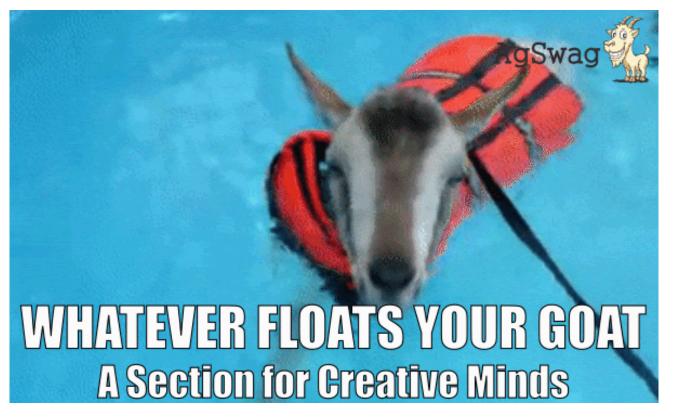


Wheat continues to struggle as bulls find it extremely difficult to hold rallies. U.S. exporters remain ancillary suppliers and not very competitive in the global marketplace with lower-cost providers in Russia and parts of the EU. Bears also point to a very difficult macro space and a massive amount of uncertainty amongst the funds. I can certainly argue some U.S. weather worries but that seems minuscule in the grand scheme of the quant and algo world. The computer models clearly digest and score the negative and more widespread macro headlines with a much greater ranking than the current weather hiccups in play. Bottom line, not a lot of sustained buying taking place in these troubled and worrisome waters.

Top Wheat Importers Market Share







- > April 15 Tax Deadline Could Be Delayed! The Trump administration plans to delay the April 15 tax deadline for most individual taxpayers as well as small businesses as part of an effort to mitigate the effects of the spread of the novel coronavirus, Treasury Secretary Steven Mnuchin said Wednesday. (Source: The Wall Street Journal)
- > Trump Administration Urged to Extend Trade Aid for Farmers: With Chinese buying of most farm goods still lagging their 2017 levels, the Trump administration may need to extend the "trade aid" farm subsidy program for a third year money farmers say they still desperately need. This would be an about face from officials saying the aid was no longer needed just weeks ago but may be necessary amid the economic uncertainties brought about by the coronavirus outbreak. It also reflects vagaries in the so-called Phase 1 trade deal: China did not commit to a timeline for ramping up imports of U.S. farm goods to make the 2020 goal of \$36.5 billion, up from \$24 billion in 2017. Although the U.S. Midwest planting season is still about a month away, the slow ramp-up of Chinese purchases means farmers need guarantees of government aid now in order to invest in seeds and fertilizer and secure bank loans. Dozens of farmers interviewed by Reuters said without more assistance they may not be able to plant this spring. Read more HERE.
- > What About Coronavirus Stimulus for Ag and Trade? Trump and House Democrats are pushing competing ideas for stemming the economic fallout from the coronavirus, but one area that could garner some bipartisan support is strengthening the food safety net. Agriculture Secretary Sonny Perdue on Tuesday

said Congress could consider rebooting the Pandemic Supplemental Nutrition Assistance Program, or P-SNAP, as part of the stimulus package that lawmakers are negotiating this week. The program was last authorized, but not operated, during the global H1N1 virus in 2009. Meanwhile, manufacturers and businesses are increasingly asking for tariff relief as part of the stimulus package. Senate Republicans appear poised to ramp up pressure on the White House to suspend duties on steel and aluminum imports or a wide range of Chinese goods — but that doesn't appear to be part of Trump's plans for now. In the House Ag Committee's fiscal 2021 budget views letter, ranking member Mike Conaway has re-upped his call for more federal aid for farmers and ranchers if agricultural conditions don't rapidly improve in the coming months. Chairman Collin Peterson said at the markup, "We're in a place where it's likely we will need more resources, not fewer, to address the situation that faces both our farmers and those who need to eat." (Source: Politico)

