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GOOD MORNING: The Van Trump Report 3-27-20

1 message

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

Fri, Mar 27, 2020 at 5:30 AM

Reply-To: Jordan <reply-fec01171726c0279-1180_HTML-68584704-100003450-10@vantrumpreport-email.com>

To: josh@farmdirection.com



"The essence of optimism is that it takes no account of the present, but it is a source of inspiration, of vitality and hope where others have resigned; it enables a man to hold his head high, to claim the future for himself and not to abandon it to his enemy." - **Dietrich Bonhoeffer**

Friday, March 27, 2020[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock traders are battling it out! Bears believe this is the start of a rolling bear market that could last 6 to 18 months with lower-highs and lower-lows. I find myself leaning in this direction. The bears doubt the bulls will have enough positive news to chew and keep the algos and quant machines fed once we move past the monetary and fiscal stimulus headlines and the end of month and end-of-quarter rebalancing. I heard yesterday the computer programs had \$7 billion to buy going into the close and have another +\$160 billion to buy going into quarter-end which is Monday-Tuesday. That's about the same time the bulls will be done chewing through the bailout headlines. Meaning perhaps we rally a few more days then the climb will become more difficult as we start to hear and digest more about the carnage from corporations and CEO's who have to report earnings and provide forward-looking guidance. I have upgraded my portfolio to businesses that I believe are best-of-breed and have the strongest balance sheets in their respective sectors. But I remain highly conservative and still have less than 50% of my normal amount of money back to work in the market. I continue to believe the best opportunities will be further down the road as some industries will

be faced with more dire circumstances. Dry powder will ultimately open the doors to bigger opportunities! Staying patient and conservative...

Bulls have been happy as of late to hear both the Fed and Washington are on the same page. Fed Chairman Jerome Powell said the U.S. may already be in a recession and that economic activity would decline substantially for the second quarter. He explained that the Fed's job now is to make sure businesses have a "bridge" of support so that the economy can recover faster, adding "When it comes to this lending, we're not going to run out of ammunition." The new coronavirus stimulus provides \$454 billion in additional funds for the Treasury to bulk up existing or new Fed lending facilities, including programs to support small-business lending and shore up financing markets for state and local governments. Powell said the Fed is aiming its firepower at "places where credit is not being offered but where it should be offered." As Powell explains, for every dollar in support for lending that the Fed receives from the Treasury, it could extend up to \$10 in new loans. That means the latest legislation, known as the CARES Act, could enable more than \$4 trillion in lending programs. Powell also pointed out that there is a huge difference between a normal recession and the one the U.S. is likely heading toward, saying "There is nothing fundamentally wrong with our economy. Quite the contrary. We are starting from a very strong position." It's down to the House of Representatives to pass the \$2 trillion fiscal stimulus package today, which is set to convene at 7a.m. CST and debate the bill for two hours. It could take a while for the vote to come down though due to increased sanitary measures, as well as the fact that lawmakers have never held a vote under such conditions. Once the bill is passed and signed by the president, lawmakers are expected to depart Washington for a lengthy multi-week break, though talks have already begun on future economic-relief packages. Another point of interest today may be the March consumer sentiment index, which economists are only expecting to obviously fall, by what degree is the big question?

How Healthcare is Changing... Worth the Quick Read: This was sent my direction yesterday and certainly makes you stop and think about how many dominoes in the healthcare space are tied to the virus... It was penned by Joshua Budhu one of the chief neurology residents at both Massachusetts General Hospital and Brigham and Women's Hospital at Harvard Medical School.

MRI images pop up on my computer screen. They are scans from my first patient of the day, a 21-year-old college student named Jessica. She came into the emergency department for persistent numbness and tingling of her left arm. Her brain and spine are speckled with white spots, most old but a couple new — a textbook case of multiple sclerosis.

As I begin to call the emergency room physician to give Jessica high-dose steroids and admit her to the neurology service, I pause. COVID-19 has dramatically changed medical practice and patient care in the past couple of weeks. Doctors must now adapt to a new normal of delaying needed care to mitigate the risk of exposure to COVID-19.

As the senior neurology resident responsible for consults throughout the hospital, I have seen firsthand the effect that COVID-19 has on our patients. I initially thought it was solely a respiratory illness. I was wrong. It is a disease that has upended our entire model of care. Elective surgeries have been canceled, entire clinics are closed, and any nonessential services are now shuttered.

We are seeing an influx of new COVID-19 patients daily. Jessica, besides her newly diagnosed multiple sclerosis, is healthy. Should I prescribe her steroids that dampen her immune system when she could potentially be exposed to COVID-19 in the hospital? Decisions that were obvious only a few

weeks ago are no longer so simple.

Before I can talk to Jessica, I get paged to see my next patient. A 63-year-old man named Allen is brought into the emergency room after falling off a ladder. As part of his trauma survey, we find a 3-centimeter mass that we suspect is a brain tumor. As I prepare to admit him for surgery to remove the mass, I again pause. COVID-19 has restricted us to performing only emergency surgeries.

I contact the neurosurgeon to review Allen's case. She confirms that his mass is not large enough to be considered an emergency. I send Allen home with instructions to call us back for an outpatient surgery appointment. I also send him home with the fear that this mass will continue to grow until we can intervene.

My beeper goes off again and I meet Matthew, a young man with epilepsy. He comes in after experiencing a breakthrough seizure, a term used to describe a seizure that occurs after an extended seizure-free period. It's unclear what triggered the seizure and I am ready to admit him to the hospital. However, Matthew's mother arrives and is adamant that he not be admitted to the hospital.

Under normal circumstances, I would explain why it is important to conduct a thorough workup and hopefully convince Matthew and his mother that admission is the prudent decision. But in these unprecedented times, I honestly can't tell them it is safer here in the hospital and respect their decision to leave.

I circle back to Jessica and tell her the diagnosis of multiple sclerosis. She is overwhelmed and scared. Three weeks ago, I would have sent her upstairs to our neurology ward and have my colleagues counsel and treat her. But this isn't three weeks ago. I give her a choice and she opts to go home. This is not the ideal treatment for my patient but it is the right decision at this time.

I make my way to the workroom and return a call about Bryan, a patient I recently diagnosed with ALS. His family had reached out because they think he has a urinary tract infection. After years of training, it is second nature to ask him to come in for basic lab tests to confirm. Instead, I prescribe him antibiotics because I do not want him anywhere close to our emergency room. ALS has weakened Brian's breathing muscles. If he were to become sick with COVID-19, there is a good chance he would not recover.

It's remarkable that I am now a different physician than I was just several weeks ago. I am now practicing medical distancing — delaying treatment where possible to mitigate the risk of exposure to a more deadly and imminent threat. Instead of doing the most good, I am trying to avoid doing the most harm.

Coronavirus Updates:

- U.S. Infections push to +85,000 and now outnumber China. Global cases now move past +550,000. Nearly a third of the world's population is living under official coronavirus-related restrictions.
- More than 100 employees at three Boston hospitals have tested positive for coronavirus.
- As of Thursday morning, there are 280 U.S. service members who have tested positive for Covid-19. There is now nearly 600 positive cases across the U.S. Department of Defense.

- Louisiana Governor John Bel Edwards said New Orleans would be out of ventilators by April 2 and potentially out of bed space by April 7. About 80% of Louisiana's intensive care patients are now on breathing machines.
- Alabama schools will be closed remainder of academic year.
- Texas has instituted mandatory 14-day self-quarantine for travelers from the New York area. Failure to comply will be considered a criminal offense.
- The City of Miami imposed a curfew that starts Friday and will be in effect from 10 p.m. to 5 a.m. local time.
- Toyota is extending the closure of all its North American automobile and components plants until April 20.
- The Cheesecake Factory has said it won't pay April rent on any of its restaurants. The Cheesecake Factory was founded in Beverly Hills in 1972 and maintains its original location on Beverly Drive, with 39 locations in California. In total, it operates 294 restaurants in 39 states.
- GM reduces salaries by -20% for nearly 70,000 salaried employees. Ford said its top 300 executives would defer 20% to 50% of salaries for at least five months starting May 1. General Motors and Fiat Chrysler Automobiles previously said they would shut their North American operations through March 30 and reassess after that. FCA on Thursday extended its shutdown through April 13, while its parts distribution centers will continue to operate with paid volunteers. The UAW has said three union members who worked at FCA plants have died due to the coronavirus.
- The number of doctors in Italy who have died of coronavirus has risen to 37, the Italian Federation of Medical Professionals said Thursday.
- Moscow is closing all restaurants, cafes, bars, shops and parks from March 28 until April 5 for the "stay-at-home holidays" announced by Russian President Vladimir Putin.

Tragic Day for Basketball Fans: The beloved Harlem Globetrotters legend Fred "Curly" Neal has passed away. He was 77 years old. Curly became one of the most recognizable players for the Globies during his 22-year stint with the team ... playing in more than 6,000 games. Curly, Meadowlark and Marques Haynes were my favorite Globetrotters when I was a kid. Each year for my birthday, between the ages of 5 and 13, my folks would take me and a few of my basketball playing buddies to see the Globetrotters in Kansas City. We didn't have a lot of money so this was considered a big deal and I was greatly appreciative. In fact, I looked forward to it for months as the Globetrotters would come to Kansas City every winter. Globetrotters GM Jeff Munn released a statement on Curly's passing... saying "We have lost one of the most genuine human beings the world has ever known. His basketball skill was unrivaled by most, and his warm heart and huge smile brought joy to families worldwide. He always made time for his many fans and inspired millions. The world lost a true ambassador of the game of basketball and one of the most recognizable faces on the Planet!" Curly and the Globetrotters certainly brought joy and a smile to my life as a young kid and I'm sure he will be missed by many. [Click HERE](#) to see a short Curly video!



