



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

**GOOD MORNING: The Van Trump Report 3-26-20**

1 message

**Mark Hendershott** <mark@farmdirection.com>  
Bcc: Josh@farmdirection.com

Thu, Mar 26, 2020 at 7:46 AM



"Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it." - **Ronald Reagan (1986)**

**Thursday, March 26, 2020**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Investors today are bracing for an unprecedented surge in unemployment claims from the Labor Department, which covers the week ending March 21. Estimates range from 1 million to 4 million, which even at the low end would mark a new record. I personally think the unemployment claims will come in at the low end of expectations because we've heard employment offices were massively understaffed and unable to process or handle all of the claims. In other words, it might take a few weeks before we really start to see the hard data regarding unemployment. But does it really matter, we know it's happening. California provided a grim preview yesterday, reporting the state has seen 1 million unemployment claims in less than two weeks. Let's also keep in mind, these numbers don't represent the full picture, not everyone qualifies for unemployment. They also don't include workers who have had hours cut, people who are self-employed, or those unable to file due to the unemployment website crashing. St. Louis Fed Reserve president James Bullard said yesterday that as many as 46 million Americans could be left jobless in a very short period of time. Well respected investor Richard Bernstein, reminded me that bear

markets tend to have three-phases:

1. Phase One of any bear market, people tend to say this is only temporary and it's not going to last. I can't remember one bear cycle in any market that didn't start this way. Bulls always say this is just a temporary setback and things will soon be back to normal, it's just a blip on the radar.
2. Phase Two of any bear market people tend to start saying this is a lot worse than anyone could have imagined. We knew this was going to happen and should have seen the writing on the wall.
3. Phase Three of any bear market people start saying it's never going to get better and it was so obvious. They are not calling brokers and asking how they can put more money to work or what they should be buying, instead they are calling and saying just get me the hell out!

I personally think we are somewhere between phase-1 and phase-2. Big buying opportunities are almost always seen when people are 100% throwing in the towel, not when people are arguing about if it's a bottom or not. Perhaps the biggest question we need to ask ourselves is if this is just a bull market break or is this now a bear market rally? I personally worry that this type of devastation and one-off can be what triggers a rolling bear market Not a depression but perhaps a 6 to 18-month period of lower highs and lower lows. Just like a snow-covered branch that breaks on a tree at the top of a mountain and triggers an avalanche. Essentially, that's what we've seen happen in the market and there are just a ton of dominoes attached and contagion across the board that might make it more difficult to dig out than many are currently forecasting. Yes, the avalanche might be over but the digging out and rebuilding of the ski resort is going to take some time and lots of hard work. Certainly, there could be some areas of growth in select sectors but it feels like the U.S. consumer is going to be fairly cautious when coming back online.

**Government Funding and Bailouts Coming!** *The government is hoping the hit to the economy in coming weeks will be short term as they bring in heavy support and other programs to help those financially impacted by the virus. That help will come from the \$2.2 trillion coronavirus stimulus package that includes direct payments to Americans and assistance for businesses. Other highlights: Student loan payments suspended without penalty through September 30; The Treasury Department can provide \$500 billion in loans, loan guarantees and investments; \$32 billion in grants for wages and benefits to the airline industry; Independent contractors and so-called gig workers will be eligible to receive federal aid; Housing protections against foreclosures on mortgages and evictions for renters; \$450 million for The Emergency Food Assistance Program; and an unprecedented expansion of unemployment insurance. Meanwhile, the costs keep adding up, making the need for additional stimulus measures highly likely.*

**Remember, It's a Global Problem:** *According to World Trade Organization's latest projections, the economic downturn and job losses caused by the current pandemic is likely to be worse than the 2008 recession. We can't forget that what's happening to the U.S. economy is happening globally, and probably worse in many places. But even large economies are having an extremely difficult time. European regulators are working furiously to keep its financial system functioning and finance ministers are struggling to come up with a strategy to fight the impending economic slump. There is also more talk that some members may abandon the European Union altogether so as to enact their own border controls and other measures, possibly to never return to the pact. China is coming back online but most of the countries that buy their exports are under lockdown now. Retailers across the west have canceling orders already and now some factories in China are actually looking laying people off or shutting down. It's easy to see the vicious cycle but it's very hard to see where the off ramps might be without knowing how long the U.S. and other global economies are going to be shut down. It will get better, the problem is figuring out when "better" might start.*

## Coronavirus Updates:

- Colorado and Idaho both declared stay-at-home orders.
- *New Orleans is on track to become the next coronavirus epicenter in the United States, dashing hopes that less densely populated and warmer-climate cities would not be hit as hard by the pandemic, and that summer months could see it wane.*
- *Kentucky reported first day with fewer new cases than previous day. Beginning next week, Kentucky will have its first drive-through testing facility.*
- *The US Army has reached out to retired medical personnel to possibly volunteer to support the coronavirus response effort.*
- *Walmart is waiving rent fees for its more than 10,000 in-store business partners for the month of April.*
- *Alaska Airlines – which is based in Seattle and primarily serves the Pacific Northwest – announced it will cut its flight schedule by 70% for at least the next two months.*
- *Tokyo's governor on Wednesday asked residents to avoid non-essential outings through April 12. The city has become the center of Japan's coronavirus epidemic.*

**IBM teams with Weather Chanel** to bring us the best in detailed county-by-county COVID-19 data **Click [HERE](#)...** good stuff!

**SCAMMER ALERT:** I've heard from some folks that they are getting calls from someone who claims to be with a government health department. They then tell them they've been exposed to a person with the virus and say they need to send them a "home-test" and ask them to pay a small amount by credit card. They then have all of your credit card info and other relevant details. Remember, there are currently no home-tests on the market and there are lots of scams going around trying to catch us while our guard might be down.

**Sent in By Subscriber:)**

It's going to be ok. I saw farmers getting ready to plant TP on my way home from work today!



**FDA Warns Consumers Against Fraudulent Tests, Vaccines, and Treatments:** *Consumers should beware of buying or using products that claim to help diagnose, treat, cure and prevent COVID-19 as the coronavirus continues to sweep across the country, the U.S. Food and Drug*

*Administration said Wednesday. Some companies are trying to profit from the pandemic by selling unproven and illegally marketed products that falsely claim to be able to prevent or cure the coronavirus, the FDA said. Fraudulent products range from dietary supplements to COVID-19 tests, drugs, medical devices or vaccines. The FDA said it has also seen unauthorized fraudulent test kits sold online, although the only way to secure a test is through a health care provider. People could risk unknowingly spreading COVID-19 or not getting treated appropriately if they use an unauthorized test, the FDA said. The agency also says people shouldn't take any form of chloroquine unless it has been prescribed by a doctor and obtained from legitimate sources.*

**Dallas Fed Survey Shows Oil & Gas Industry Plunge:** *The U.S. energy sector is slashing capital spending and jobs as business activity plunged and the outlook has turned "extremely pessimistic" amid the coronavirus pandemic, a survey by the Dallas Federal Reserve Bank of oil and gas companies showed on Wednesday. The business activity index, a measure of the industry based on surveys of energy executives, has fallen to a historic low, plummeting from -4.2 in the fourth quarter of 2019 to -50.9 in the first quarter of 2020. In a series of special questions, firms were asked for the fifth year in a row about breakeven prices to profitably drill new wells and to cover operating expenses at existing wells. "The average breakeven price for new wells was a little under \$50, and current oil prices are well below almost all of the responses," Plante said. "Likewise, based on the survey responses, many firms will find it difficult to cover operating expenses at current prices." Read more [HERE](#).*

**U.S. Will Approve Some Delays in Tariff Payments Amid Coronavirus Crisis:** *The U.S. says it will allow some importers to delay tariff payments, following calls from business groups and import-dependent industries such as retailers and steel users for the Trump administration to cancel or at least temporarily suspend major tariffs. The tariffs—essentially taxes at the border—have been imposed on hundreds of billions of dollars of annual imports from China, as well as steel and aluminum products from around the world. Lawmakers are divided on the issue, but the Trump administration imposed its major tariffs without congressional consent and could also remove them unilaterally in response to political pressure or economic changes in 2020. In a separate action last week, the U.S. Trade Representative also opened a new process for companies to request tariff relief for medical-care products of Chinese origin that may be needed to respond to the coronavirus pandemic. Companies have until June 25 to make requests. More details are available from [The Wall Street Journal](#).*

**Visualizing the Cost of Two Weeks of Food:** *HowMuch calculated what a*

*two-week food supply would cost based on the United States Department of Agriculture's recommended daily intake amounts, and prices at Walmart.com. They came up with \$139. This number seems so low to me, but perhaps I'm nuts and obviously not following the appropriate calorie guidelines. It seems like every time Michelle and I go to Sams or Costco we drop an easy \$500. Anyway, just under half (47.4%) of the quarantine budget goes to protein and vegetables. Meat in particular has been hit hard by supply chain disruptions. With meat hard to come by, Americans have been forced to expand to other protein options. One of them has been tuna and tinned fish. Like meat packers, fruit and vegetable vendors are working full-tilt to restock supplies, although many consumers have been wary of fresh fruit and vegetables. It's not the only category where consumers will be changing habits as a result of the coronavirus: certain brands of grains may be hard to come by as the supply chain is stretched. As one UK grocer explained: "We have 20 different sizes and styles of pasta. We are moving that to six". This could be the status quo for some time: industry experts say that, while there will be no big food shortages, certain preferred brands or specialty food items may be hard to come by. Click [HERE](#) for a larger view and more details.*



## The Cost of Stocking Food for a Two-Week Quarantine

Based on a 2,000 kcal diet for 1 Person



**ASSISTANCE (We will keep this pinned here until further notice):** For

assistance with food and bills, as well as other free or reduced cost programs that help people affected by the **COVID-19 pandemic** [Click HERE](#).