- > Weed Scientist Discusses Future of Dicamba: When the U.S. EPA reregistered dicamba soybean herbicides for use on Xtend soybeans in 2018, labels were effective for two years. The two-year registration expires in December. Bryan Young, a Purdue University weed control specialist and researcher, says EPA is gathering information about dicamba now. He is part of a group of weed scientists who shared their views with EPA recently. Young shared his insights about the situation with Farm Progress, including the EPA's decision making process, and the possibility of new restrictions or even an outright ban. Check it out HERE.
- > How 5G Promises to Revolutionize Farming: Over the next several years, superfast 5G mobile networks promise to shake up a variety of industries, particularly those on the cutting edge, including technology and automotive. Many farmers have already installed sensors in their fields that are connected using 4G, which operates at up to 100Mbps. In comparison, 5G speeds of up to 10Gbps are expected. The difference allows for faster connectivity between devices along with enabling more devices to connect to a single cell tower. It could also help with tracking livestock and guiding agricultural drones and self-driving tractors. The end result for agriculture, in theory, would be improved crop yields and higher-quality produce. But actually making the promise a reality is unlikely to be quick or easy. For starters, it will likely be years before 5G networks are widely available in rural areas, meaning most farmers will have to wait. Read more from Fortune.
- > Great Business Lesson How Under Armour Bet Everything on the Wrong Customer: Five years ago, market research firm NPD found that 25% of people who had bought sports shoes actually intended to use those shoes to play sports. Under Armour was appealing to those people those who actually buy running shoes to run, or cross-training shoes to cross-train the focus of their business. This was not a great plan, because last year when NPD did that survey

just 15% of buyers of sports shoes mentioned an actual sport or athletic activity as an intended use of the sneaker, meaning that the casuals, who were inevitably a larger contingent of Americans, may have been a better core customer. It's not that a brand can't be successful with a strict focus on performance, says Matt Powell, vice president and senior industry adviser for sports at research firm NPD Group. But a brand with mass aspirations shouldn't get overly obsessed with an elite customer niche. Read more from Marker.

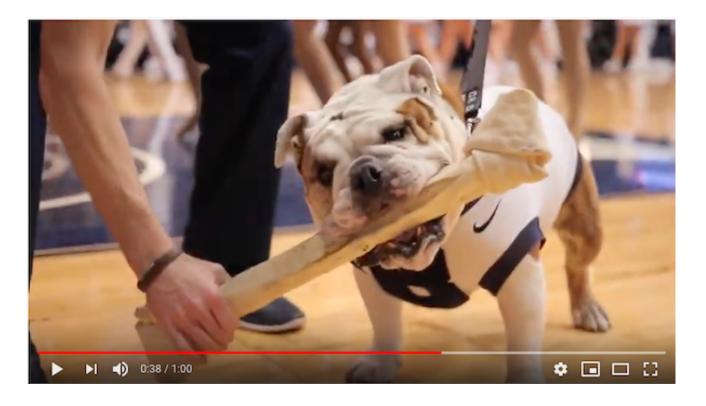
- > Tesla's on the Hunt for a Cybertruck Plant Location in the Central U.S.: Elon Musk announced Tesla is scouting locations to build its in-development Cybertruck in the U.S., likely triggering a state-by-state competition similar to one he set off six years ago for the company's massive battery factory. Tesla will add a factory to produce both the electric pickup and the Model Y crossover for customers on the East Coast, the chief executive officer tweeted Tuesday. He didn't elaborate on which states Tesla is considering beyond saying it will be somewhere in the central U.S. By publicizing Tesla's plans to construct a factory for the truck, slated for production late next year, Musk, 48, is repeating a strategy used in 2014 to score a \$1.3 billion incentive package from Nevada. The state basically won a bidding war with Arizona, California, New Mexico and Texas. TechCrunch reported the company is in talks with officials in Nashville, Tennessee, citing a source familiar with the discussions. Last month, Musk hinted that Tesla could build a factory in Texas. The Texas Enterprise Fund, created by the state's legislature under former Governor Rick Perry, has become one of the largest payers of economic-development incentives in the nation. (Source: Bloomberg)
- > PepsiCo Buys Rockstar Energy Beverages, in a move to expand the beverage giant's presence in the fast-growing energy-drink category. PepsiCo is to pay \$3.85 billion for closely held Rockstar. (Source: The Wall Street Journal)
- > When a Danger is Growing Exponentially, Everything Looks Good Until it Doesn't: From The Washington Post There's an old brain teaser that goes like this: You have a pond of a certain size, and upon that pond, a single lilypad. This particular species of lily pad reproduces once a day, so that on day two, you have two lily pads. On day three, you have four, and so on. Now the teaser. 'If it takes the lily pads 48 days to cover the pond completely, how long will it take for the pond to be covered halfway?' The answer is 47 days. Moreover, at day 40, you'll barely know the lily pads are there." That grim math explains why so many people are worried about the novel coronavirus and why so many others think the panic is over nothing. Going back to those lily pads: When something dangerous is growing exponentially, everything looks fine until it doesn't. In the early days of the Wuhan epidemic, when no one was taking precautions, the number of cases appears to have doubled every four to five days. The crisis in northern Italy is what happens when a fast doubling rate meets a "threshold effect," where the character of an event can massively change once its size hits a certain threshold. In this case, the

threshold is things such as ICU beds. If the epidemic is small enough, doctors can provide respiratory support to the significant fraction of patients who develop complications, and relatively few will die. But once the number of critical patients exceeds the number of ventilators and ICU beds and other critical-care facilities, mortality rates spike. Read more HERE.

