



Josh Knight <josh@farmdirection.com>

GOOD MORNING: The Van Trump Report 4-3-20

1 message

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

Fri, Apr 3, 2020 at 5:30 AM

Reply-To: Jordan <reply-fec611727060077b-1180_HTML-68584704-100003450-11@vantrumpreport-email.com>

To: josh@farmdirection.com



"Most of us are just about as happy as we make up our minds to be." - **Abraham Lincoln**

Friday, April 3, 2020[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks continue on the roller coaster ride! Coronavirus headlines have the entire world nervous. I felt it became even more real after hearing the Pentagon was going to provide over +100,000 military body-bags for civilian use here on U.S. soil. At the same time, the trade is being forced to digest headlines out of New York that doctors are asking for discretion to withhold care from patients unlikely to recover. With the supply of ventilators and other equipment running low, they believe there may soon be the need to deny some patients in an effort to help others who may have a better chance. How would you like to be the doctor that has to make those calls? I've heard some hospitals are allowing doctors not to resuscitate people with Covid-19, some with informal policies adopted on the fly. One doctor said he tried to resuscitate a patient who stopped breathing in defiance of an order from a senior physician not to. The patient "was turning blue and we were literally watching him die," the doctor said. I hate to keep stating the obvious, but this has to be a living hell for our healthcare workers. My wife has talked to several subscribers and friends of the report that have kids who are doctors, nurses, and pharmacists. She says she can hear the worry in all of their voices. Our prayers are with them all!

Stock bulls want to believe that more government stimulus and a couple of positive days means the worst might be behind us. Bears believe this might only be the calm before the storm, pointing to at least several more weeks of upcoming economic data that is going to be very hard to digest. New jobless claims released yesterday provided a preview, with claims soaring to a new all-time record 6.648 million for the week ended March 28. That brings the number of Americans who filed for unemployment over the past two weeks to nearly 10 million and highlights the unprecedented impact the virus outbreak is having on the U.S. economy. And unlike a typical labor market downturn, which tends to come in waves, this has come down like a sledgehammer all at one time. How long the waves of layoffs last will be a key factor in determining how quickly the turnaround will happen. If shutdowns last into the late summer or beyond, a lot of businesses - especially small businesses - are going to go under. The March jobs report is due today but the survey is based on data from around the middle of the month. That means it probably won't fully reflect the 10 million coronavirus-related new unemployment claims filed in the last two weeks.

Today could bring some interesting news on the oil front. Saudi Arabia late yesterday called for an "urgent meeting" of the OPEC+ alliance and other producers to negotiate a deal on output cuts that could stem the coronavirus-induced freefall in oil prices. According to insiders, the kingdom said it was "seeking a fair agreement that will restore the desired balance to the oil markets" and indicated that it wanted other countries outside the OPEC+ alliance to join the talks. Trump had earlier tweeted that he had spoken by phone with Saudi Crown Prince Mohammed bin Salman, who in turn called Russian President Vladimir Putin to heal their oil market rift. A production cut agreement would be a step in the right direction but it could take a long time to rebalance supply and demand amid the fallout from the coronavirus pandemic.

Looking to next week, it's likely to be another rocky one as most outlooks see the virus still raging for an extended period. That means continued lockdowns and the near standstill of economic activity. The U.S. Congress is out for at least the next three weeks so there's not likely to be any new legislation to help boost investor sentiment on that front. Meaning poor economic data and what is expected to be a tragic number of coronavirus deaths could dominate the headlines. I personally think the market could chop around for another week or so before posting another leg lower. Also, keep in mind next week will be short with markets closed for Good Friday on April 10. Staying extremely conservative!

Great little short video for the weekend **Click [HERE](#)**



Ryan Reynolds on Instagram "Good news is still news #Thankful 🙏"

Coronavirus Updates:

- Residents of the Chinese city of Wuhan, where the virus began, have been told to strengthen self-protection measures and avoid going out unless it is necessary. The City's Communist party chief, Wang Zhonglin, was quoted as saying in a statement published by the Wuhan city government that the risk of a rebound in the city's coronavirus epidemic remained high due to both internal and external risks and that it must continue to maintain prevention and control measures.
- President Trump said he has invoked the Defense Production Act against 3M to supply face masks. The President also approved a disaster declaration for Tennessee in response to coronavirus. This is the 35th such declaration Trump has made in response to the coronavirus pandemic, including 30 states, the US Virgin islands, the Northern Mariana Islands, the District of Columbia, Guam and Puerto Rico.
- New York State's request to turn NYC's Javits Center into a coronavirus treatment center was approved by the White House.
- New York City Mayor Bill de Blasio told New Yorkers to cover their faces when they go outside, even if it's a home-made mask.
- The Democratic National Committee is postponing the party's presidential convention in Milwaukee to August 17, the week before the Republican Party's convention.
- Instacart announced Thursday it will begin providing its full-service shoppers with health and safety kits in an effort to slow the spread of COVID-19.
- Disney will furlough its non-union park employees starting on April 19. Its not clear how many employees this will impact.

- *Boeing laying off 30,000.*
- *American Airlines is making multiple cuts to its schedule for this coming summer and winter, including suspending plans for new service additions until 2021, and suspending about 60% of its international capacity this summer.*

Muddy Waters Nailed it on Luckin Coffee: *Muddy Waters, is an investment research firm that prides themselves on assessing a company's true worth, and being able to see through the opacity and hype that some managements create. [Muddy Waters](#) produces three types of research product: Business fraud, accounting fraud, and fundamental problems. Business fraud reports focus on issuers that have massively overstated their revenues. Accounting fraud reports cover real businesses that boost profits through fraud. Fundamental problem reports discuss opaque businesses that have serious fundamental problems that the market does not yet perceive. Read their well thought out "Luckin Report" [HERE](#). they can be a great source if you are looking for another perspective.*

And so it Begins... *Whiting Petroleum Files for Bankruptcy: Whiting is often considered one the largest oil producer in North Dakota and is now seeking Bankruptcy protection and restructuring.*

Interest Rate Fall and Mortgages Could Follow: *The U.S. 30-year mortgage fell for a second straight week to 3.33%, slightly higher than the record low of 3.29% in early-March. Interestingly, U.S. lenders are thinking +15 million households could soon stop paying their mortgage. Ouch!*