**American Farmland Trust Launches Fund to Help Farmers Affected by the COVID-19 Crisis:** *American Farmland Trust announced the creation of a Farmer Relief Fund, with all monies raised going directly to farmers. The fund will award eligible farmers with cash grants of up to \$1,000 each to help them weather the current storm of market disruptions caused by the COVID-19 crisis. The initial focus will be on farms that sell at farmers markets or to restaurants, caterers, schools, stores, or makers who use farm products. That focus could change over time as the negative impacts of the crisis become more widespread within U.S. agriculture. Learn more [HERE](#).*

**How You Can Help During the Coronavirus Crisis:** *The coronavirus pandemic has now reached every state in the United States. In addition to posing public health challenges, the outbreak has prompted mass closures of schools and businesses and is straining resources. Several nonprofit organizations could use your time and money to make sure vulnerable populations are cared for during the pandemic. The Washington Post has put together a list of ways to help in your community [HERE](#).*

**Attention Expecting Moms:** *Women giving birth at two leading New York City hospital networks are being told they must labor without spouses, partners, or doulas by their side. Some doctors and hospitals are allowing virtual visits via technology like FaceTime. In other parts of the country, hospital policies are also becoming increasingly restrictive so be sure to stay updated on your own hospital's rules. You can read more about what's happening in New York [HERE](#).*

**States with Coronavirus Restrictions:** *A growing number of states in the U.S. are implementing new restrictions to help stop the spread of the coronavirus outbreak. Eighteen states have stay-at-home orders or advisories and have closed nonessential businesses. Six states and Washington, D.C. have shuttered nonessential businesses. Several states such as Florida, Texas, and Pennsylvania have cities or counties under stay-at-home orders in the absence of a statewide declaration. Unfortunately, it's become a confusing patchwork of directives to sort through. There are several tools out there but the New York Times' interactive map is one of the most comprehensive. It links to current information, as well as additional details and resources for each state. Check it out [HERE](#).*



# FARM TANK

Tweets of the Day





How much are brands really worth? 💰

[visualcapitalist.com/ranked-the-mos...](https://visualcapitalist.com/ranked-the-most-valuable-brands-2020/)





**Jon Erlichman** ✓  
@JonErlichman



Number of people these U.S. companies plan to hire:

Instacart 300,000

Walmart 150,000

Amazon 100,000

Dollar General 50,000

CVS 50,000

Albertsons 30,000

Pizza Hut 30,000

Dollar Tree 25,000

Papa John's 20,000

7-Eleven 20,000

Dominos 10,000

Kroger 10,000

Walgreens 9,500

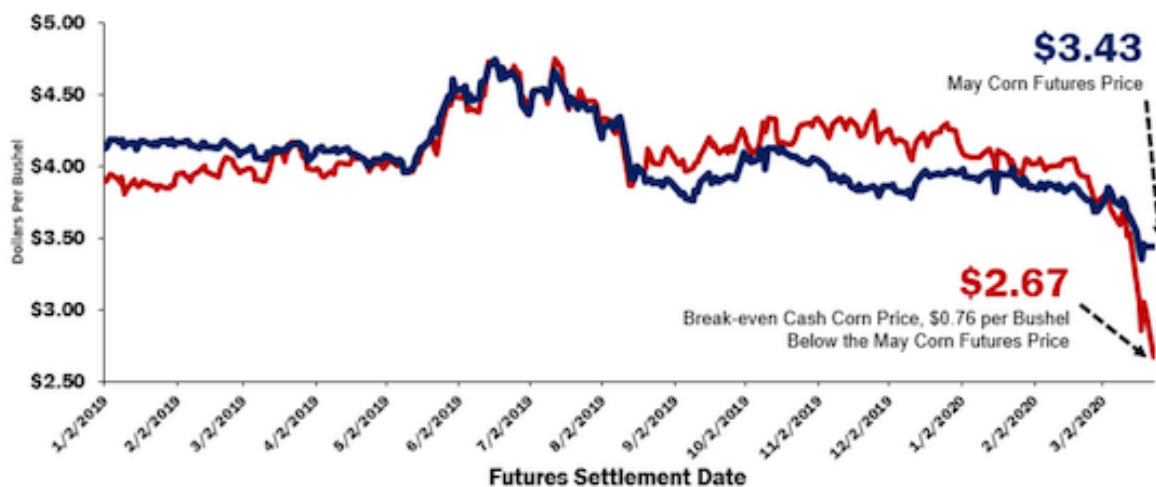
Pepsi 6,000



**John Newton**  
@New10\_AgEcon

#Ethanol prices have fallen nearly 40%. Conservative and simplistic estimate is #corn would need to be \$2.70/bu or less (based on variable costs) to keep ethanol plants in the market. Supplies of DDGs will fall as plants reduce capacity [fb.org/market-intel/e...](https://fb.org/market-intel/e...)

### Break-Even May Corn Price For Iowa Ethanol Plant Based on May Ethanol and Corn Futures Prices<sup>1/</sup>



**FARM BUREAU\***

Source: Iowa State University Ethanol Profitability, Eberhart, Farm Bureau Calculations and Projections for Ethanol  
1/ Assumptions include 2.8 bushels of corn per gallon of ethanol; Non-Corn Variable Costs of \$0.37 per gallon and DDG Revenue of \$0.42 per gallon



**Collin Anson**  
@AnsonCollin

Saw all those #plant2020 posts and I was jealous so I thought I'd go plant the mover in some gumbo.

**Wessington Springs, SD**







**Ale Frick**  
@Engineer\_Farmer



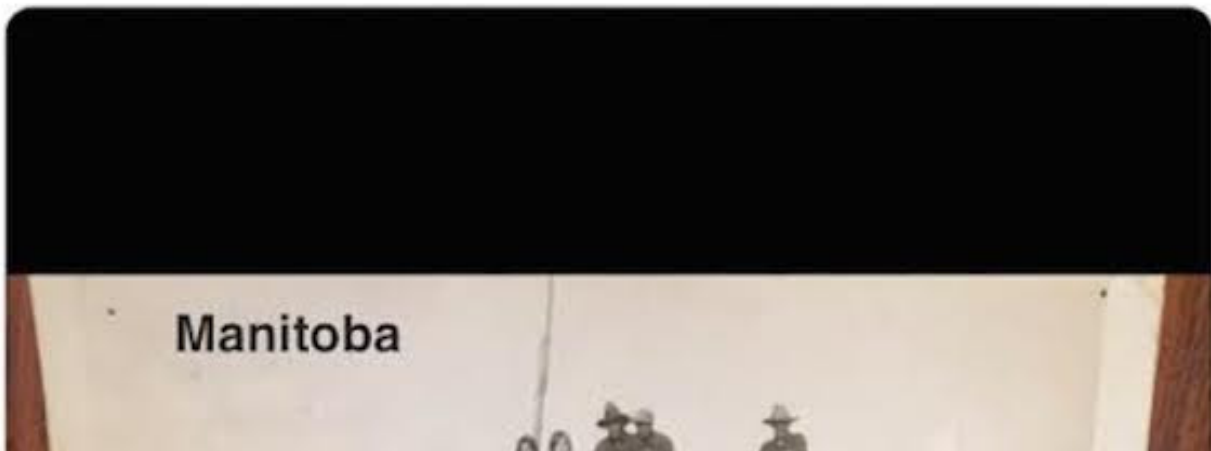
Corona-virus??? More like Corn-virus... [#plant20](#)



**THE GOD OF AG**  
@bigbushelsag



All the crying and whining going on. The next 2 months of your life will be 20x easier than one week of our grandparents lives when they first came here.







ActionComplete  
@ActionComplete



All we have to decide is what to do with the **#time** that is given to us.