- > NCAA Bans Fans at Basketball Tournaments Due to Coronavirus Concerns: The NCAA announced yesterday the men's and women's basketball tournaments will be held as scheduled at all venues next week, but without fans present. NCAA president Mark Emmert said in a statement that he made the decision after consulting with public health officials in an attempt to slow the spread of the novel coronavirus, which has infected hundreds of people across the United States over the past week. Attendance at the NCAA Tournament events will be limited to essential staff and family members, Emmert said. Emmert told The Associated Press that the NCAA is also considering whether to move the Final Four in Atlanta out of Mercedes-Benz Arena, which houses the NFL's Atlanta Falcons, and into a smaller venue. The news agency reported that regional games could, in a similar fashion, be moved to smaller venues in their same cities. The Division I men's basketball tournament, known colloquially as March Madness, is one of the premier events in college sports — attracting hundreds of thousands of fans and generating millions of dollars in revenue for the NCAA. The 2019 iteration of the event brought in \$867.5 million in television and marketing rights along, according to the NCAA's most-recently audited financial statement. Now, the 67-game men's tournament will be played in empty arenas at 14 sites throughout the country, beginning Tuesday night with the "First Four" in Dayton, Ohio. Read more HERE.
- > Germany's Freedom From Speed Limits May Be Running Out of Road: For decades, German lawmakers have debated and rejected imposing a "Tempolimit" on the beloved Autobahn system. But now Germans' deeply held right to drive fast is facing its biggest challenge in a generation, sparked by intensifying fears about the environmental and public safety impact of the country's need-for-speed culture. Germany's upper house of Parliament last month voted down a 130 km/h (80 mph) speed limit, but that vote likely only offers a temporary stay. The Green Party, which supports speed limits, is rising in the polls and is now the second-most popular party in Germany. The German public itself appears to be divided: according to polling company Infratest Dimap, slightly more than half of Germans are in favor of the 130 km/h highway speed limit, a level of support that has stayed relatively constant over the past few years. (Source: Fortune)
- > Meet the People Still Planning Cruise Ship Vacations: The outbreak of the new coronavirus has made the basic fundamentals of the cruise ship business medically inadvisable to the point that the State Department has issued a warning to U.S. travelers—chief among them the elderly—to stop taking cruises until the threat has passed. And yet, even as thousands of people have found themselves

stuck on ocean liners, in close confines with others suffering from a deadly virus, not everyone is ready to bag their cruise ship getaway. Indeed, while some shudder at the prospect of enduring severe flu-like symptoms and a 14-day quarantine, others see the vacation deal of a lifetime materializing before their eyes. Some cruise lines are trying to reassure passengers with various measures, including prohibiting people from boarding if they'd been to China, South Korea, Italy, Iran, or Japan in the past 14 days; and screening guests and crew for "gastrointestinal or flu-like symptoms. But medical experts warn that if the coronavirus manages to find its way on board, the ship is not exactly the place you want to be. Read more HERE.

> Butler University's Mascot Retiring After 7-Years of Sparking Joy with Fans: March Madness is huge at Butler University in Indiana. But the most popular figure on campus can't shoot and won't jump, though he has been known to dribble. And he's about to graduate, so to speak. Here he comes — Butler Blue III — otherwise known as Trip (short for triple). For seven years, Trip has wobbled and slobbered his way into the hearts of Butler University players and fans. A much-loved mascot with an irresistible mug. Michael Kaltenmark has handled Butler bulldog mascots for 16 years and has described the experience as "incredible." Trip was introduced in 2012. He's 8 now and Kaltenmark felt the time to retire had come. Having recently undergone a life-saving kidney transplant, Kaltenmark will still work for Butler, but his dog days are done, too. Last week was their final home game. It was an emotional last run for the two best friends. Next season, Trip's great-grand-nephew, Blue, will take over. Check out the full story HERE. Butler put together an awesome highlight reel of Trip's seven-year-run when they announced his impending retirement, which you can watch HERE.