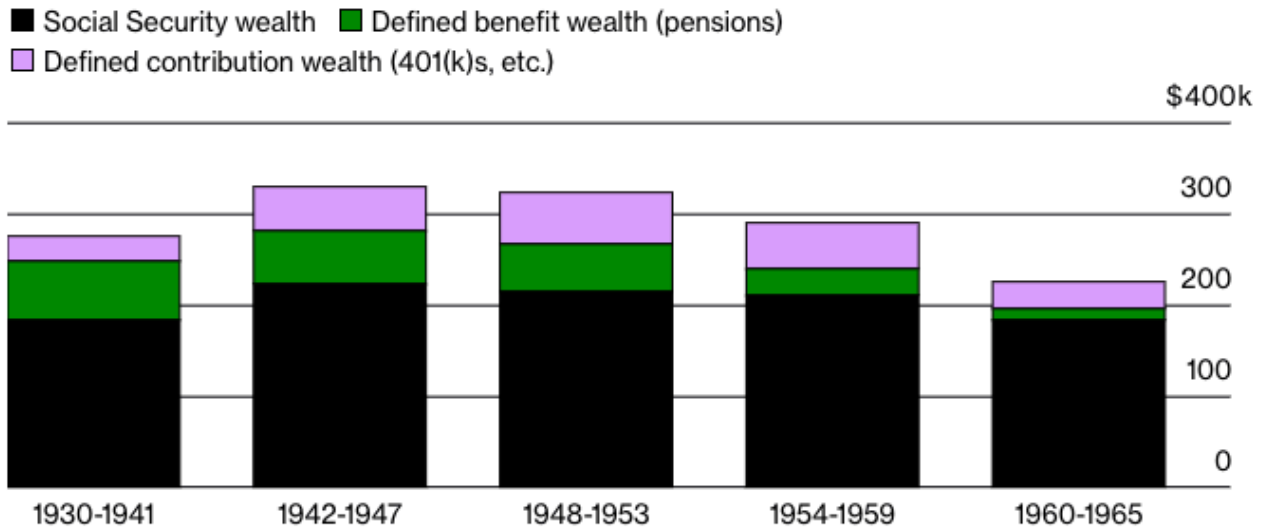
U.S. Halts Plan to Buy Crude Amid Uncertainty Over Funding: *The Trump administration halted plans to start buying oil to top up the nation's emergency stockpile after failing to win funding from Congress, throwing a wrench in its most tangible efforts to help struggling drillers cope with the price rout. The Energy Department said in a notice that it was withdrawing a March 19 tender for the first part of its plan to purchase 77 million barrels for the reserve. Should funding become available via some other mechanism, the Energy Department said it will reissue the solicitation. The purchases would have targeted small to mid-size producers that have borne the brunt of the recent market meltdown. Lawmakers keen to get a stimulus package to President Donald Trump essentially opted to defer a fight over pairing the oil purchase with funding for clean energy. But the issue could return as Congress takes up additional coronavirus-related legislation in coming weeks. The U.S. stockpile, established after the Arab oil embargo in the 1970s, can hold 713.5 million barrels, with some 635 million now stored in underground salt caverns along the U.S. Gulf Coast. (Source: Bloomberg)*

Quarantine Boosts Streaming Video, but Not Advertising... Yet: *People are spending more time streaming video as the novel coronavirus forces them to stay indoors. Advertisers, however, aren't following the same trajectory. TV streaming time in the U.S. went up 12% last week compared with the previous week, according to video technology company Wurl Inc.*

But even as viewing grows, advertiser demand is falling amid the sudden halt to much economic activity. SpotX, which said it works with more than 600 media companies and has a reach of 42 million internet-connected TV households, says travel, hospitality and real-estate marketers cut ad spending through its platform by more than -70% from March 16-22, compared with the previous seven days. An executive at another platform that works with publishers to sell video ads said marketers reduced spending last week by -20% to -30% from the week before. One ad exec pointed out that the end of the month and the quarter is near, "two times when you typically see ad [spend] spike up as people try to reach campaign goals." Video ad fill rates, a measure of how much inventory actually sells, have plummeted dramatically since March 17, with rates for some digital video companies declining by 14 to 30 percentage points in March. There are a few bright spots - gaming ad spend on SpotX's platform nearly quadrupled, while it rose +97% for lotteries and +89% for alcohol from March 16-22, compared with the previous seven days. Read the full article over at [The Wall Street Journal](#).

Coronavirus Shock Creating Difficulties for Retired Americans: *The health crisis has been a particularly big shock for older Americans. Many can't travel or see grandchildren. Even buying groceries is a risk. On top of this, their life savings are melting as the global economy shuts down and financial markets plummet. Almost half of U.S. households 55 and older have nothing saved for retirement. Many of the rest were already doing worse than earlier waves of retirees and many will be left with only one fallback: Social Security. Just before the markets tumbled, Alicia Munnell, a professor and director of Boston College's Center for Retirement Research, and her colleagues examined the retirement savings of late baby boomers, now 55 to 60 years old, the first cohort to spend their careers with 401(k) accounts rather than pensions. Middle-income late boomers had less than \$30,000 saved in their early 50s, vs. \$55,787 for early boomers and \$50,787 for mid-boomers. This result was puzzling and perverse. The more time Americans spent in the 401(k) system, the less they were managing to save. The prime culprit, researchers concluded, was the Great Recession, which hit the 401(k)-reliant late boomers harder than older cohorts. Read more from [Bloomberg](#).*

Retirement Assets at Ages 51-56 for Medium-Wealth Households, by Birth Year



Data: Center for Retirement Research at Boston College

All in the Timing

Assume annual withdrawals of 4% of your initial balance. According to calculations by retirement researchers at Morningstar, here's the chance of your money lasting if you are hit with a 25% loss ...



Assumes the dollar amount of the initial withdrawal is adjusted for inflation. Probabilities based on randomized, simulated returns.

Data: David Blanchett, Morningstar

A man with a beard and a baseball cap, wearing a dark shirt and jeans, stands with his arms crossed in a field of tall, golden-brown grass under a warm, orange-hued sky.

Looking For Insight?
Kevin Van Trump is now offering:

Webinars & Conference Calls
Select Times Available Next Week.

Contact: jordan@farmdirection.com



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](#).

How Small-Business Owners and the Self-Employed can Take Advantage of the Stimulus: *If your business is already taking a hit, it's good to know your options—including what's in the stimulus package and how to protect your assets and livelihood during this crisis. Fortune has an extensive rundown of what's available to help small business owners and the self-employed in the new coronavirus stimulus package and other legislation, including resources for small-business loans. Click [HERE](#).*

Staying Healthy While Caring for a Loved One with COVID-19: *About 80% of COVID-19 patients experience a mild illness, according to the Centers*

for Disease Control and Prevention. That means most Americans who contract the virus will recover at home and they'll rely on family members — not doctors — to get better. To minimize the risk of transmission, the CDC and the World Health Organization have guidelines for people caring for a loved one with COVID-19. See an overview [HERE](#).

How to Prevent Loneliness in a Time of Social Distancing: *While scientists are rushing to understand how the coronavirus works, researchers have long understood the toll that social isolation and loneliness take on the body. In fact, the long-term harm caused by loneliness is similar to smoking or obesity. Check out some advice for preserving your mental health while avoiding physical proximity [HERE](#).*

FARM TANK

Tweets of the Day





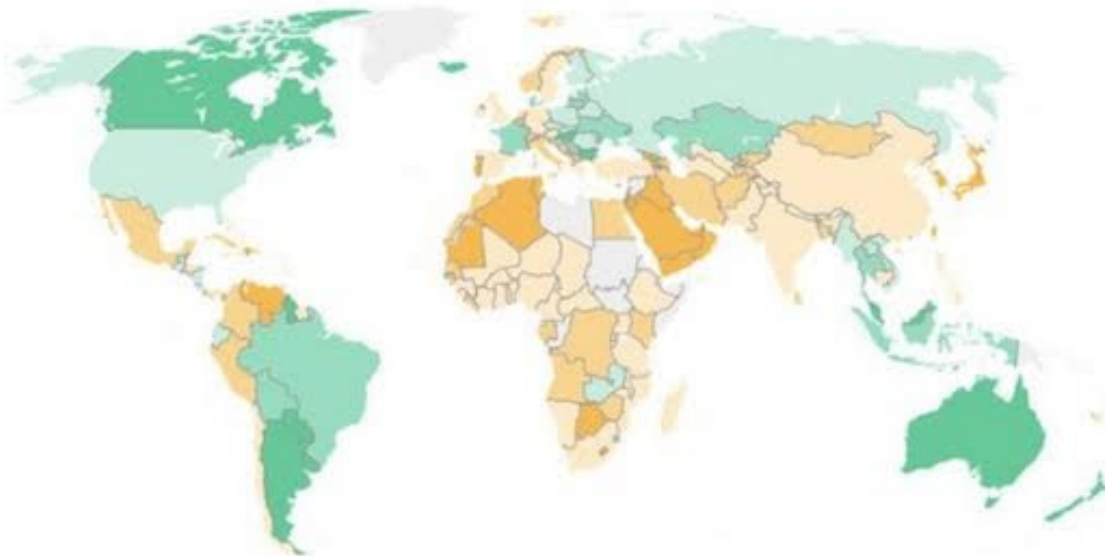
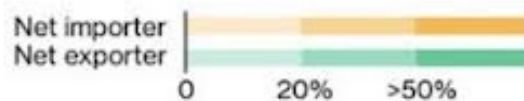
"Countries Are Starting to Hoard [#Food](#), Threatening Global [#Trade](#)," [bloomberg.com/news/articles/...](https://www.bloomberg.com/news/articles/...)

* Some early bans on exports raise questions about protectionism.

* 'Without the food supply, societies just totally break.'

Food Dependence

Trade as a share of domestic food supply



Source: UN's Food & Agriculture Organization Global Perspectives Studies



Jon Erlichman ✓
@JonErlichman



Comparing valuations:

Zoom: \$37.7 billion

Expedia

Royal Caribbean

MGM Resorts \$37.7 billion

American Airlines (combined)

AMC Theatres

Hyatt Hotels

Harley-Davidson

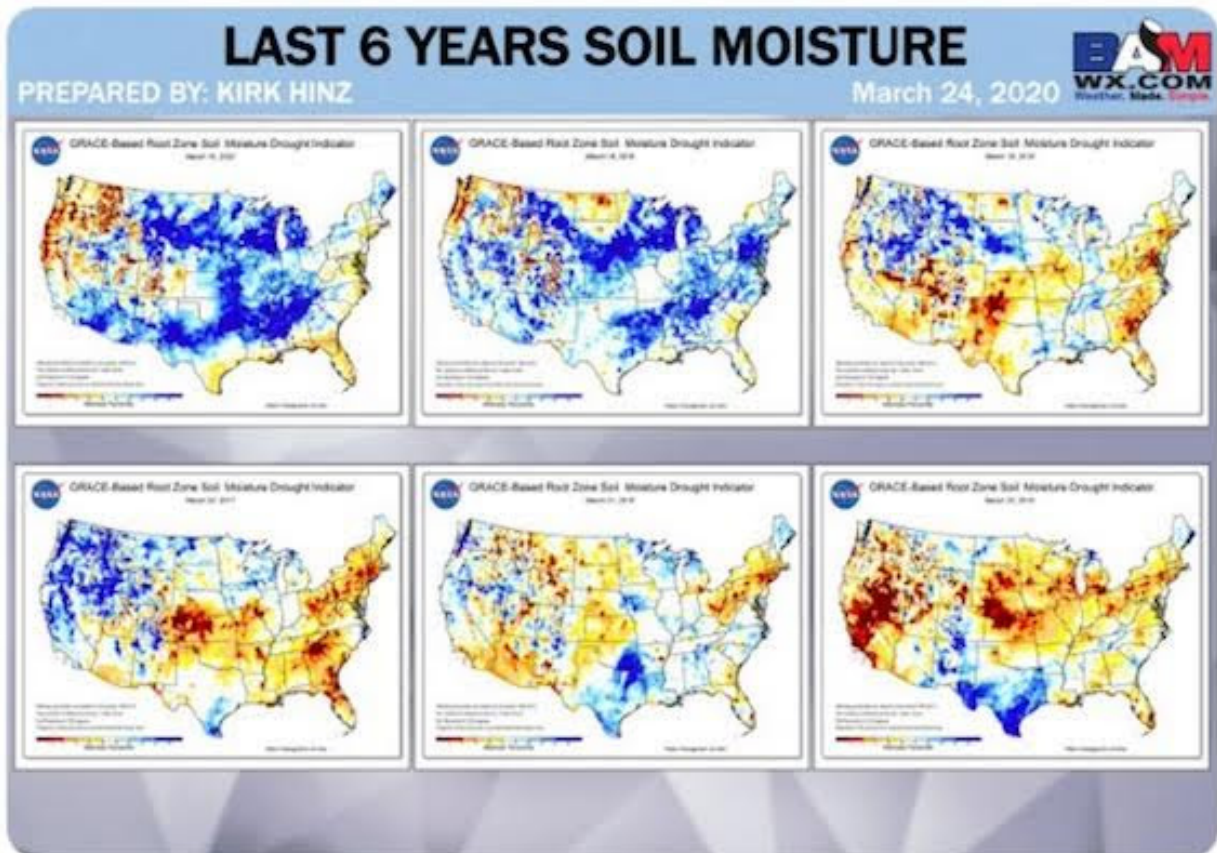
GoPro

Macy's



Kirk Hinz | BAM Weather
@Met_khinz

Curious on how the last 5 years soil moisture compare to this year? Here's how things are shaping up since 2015 #AGwx #OATT #Plant20 #corn #soybeans