~J. R. R. Tolkien

**#inspiration #quotes**



**CORN** bears continue to keep a lid on most rallies as the fallout in crude oil and the coronavirus lockdown has ethanol on its heels. Yesterday's EIA numbers showed weekly gasoline demand falling aggressively. Not only are energy traders penciling in a lot fewer gallons of gasoline demand but in turn, many are now penciling in a lot fewer gallons of ethanol demand. At the same time, ethanol surplus is thought to be around the second-highest level ever for this time of year. I continue to hear that several plants will be under heavy pressure and there will definitely be fallout. Most inside the trade are in full agreement that the USDA will

soon be cutting its overall ethanol demand estimate the question now isn't if but rather by how much? Several believe the USDA will take a conservative and tiered approach towards reducing its estimate, i.e perhaps cutting -100 million bushels in demand early, then cutting -50 million a clip as they learn more about closures and overall demand. Ultimately, however, there's concern that over -250 million bushels in demand could be lost. Bulls are hoping that stronger exports and greater demand for feed help soften the losses from ethanol. The bad news is the fact some bears are already starting to talk and spread rumors that we could see nearly 3.0 billion bushels in U.S. ending stocks as ethanol demand waivers, U.S. soils are mostly recharged, and U.S. corn acres are thought to be climbing higher in 2020. On paper, less demand and more production is certainly not a formula for higher prices. But since we don't actually plant, grow, harvest, or deliver the crop on paper there's a lot of opportunities for things to go wrong.

Technically, I still believe corn prices could be pressured lower into the \$3.20 to \$3.30 range, but I also believe we are going to see a rally at some point in the next 90-days that will allow for better cash pricing opportunities. Staying patient is difficult in this environment but I think its best-of-practice for producers. Pressure in price to sub-\$3.30 levels should spark another lifting on hedges. End-users should be taking small bites on the breaks and rolling hedges lower. The 3-C's look to remain in the spotlight... Crude oil, China, and Coronavirus. I'm hoping global logistical complications surrounding corona cause more world buyers to come back to the U.S. for safe and reliable supply. Hopefully, this increase helps offset the ethanol uncertainties.

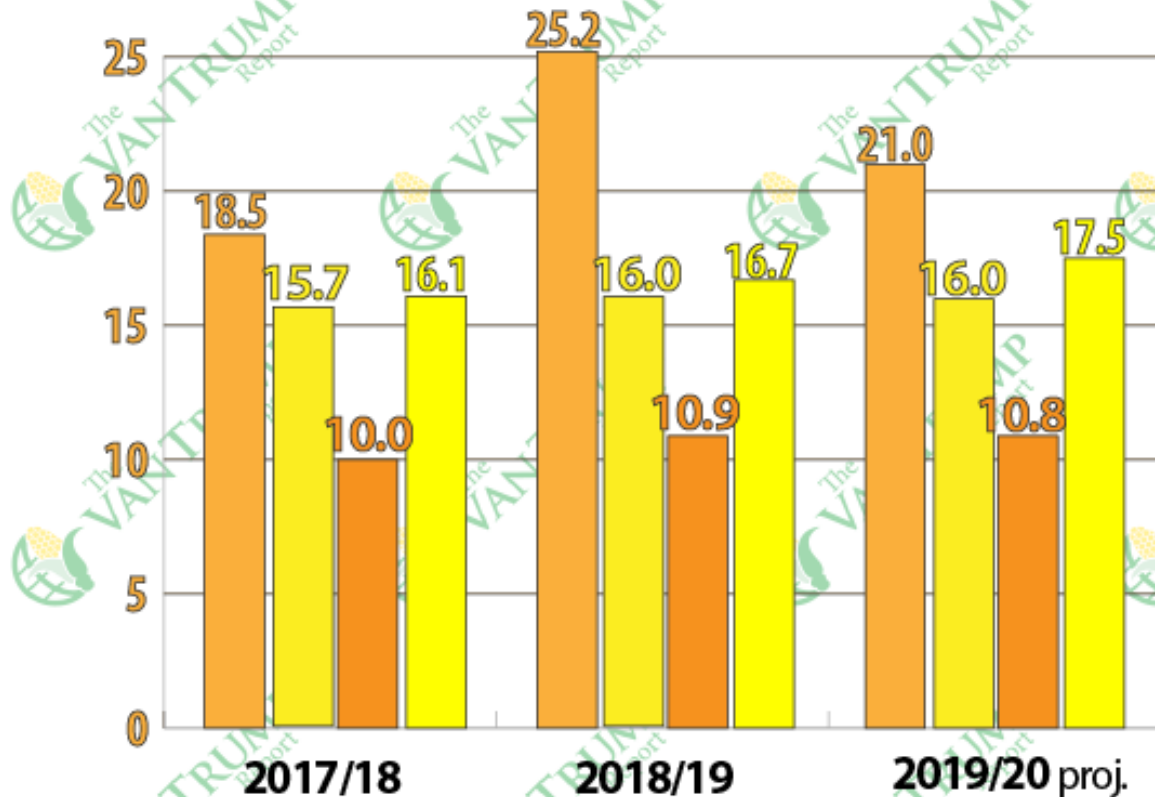


# EU Projected As Top Corn Importer

## TOP 4 Global Importers

■ EU ■ JAPAN ■ SOUTH KOREA ■ MEXICO

(in Million Metric Tons)



@KevinVanTrump

Source: USDA, PS&D, March, 2020

**SOYBEAN** bulls continue to talk about possible complications associated with coronavirus. Crushing facilities in Argentina are operating mostly uninterrupted, but we are starting to hear more talk about possible lack of supply as transportation in and around the nation becomes an issue. If the crush facilities can't get their hands on the soybeans it will certainly tighten global supply. From what I understand, there were over +100 new corona cases reported in the past 24-hours in Argentina and now over +500 total. In a drastic measure, Argentina announced the suspension of repatriation efforts for thousands of Argentinians stranded abroad by the coronavirus pandemic. The harsh decision was apparently in response to repatriated Argentinians who have lied about their health to get on flights home. I think we could start seeing major political unrest in Argentina in the weeks ahead if the virus spirals out of control. Brazil is already showing more cases of the virus with +3,000 now reported. Brazil is continuing to allow the



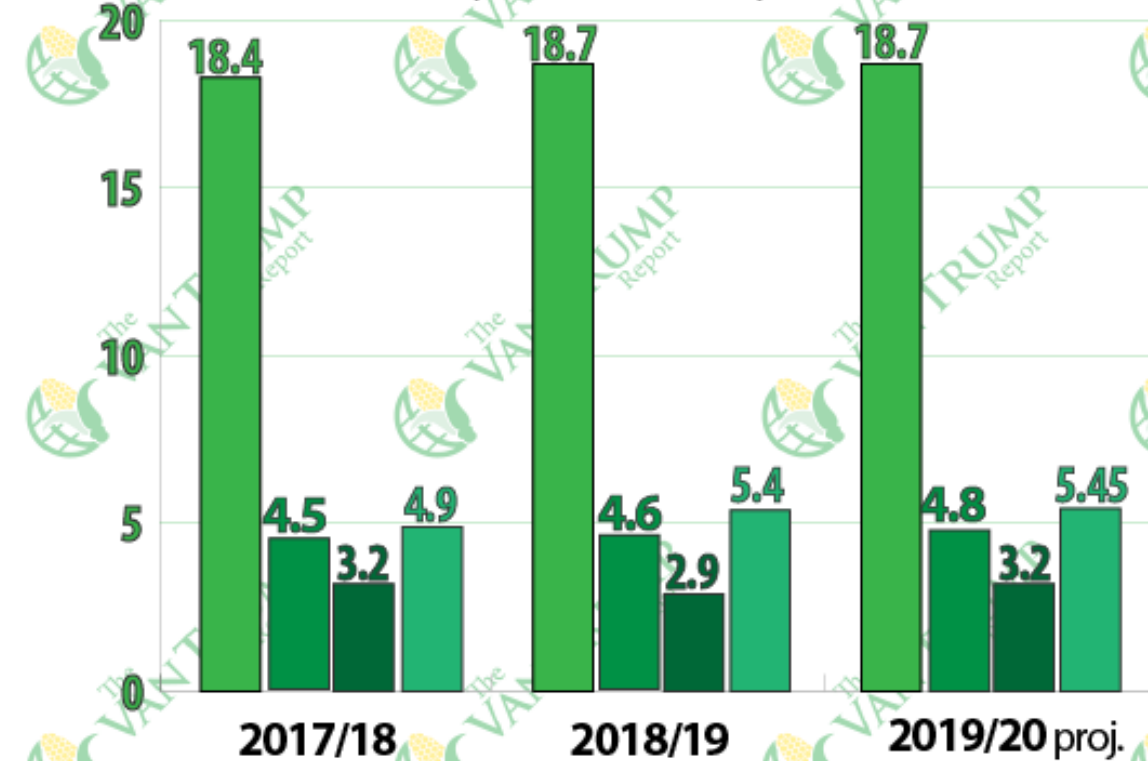
movement of soy and corn but officials say they are going to start testing truck drivers. Sure they will start testing! Regardless, it's only a matter of time before port workers or truckers start testing positive for the virus, which is almost certain to escalate global uncertainty. I'm also hearing more talk that many producers in Argentina and Brazil will probably hold back more bushels and not risk shipping complications and or getting their drivers quarantined. In addition, they seem to think they could see more inflation and a weaker currency ahead along with higher prices, all reasons to hold back more supply. All of which could help push soybean prices higher. As a spec, I have to imagine the market could pull-back and take a breath at any moment. We've had a nice bounce higher and perhaps we back-and-fill a bit before making another run. As I've mentioned on several occasions, I like trading small in this environment because the swings could be significant for no major reason. Example... I was short several min-S&P 500 contracts as an equity hedge and giving back profits the past two days but also long wheat and soybean contracts that helped to offset the stock rally. I added to the S&P shorts which increased margin requirements so I took profits on some of the soybean and wheat long positions. Not that my opinion of the trades had changed but because my margin requirements were escalated by the volatility in the stock market and short hedges. Bottom line, there's a ton of money sloshing around all over the place at the moment so you have to expect short-term unexplainable type action. If you have too large of a position you can easily get shook out... Be smart and stay conservative!