One Interesting Change That Could Come About: *I've been hearing more talk and seeing more studies that show "labor-replacing automation" might be a big winner following the coronavirus-related recession. As we've seen throughout history, bad economic times most always force businesses to look for ways to cut costs, shift infrastructure, and keep production moving. Working robots don't get sick and don't bring their drama into the break room:) In all seriousness, I am hearing talk that automation will be a big winner.*

Need for Nurses Driving Record Pay: *Across the country, the coronavirus pandemic is straining hospital systems, which are dealing with an influx of patients. State and health officials are responding by adding beds, canceling elective surgeries and reassigning staff. But more help is needed — especially more nurses. As demand spikes, staffing agencies are offering unprecedented incentives for nurses willing to enter hot zones. NuWest staffing agency is paying those hired up to \$10,000 a week in crisis pay. It's also offering relocation bonuses and tax-free housing and food. Today's crisis comes at a time when the labor market for nurses was already tight. According to the U.S. Bureau of Labor Statistics, the health-care system will need to hire more than 1.1 million nurses by 2022 in order to replace retirees and to take care of an aging population. For nurses willing to answer the call now, the higher pay comes with higher risks, though for most health care workers, it's about*

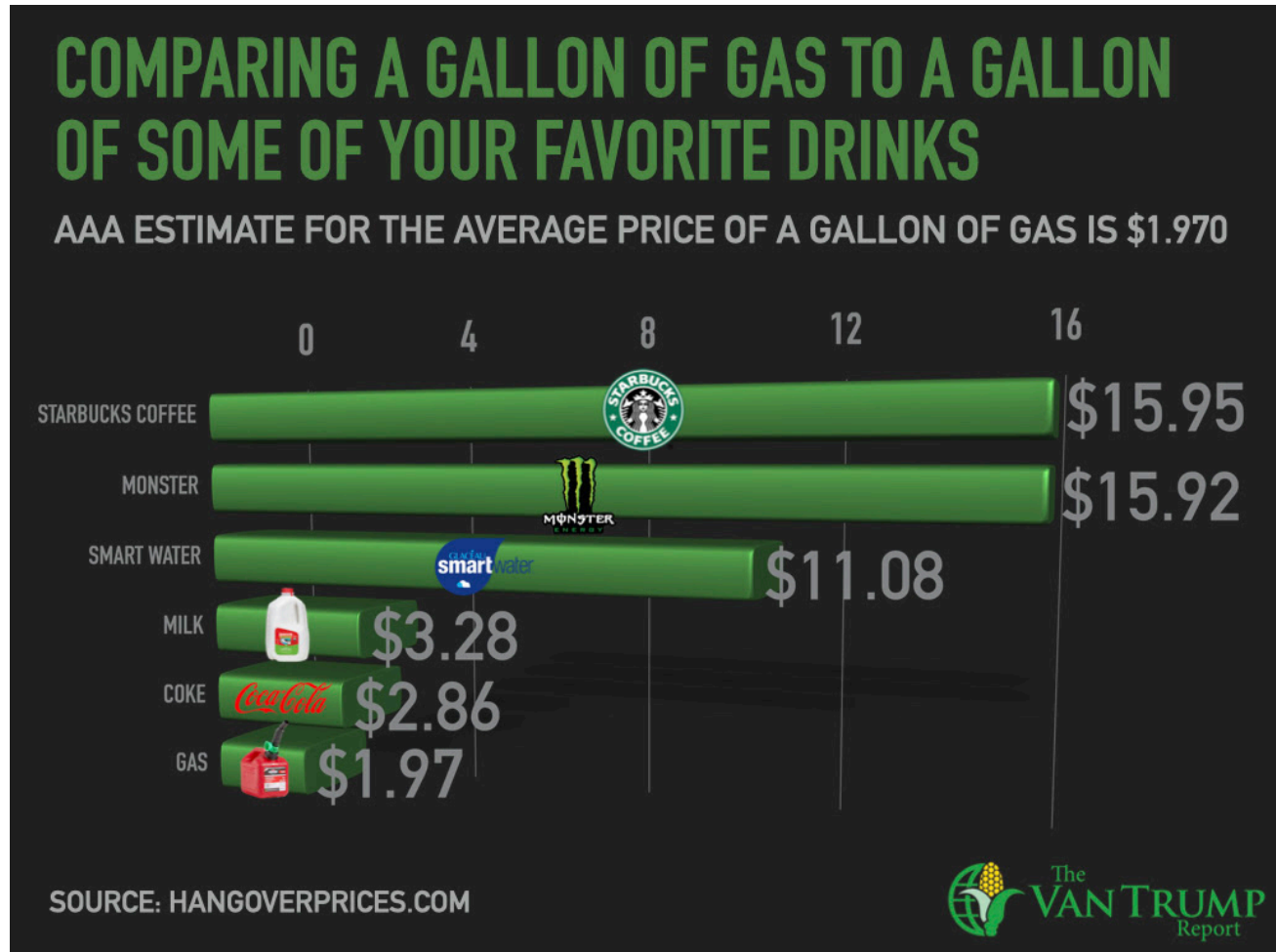
so much more than money. Read the full story over at [CNBC](#).

New England Patriots' Plane Delivering 1 Million N95 Masks from China: *The New England Patriots' team plane—emblazoned with the team logo, Lombardi trophies and a gargantuan "6X" to commemorate the team's Super Bowl wins—became the focus of a humanitarian effort that brought more than a million masks into the United States for the fight against COVID-19. States are scrambling to acquire necessary personal protective equipment, and one of the most essential items is N95 masks. After Massachusetts located caches of masks in China, the question was, how to get them to America? Apparently, Massachusetts Gov. Charlie Baker reached out to Jonathan Kraft, son of Patriots owner Robert Kraft, and the younger Kraft in turn pressed the team's plane into service. The Kraft family also agreed to pay \$2 million, or about half the cost of the estimated 1.7 million masks. You can read the full story [HERE](#).*





Keeping Things in Perspective: *Crazy to think how cheap gas is right now... Gas prices are plunging nationwide as many gas stations across the country are now selling gas for less than \$1.00 a gallon. In Oklahoma City, 10 stations reported prices as low as 97 cents a gallon this week. In addition, I heard of four gas stations in Wautoma, Wisconsin with prices under 95 cents per gallon. I should also note, as of yesterday morning, the average price of a gallon of gas across the U.S. was \$1.97. Below is a quick graphic comparing a gallon of gas right now to some of the most popular drinks in the country.*