West central Alabama - We are working on the planter as we wait for the fields to dry out. Normally we are running in early April, but not sure that will be the case this season. Last year we got off to a fast start with a mid-March planting,

but that did entail some replanting in May. We grow corn and cotton only, after dropping soybeans in 2011. We could just couldn't make beans work as we were stuck at 65 bpa on pivot ground and 60 bpa without. Dad finally came on board with cotton this year as well. Cotton seems to like the shallow soils we have here more than beans. I did have a guy hounding me to grow some food grade sesame but just didn't pull the trigger as I am wary of any commodity that isn't on the board. From what I understand, sesame only costs \$15 an acre to plant, can yield nearly 1,00 pounds and pays out at 35 cents a pound. We had a number of guys get crushed in the hemp space around here, some even had written contracts that obviously meant nothing. There is some talk about turning some of these cotton gins into industrial hemp processing plants. I'm told not much upgrading is required. We currently are getting serious about finding solutions to getting our calcium levels down as it has our exchange rates so incredibly high. I'm going to try some Holganix to see if we can help unlock the nutrients that are stuck.

Northern North Dakota - The combining is slow this time of year. I don't expect anyone thinks it's going to be quick due to frozen augers, equipment that doesn't want to start, etc. Temperatures have been all over the place, from way down in the freezing range to almost 45 degrees. Now the combines are breaking through the frost line which is a huge problem if you don't have the rear wheel assist to back out. That's why you are seeing stuck combines on twitter here and there. The best fields are early maturity or early planted fields. That corn was mature enough when the cold hit that it didn't get hurt as bad. I think most guys in this area at least don't plant a single day past the final planting date for either corn or soybeans because of this widespread March harvest.

East central Illinois - We are going to plant 70 acres of sorghum for mostly birdseed. It's right in deer country, though. The plan is to take 10, 15, or maybe 20 acres and see what kind of yield we get. We are starting with 32% side dressed and then going with 120 pounds of NH3. We will probably throw a fair amount of fungicide at it as well. This is really just an experiment more than anything. We will see what happens.



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: I have keys but no locks, and space but no rooms. You can enter but you can't go outside. What am I?







During 2020, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aguaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

Join us each Thursday at 3pm CT for Agrifood Conversations.



Navigating the New Landscape of Hemp Production

Hemp is currently a \$4 billion industry that's growing at 14% per year, and recent changes to U.S. law only stand to accelerate this growth. Hemp does bring a very steep learning curve with it, particularly as growers look to scale cultivation. Delta Valley Farm Management, led by Founder and CEO Ginger Duer is using her extensive experience in the to help growers navigate the muddy waters of hemp cultivation and marketing.

Ginger Duer has a 20 year background in growing and breeding cannabis. Growing up on a farm in South Georgia both kindled her passion for growing and gave her the baseline knowledge she used to pursue a career in farming. She is uniquely suited to lead a company on the cutting edge of legality given her time as a Senior Policy Advisor for a prominent Governor, her subsequent experience as a lobbyist and activist for cannabis and hemp legalization in non-legal states, and her knowledge of and connections in the national political scene. She is also the founder and manager of Delta Valley Logistics, a firm geared to brokering, distribution, storage and transport of hemp-derived cannabinoids and cannabinoid-rich material.

It's worth mentioning, in 2017 Ginger invested \$870,000 of her personal funds into an 100-acre growing experiment on the Western Slope of Colorado. Making a calculated decision to plant in a variety of manners to determine best practices for scale commercial production of cannabinoid-rich hemp on an abbreviated schedule, her experiment resulted in in-depth knowledge of exactly which agricultural practices can be adapted for efficient scale production of hemp plants along with arguably more valuable data on what does not work.

Duer will discuss the trajectory of the emerging hemp industry to this point, the steep learning curve and realities of scale hemp cultivation, current pinch points and infrastructure needs, and the likely evolution of hemp farming within each agricultural region of the United States. She will also delve into the international markets, where our competition on each major use of hemp lies, and what advantages and disadvantages apply to American hemp farmers in a global market. If you want to learn more how DVFM is working to support hemp cultivation, be sure to tune into "The Past, Present, and Future of Hemp Farming," a webinar to be held at 3pm CT on Thursday, March 12, featuring Ginger Duer, founder and CEO of Delta Valley Farm Management.





minimum order quantity, or any other questions you may have. Please click here to download our seed catalog with COAs.

STORMY DANIELS

Stormy Daniels is our flagship strain. Known for the excellent growth across the country in all climates, this cultivar is resistant to heat and cold stress. One of our most popular strain by customer choice. Uniform growth from this strain and excellent terpene profile sets it apart from the rest.

Early Finisher (~Sept. 15th - 20th)

Heavy Yield (~2 - 2.5 pounds)



THE BULL

This strain is a Sativa dominate that has explosive vegetative growth. Fairs well in cold weather and heat. Plants give off a welcoming aroma with a very clean terpene profile.

Late Finisher (~October 5th - 10th)

Medium Yield (~1 - 1.5 pounds)



Need seeds for 2020? Call, email, or direct message us. Best prices on compliant, vetted genetics, guaranteed!