# EU Projected As Top Soybean Meal Importer

## TOP 4 Global Importers

■ EU ■ INDONESIA ■ THAILAND ■ VIETNAM

(in Million Metric Tons)



@KevinVanTrump

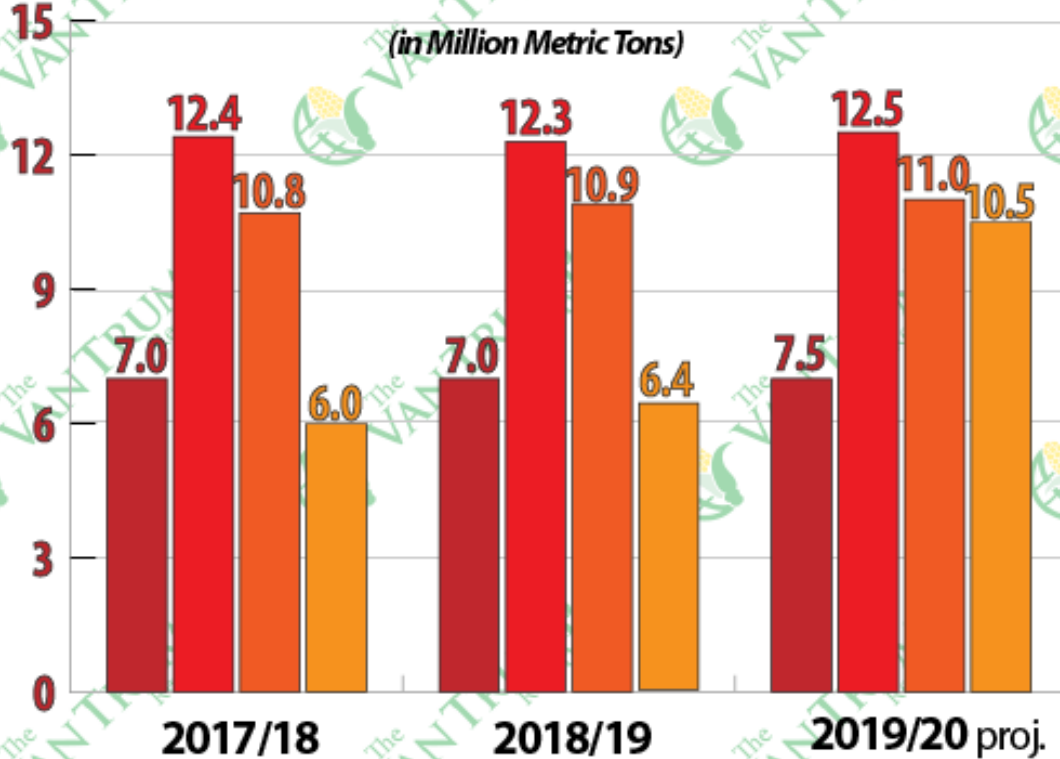
Source: USDA, PS&D, March, 2020

**WHEAT** bulls continue to buy the breaks as we hear more talk of global food fears and uncertainty associated with the virus. No nation wants to end up hungry or without supply. The unknowns associated with logistics and uncertainty regarding shipping, transportation, and labor are making more governments want supply now with certainty rather than later with what might be uncertainty. Keep in mind, Kazakhstan, who is one of the world's biggest exporters, has all of sudden banned exports of flour and some other foods. Vietnam yesterday threw a curveball when it shut down rice exports until they become certain they have enough for domestic consumption. There are other countries now also making moves to close exports of agriculture-based products. As a spec, I remain bullish but banked some profits and scaled back some positions. I would like to see the market breathe for a moment and buy the break. As a producer, I like the thought of pricing some SRW wheat on the next leg higher.

# Egypt Projected As Top Wheat Importer

## TOP 4 Global Importers

■ BRAZIL ■ EGYPT ■ INDONESIA ■ TURKEY



@KevinVanTrump

Source: USDA, PS&D, March, 2020

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**> Egg Prices are Skyrocketing Because of Coronavirus Panic Shopping:**

*Americans are stockpiling eggs during the coronavirus crisis as they cook more meals at home. That's leading to supply shortages and a spike in prices at some supermarkets. Egg sales increased +44% for the week ending on March 14 compared with a year ago, according to the most recent Nielsen data. Walmart and other big grocers have implemented limits in recent days on purchases of products that are in high demand from customers, including eggs. Retailers are ordering up to six times their normal egg volumes and have depleted the supply that producers were beginning to build for Easter. Wholesale egg prices have risen +180% since the beginning of March, according to Urner Barry, which publishes a daily benchmark for the industry. Read more [HERE](#).*

**> Michael Cordonnier Says Virus Restrictions Have Caused Grain Transport Uncertainty in Brazil:**

*The state of Mato Grosso is the largest producer of soybeans, corn, cotton, and cattle in Brazil and the Governor of the State declared a state of emergency on Tuesday, March 24th for a period of 90 days due to the spread of the coronavirus. Included in his decree was the prohibition of gatherings, closing of bars, closing of restaurants except for carryout, closing of non-essential businesses, and a suspension of transport between municipalities. Cordonnier says it is not clear (at the time of writing) if the transport suspension includes grain trucks, livestock haulers, etc. There have been other developments in the state of Mato Grosso as well including the mayor of the city of Rondonopolis ordering the closing of industrial facilities in the city which includes three soybean crushing plants operated by ADM, Bunge, and Cofco*



as well as a Cargill cotton facility. The city of Rondonopolis also has the largest grain terminal in Latin America, which is connected to the Port of Santos by a railroad operated by Rumo. Read more from [Soybean & Corn Advisor](#).

**> Argentine Soymeal Plants Hit by Massive Cut in Bean Supplies:** Argentine soy and corn farmers were harvesting their crops on Tuesday while logistic problems related to the coronavirus pandemic slowed transportation of raw grains to export hubs, prompting some growers to consider holding on to their crops. At the same time, soybean deliveries to crushing plants have been severely cut in the country as well. More than 70 municipalities throughout the country are enforcing anti-coronavirus measures by controlling the movement of farm produce through their jurisdictions, slowing the supply of beans to the country's soymeal factories. Farmers are harvesting but there are many transportation slowdowns, including entire towns blocking truck traffic. On top of that, prices are low and some farmers feel it might be better to hold onto what they can for insurance against a possible coronavirus-related economic crisis down the road. Of the 67 million metric tons of soymeal set to be exported throughout the world this season, the U.S. Department of Agriculture forecasts Argentina will supply 30 million of it. (Source: Reuters)

**> Chinese Soybean Imports Rise for Jan-Feb as Truce Cargoes Arrive:** China's soybean imports from the United States in the first two months of the year rose sixfold from the same period last year, customs data showed on Wednesday, as cargoes booked during a trade truce between the countries arrived. China, the world's top importer of the oilseed, brought in 6.101 million metric tons of U.S. soybeans in January and February, up from 1.044 million metric tons in the same months in 2019, when shipments were still largely curbed because of the U.S.-China tariff war. (Source: Reuters)

**> Refineries Target Biofuel Ruling:** A trio of refineries on Tuesday appealed a recent court decision blocking them from obtaining biofuel blending waivers, a pivotal ruling that scrambled the Trump administration's ethanol policy. But energy sector officials say the White House isn't backing the new appeal. Two months ago, the federal court said the EPA could not hand out new waivers to any oil refiners who weren't continuously exempt from their obligations under the Renewable Fuel Standard, which mandates that certain volumes of biofuels are blended into the U.S. gasoline pool. The decision was a massive win for ethanol interests who have long argued against the legality of the EPA's use of waivers, which have skyrocketed under the Trump administration. But the refiners affected by the ruling called it a "death knell" in their appeal. The White House has waffled between planning to accept the ruling or fight it. Oil industry members say Trump decided not to challenge the decision and will instead seek other ways to provide financial assistance for oil refiners. (Source: Poltítico)

**> IMF Explains Economic Lessons from China's Fight Against Coronavirus:**

*The impact of the coronavirus is having a profound and serious impact on the global economy and has sent policymakers looking for ways to respond. China's experience so far shows that the right policies make a difference in fighting the disease and mitigating its impact—but some of these policies come with difficult economic tradeoffs. What started as a series of sudden stops in economic activity, quickly cascaded through the economy and morphed into a full-blown shock simultaneously impeding supply and demand—as visible in the very weak January-February readings of industrial production and retail sales. The coronavirus shock is severe even compared to the Great Financial Crisis in 2007–08, as it hit households, businesses, financial institutions, and markets all at the same time—first in China and now globally. Read more [HERE](#).*