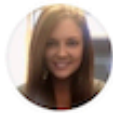


Jeremy Sands
@Saintsands43



The boys were helping me get the planter ready yesterday. Then they thought we needed to test drive the tractor. [#plant20](#)





Julie Vrazel Tomascik
@julietomascik



Falls County farmers are getting after it. Trying to beat the rain! [#plant20](#)



Central Texas



Mike ❤️ QY
@BarWALivestock



What could go wrong?

Homeschooling day 4. Physics Class





American Health Specialist
@AHSpecialist_



This quote always seems to help people feel better in times of stress and uncertainty. We thought it'd be a good one to post today.

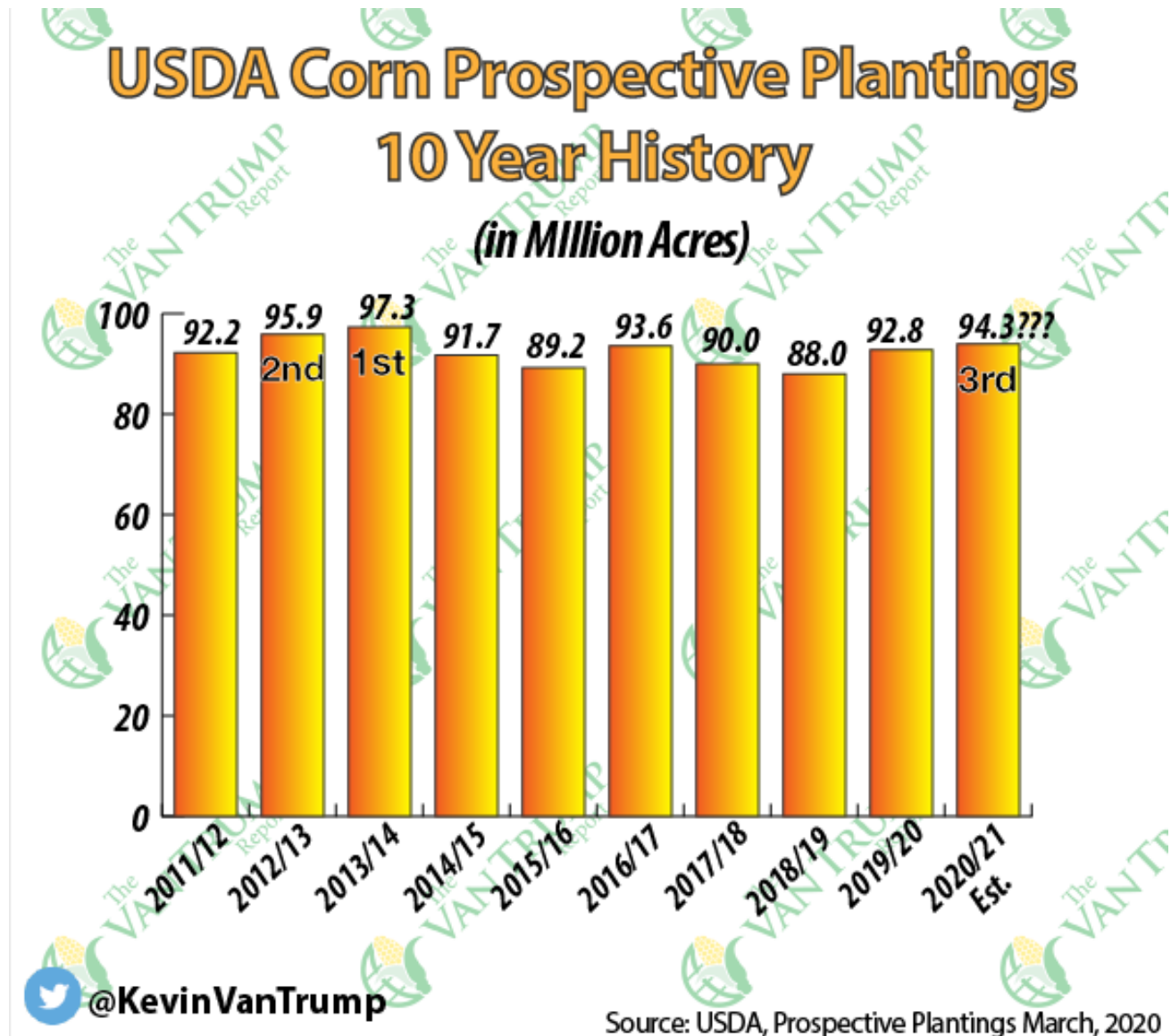
"When I was a boy and I would see scary things in the news, my mother would say to me, 'Look for the helpers. You will always find people who are helping.'"

FRED ROGERS



CORN traders are battling it out. Bears point to lower corn prices sparked by the fallout in U.S. ethanol demand and rising U.S. acres. Technically, it still feels like the front-end MAY20 contract could retest the recent lows. In fact, bears want to

argue corn prices could ultimately be pressured to \$2.75 to \$2.85 per bushel, especially if their nearly 3.0 billion bushel ending stocks estimate comes to fruition, meaning U.S. weather cooperates, we harvest trend-line yields and U.S. corn used for ethanol is sizably reduced. Bulls want to argue U.S. export potential has improved as other nations will have to work more desperately to contain corona and battle more difficult labor restraints. I'm already hearing of complications inside both Argentina and Brazil. Both nations are hearing from labor leaders that are wanting to help their workers avoid contact with corona. I believe there will be some hiccups. Bulls also argue that there's an entire crop season ahead and U.S. weather could be a "wild-card" worth considering. There's also the uncertainty of continued Chinese buying. As a spec, I like the thought of being a buyer on the next leg lower. Don't forget we have the USDA's Prospective Planting and Quarterly Grain Stocks report coming up on Tuesday. If the data is bearish enough this might be what triggers the next leg lower. As a producer, I like the thought of lifting a few more hedges on the break. Despite many in the industry being bearish, I am in no hurry to price more bushels down at these levels. I have heard of some producers paying the extra-large premiums and bumping their revenue insurance levels to 95% this season. I've also heard of some talking about PP and other ways to reduce risk if prices continue to deteriorate. As an end-user, I like the thought of nibbling a bit more aggressively on the next wave lower. Users of DGGs in some areas might need to be looking for some types of short-term alternatives until logistical complications are worked out regarding supply and demand.



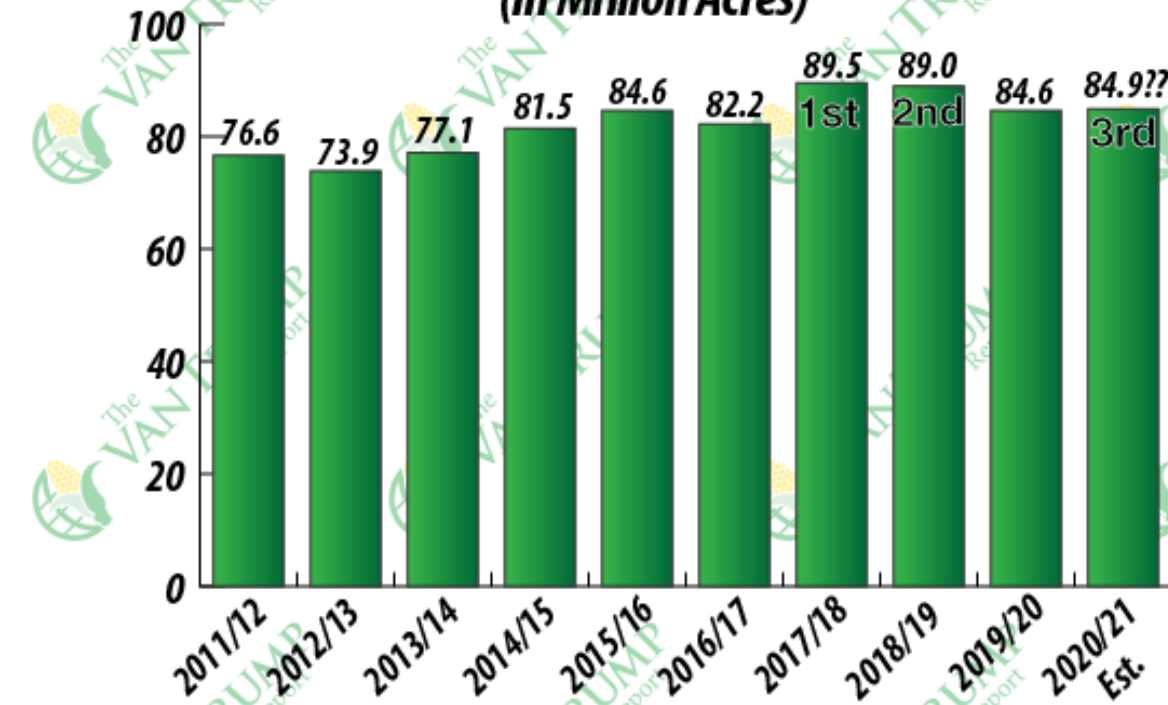
SOYBEAN bulls have banked some profits on the recent bounce and might be waiting to get past Tuesday's upcoming USDA report before putting more money back in the market. Bulls obviously want to see confirmation of more Chinese buying and proof of logistical hiccups in South America. There's also been talk as of late that many Argentine and Brazilian producers might more apt to hold make bushels at the farm, not wanting to subject trucks and employees to potential quarantines and at the same time holding the extra bushels back as a possible hedge against rising domestic inflation and a weakening currency. Argentine President Alberto Fernández has now promised to build eight emergency hospitals to combat the virus. he has also ordered extended leaves of workers above 65 years of age. The Argentine Commerce Ministry said they will also tighten price controls and supply, and the Central Bank will further loosen monetary policy. Fernández has also announced new measures via a "Necessity and Urgency Decree" including canceling all incoming flights from China, Europe, Iran, Japan, South Korea, and the United States for 30 days. Earlier in the month, Fernández

announced that all travelers from China, Japan, Iran, South Korea, the United States, and the entire European continent must self-quarantine for 14 days upon arrival. Remember, China is Argentina's second-biggest export destination and there's talk that China is keeping a very close eye on various ports and how the Argentine government is going to ensure safe delivery. There's actually been some talk that Argentine export inspectors are petitioning the government to suspend exports for a couple of weeks. Let's just say things are getting very interesting in SAM. Brazil is also full of uncertainty, especially after President Jair Bolsonaro's controversial press conference earlier this week in which he criticized the media for creating "hysteria" and said regional governments were implementing "scorched earth" quarantine policies. Other Brazilian officials have insinuated that they should be lifting restrictions because even though it would burden the healthcare system, the current social restrictions are going to suffocate the economy. Bottom line, there's starting to be a lot more political tension brewing inside Brazil. Which means we could start seeing more labor strikes and protests as things escalate. We also believe there are going to be more trucking complications in the days ahead. As you can imagine, Chinese officials are also keeping a close eye on how the virus is being handled in Brazil. As a spec, I like the thought of building longer-term bullish positions on the breaks. As a producer, I remain patient waiting for a better pricing window.