HOME FARMERS EMPLOYMENT ABOUTUS SOCIAL MEDIA

DVFM is a proud dealer for Ferrari Costruzioni Meccaniche. See below for products we offer in transplanter and auto-weeder categories.



"Planting is our business" - Ferrari Costruzioni Meccaniche has manufactured vegetable farm equipment for more than 50 years. The company was founded in Guidizzolo, a little town located in the North of Italy, very close to Lake Garda and to the city of Verona. In 1961 Mr Luigi Ferrari decided to start an innovative business providing service,

assistance and technical solutions to small farms that were the backbone of the local community. Today Mr Ferrari's sons, Francesco and Dario, are the main shareholders of the company. Ferrari has been successful through the years thanks to the high quality of its products and to the enthusiasm and dedication of its people.

The company specializes in the production of transplanting machines, both semi-automated and fully automated. A few years ago the product range was widened to include film layers, film transplanters and automatic weeding. Ferrari machines are suitable to farm a wide variety of vegetables including:hemp, lettuce, tomato, cabbage, celery, tobacco, sweet potato and many others. The guidelines of the company are based on innovation and continuous development of the products which are all proudly patented. Ferrari is by far the top quality brand for vegetable transplanting. Some of the equipment produced at the factory utilize hydraulic, pneumatic and electronic components. Nevertheless, even the Ferrari machines that may look very simple from a conceptual point of view are significantly different from the ones other brands are offering. The products manufactured by Ferrari have been studied and developed by using modern technological processes combined with many years of experience in the field.



Remoweed is the Ferrari automatic weeder that can remove weeds both between the rows and between the plants on the same row. This weeder can scan and eliminate all the weeds along the width of its frame precisely and in just one pass. No plant damaging involved!

"Prison Wine" is a New, Dangerous Social Media Trend

Dangerous social media trends have unfortunately become just another hazard for parents to try to navigate in our modern age. The insanely popular app TipTok seems to be the latest breeding ground for "challenges" that are mostly harmless, though maybe questionable as far as common decency and future reputations might be concerned. But a new one that promotes cooking up homemade booze could potentially be deadly.

Tutorials circulating on TikTok (and to a lesser degree, Twitter) offer instructions on how to make your own alcoholic brew with common grocery store ingredients, usually some combination of fruit juice, sugar, and dry active yeast. Sugar and yeast is a well-known combination for producing alcohol, which happens during the fermentation process. As the yeast breaks down the sugar, one of the resulting byproducts is ethanol, aka alcohol. It's the same basic recipe for "prison hooch" and it's certainly nothing new.

What is new is the seeming popularity of "home brewing" among teenagers, which have been posting videos of their #prisonwine adventures online. They've been gaining thousands of views on TikTok and, in turn, inspiring other kids to give it a try. For underage drinkers, the appeal is obvious but it's unlikely they truly understand the dangers.

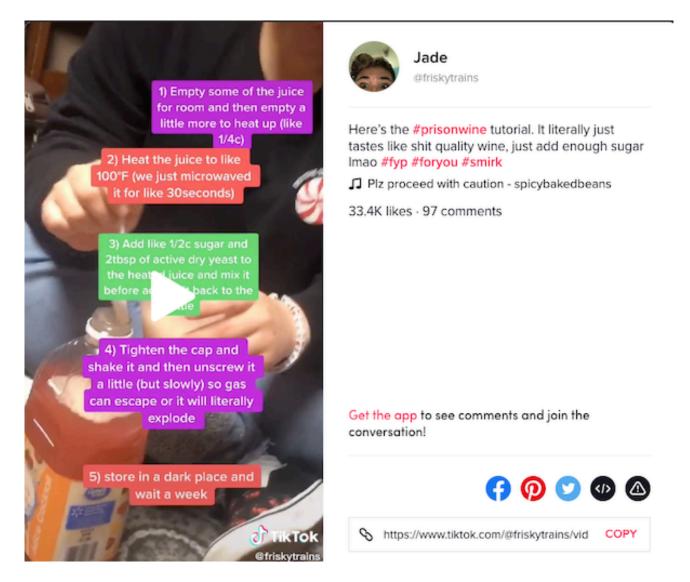
The biggest danger is the risk of botulism, a rare but potentially deadly poisoning caused by toxins produced by the Clostridium botulinum bacteria. During the hooch brewing process, if the juice's pH falls above the ideal number of 4.6—making it less acidic—it fosters an ideal environment for bacteria spores to divide and grow. Off the shelf, fruit juice has a balanced pH, but the introduction of yeast and other ingredients alters this.