**> Starlink's Impact on Astronomy Comes Into Focus:** *SpaceX is trying to get lots of communications satellites into orbit so that they can launch a global system to bring wireless internet around the world. It's an incredibly ambitious plan and could bring serious benefits to remote places without wired access, but there's a major downside. It'll take hundreds of these satellites to build the constellation, and those reflective satellites can cause serious problems for astronomers, who tend to need unobstructed sky in order to see space. In its last batch sent up in January, one spacecraft — DarkSat — had been painted with an experimental dark coating. Now that it's in position, the data's in: the satellite is 55 percent fainter than the other Starlink satellites, to the point that it's no longer visible to the naked eye. Still, 55 percent is not 100 percent, and Starlink still poses an issue, so now SpaceX is looking at further light-reducing countermeasures. Read more [HERE](#).*

**> The Great Lakes Barely Froze This Winter:** *The long term average ice coverage for the five Great Lakes is, historically, 55 percent. This year, the five lakes — Huron, Superior, Erie, Ontario and Michigan — had ice cover only 22 percent of their surfaces, which is near the record low. A symptom of larger trends globally, the Great Lakes area relies on the lakes freezing up for all sorts of cultural and economic reasons. One estimate puts winter tourism across the local economies of the Great Lakes at something like \$3.5 billion. In parts of Lake Superior, the ice season has decreased by an average of one day every year for the past several decades, meaning there's something like a month less of ice than there was in the '80s. Read more from [National Geographic](#).*

**> With Sports Canceled, These Guys Hope Marble Racing Will Catch On:** *Different colored marbles race down a path curved in a sandy beach, crashing into one another as they vie for position. A commentator excitedly narrates the action, breathlessly describing which marble is winning. At the time of writing it's a video that had garnered 34 million views. With the sports world in disarray amid the coronavirus pandemic, has marble racing's time come? The viral beach video clip is actually from 2016 and from a channel on YouTube called Jelle's Marble Runs*

(JMR), the brainchild of Dutch brothers Jelle and Dion Bakker. Originally, younger brother Jelle did normal marble runs, but then Dion suggested he should be more adventurous. "All the marble runs became quite boring," Dion tells CNN. "I said to Jelle maybe we should just try some competition-like videos. So he did that and it worked very well!" Four years on and the JMR channel has over 600,000 subscribers and a cumulative 53 million views. They even have an annual competition called the Marble League that consists of 16 events where 16 different marble teams compete against each other. Check it out [HERE](#).



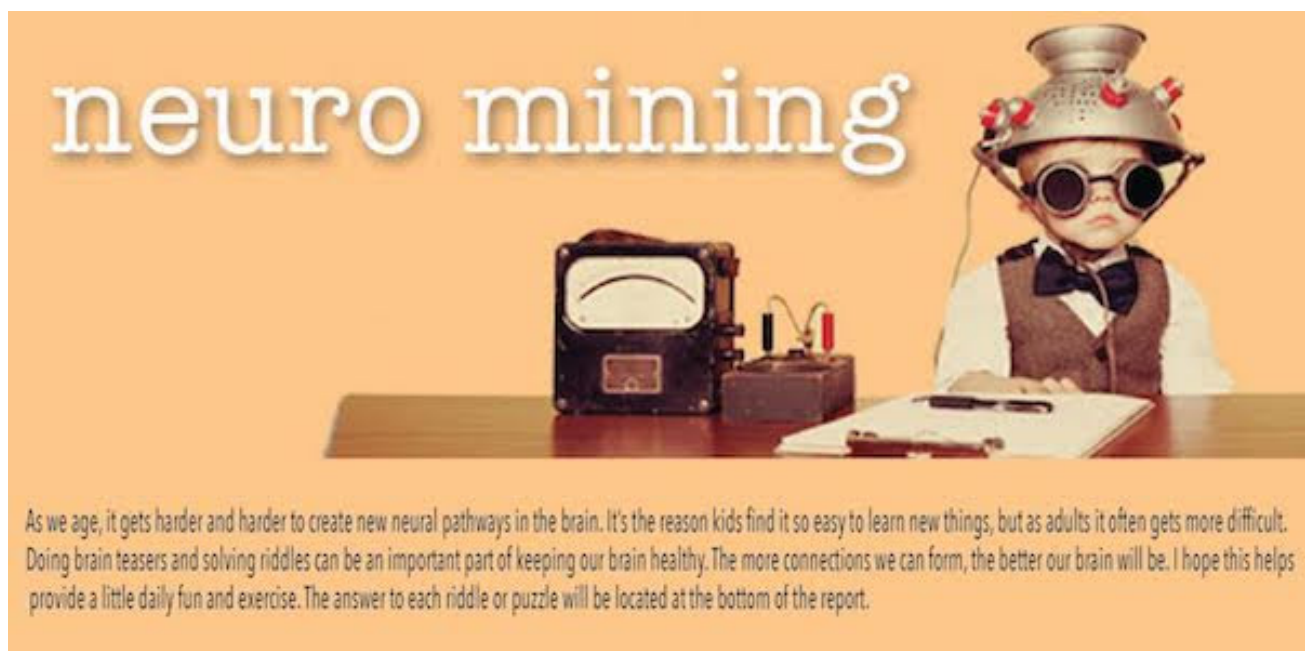
**Northeast Arkansas** - Glad to be starting a new season, even though it may not begin when we would like. 2019 for us began in late 2018 when it started getting wet, causing us to rut some fields that we unfortunately couldn't fully repair prior to planting last year. The moisture didn't let up until summer and our clay soils simply can't handle that very well and it drug the bean yields down by 10 bushels on average. Good news is that we marketed all our beans early and at a profit and now have nothing sitting in the bins. Our rice happened to finish at the average mark which was pretty good considering the late planting. Currently, it is wet and



*I do not expect we are in the fields by the first week in April. In the last two seasons, I have resorted to using H-2A labor and consider myself fortunate that the gentlemen I hired from overseas arrived early before borders started shutting down. I know some folks haven't hired yet, so it will be interesting to see how it works out. The only land we have seen moving is from recent retirements and that usually is lined up through a personal sale and doesn't make it to market. I was able to pick up some acres myself that way last year. If you are searching, expect to pay \$100-\$175 to rent and the only recent sale I heard of had acreage selling for an unreasonable \$4500 from what I was told.*

**Central Missouri** - *I work with guys around the country and I'm seeing a similar theme among many producers spread across the country. It's a very simple question but a difficult answer - Should I plant less corn and increase my soybeans? The motivation behind the question is pretty simple. Guys are expecting soybean price appreciation to be more relevant than corn in the next 3 months. Also, the cost to plant soybeans is substantially lower. There's also the fact that soybeans have traditionally been the biggest benefactor of the MFP program payments. Lastly and probably the least common reason, guys are tired of hauling corn all winter long or waiting on trucks, carts, and equipment.*

**Western Kansas** - *The wheat looks pretty good. Right now I would say we are looking at nearly 70-bushel wheat, maybe a touch better. In the next week, most guys will be planting corn. I know of a few guys that have already planted some but it's just way too early in our eyes. Our planting date is April 5th, but weather permitting we have enough to do that we might run a few days before. Who's going to know.*



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:** You saw me where I never was and where I could not be. And yet within that very place, my face you do often see. What am I?



### **Will Falling Emissions During Covid-19 Add to Farming Hurdles Ahead**

Studies conducted by Severe Weather Europe have shown that the world typically sees an increase in CO2 emissions in the colder months in the Northern Hemisphere. However, this year has been different. In fact, there have only been two years since 1975 when CO2 rose less since the first of the year.