USDA Soybean Prospective Plantings

10 Year History

(in Million Acres)



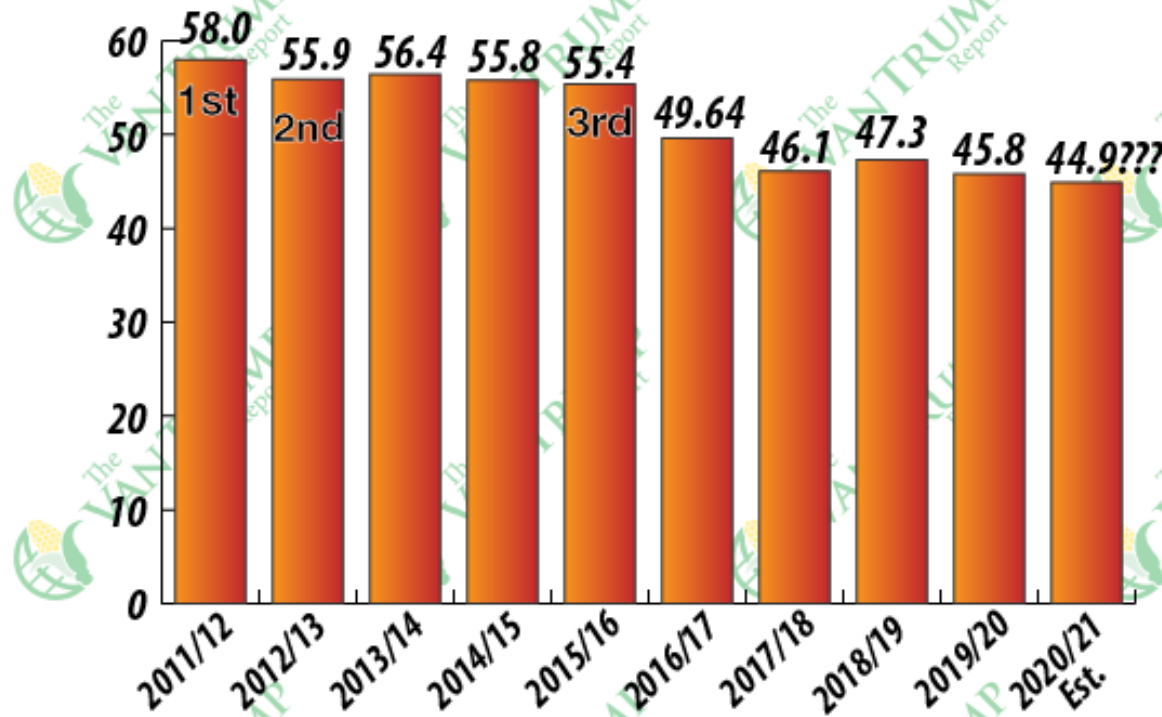
@KevinVanTrump

Source: USDA, Prospective Plantings March, 2020

WHEAT bulls are pointing to weather hiccups in parts of southern Russian and areas of the Black Sea region. There's also the continued uncertainty around transportation and export logistics in parts of the European Union and other areas perhaps impacted by coronavirus. As a producer, those who think they are behind in new-crop sales should be getting caught up. I like the thought of having +50% of my estimated new-crop production priced. Before yearend we had about 30% priced in this same \$5.50 to \$5.60 area. We also had some put ownership in place and had also sold some cash and reowned the board buying the JUL20 \$5.50 calls and selling the (2) \$6.00 calls. Interestingly, prices have moved all over the place the past several months but really nothing has changed with our marketing. I didn't take the profits on the puts we owned because we had calls sold against them, but net-net we really haven't improved our overall position. I think it's time to reduce a bit more cash risk as we get closer to harvest. As we have all learned too often, the game clock will soon start to become a bigger concern and begin to move faster and faster. Think about it, we only have around 90-days then it will be July! Moral of the story, make certain you paying attention to the game clock and

have a good understanding of how many sales you need to make and the timeframe you have to make it happen.

USDA Wheat Prospective Plantings 10 Year History (in Million Acres)



 @KevinVanTrump

Source: USDA, Prospective Plantings March, 2020

U.S. Planted Acres

	March #’s	Avg. Trade Estimate	Range of Estimates	2019 Acres	USDA 2020 Outlook
Corn	???	94.328	92.50 - 96.40	89.70	94.00
Soybeans	???	84.865	82.70 - 87.10	76.10	85.00
All Wheat	???	44.982	44.35 - 46.00	45.16	45.00
Winter Wheat	???	30.90	30.21 - 31.70	31.159	30.804
Other Spring	???	12.631	12.20 - 13.20	12.66	N/A
Durum	???	1.512	1.10 - 2.35	1.339	N/A
Cotton	???	12.70	11.70 - 13.60	13.738	12.50
Sorghum	???	5.823	5.35 - 6.50	5.265	N/A
Barley	???	2.686	2.50 - 2.80	2.721	N/A
Oats	???	2.761	2.65 - 2.90	2.81	N/A
Rice	???	2.954	2.60 - 3.28	2.54	3.10

U.S. Grain Ending Stocks as of March 1

	March #’s	Avg. Trade Estimate	Range of Estimates	March 1, 2019	December 1, 2019
Corn	???	8.125	7.825 - 8.492	8.613	11.389
Soybeans	???	2.241	2.075 - 2.701	2.727	3.252
Wheat	???	1.432	1.385 - 1.572	1.593	1.843

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The image shows a smartphone screen with the 'FARM TANK' logo prominently displayed. Below the logo, a video player interface is visible, showing the title 'The Great Commodity Super Cycle, E' and the channel 'FarmTank — Kevin Van Trump'. The video progress bar indicates a duration of 0:33 out of -55:46. The phone is positioned diagonally, with the background of the entire graphic featuring a bright blue sky with white clouds and a field of green corn stalks at the bottom.



> FSA ANNOUNCEMENT - Changes to Farm Loan, Disaster, Conservation and Safety Net Programs: *USDA's Farm Service Agency is making changes to farm loan, disaster, conservation and other programs to make it easier for customers to conduct business during the coronavirus pandemic. FSA is relaxing the loan-making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need. The agency announced on Thursday its service centers will remain open but by phone appointment only. Program delivery staff will continue to be in offices and will be working with producers by phone and using email and online tools whenever possible. FSA staff is available to continue helping producers with program signups, loan servicing and other actions. The agency will be accepting additional forms and applications by facsimile or electronic signature. Some services are also available online to customers with an eAuth account, which provides access to the farmers.gov portal where producers can view USDA farm loan information and payments and view and track USDA program applications and payments. Customers can track payments, report completed practices, request conservation assistance and electronically sign documents. Customers who do not already have an eAuth account can enroll [HERE](#).*

> U.S. Hog Inventory Up +4%: *The U.S. supply of hogs and pigs on March 1, 2020 was 77.6 million head, up +4% from the same time last year but down -1% from December 1, 2019. Breeding inventory, at 6.38 million head, was up slightly from last year, but down -1% from the previous quarter. Market hog inventory, at 71.3 million head, was up +4% from last year, but down -1% from last quarter.*

The December 2019-February 2020 pig crop, at 34.7 million head, was up +5% from last year. Sows farrowing during this period totaled 3.16 million head, up +2% from previous year. The sows farrowed during this quarter represented 49% of the breeding herd. The average pigs saved per litter was a record high of 11.00 for the December 2019-February 2020 period, compared to 10.70 last year. (Source: USDA)

> What's in the Stimulus Bill for Ag: *Congress finally reached a bipartisan deal on a \$2 trillion stimulus package to bolster wide swaths of the economy, including billions of dollars in relief for agriculture. Despite some snags, senators passed 96-0 the massive measure, sending it to the House where passage is expected Friday. The Depression-era financial institution known as the Commodity Credit Corporation would see its spending authority replenished to the tune of \$14 billion. The package also sets up a \$9.5 billion emergency fund for producers, including fresh fruit and vegetable growers, dairy farmers and cattle ranchers, along with local food systems like farmers markets. More than \$285 million has been made available to USDA agencies, including the Animal and Plant Health Inspection Service, Food Safety Inspection Service, Agricultural Marketing Service, and USDA's rural development branch. The legislation also fixes the "retail glitch" in the 2017 tax law: Restaurants, retailers, and other businesses will now be able to immediately write off renovations to their stores, after they were accidentally left out of the so-called qualified improvement property provision in the Republican tax code rewrite. The change could mean \$15 billion tax savings per year for those businesses. (Source: Politico)*

> Meat Prices Spike, Cattle Prices Fall, and Ranchers and Lawmakers See Market Manipulation: *Wholesale beef prices have jumped to record levels, as shoppers stockpile meat in response to the global coronavirus pandemic. But this run on beef isn't helping cattle ranchers. On the contrary, cattle prices have plummeted since January, putting many ranchers on the brink of collapse. Ranchers say this illogical price collapse reflects meatpackers' monopoly power to set cattle prices. Before this shock, the top four beef packers already faced litigation and a Department of Agriculture investigation for alleged collusion and price-fixing. Lawmakers from both parties are calling on the USDA to take more immediate action and for the Department of Justice to open an antitrust investigation of its own. Prices paid to ranchers could fall even further if workers at meatpacking plants fall sick or stay home and facilities begin to slow production or shut down. Ranchers got a taste of just this kind of slaughter disruption last summer, when a fire took out one of Tyson's beef processing plants and created a glut of slaughter-ready cattle. Packers made a then-record \$415 per head, up from around \$150 before the fire, while cattle producers lost an average of \$200 per head. Read more [HERE](#).*

> More Than 3.4 Million Acres Selected for CRP General Signup: Agriculture

Secretary Sonny Perdue today announced the acceptance of more than 3.4 million acres in the general Conservation Reserve Program (CRP) signup recently completed, the first general signup enrollments since 2016. This general signup included offers for State Acres for Wildlife Enhancement (SAFE), and over 95% of SAFE offers submitted were accepted under this general signup representing more than 487,500 acres. While the deadline for general CRP signup was February 28, 2020, signups for continuous CRP, Conservation Reserve Enhancement Program, CRP Grasslands and the Soil Health and Income Protection Program (SHIPP) are ongoing. The CRP Grasslands deadline is May 15, and the SHIPP signup begins March 30, 2020, and ends Aug. 21, 2020. More information is available [HERE](#).