Botulism spores can be found in a lot of places, including soil and water, and they can actually survive almost anything thanks to their ability to form a hard protective coating when conditions are poor. For example, a few could be in an unsterilized container one uses to ferment their concoction. Once conditions change in their favor, they exit their self-preserving hibernation and go to town reproducing.

The botulism poisoning that results from ingesting the bacteria is extremely serious. Because it affects muscle control throughout your body, botulinum toxin can cause many complications. The most immediate danger is that you won't be able to breathe, which is the most common cause of death in botulism. Other complications can lead to muscle control problems that may require long-term rehabilitation, such as for speaking and swallowing. Symptoms of botulism usually start with weakness of the muscles that control the eyes, face, mouth, and throat.

This weakness then generally spreads to the neck, arms, torso, and legs. Symptoms typically begin 18 to 36 hours after consuming a contaminated substance. But, depending on how much toxin was consumed, the start of symptoms may range from a few hours to a few days.

The online trend is apparently popular among the underage crowd in both high school and college, with many of them tagged #prisonwine or referencing "dorm mead." Obviously, they don't come with botulism warnings and kids probably aren't going to draw that conclusion themselves. Though TikTok labels certain videos that "could result in serious injury," a recent investigation by Popular Science didn't find the disclaimer on the #prisonwine clips. Right now, with so many schools and colleges looking to be interrupted by the current coronavirus outbreak, it's a real worry that bored teens are going to increasingly come across these viral posts and be lured into whipping up their own batches. There have not been any illnesses reported as a result of this trend yet, but it doesn't hurt to talk to our kids about the potential hazards anyway. (Sources: CDC, Popular Science, Distractify)







Jade @friskytrains

Wildin #beatthezombiefunk #gummygame #snickersfixtheworld #suchascientist #prisonwine #dormlife

Plz proceed with caution - spicybakedbeans

12.6K likes · 83 comments

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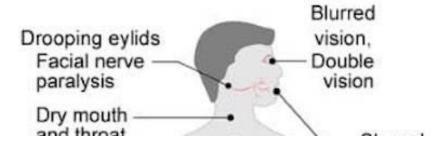


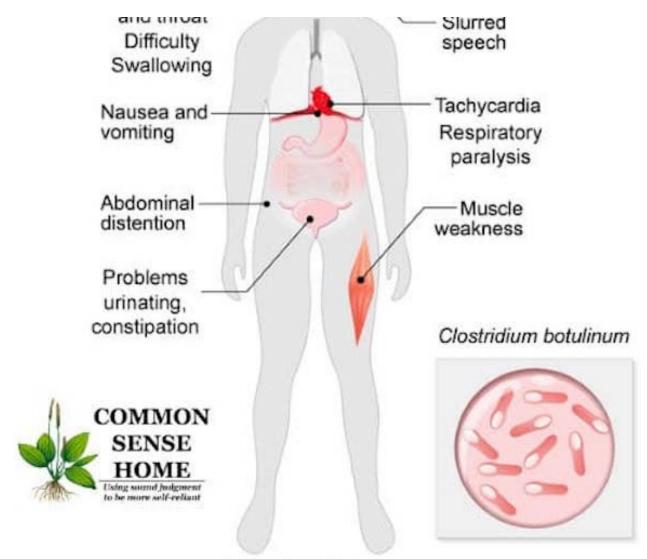




https://www.tiktok.com/@friskytrains/vid

BOTULISM SIGNS AND SYMPTOMS





Botulism

Causes, Symptoms, Treatment, Tips for Safe Home Canning commonsensehome.com/botulism/

City Girl Falls for Country Boy

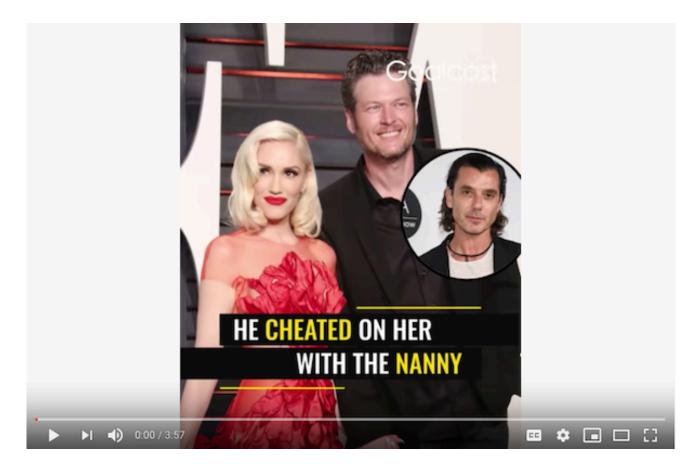
In the wake of all the "doom and gloom" how about a little something more uplifting. My wife Michelle sent this my way, saying she thought a lot of people could relate. It the story of a famous Sca-Girl from California falling in love with somebody she never would have guessed. We all know the famous couple... it's Gwen Stefani and Blake Shelton. I just never knew the story. She was going through a big divorce after finding out her husband had been cheating on her for three years with their nanny, Ouch!