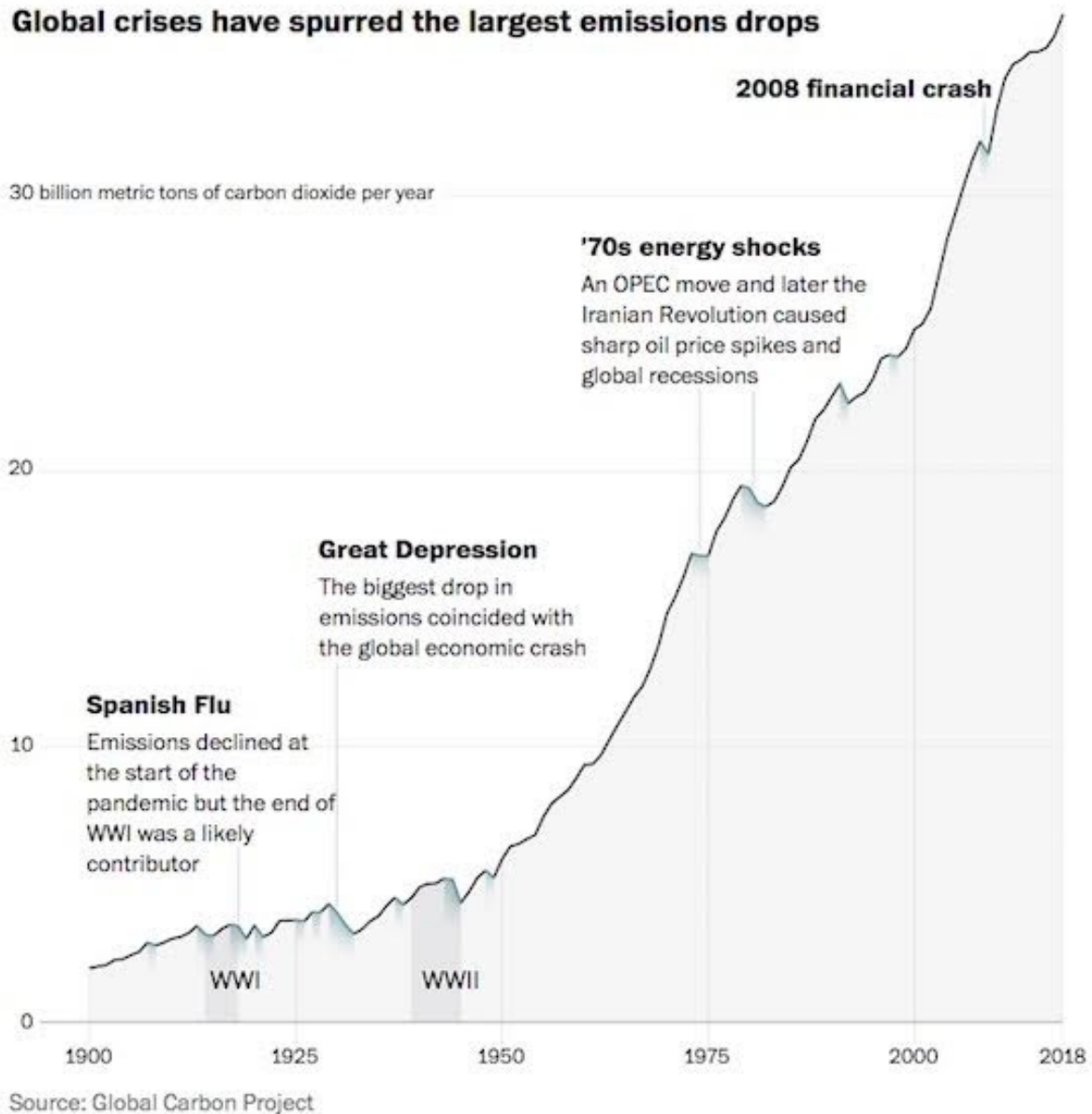
If you have not seen the NASA satellite images of pollution reduction in China or the recent tweet we shared of the change in Venice canals over the four weeks of lockdown, you should check them out. Images from above China are showing a drop of -25% over that period of time and now have many wondering what a future powered by "clean energy" could look like following the crisis. Experts are already saying emissions are likely to drop a great deal even when we come back online, thanks mostly to the trend already driven by the closure of coal-fired power plants. Keep in mind, the last time global emissions fell noticeably was in the wake of the Great Recession, from 2008 to 2009 when U.S. GDP fell -4.3% and unemployment doubled from 5 to 10% with housing prices crashing and the stock market losing more than half of its value.

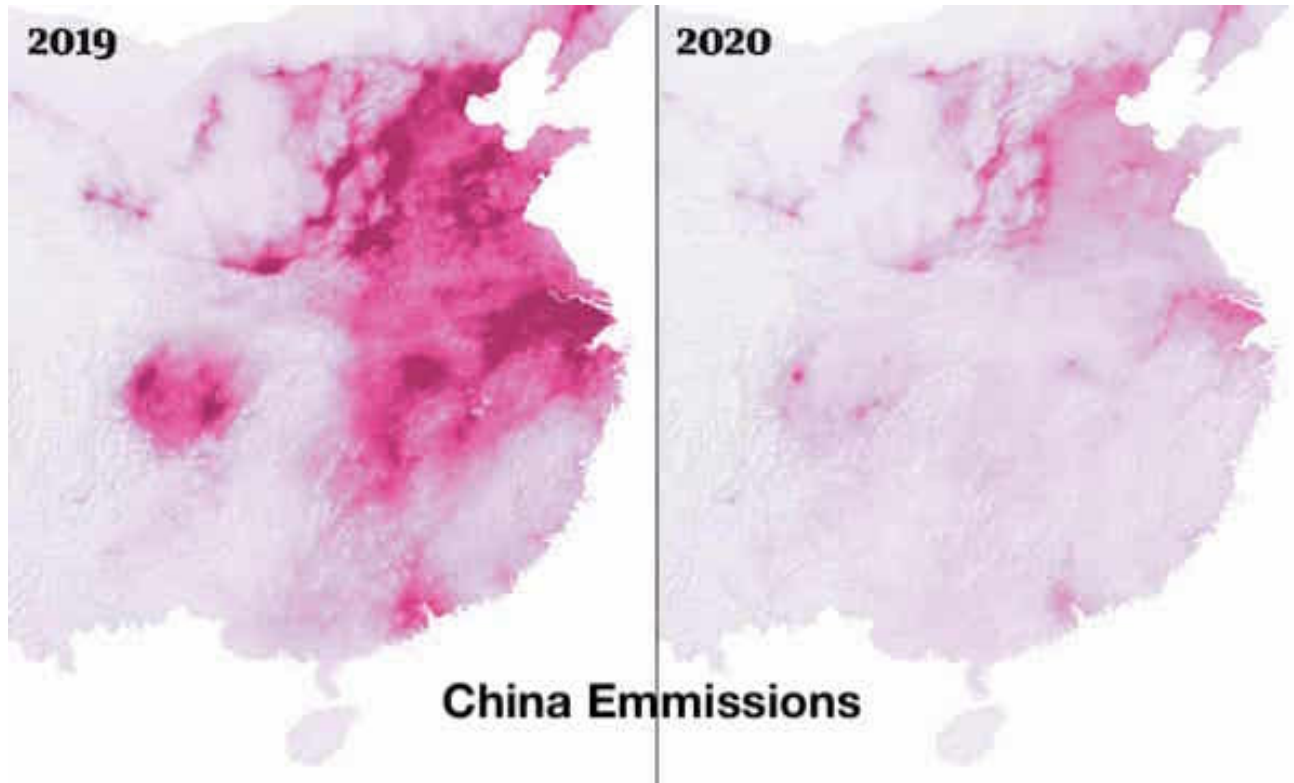
When "social distancing" ends, it will become important for people to get back out there, but governments will most likely play a huge role in how that looks. Should more money and investments be shifted towards low-carbon alternatives and industries, then perhaps we will start to see a larger paradigm shift in how society and business function as a whole.

One thing for certain, the recent Corona crisis is only going to exasperate and push more political interest and focus towards keeping us healthy, safe and sustainable. As I've mentioned time and time again, we have to think long and hard about how we are going to farm in a world that is increasingly more focused on Climate Change, Clean Energy and Healthy alternatives. Make certain you are paying close attention to the current headlines and the longer-term trends and thinking about how your farm or business will best participate. As I often mention,



our "opinion" is one thing, but how we mitigate risk for our family and navigate the growth of our business might need to be another. Cleaner and Healthier is clearly coming our direction! (Source: [globalnews.ca](http://globalnews.ca), [thehill.com](http://thehill.com), [atlanticcouncil.org](http://atlanticcouncil.org), [thenextweb.com](http://thenextweb.com))







Aurel Boriçi  
@AurelBoriciBT

😬😬😬 #venice

An unexpected side effect of the pandemic: 💧  
Water's flowing through the canals of Venice is clear  
for the first time in forever.

🐟🦢 The fish are visible, the swans returned



### Stocks We Currently Like During COVID-19

COVID-19 coronavirus pandemic has brought immense amounts of fear into the market as the major indexes and many stocks have dropped more than 30% in the last few weeks. I still remain extremely cautious in these markets, but below are a few groups and stocks that our family has been buying. Please remember, this is NOT a recommendation for anyone to buy or sell any particular stock. Rather simply full-disclosure of our thoughts and or strategy, which can change in the blink of an eye based on various market conditions and rapidly moving headlines.