> An Inside Look at America's Coronavirus-Induced Logistical Problems:

Mercifully, as a global pandemic sweeps the country, forcing millions of Americans inside, our food supply chain is still running. If it stops, millions of people stop eating. Jay Singh, 29, is one small link in that chain. A resident of Bakersfield, California, he's been a long-haul trucker for eight years. He usually drives from California to Texas, but sometimes goes as far as Pennsylvania. Along the way, he subsists on fast food, cleans up in public bathrooms, and sleeps in the parking lots of state-owned picnic areas. But as the country enters a period of lockdown, his normal routine has started to become impossible. Restaurants have shut their doors. All-night truck stops are daytime-only. And states are closing public parks, including the rest stops that provide crucial respite throughout his journey. The Counter recently talked to Singh just as he was nearing the end of a six-day round trip to an H-E-B warehouse in Temple, Texas, to deliver lettuce, spinach and other produce. Highlights - truckers are having a hard time finding food and available washrooms. Read the interview [HERE](#).

> Britain Asks Citizens to Help Pick Fruit and Vegetables: Britain on Wednesday called on its citizens to help pick fruit and vegetables to ensure a supply of food during the global coronavirus crisis - work that would usually be largely carried out by migrant seasonal workers. Britain's agricultural sector is heavily dependent on seasonal workers, but the coronavirus pandemic has disrupted the flow of migrants into the country, which was already under pressure following Britain's departure from the European Union. (Source: Reuters)

> Hundreds of Foreign Trekkers Stranded on Nepal's Mountain Trails: Hundreds of foreign trekkers are stranded on famous high-altitude trekking trails across Nepal after the country began a week-long nationwide lockdown on Tuesday in a bid to contain the coronavirus spread, officials said. On at least four trekking routes, there are a total of around 500 foreign trekkers unable to return due to the lockdown, according to the Nepal Tourism Board. Nepal's government announced earlier this month the spring climbing season for all the Himalayan peaks in the country including the world's highest Mount Everest would be canceled. (Source: CNN)

> Dyson Developed and is Producing Ventilators to Help Treat COVID-19 Patients: *Dyson - the British technology company best known for its high-powered vacuum cleaners, hair dryers, and fans - has designed a new ventilator, the "CoVent," which it will be producing in order to help treat coronavirus patients. The company reportedly developed the ventilator in 10 days based on Dyson's existing digital motor technology. A spokesman for Dyson confirmed to Forbes that an initial order of 10,000 units from the UK Government has been placed, and work will begin immediately at the historic airforce base, RAF Hullavington. Dyson adds that the new device can be manufactured "quickly, efficiently and at volume." Adding that it is designed to address the specific clinical needs of Covid-19 patients. The initial order of 10,000 units from the UK Government, was on an open-book basis but Dyson is now looking to make the ventilator available overseas. A further 5,000 will be donated to the international effort. Read more [HERE](#).*

> Legendary Harlem Globetrotters Player Fred "Curly" Neal Dies: *Fred "Curly" Neal, one of the best-known members of the Harlem Globetrotters, died Thursday at his home outside Houston. He was 77. "We have lost one of the most genuine human beings the world has ever known," Globetrotters general manager Jeff Munn said in a statement issued by the team. Neal was born in Greensboro, North Carolina, and played college basketball at Johnson C. Smith in Charlotte, where he earned all-Central Intercollegiate Athletic Association honors. He joined the Globetrotters in 1963 and played for the barnstorming on-court entertainers for 22 years. He appeared in more than 6,000 games in 97 countries before retiring in 1985. His shaved head that earned him the ironic nickname Curly, as well as his virtuoso ball-handling skills, made him one of the most recognizable members of the squad, along with longtime teammate Meadowlark Lemon. Check out some highlights from Neal's career, which the Globetrotters put together in honor of his 74th birthday back in 2016 [HERE](#). Learn more about Curly and his time with the Globetrotters [HERE](#).*

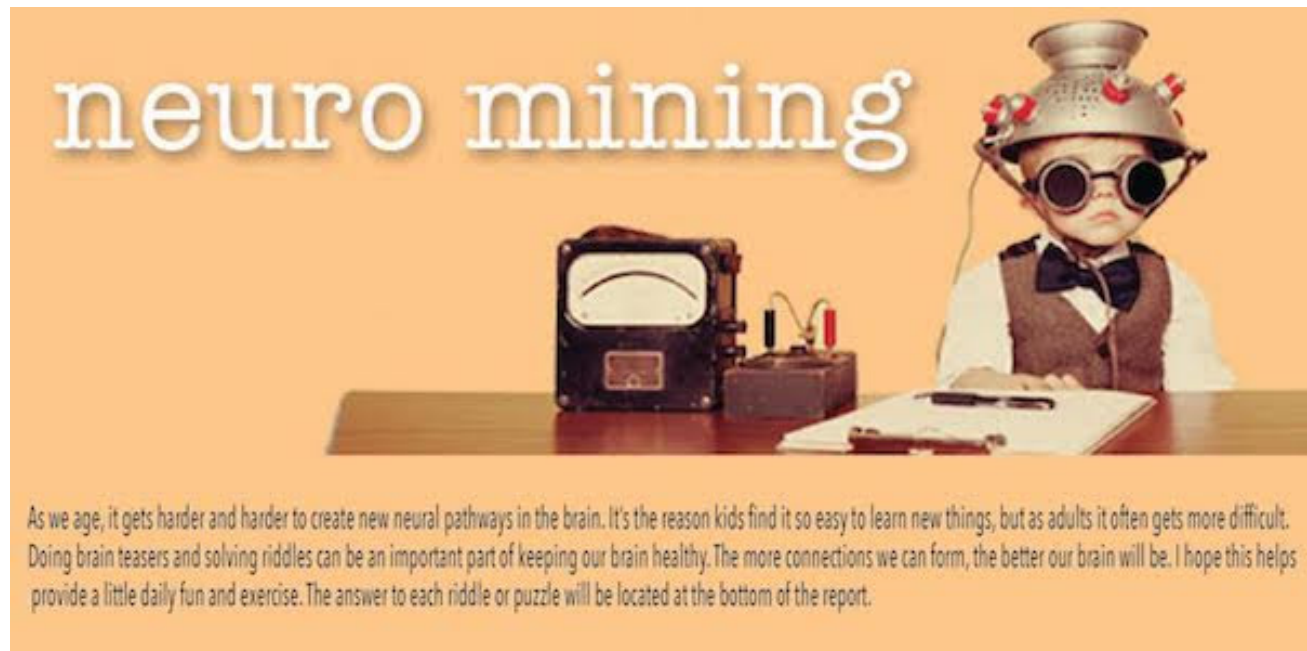




Northwest Kansas - *At the coop I'm at, we focus on grains, agronomy, and some energy. Corn is somewhat insulated out our way as we have a number of ethanol plants that produce alcohol related products and not gasoline. We also have a large number of cornflakes that come from here and shuttles that move them out. Basis here has stayed stronger for us than we are seeing up north where ethanol plants are cutting way back or shutting things down. We won't see any reduction of corn acres from this area in my opinion as growers will stick with normal rotations on the dryland acres.*

Northern Minnesota - *We wrapped up the spring corn harvest and are done until the snow melts and she dries out. There isn't a thick frost in the ground, so a lot of stuck combines out there. We normally plant corn, soybeans, and spring wheat. Last year we were lucky and got nearly everything in together so we had a fair shot at raising a good crop. We ultimately just had too much rain during the early growing season and a frost that hit just a few weeks too early. This year it doesn't seem like corn is going anywhere so we are thinking of dropping all our corn and planting spring wheat. We can get a better basis, more profit per acre, and less to haul in all winter long. Corn wears a guy down.*

Southern North Dakota - *It's in the 40's today which already feels warm but we are going to be above 50 by the weekend or early next week. From about our area to the Red River Valley there is still snow on the ground, but everything west is melted. Depending on the weather, we might have to run a disk over some acres to get it dried down or it might stay in prevent plant. We are going to run mostly edibles and wheat. I'm sure a lot of wheat will be planted up here in the hopes of blending it off.*



TODAY'S RIDDLE: What runs around the whole yard without moving?



Interesting Spin on Putting a "Virus" to Good Use

Felix, a biotech startup in the latest Y Combinator batch thinks it has a novel approach to keeping bacterial infections at bay by using an actual virus. While we are being inundated with the latest corona updates, what most are unaware of is that more than +700,000 people die each year globally from bacterial infections with up to 35,000 of them residing in the U.S. Specifically we are talking about antibiotic-resistant bacteria. Unfortunately, this unseen killer also complicates the care of many Covid-19 patients, and the pipeline of drugs to manage these deadly infections is nearly dry. It's well known that overuse of antibiotics has not been a cure-all in the stopping of bacterial infections and Felix's goal is to make sure something is done to halt the potential number of annual deaths growing to 10 million annually by 2050, according to a United Nations report.

History reveals that the idea of using an actual virus to kill off bacteria is not new. Bacteriophages, or viruses that can "infect" bacteria, were first discovered independently by English researcher Frederick W. Twort in 1915 and Félix d'Hérelle

in France 1917. D'Hérelle would coin the term bacteriophage, meaning "bacteria eater," to describe the agent's bacteriocidal ability. Soon after making their discovery, Twort and d'Hérelle began to further simplify and use the term "phages" in treating human bacterial diseases such as bubonic plague and cholera. Though treatment was unsuccessful, research continued and in the 1940's phage therapy became commercialized by Eli Lilly and Company. But remember, it was only a few short years until scientists discovered antibiotics and phage therapy was virtually abandoned.

Today, as we deal with the rise of antibiotic-resistant bacteria, the potential of "phages" is receiving renewed interest. I should mention, that the successful use of the antibiotic penicillin G, which proved to be extraordinarily effective in the treatment of injured Allied soldiers whose wounds had become infected, was not shared nor available to the isolated Russian scientists. Meaning that they continued to develop their already successful phage therapy to treat dysentery and gangrene in field hospitals. What's interesting is that due to the scientific barriers of the Cold War, the knowledge gained by the Russian researchers did not proliferate across the world until 2009, when released in the summary "[A Literature Review of the Practical Application of Bacteriophage Research](#)".