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 to Safely Take Money From Your Retirement Account: *Josh Brown of Ritholz Wealth Management and the blog Reformed Broker has posted some information about how the \$2 trillion economic rescue bill (CARES Act) may affect Individual Retirement Accounts. That includes explaining how the Act waives certain withdrawal penalties. Click [HERE](#).*

All the COVID-19 Data, Charted: *If you are obsessively combing over all the stats of the virus, this is the site for you. Using multiple charts to break down the data behind different factors as it relates to COVID-19, it's a perfect dashboard for monitoring different aspects of the pandemic. And be sure to take a look at the bottom right of the charts to see just how much COVID-19 is talked about in the media! Check it out [HERE](#).*

How to Help Food Banks Serve People in Need: *Food banks are strained, as the economic shutdown threatens to overwhelm cities' social safety nets. With canceled food drives, reduced grocery and retail supply sources, shut-down pantries and older volunteers stuck at home, the remaining food pantries are serving more people with fewer hands. Find some ways to offer your support [HERE](#).*

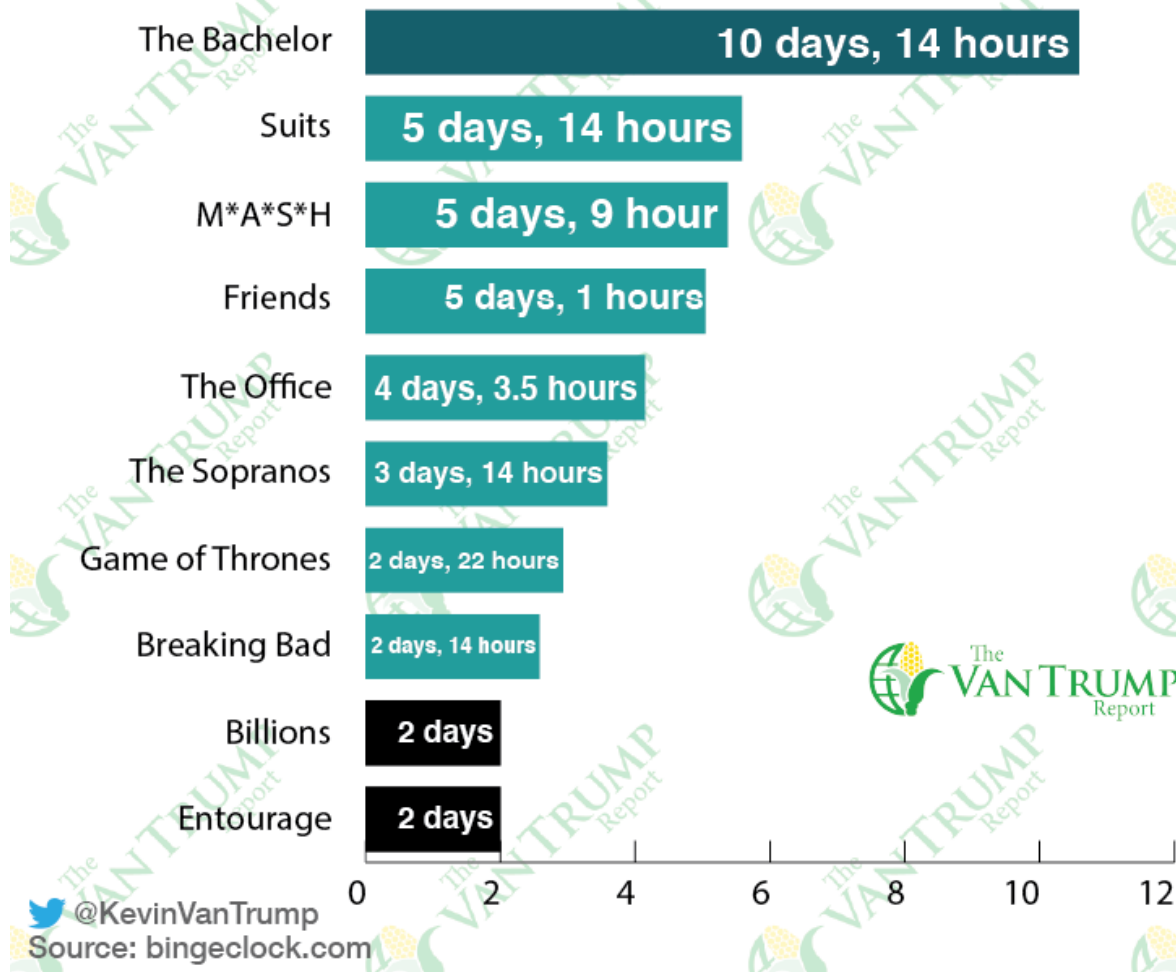
HBO is Making a Bunch of Shows Available for Free: *HBO will offer a bunch of TV shows and movies for free beginning on Friday. Customers will be able to access them on any platform where HBO Now and HBO Go are supported, which includes iPhones, Android devices, smart TVs, streaming boxes (like Roku, Apple TV and Amazon Fire TV) and more. Learn more [HERE](#).*

Looking for Something to do this Weekend?: *We wanted to provide everyone with something to do this weekend and many weekends to come by listing some of our favorite TV shows. Of course, Michelle's favorite show is the*

*Bachelor coming in at the top list. Jordan's favorite show right now is Suits, which he's currently trying to get through. Some of my favorite shows of all-time include M*A*S*H, Breaking Bad, and Billions.*

How long does it take to binge watch your favorite TV shows?