**Communications Stock - Zoom Video Communications (ZM):** Zoom was probably on the top of everyone's list as it has exploded due to the pandemic. I should note, the stock went public nearly a year ago on April 22 opening at \$65 a share. We purchased a few shares off the IPO, but have never

*had a big holding. Right now, the company seems to be making most of its traction via conference calls with workers at home, college lectures, and online webinars. We personally started using Zoom a few months before the pandemic for a few conference calls and it's been great! In addition, many conferences that have been canceled have switched over to presenting them online via Zoom. I've even done quite a few the last few weeks and it seems like my calendar keeps getting filled up with more and more. Overall, it looks like Zoom is adding users at a breathtaking clip, and its revenue should surge in the quarters ahead. The downside is the fact its current valuation is already pricing in massive growth so the company has to deliver. **Other stocks I own in this space: Verizon (VZ), Facebook (FB), Snap (SNAP), Twitter (TWTR).***

**Streaming Stock - Roku (ROKU):** *One of the biggest sleepers on my list was Roku! My son Jordan actually approached me with this idea about a week ago when the stock was trading near its low around \$65.00. Keep in mind, the 52-week high on the stock was at \$176.55, which is over a -60% decline in the past few weeks. I was skeptical about this idea at first because I thought it was another streaming service such as Netflix, Disney +, or Apple TV. After a bit of research and listening to my son, it turns out Roku is actually a "platform" for all these services to be streamed on similar to an Amazon Fire Stick. After a little more research, I found out how much market share Roku has in the smart TV space, which looks to be the big growth area for streamers moving forward. Think about it, if your TV already has a Roku installed, then there would be no reason to use an Amazon Firestick. I don't see a great deal of competition in this space, perhaps Apple TV due to its exclusive content and compatibility with iPhones. I should note, the company recently expanded partnerships with TCL, Westinghouse, Hisense, and Funai at CES earlier this year. Not to mention, TV streaming time increased in the U.S. alone by +12% last week. Roku is definitely one to keep on your radar as we move forward. I've added to the position a couple of times since picking it off near the bottom. **Other stocks I hold in this space: Disney (DIS), Apple (AAPL)***

**Retail Stock - TJX Companies (TJX):** *As I mentioned in my morning comments earlier this week, I think TJX is definitely something worth keeping an eye in the next few weeks. For full disclosure, my move in retail was the purchasing of TJX who owns discount retailers like TJ Max, Marshalls, and Home Goods stores. I should also mention, my wife really likes these stores so perhaps I can get some of my money back:) the stock had got beaten up on the break and I'm of the belief there's going to be a ton of retail inventory from big names that will need to be blown out when we come back online. I also like the thought of them being a "discounter." Overall, I don't see people coming out of this and racing to buy the big name or high-end items like Louis Vuitton or Hermes like they once were a few months back.*

**Wellness Stock - Peloton Interactive (PTON):** *COVID-19 and crowded, sweaty gyms don't seem to be mixing well together as most fitness centers across the U.S. are currently closed. My kids are telling me a lot of their friends are jumping to online yoga, Crossfit, and workout classes. We are thinking this could be a huge windfall for Peloton. I should note, the stock has been quite volatile since its IPO in September opening at \$29. In addition, before the pandemic, we saw the stock trading at all-time lows. Since then, it's been around the \$25.00 range, but will definitely be looking for growth in the next coming months to get back to its all-time highs. First off, at home workout sales have been off the charts the last few weeks with gyms closing. Second, I like what Peloton is doing outside the gym equipment space. The more you look into Peloton it seems like their fastest-growing business is non-cycling content as more than 30% of the classes taken by members in the last quarter were non-*



cycling activities. Their treadmills have been doing well, but what's more intriguing to me is what they're doing with Apple and Amazon. Peloton recently launched an app on Apple TV and Amazon Fire TV as well as an app for Apple Watch that provides users with additional workout metrics. I suspect they keep driving growth as they continue to leave their footprint in these areas. The downstroke is more competition probably pivots into this space as COVID-19 closes more gyms and workout centers.

**Gaming Stocks - Electronic Arts (EA):** This is a video gaming stock. Again my kids are telling me more and more people they know are playing video games at home online with and against their friends and others around the world. With so many kids home from school and sports across the globe being canceled, video gaming stocks look to be an area of future growth. What excites me the most about EA is their most recent pivot into the subscription-based model. In these subscriptions, gamers can access unlimited playing time on many of EA's best games for as little as \$4.99 per month or \$29.99 per year. Not sure how long this lockdown will last, but I think there's a lot of potential for these games to blow up when it comes to Twitch or YouTube as more and more people continue to adopt viewing these games online. I can even see it starting to be shown live on ESPN or other sports networks. Keep in mind, a lot of the championships are already televised on ESPN. Why couldn't leagues be started in the meantime while sports across the globe are canceled? Other stocks I hold in this space: **Activision Blizzard (ATVI)** and **Take-Two Interactive (TTWO)**

**Pets and Animal Stocks: Chewy (CHWY):** This is probably the least familiar stock on the list. For everyone that doesn't know, Chewy is an online retailer of pet food and other pet-related products. Many of you probably haven't heard of it because it IPO'd right around the same time as Uber and Lyft. The biggest reason many are starting to invest in Chewy is that they are the leaders in the pet delivery space. We all know how Millennials are with their pets, so it's likely dogs and cats are probably the last ones to go starving in this environment. I also like Chewy because of how the online grocery store delivery space has been adopted as of late. I should also mention, I recently saw Instacart is currently trying to hire +300,000 more employees. It seems like we're obviously heading towards convenience and moving away from big box stores. In addition, it only makes sense to me that people are starting to get everything else delivered straight to their doorstep, why not pet supplies and toys? For us it's combination of the pet space as well as the delivery space that is attractive. The other animal-related stock we really like is **Zoetis Inc. (ZTS)** - The company is engaged in the discovery, development, manufacture and commercialization of animal health medicines and vaccines, with a focus on both livestock and companion animals. The Company has a business, commercializing products across eight core species: cattle, swine, poultry, sheep and fish (collectively, livestock) and dogs, cats and horses (collectively, companion animals), and within five product categories: anti-infectives, vaccines, parasiticides, medicated feed additives and other pharmaceuticals. Its livestock products include Ceftiofur injectable line, Draxxin, Spectramast, Bovi-Shield line, Rispoval line, Suvaxyn/Fostera, Embrex devices and Lutalyse. Its companion animal products include Clavamox/Synulox, Convenia, ProHeart, Revolution/Stronghold, Apoquel, Cerenia and Rimadyl.

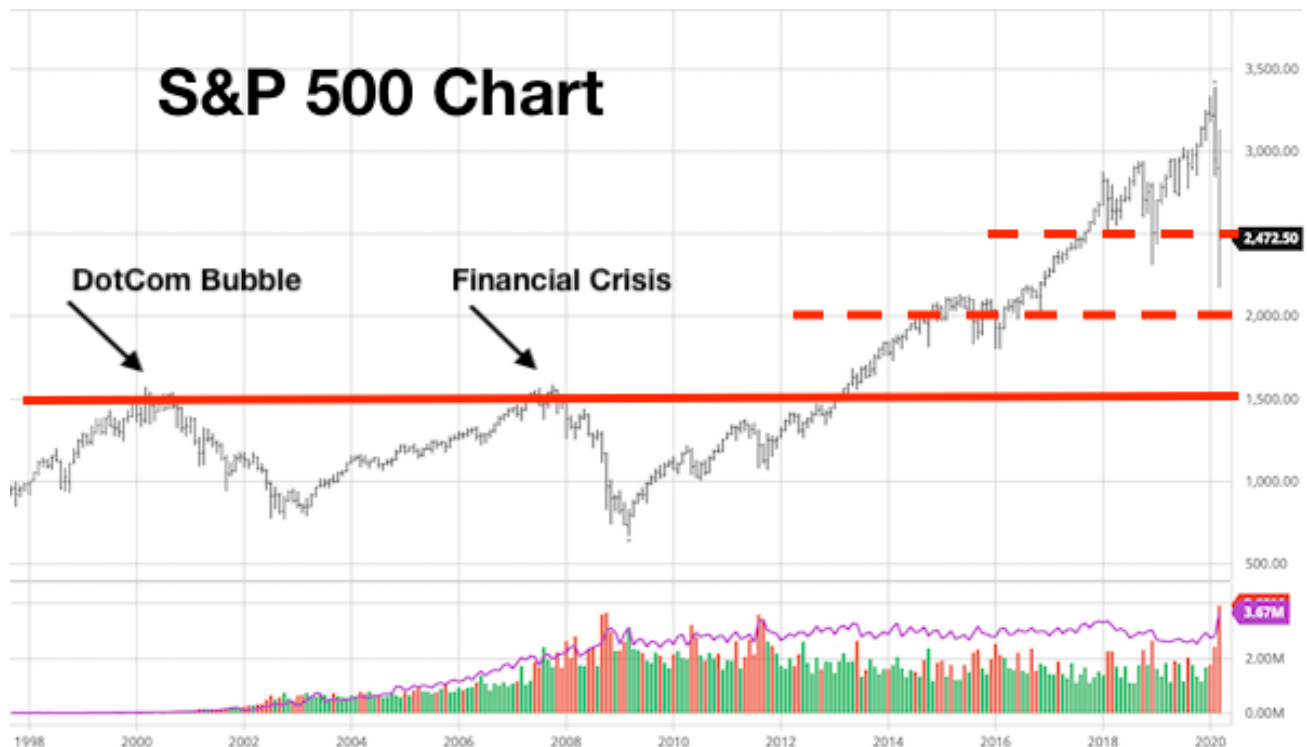
**Crop Related Stocks: CF Industries Holdings, Inc. (CF)** manufactures and distributes nitrogen fertilizer, and other nitrogen products. The company's nitrogen fertilizer products are ammonia, granular urea, urea ammonium nitrate solution (UAN) and ammonium nitrate (AN). Its other nitrogen products include diesel exhaust fluid (DEF), urea liquor, nitric acid and aqua ammonia, which are sold primarily to the Company's industrial customers, and compound fertilizer products (nitrogen,

phosphorus and potassium or NPKs). **A few in this space I purchased on the deep break include Nutrien (NTR), Cortiva (CTVA), Deere (DE), and if you are looking at an ETF... I actually own is called "Defiance Next Gen Food & Agriculture ETF" with the symbol DIET.** Obviously, I think food and agriculture are going to play an important role as we work through all of these coronavirus headlines and hiccups.