Felix co-founder Robert McBride says there are too few new solutions being offered today and the standard drug model is not working effectively to combat the current rise in attacks. In light of that, he believes his company can put phage therapy back at the forefront, with the hopes they can develop therapies in less time and for less money than traditional antibiotics, mostly because they are targeting orphan indications and they have already done successful therapy work in humans. Felix plans to deploy its treatment for bacterial infections in those suffering from cystic fibrosis first as these patients tend to require a near-constant stream of antibiotics to combat lung infections.

I can't help but wonder what would have happened had we continued the research with "phages" in the 1940s or if the Russian information would have been shared sooner. It seems to be a recurring theme these days, that the flow of factual and vital information is critical when tackling life's biggest challenges. I'm also reminded of the famous line from Jeff Goldblum in Jurassic Park, "life finds a way." (Source: Techcrunch, Wiki, Britannica)

Introduction to Bacteriophage

3

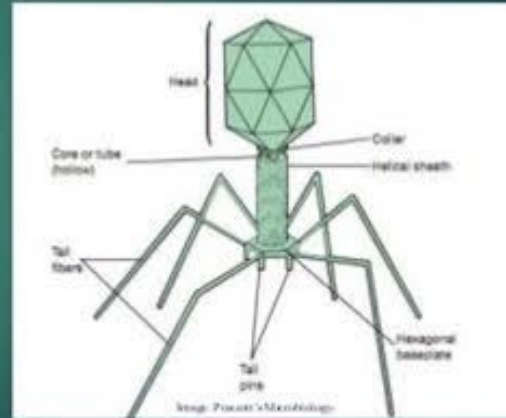
- Bacteriophages or phages are (bacterial viruses) that infect prokaryotes
- Ernest Hanbury Hankin in 1896 found in Ganges and Yamuna rivers in India and
- Pass through a very fine porcelain filter.



Frederick Twort
In 1915 Discovered
Bacteriophage



Felix d'Herelle
Independently
discovered
again 1917



Source: Wikipedia

Felix Biotechnology Retweeted

**Pew Health** ✓
@pewhealth

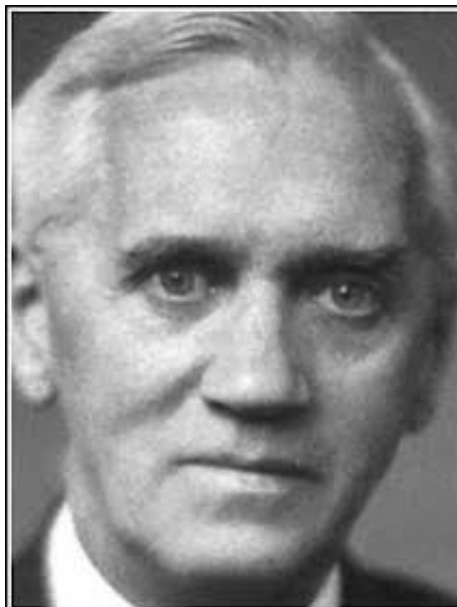
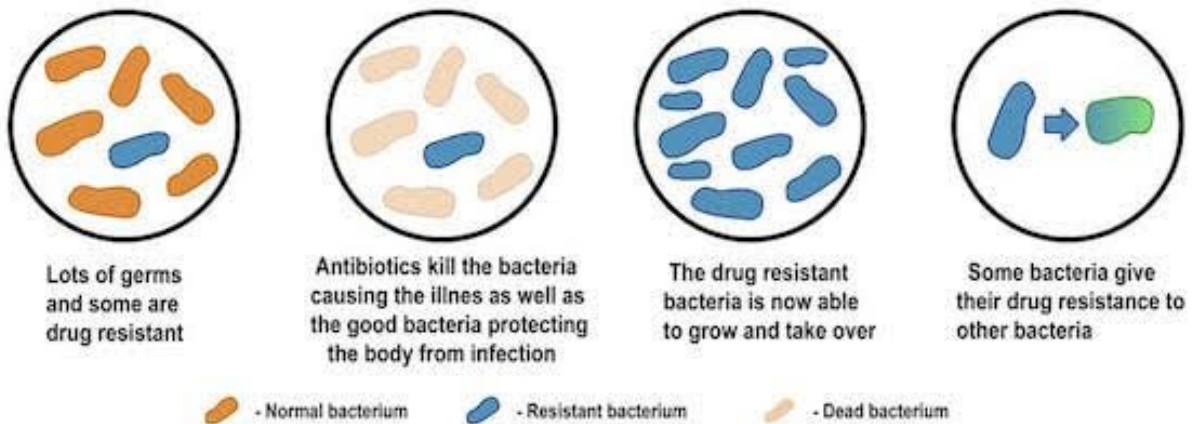
"The lingering fear of losing another antibiotic option are all constants in my life." - @G17Esiason.

Our Q&A puts a face to the [#antibioticresistance](#) crisis and shows why the antibiotic pipeline needs to be more robust. pew.org/36wsfwE @cysticfibrosis



Cystic Fibrosis Patient Asks for Increased Efforts Around Antibiotic Resistance
Americans combat more than 2.8 million antibiotic-resistant infections each year —a battle Gunnar Esiason, son of former NFL quarterback "Boomer" Esiason,...
pewtrusts.org

HOW ANTIBIOTIC RESISTANCE HAPPENS



(The discovery of penicillin) was a triumph of accident, a fortunate occurrence which happened while I was working on a purely academic bacteriological problem.

— Alexander Fleming —

AZ QUOTES

Netflix of Gyms?

Now more than ever, many of you are probably searching for some better workouts to do at home. I know my wife and my kids have both been telling me about these new workouts to do around the house. Thanks to tons of companies like Peloton, CorePower Yoga, and even Mirror, we can now all stream our favorite workouts anywhere. Many of these platforms range from a zen experience to doing HIIT circuits, yoga, pilates, bodyweight training, or even targeted weight lifting classes that focus on the upper body or lower body.

Many of these platforms are extremely easy to sign up for and download straight to your phone or tablet. I suspect this current quarantine will affect the gym

industry moving forward as many people are now forced to adopt these at home platforms. Let's also keep in mind, "convenience" continues to be a key ingredient for the Millennials.

One more thing, a great feature and a perk for being part of the online platforms is the fact they often feature some of the best trainers in the world. However, there is a downside, especially if you've gotten fat and old like me - the tougher the trainer the tougher the workout! No pain, no gain... Below are the best "on-demand" fitness streaming platforms!

Daily Burn: *Daily Burn aims to help everyone get fit, regardless of fitness level, as it's your one-stop cyber-shop to 30-minute workouts you can do right at home. Daily Burn is probably your most well-rounded platform around right now as they offer an on-demand library of more than 150 workouts — from yoga and cardio to strength and body-training, pilates, high-intensity interval training (HIIT), kickboxing, and more. In addition, Daily Burn offers new daily classes at 8 a.m. CST every day, which many platforms don't yet. Daily Burn also has one of the more generous free trials including 30 days. After that, it's \$19.99 per month. They also offer standalone memberships such as yoga for \$9.99 a month, a running app for \$7.99 a month, and a HIIT membership for \$12.99 a month. Click [HERE](#) to check it out!*

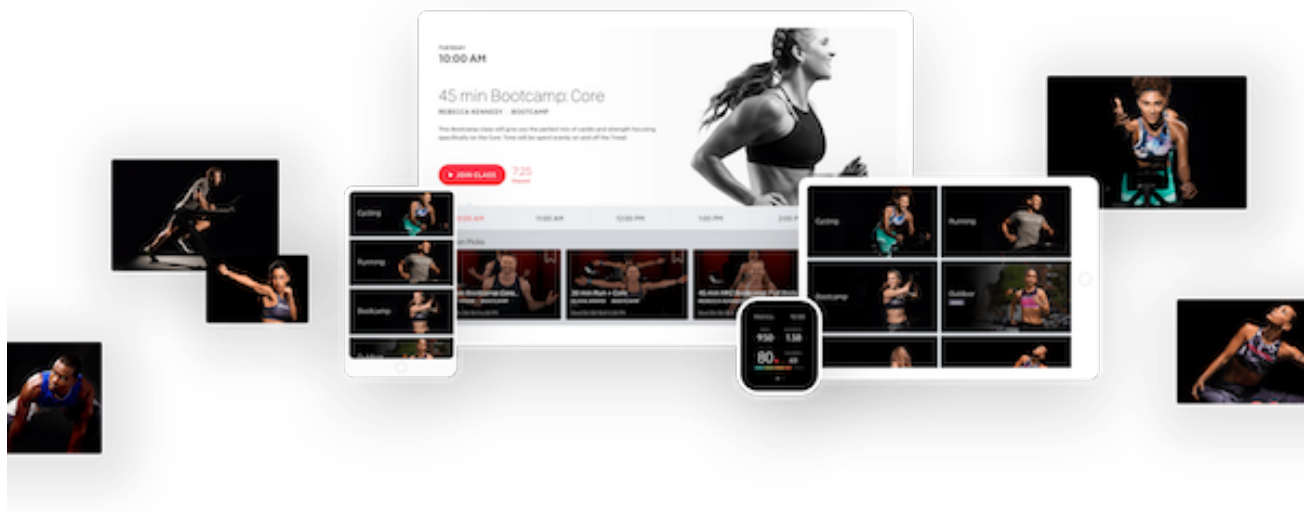
Peloton: *This platform allows you to stream energetic spin classes wherever and whenever you want. Yes, this platform also sells equipment like the Peloton bike and treadmill that includes a subscription to their streaming workout content, but many people are mistaken because you don't have to buy either machine to access the videos. The Peloton app has live-streamed classes available every day allowing users to pick from the on-demand options whenever they want. Each class provides a training plan so you know what to expect before you start. This is one my son is thinking about joining the last few weeks. For \$13 per month, you can stream unlimited bootcamp, strength, yoga, running and cycling classes with and without equipment. There are also audio-only classes for outdoor runs. I should mention, Peloton is now offering a 90-day free trial for a limited time! Click [HERE](#) to check it out!*