It would take 43 days, 19 hours, and 30mins to watch every episode of every show listed



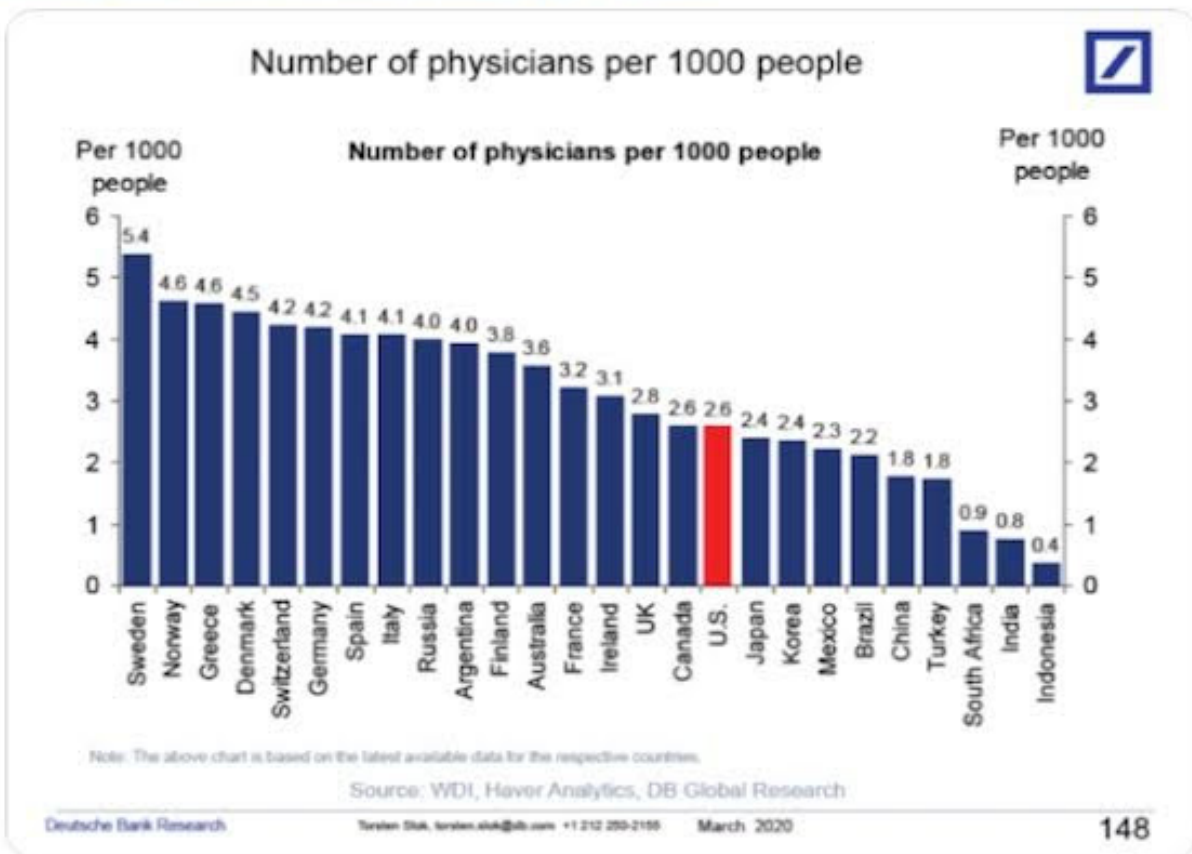
FARM TANK

Tweets of the Day




Snippet Finance
@SnippetFinance

Healthcare Resources pt 2. #healthcare #covid
#doctors #health #coronavirus #covid19 #investing
#finance #macroeconomics #analysis #data
snippet.finance/healthcare-res...





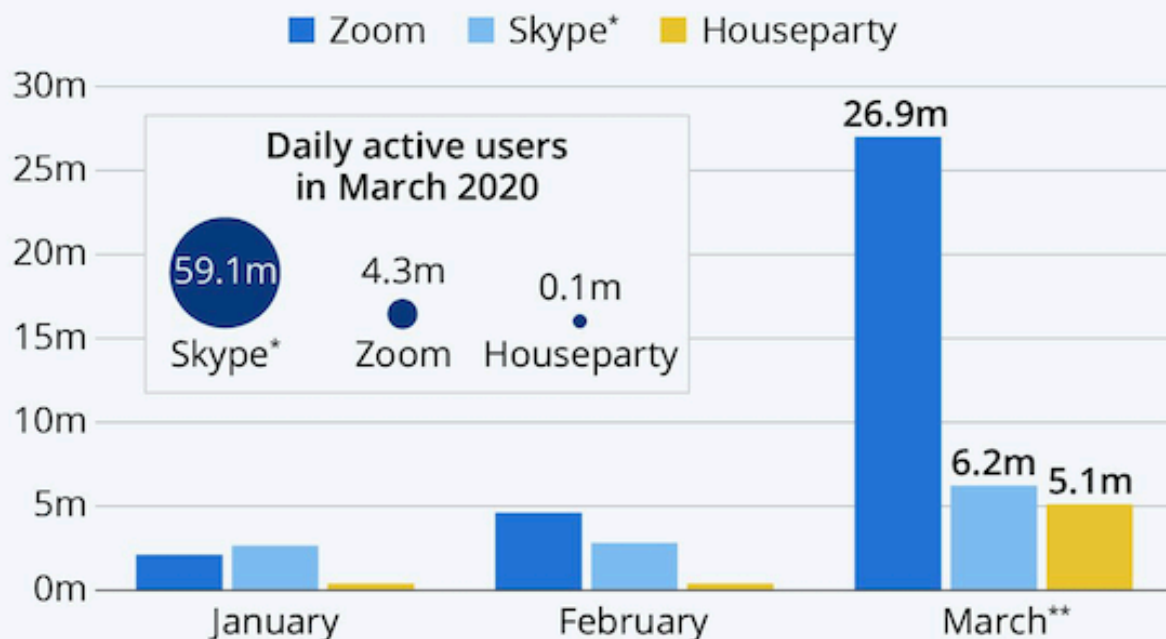
World Economic Forum 
@wef



The video apps we're downloading amid the coronavirus pandemic bit.ly/3407Joq #coronavirus #techforgood

Video Chat Apps Rise to Prominence Amid Pandemic

Global downloads of video chat apps for Android and iOS



 prioridata

statista 



Zane Jones
@zane_jones



Finally dry enough to do something.





Michael Lange
@mrlange81



And we are away! #plant20 vetch, Canola and barley!
Will we be grazing late April?????