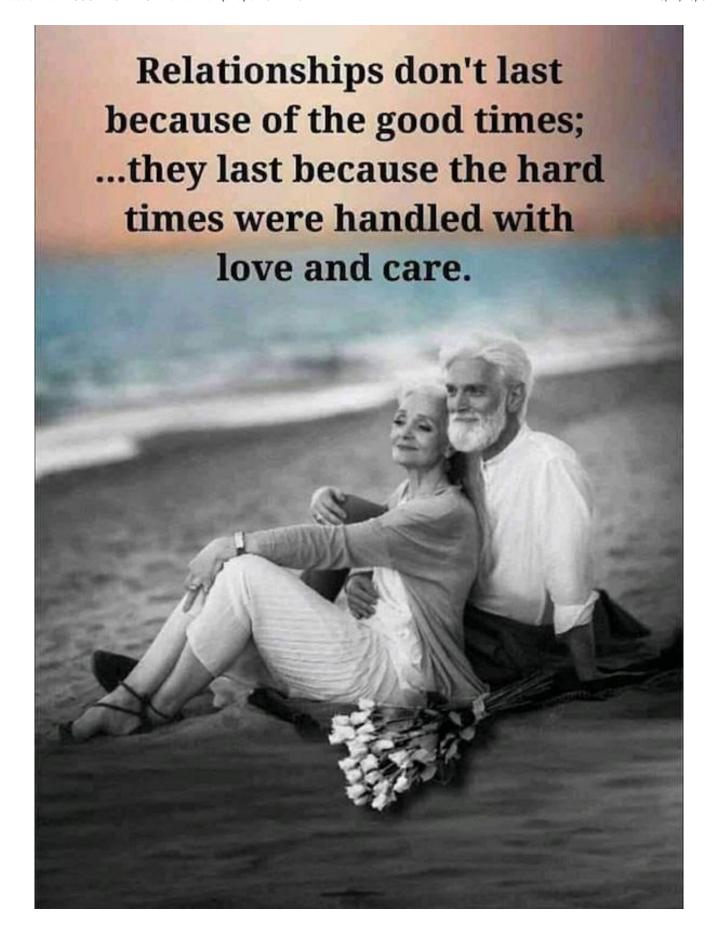
From a personal standpoint, one of the best pieces of advice my "Grams" said to me... "I want you to only marry a girl that makes you a better person and

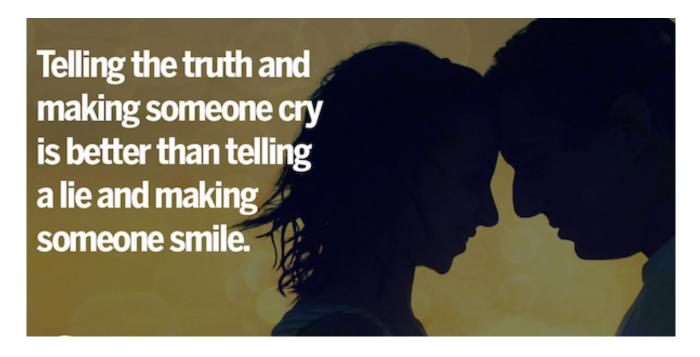
hopefully you can add some things to the mix that make her a better person as well. If that isn't happening you have to get out of that relationship now, life is simply too short."