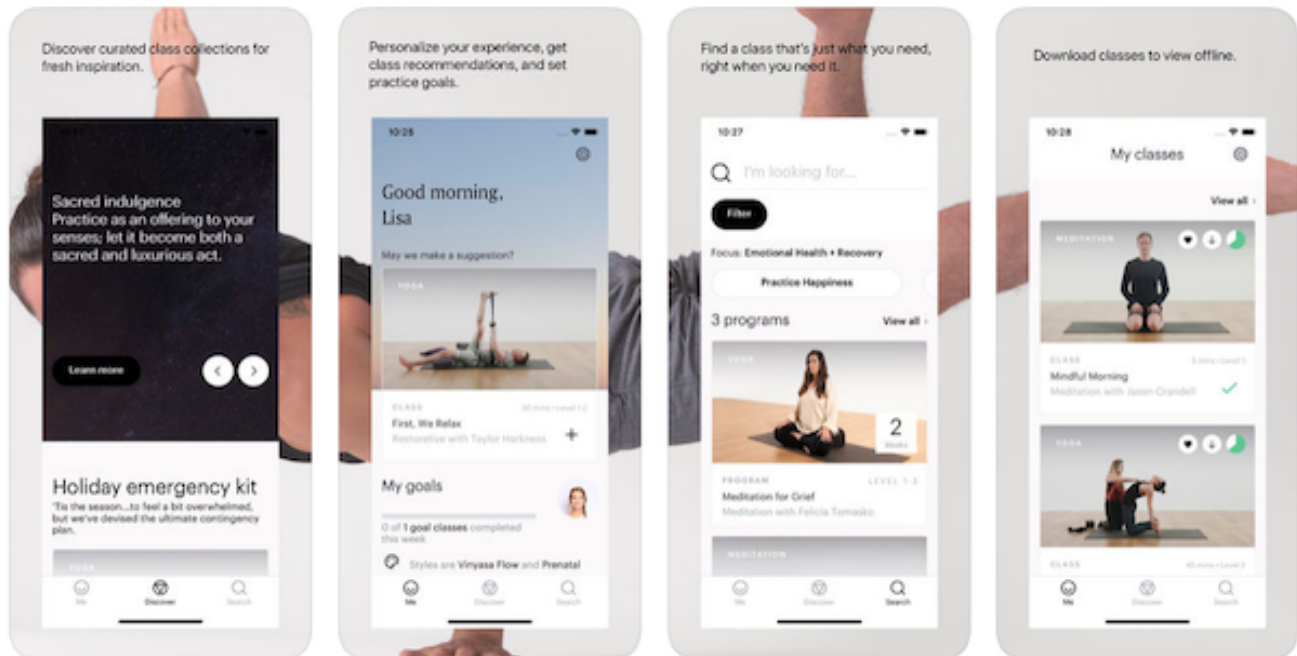
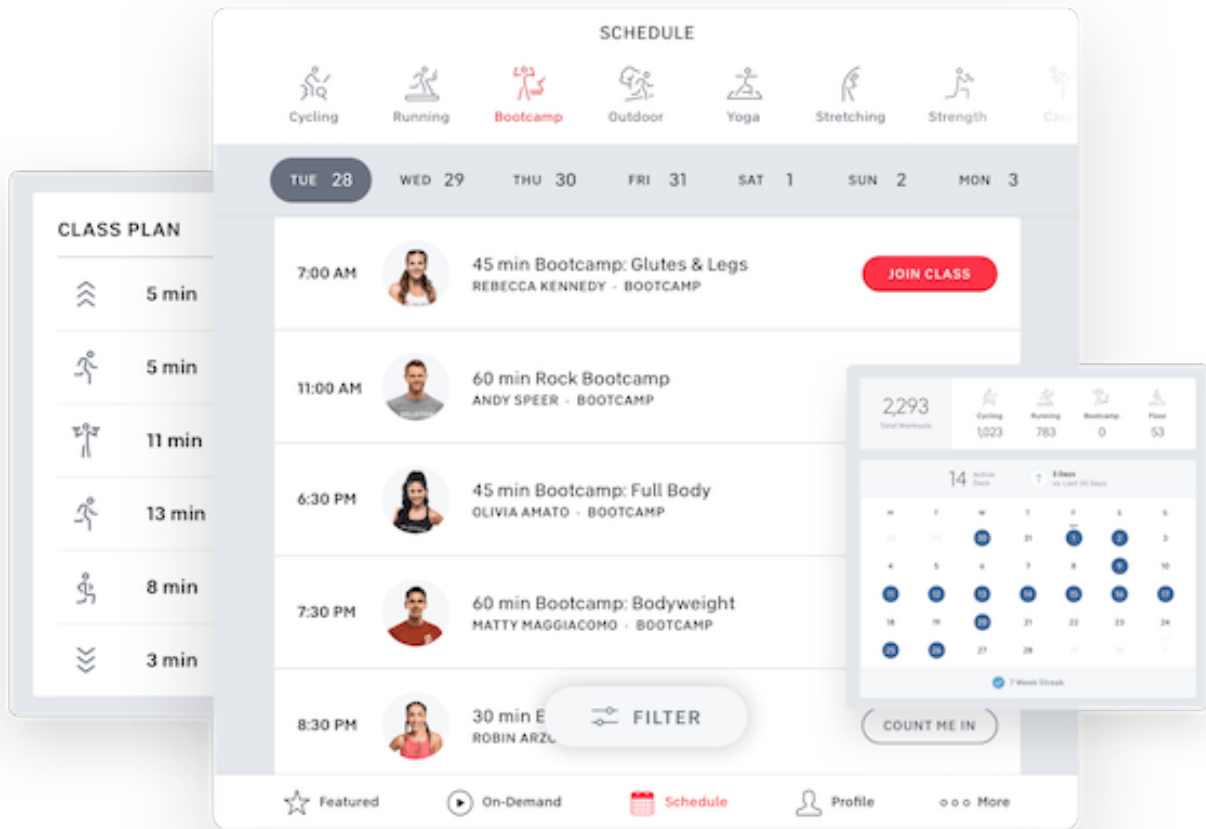
Glo: *If you prefer a more traditional yoga approach, Glo is definitely the most popular subscriptions out there offering a vast network of teachers who have produced hundreds of yoga, pilates and meditation classes. I should also note, it's a great subscription for beginners as well offering more than 80 programs to guide your practice and bring you up to speed. In addition, there are classes from many different styles including Hatha, yin, vinyasa, Iyengar, and high-intensity conditioning classes for getting your heart rate up. My son*

and wife both subscribe to this one. I also get a little action for myself every now and again with them. Overall, I really like it! Glo gives you a 15-day trial and it's \$18 per month after that. Click [HERE](#) to check it out!

Mirror: *This platform is great for exercisers who like variety, tracking their metrics, and don't want their living room to look like a gym. The Mirror itself, which looks like a normal wall mirror when not in use, transforms into a screen during workouts along with a wall-mounts, resistance bands, and a heart rate monitor. This platform does require the equipment to do the workouts, but once you have it, you'll be able to access on-demand workouts including cardio, kettlebells, resistance band training, yoga, boxing, pilates, and more with access to watch your instructor as well as yourself at the same time for \$39.99 a month. I should also note, they add over 50 new workouts a week including many with celebrity trainer Tracy Anderson. I have never used one or has the rest of the family, but we continue to hear great things about it from our friends. Click [HERE](#) to learn more!*

CorePower: *Do you already like yoga, but wish it was more... intense? Well, CorePower is 100% the platform for you then! If you don't know how intense this is, then I should tell you CorePower is designed as a high-intensity yoga class with targeted core exercises throughout the workout ranging anywhere from 20 - 60 minutes long. Keep in mind, the company has yoga studios all over the US, but you can also take classes virtually with CorePower on Demand as well. Classes range from CorePower's full-body yoga flows and sculpting to meditation and technique lessons as new classes are released every month to give plenty of variety. This platform is free for all members. Click [HERE](#) to see what it's all about!*







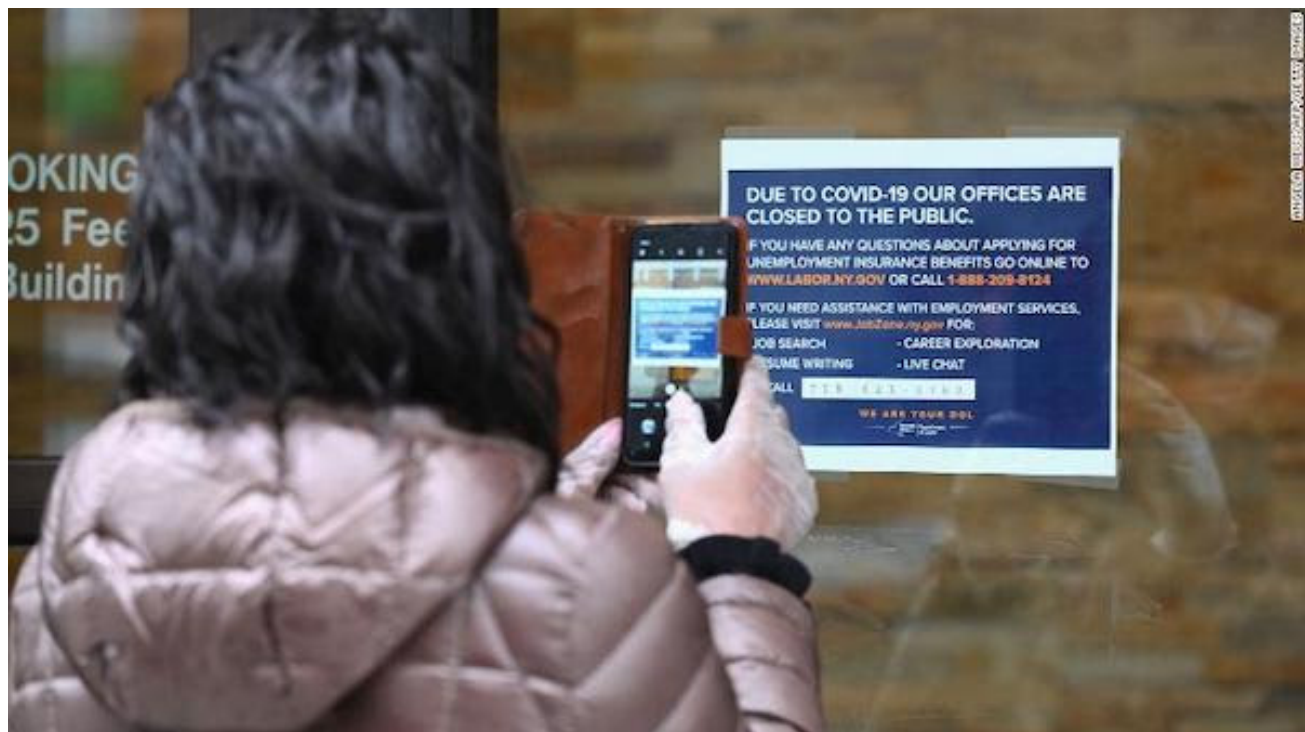
What You Need to Know About the Coronavirus Stimulus Bill

The \$2 trillion bipartisan coronavirus legislation, known as the CARES Act, is more than twice the size of America's biggest economic stimulus package, President Barack Obama's 2009 Recovery Act. It's also more than twice the size of America's biggest corporate bailout, President George W. Bush's 2008 Wall Street rescue. Keep in mind, the immediate goal is to help families and businesses survive, not jumpstart economic activity - that part will come later and may require yet another gargantuan stimulus. The most vital piece of the package provides \$150 billion for hospitals and other health entities. Below are more details about what's in the CARES Act:

FYI, I heard some talk amongst the more powerful people I know that U.S. small business owners could soon be able to go to their bank and get some type of government payroll relief. As of writing this last night, the Senate had passed the bill but the House still had to make changes and vote. From what I understood last night, you would be able to get 200 to 250 times your February 15th payroll in order to help owners keep the paychecks flowing for the next couple of months as we fight to get pass the virus. This would be a huge bailout for most small business owners and really help ease the pain. There was some talk about the specific details and how it would ultimately have to be paid back, but for the most part it sounds very promising. There was also talk that business owners might be

able to get the funding electronically to help patrons at banks that have fully closed their physical locations. As long as the government makes the money easy for the small business owner to get it should go a long way to helping provide immediate support.