Randy Uhrmacher
@Cornfrmr



Silage off, manure on, cover crop growing...about ready for [#plant20](#)





Stephen
@GeronimoFrost

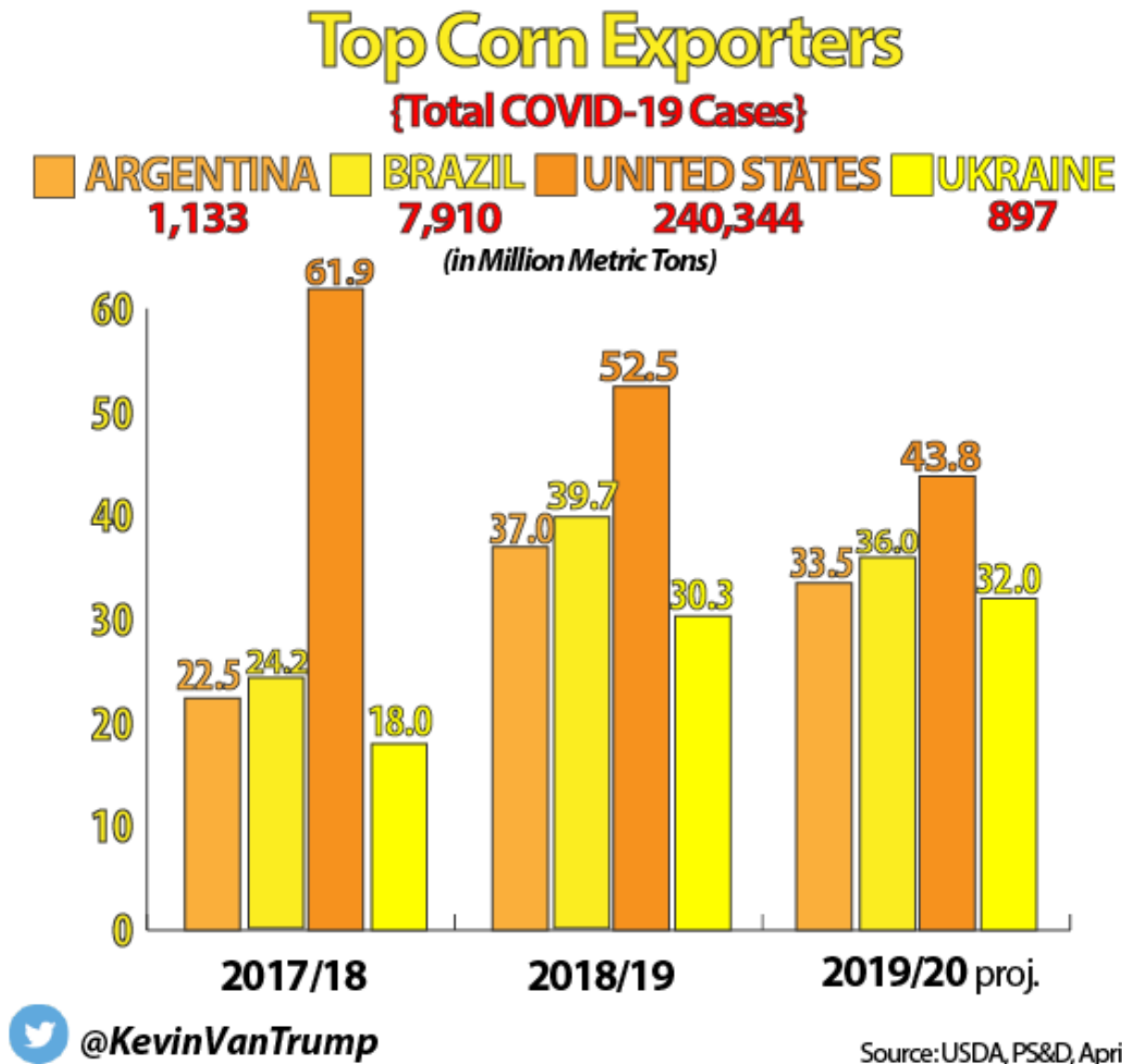


Social distancing baptism



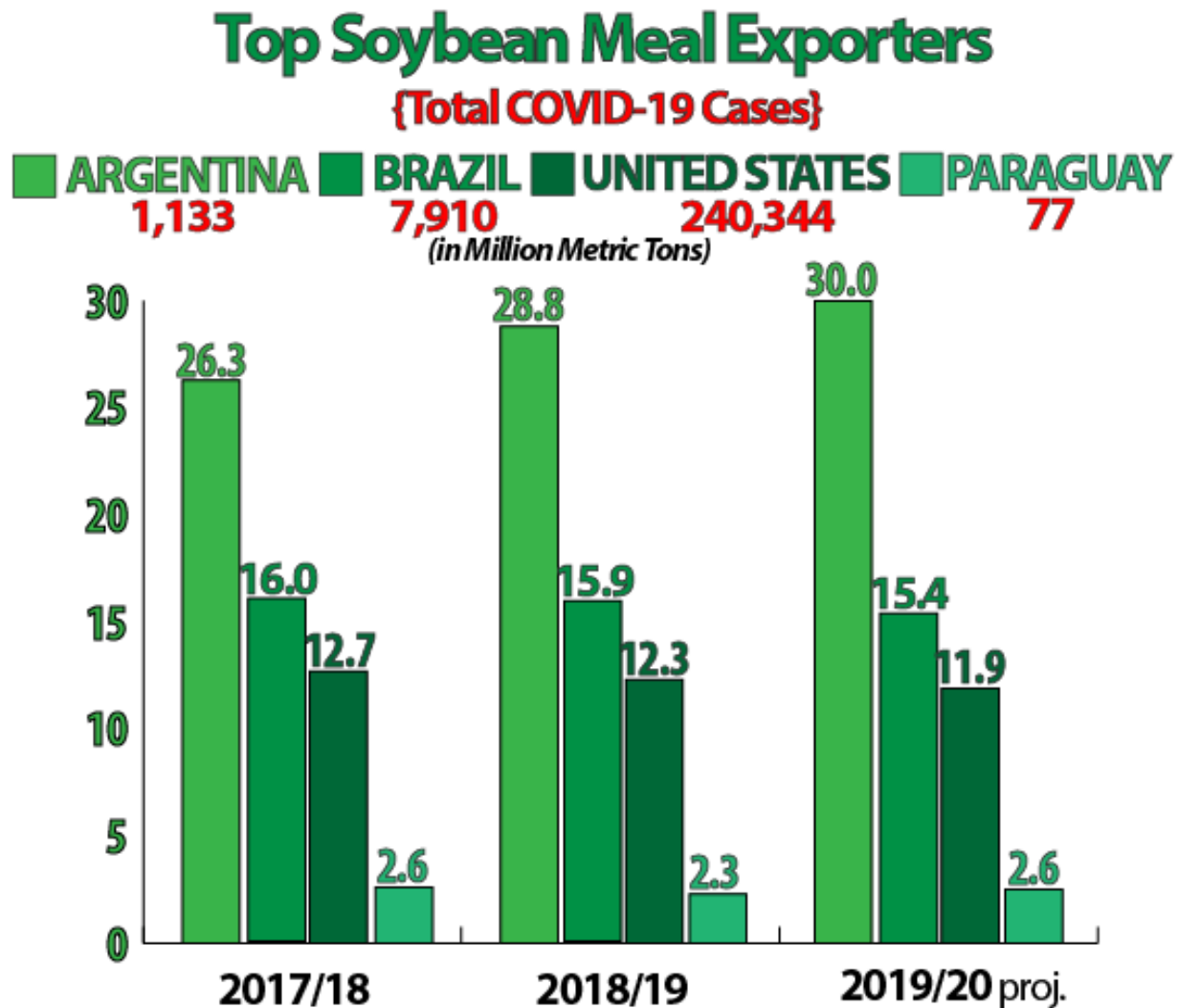
CORN bears continue to point towards deep demand concerns tied to ethanol. Not only will U.S. ethanol plants be using a lot less corn, but so will the plants in Brazil. This obviously puts more corn in play in other areas, and as we've learned, more available supply general tends to bring about lower prices. Adding fuel to this bearish fire is a strong South American and Ukraine crop and continued talk of +94 million new-crop corn acres possibly being planted here in the U.S. Many bears are thinking the fallout in ethanol demand along with the jump in U.S. acres could push ending stocks over +3.0 billion bushels and send prices sub-\$3.00 per bushel. I want to be a longer-term bull and actually see real-value in the \$3.20s, but I also understand the power of money-flow and recognize the market could continue to get pressured lower before making an upside run. China's commerce ministry recently released a statement saying its supply of grains is more than sufficient for domestic needs and there are no risks to shortages even if imports are not allowed. It was stated that stocks of corn, rice, and wheat at the end of 2019 were more than +280 MMTs. I should also note, Ukraine's total grain exports are running record large and some inside the country are bumping their new-crop corn estimates higher. As for Brazil, it sounds like some of the dry areas will be getting rain next week and should help improve the second-crop corn. As a spec, I'm staying patient, believing prices will continue to post lower highs and lower lows. There's just a ton of bearish news in play right now. As a producer, I'm trying