**Banking:** We are currently holding small positions in... PayPal (PYPL), Goldman Sachs (GS), JP Morgan (JPM), Visa (V), and MasterCard (MA). We started nibbling on the bigger break. Now holding!

**Food and Grocery:** We are sticking to simple blocking and tackling i.e. Walmart (WMT) and Costco (COST). We have been long and remain long.

**Disclaimer:** I am not an individual investment advisor or licensed professional. This article is my own personal opinion and is not meant to be a recommendation of the purchase or sale of stock or ETF. Investors should conduct their own research before investing to see if the companies discussed in this article fits into their portfolio parameters.



### **I Don't Know Who's Right or Who's Wrong...**

Similar to the famous words spoken by Forest Gump, "I don't know if Mama was right or if it's Lieutenant Dan..." Maybe both? I could argue both sides of this coronavirus crisis. As President Trump has recently stated, you don't want the cure to be worse than the virus. But at the same time nobody wants to put themselves or their family in harm's way. Like I said, I don't know what the right answer is. But I am certain... we all hope that nothing happens in our home town, we all

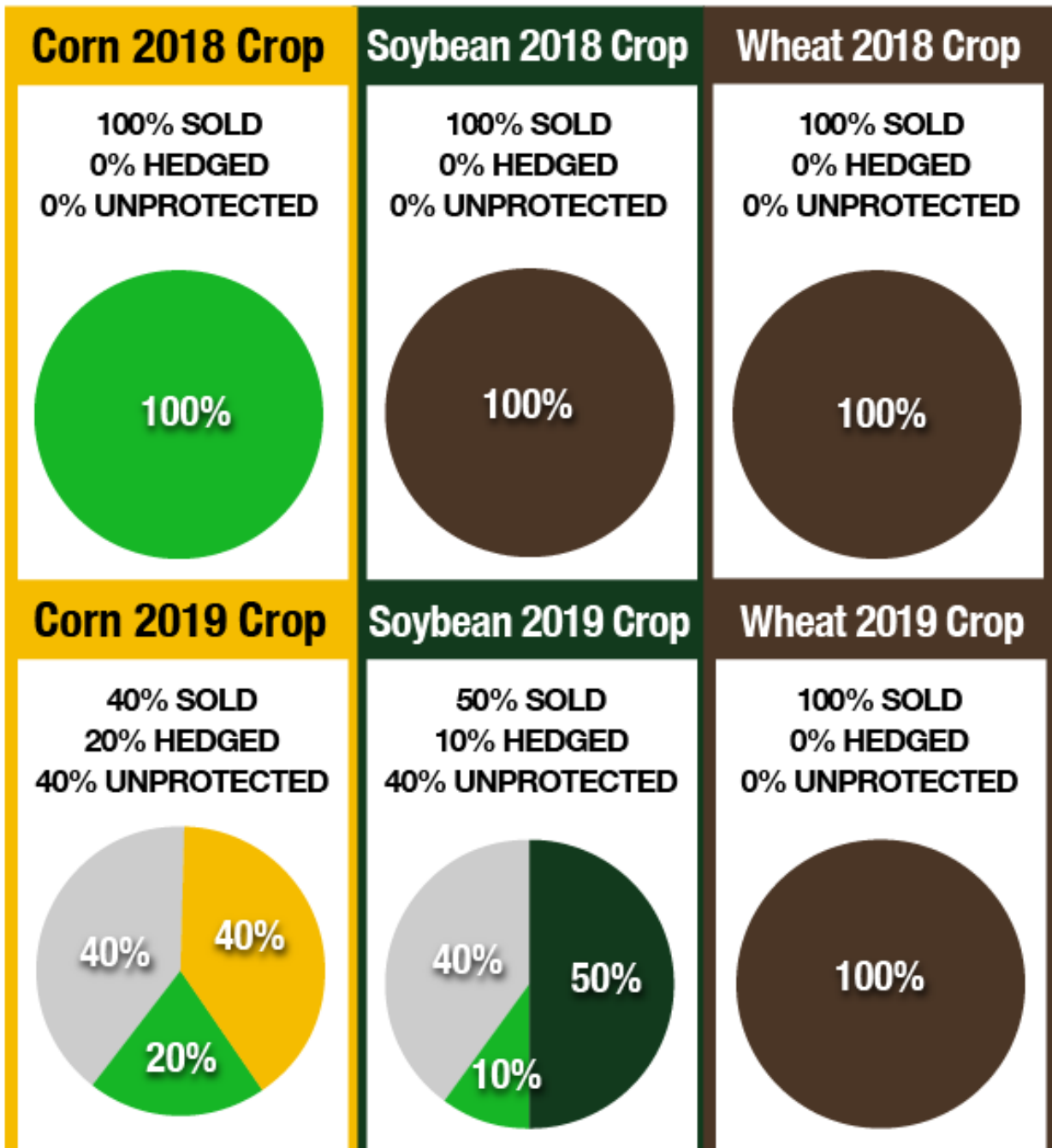
hope that this fire drill is for not, we all hope this does not impact our lives and does not massively disrupt our families. I was sent this short video the other day and made me stop and think... This hunkering down is going to feel like it's all a giant waste of time and all for not, but in the end, isn't that what we are hoping for? We want nothing to happen. We want everything to stay the same. Be careful here getting impatient. Watch the short video by Clicking [HERE](#).



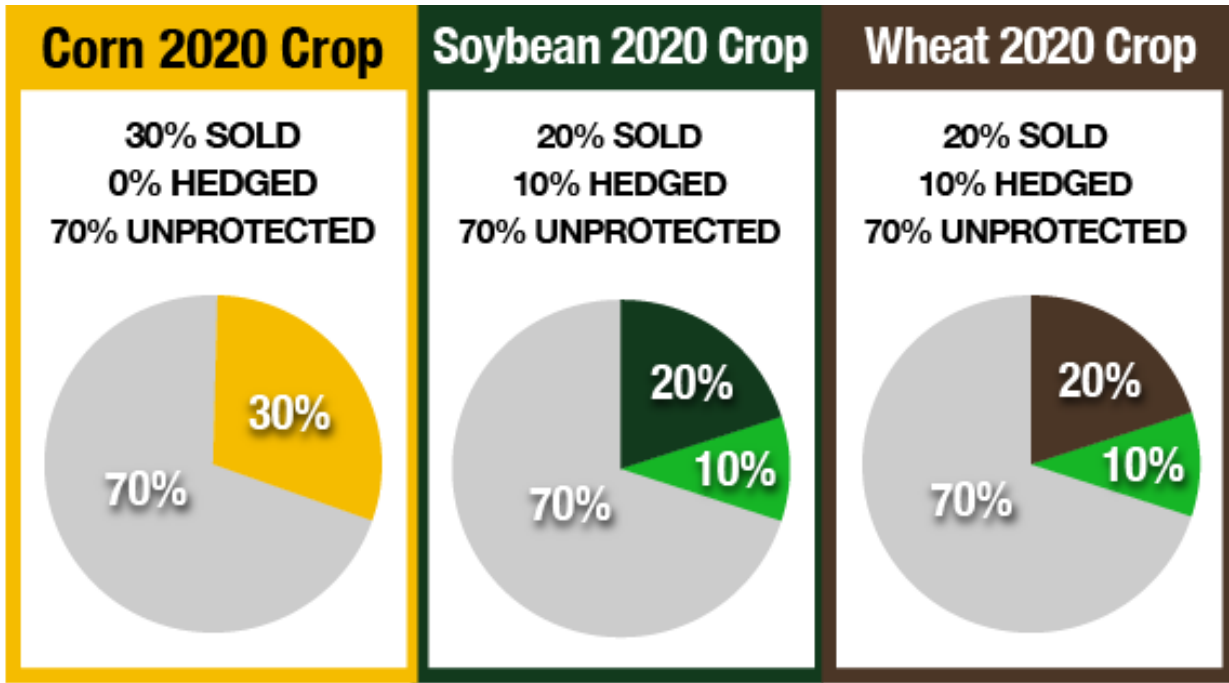
**ANSWER to riddle:** A reflection.

**CASH SALES & HEDGING TOTALS**

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Mark Hendershott  
Grain & Livestock Analyst

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