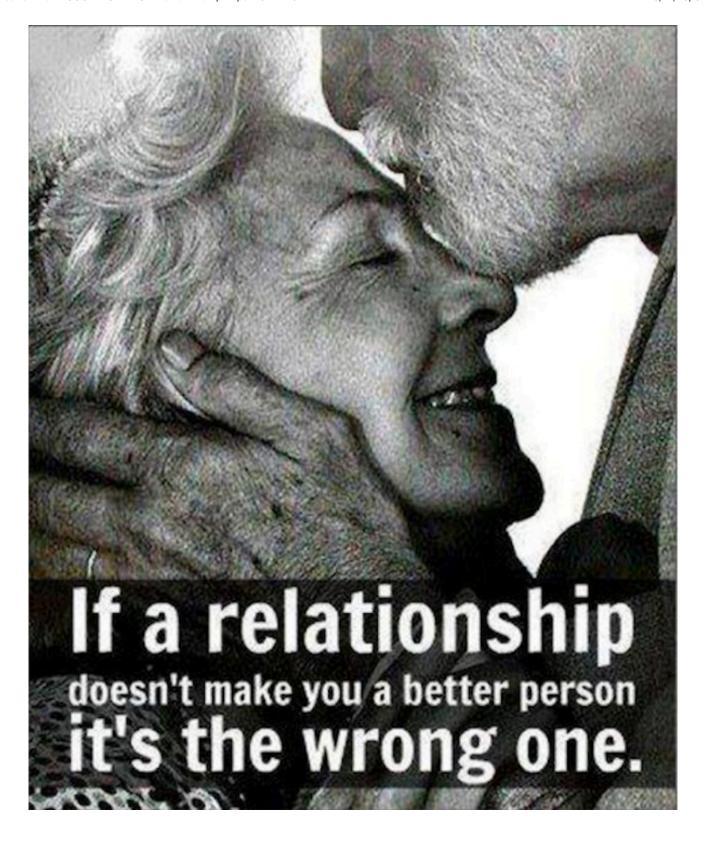
Luckily, I found just the right girl and she has definitely made me a better person. I like to believe I've helped her become a better person as well. We laughed when watching the video because when we were younger Michelle was the city girl cheerleader and I was the country bumpkin jock. She would model for various companies like The Limited and Jones Store, and she always wanted to live and work in the big city. Hence the reason we originally ended up in Chicago, she landed her dream job in fashion! I had been working doing NFL camps, combines, and clinics. I wasn't making any "real money" but having a heck of a good time. She became the big breadwinner and we made the decision at just 21 and 23 years of age to move to The Windy City. Some buddies in the NFL got me an interview with a major trading firm and they licked the fact I was big and tall. The rest is history...

We've certainly had our share of ups and downs but through it all, we have always referenced back to my Grams advice... are we helping to make each other better people? We've never allowed ourselves to go to bed mad at one another and we've always remained best of friends. I suspect listening to Gram and trying to do what we can to help each become better individuals we ultimately become a better couple. Click <u>HERE</u> to watch the short Gwen and Blake video.





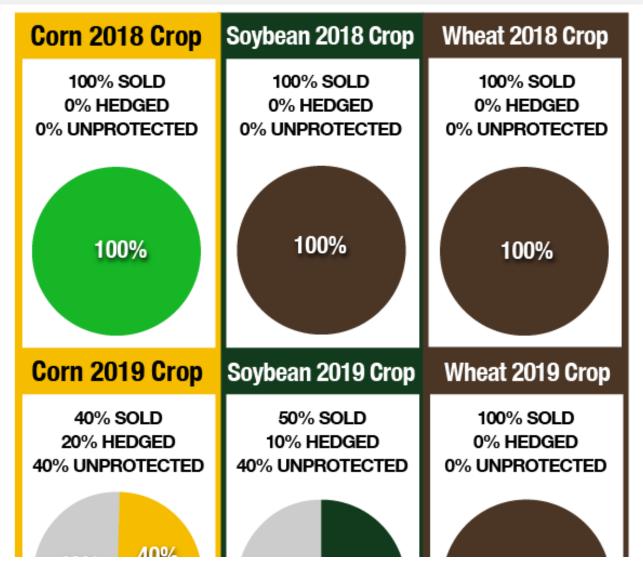


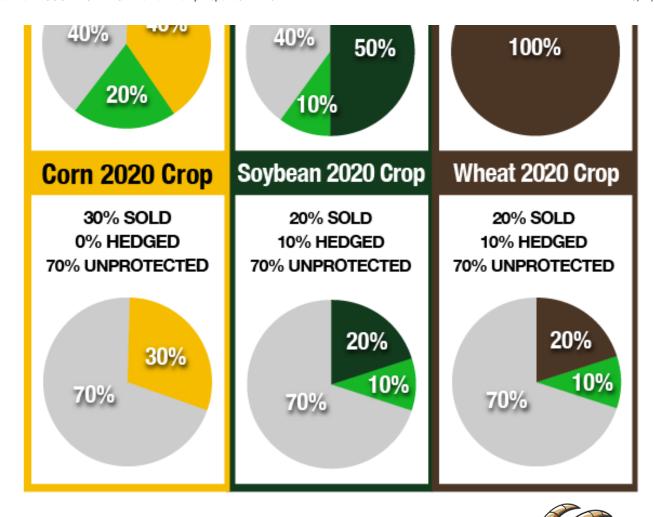


ANSWER to riddle: A keyboard.

CASH SALES & HEDGING TOTALS

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