not to get talked into making any bold moves. I believe there ill be better pricing opportunities for new-crop ahead.





SOYBEAN bulls continue to point to strong domestic crush demand, good export sales data, and a ton of ongoing uncertainty surrounding Chinese demand and South American logistics. Bears are saying some changes in both Argentina and Brazil regarding corona has eased up transportation restrictions and is again allowing more free movement of soybeans from the fields to exporters or crush facilities. Bears also continue to point towards the massive devaluation of the Brazilian real vs. the U.S. dollar. From a technical perspective, it seems like the market might be stuck in this range between \$8.20 and \$9.20 per bushel. As a spec, I still like the thought of adding bullish positions at the lower end of the range between \$8.20 and \$8.40. As a producer, I like lifting more hedges on the deeper breaks and waiting for better opportunities to make new-crop cash sales.



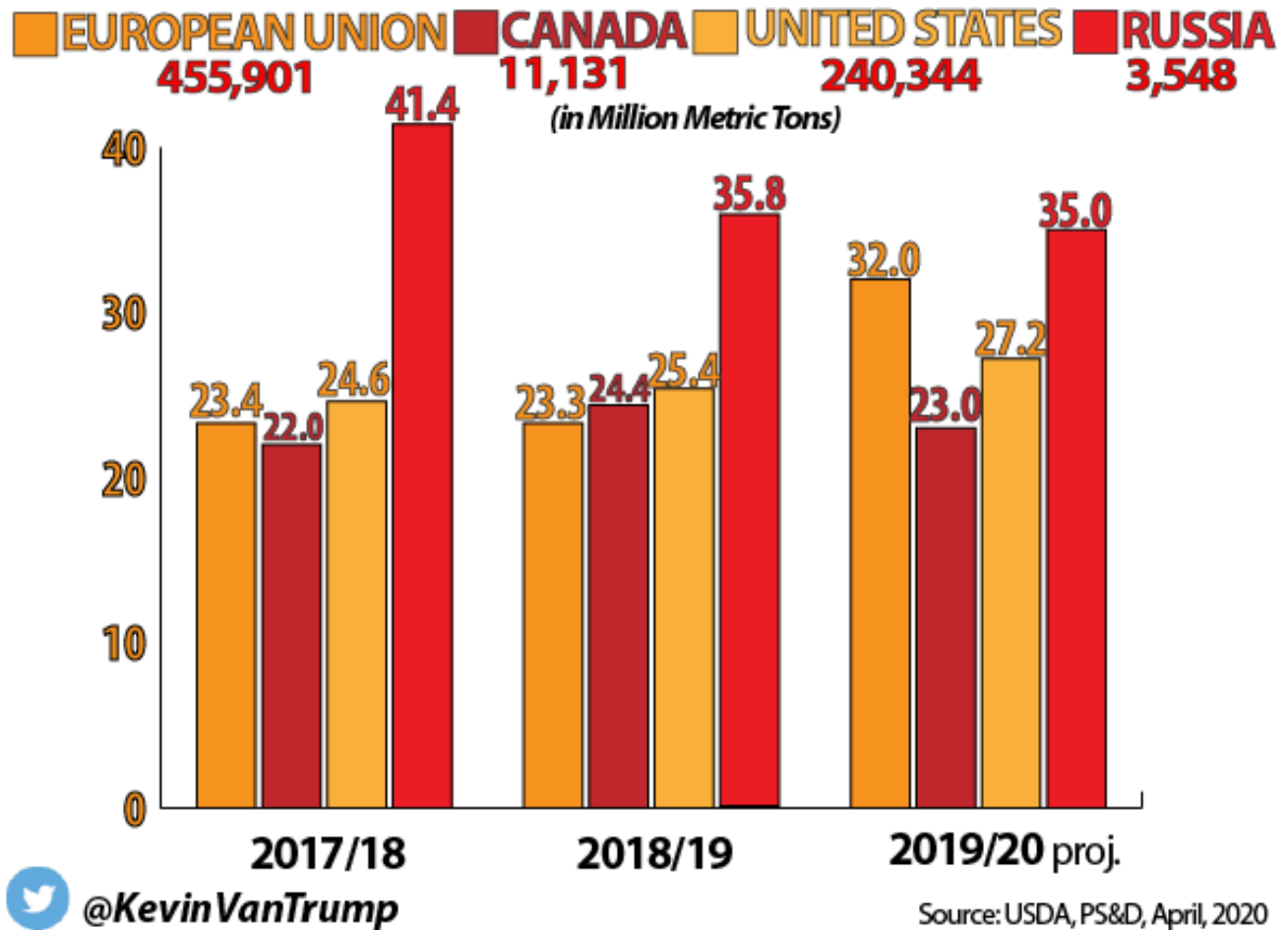
@KevinVanTrump

Source: USDA, PS&D, April, 2020

WHEAT bears are pointing to disappointing U.S. export sales, a cancellation by Egypt, and talk of a deeper and longer-lasting global recession. Bulls continue to point towards weather uncertainties in some areas here at home as well as portions of southern Russia and parts of Ukraine. There's also the uncertainties surrounding logistics and delivery out of parts of the European Union. Russia put a few limitations on grain exports moving forward but the trade doesn't see it as an issue. Technically, wheat bulls need to find more nearby traction or some believe the slope could start to get much more slippery. As a spec, I remain on the sideline, perhaps reentering some bullish positions on a deeper break. As a producer, I like the thought of reducing more new-crop risk. I also like the thought of looking forward to 2021 as the JUL21 SRW contract trades near \$5.50 per bushel.

Top Wheat Exporters

{Total COVID-19 Cases}





FARM TANK

A Podcast That Gets **Inside** The Greatest Minds In **Agriculture**

Free to your inbox! →

Click Here!



AgSwag 

WHATEVER FLOATS YOUR GOAT

A Section for Creative Minds

> **USDA Lifts Sugar Import Limits:** *The US Department of Agriculture announced several actions effective April 2 to boost the U.S. sugar supply. The*

department is raising the fiscal 2020 tariff-rate quota for raw cane sugar to 1.43 million metric tons, while nearly doubling the low-duty quota for refined sugar to more than 373,000. The USDA transferred allocations from domestic sugar beet processors with surplus allocation to those with deficit allocation. Domestic allocations were raised by a total of 134,202 tons. More details are available [HERE](#).

> Chinese Grain Supplies Sufficient for Domestic Supplies: China's main grain supplies are sufficient for domestic demand and will not be in shortage even without any imports, an official from the commerce ministry said on Thursday. China's ending stocks of wheat, corn and rice in 2019 totaled more than 280 million tonnes, while yearly consumption on average is more than 200 million tonnes, Wang Bin, head of the consumption promotion division at China's Ministry of Commerce, said. (Source: Reuters)

> Pandemic Spreads into Rural America at Rate Similar to Urban Areas: While a lower percentage of rural residents have acquired COVID-19, the disease is spreading in rural America at about the same rate as urban counties. The most recent data from USAFacts.org shows the number of coronavirus cases in rural (or nonmetropolitan) counties increased by 16% in the last 24-hour period, from March 30 to 31. The nationwide rate of increase was 15% during the same period. Rural COVID-19 cases continue to be concentrated in counties with economies based on tourism and recreation. As of March 31, these recreation counties had 28 percent of the rural COVID-19 cases. These same counties had only 13.5 percent of rural America's population. Rates of infection are growing in all parts of the rural economy. Last week, for instance, rural farming counties reported 22.4 cases of COVID-19 per million people. As of March 31, these same farming counties reported 95.3 cases per million. Read more from [Daily Yonder](#).