- **Direct payments:** Americans will receive a one-time direct deposit of up to \$1,200, and married couples will get \$2,400, plus an additional \$500 per child. The payments will be available for incomes up to \$75,000 for individuals and \$150,000 for married couples. This is true even for those who have no income, as well as those whose income comes entirely from non-taxable, means-tested benefit programs, such as Social Security.
- **Use of retirement funds:** The bill waives the 10% early withdrawal penalty for distributions up to \$100,000 for coronavirus-related purposes, retroactive to Jan. 1
- **The unemployed:** The program's extended unemployment insurance program — "unemployment on steroids," as Sen. Chuck Schumer calls it — expands eligibility and offers workers an additional \$600 per week for four months, on top of what state programs pay. It also extends Unemployment Insurance benefits through Dec. 31, and allows furloughed workers to stay on as employees. The deal extends to gig economy workers.
- **Large corporations:** \$500 billion will be allotted to provide loans, loan guarantees, and other investments, overseen by a Treasury Department inspector general. These loans will not exceed five years and cannot be forgiven..
- **Small businesses** will get \$367 billion in loan guarantees while workers have to stay home. Companies with 500 employees or fewer that maintain their payroll during the downtime can receive up to 8 weeks of cash-flow assistance.
- **Payroll taxes:** The measure allows companies to defer paying their 2020 payroll taxes through the end of 2022. They will have to pay 50% by the end of 2021.
- **Hospitals and health care workers:** The deal injects \$100 billion into hospitals and the nation's health system, and billions more into providing personal and protective equipment for health care workers, testing supplies and increased workforce and training.
- **Coronavirus testing:** All testing and potential vaccines for COVID-19 will be covered at no cost to patients.
- **Agriculture:** The deal would increase the amount the Agriculture Department can spend on its bailout program from \$30 billion to \$50 billion.
- **Airlines** will receive \$25 billion (of the \$500 billion) for passenger air carriers, and \$4 billion for cargo air carriers.
- **States and local governments** will get \$150 billion, with \$8 billion set aside for tribal governments.
- **Schools:** The final package provides more than \$30 billion in emergency education funding for colleges and universities, states and school districts. (Sources: Politico, Axios, CARES Act)



We are the World...

I hate to sound sappy, but we were sitting around the house the other night and several friends shared the old video "We are the World" with Michelle. I was never really a big fan of the song back in the day but my perspective of life was much different!

The year was 1985. Believe it or not, Michelle and I were actually dating. We both laughed and had a little chuckle about how young everyone in the video looked, i.e. Kenny Rogers, Willie Nelson, Lionel Richie, Michael Jackson, etc... But then we became a bit sad about how old we've gotten. The kids are all grown and the house is oddly quiet. The downtime we are spending home certainly makes us stop and reflect.

Michelle and I hope all of you are staying healthy and the family is safe. Try and stay busy this weekend to keep your mind off the difficult headlines.

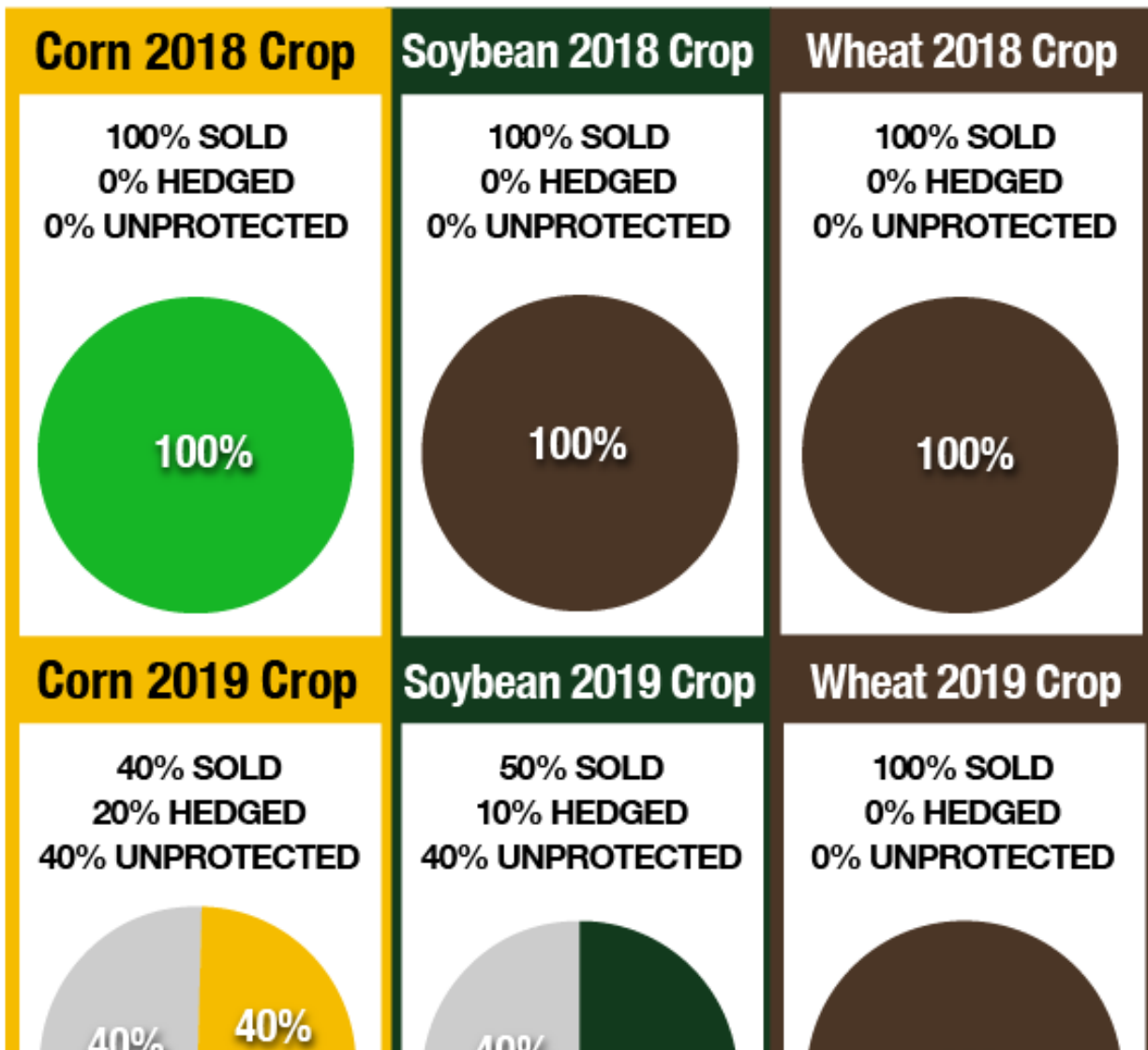
Click [HERE](#) to watch the short video. It certainly takes you back...

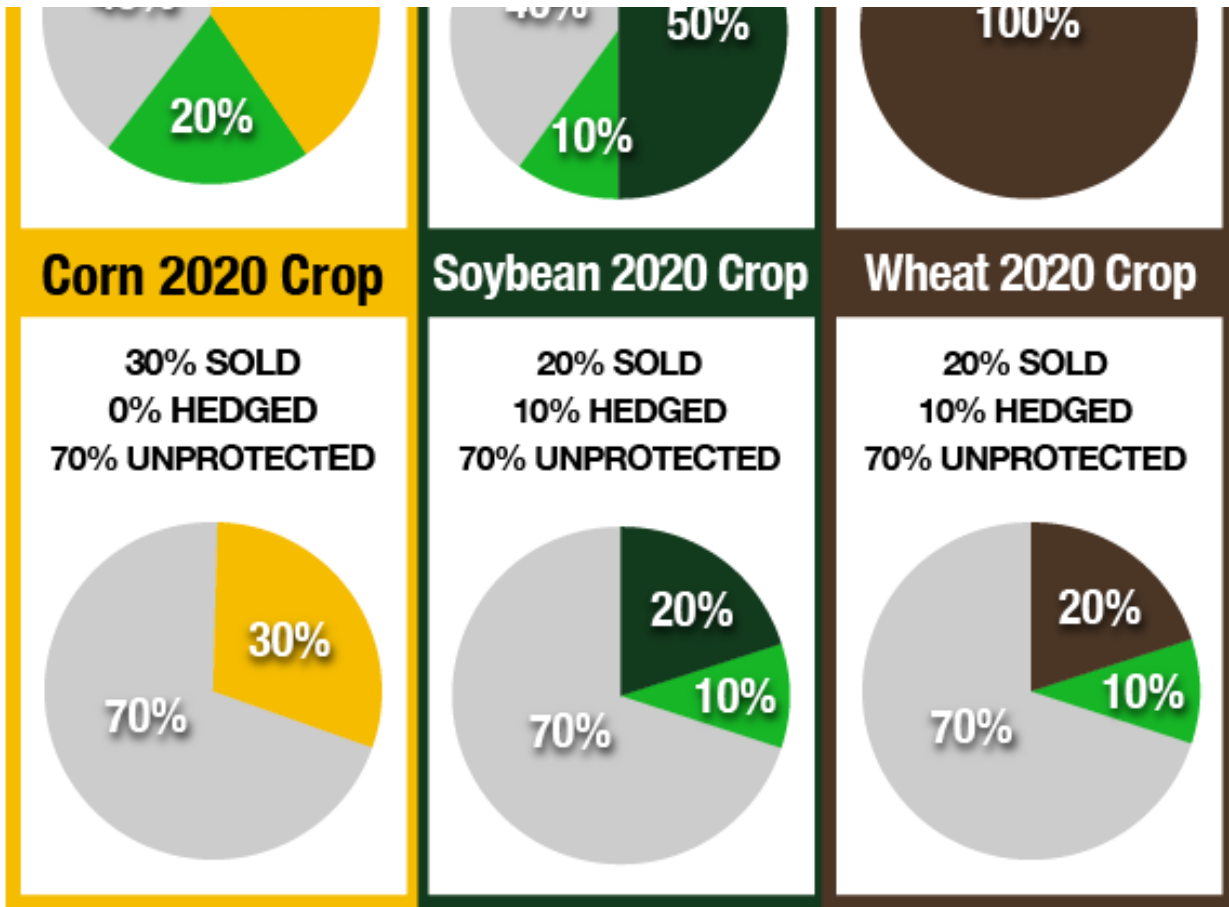


ANSWER to riddle: A fence.

CASH SALES & HEDGING TOTALS

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