> Conservation Reserve Rental Rates Fall for New Land: The USDA will pay an annual rent of \$55 an acre on land entering the Conservation Reserve through the recently completed signup, a drop of \$8 an acre from the last time landowners idled large tracts of land in the reserve. The 2018 farm law set payments at 85 percent of the local rental rate for farmland, and analysts said the lower rates may have discouraged enrollments. The USDA accepted 3.4 million acres in the general signup that ended on Feb. 28. The average rate of \$55 for the new land is lower than the average of \$63 an acre for land in the previous general enrollment, held in 2016, and \$64 for a 2013 general enrollment. (Source: Ag Insider)

> Deere Idles Production After Coronavirus Case Confirmed: Deere & Co. idled production at its Dubuque, Iowa, plant after a worker there tested positive for the new coronavirus. The plant, which makes construction equipment for Deere, is being disinfected during the outage. Deere said a hygiene assessment of the plant is being conducted to improve safeguards and procedures to block the

transmission of the virus. Deere said it expects to call back the plant's 1,000 production workers on a staggered schedule over the next week or two. Deere has maintained production during the coronavirus outbreak as an essential manufacturer of machinery for farm crops and livestock.

> The Corona Crisis vs. The Great Depression: *Making economic or market comparisons to the Great Depression is almost always ridiculous...until now that is. The daily price swings we've seen in the last month were beginning to rival what happened during the 1929-1932 period. The worst 10 daily returns since the late-1920s are dominated by the Great Depression, 1987, the Great Financial Crisis, and this past month. Two out of the 6 worst days ever have come in the past couple of weeks. The levels of volatility over the past month are worse than anything markets saw in 2008 or 1987 and are on the doorstep of Great Depression levels. The economic output we'll see in the coming months may also look Great Depression-esque. It's possible the fall in quarterly earnings could rival some of history's worst drawdowns too. However, there are a number of differences between 1929-1932 and its aftermath and the current situation. Read more from [A Wealth of Common Sense](#).*

> Companies Avoid Advertising Next to Coronavirus News: *"Coronavirus" is now the keyword blocked by the most online advertisers, according to brand-safety firm Integral Ad Science. The targeted keyword blocking makes it even harder for publishers to sell ads at a time when many companies are pulling back ad spending. Some advertisers are even avoiding lifestyle content that may mention the outbreak, such as articles featuring recipes to cook while in quarantine. Prices on March 23 for automated online ads were on average -36% lower than they were on the same date a year earlier, according to Staq Inc. The price slump has hit news the hardest: ad-impressions on news content were down -41%. In mid-March, as the coronavirus crisis was becoming acute, Oracle-owned ad-measurement company Moat deemed more than 50% of desktop and mobile ad impressions across Dow Jones & Co. properties unsafe for brands. Advertisers use Moat's brand-safety data to make ad-buying decisions. When brand-safety firm Integral Ad Science deems an ad slot unsafe for the brand that bought it, it fills the slot with an ad for its own service. Those ads became nearly twice as common last week, according to ad-tracking firm Pathmatics Inc. Read more from [The Wall Street Journal](#).*

> Gun Purchases Appear to be Surging: *It's not just toilet paper people are rushing to buy. The FBI reported 3.7 million gun purchase background checks in the month of March, a 41% surge that indicates more and more people are trying to buy guns. Updated guidance from the federal government has designated firearm and ammunition retailers as essential services, which means they can stay open despite a growing number of states issuing stay-at-home orders. The decision is a victory for Second Amendment rights groups, some of which had*

already filed lawsuits in places where gun retailers weren't exempted in stay-at-home orders. (Source: CNN)

> Why Parents Should Let Their Kids Get Bored: *Boredom in children is common and something that every parent, teacher and sane adult wants to avoid. We've all heard the old saying: "An idle mind is the devil's workshop." So we expend time, energy, and lots of cash trying to ensure that our child's mind doesn't become the devil's place of business. But research shows that constructive boredom in children is essential to their mental and emotional development. Researchers Karen Gasper and Brianna Middlewood, of Pennsylvania State University, found that constructively bored individuals seek out and engage in satisfying activities—much like happy people do. Learn more about the benefits of boredom [HERE](#).*

> Wedding Business Blues: *There are 2.2 million weddings performed annually in the U.S. every year, and due to cancellations and statewide lockdowns the \$54.4 billion wedding business is in a tailspin and couples are forced to make impossible choices around their special day. According to surveys from Wedding Report, it's estimated 6.5% of couples are cancelling their weddings, 28% are trying to move the dates back to the back half of 2020, 22.5% are pushing it back to 2021, and 43% are not doing anything at this time. The average cost of a wedding in 2020 was estimated at \$24,675, so the 5% to 15% rebooking fees that various places charge can be a serious blow. Read the full story over at [Bloomberg](#).*

> Global Cities Applaud Hardworking Health Care Workers: *Health care professionals from Spain to Canada are getting a standing ovation. It is a must watch and listen video. Click [HERE](#).*

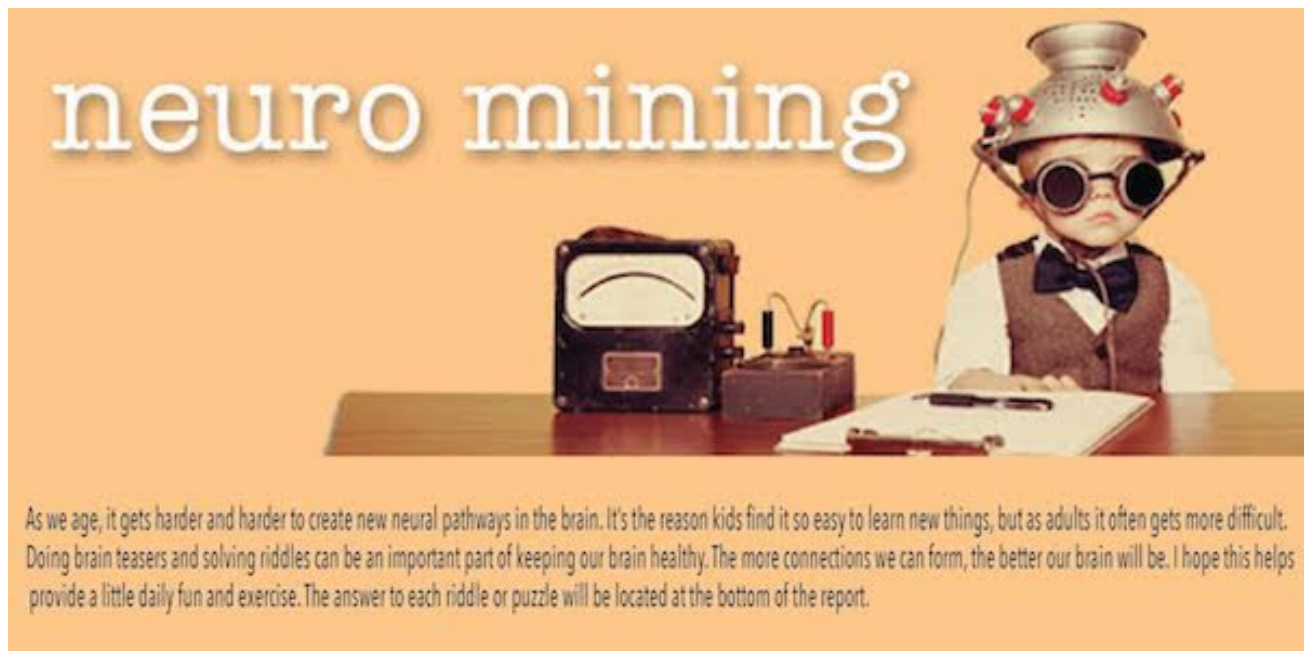


West central Iowa - We are out tiling and putting on anhydrous as we hope to be planting next week. The only seed in the ground that I know of are some test strips, but nothing substantial. We are fortunately staying busy with our tiling, excavation, and trucking businesses for the moment. We had our first positive case of coronavirus in our county but following quarantine, she is able to get out again. I do have some lingering concerns regarding our plans if the number of cases escalate or hit within any of our businesses. Our governor is saying peak cases will hit us on the 24th of April, right smack in the middle of planting. Ethanol is everything for most of the guys up here and we are sitting ducks if this goes completely south. We have explored railcars to Ohio which looked like it was near penciling in for us but basis is getting crushed again, leaving doubt as to our alternatives. We rolled the dice and are going 70-30 corn vs. beans this year as I would rather gamble on corn with my storage and entire set up. We also have a

few popcorn contracts and are growing soybeans for a seed genetics company this year. Admittedly, there is a yield drag due to how much the seed has been prepped to deliver protein and oil, but the premium makes it worth it.

Western Missouri - *We are getting the planters dialed in over the last several days and then we will get a short break for rain on Friday. Depending on the rain, we should be right back in the field early to the middle of next week planting corn. A lot of guys could be going around here already but surprisingly it's not happening. I don't know if they just don't want to plant or if they are holding off hoping to catch the prevent plant payment. It has been nearly perfect conditions for a few days now to be planting corn.*

Northern South Dakota - *The planting season could be further away than I thought a few days ago. We had a little rain last night and now today, it's been a mix of snow and rain. The weather is all over the place. I'm hearing anywhere from 2 inches to 10 inches. It will sit a few days and be gone by the end of the weekend because we have warm temperatures coming back our direction Sunday at the latest. Seems like guys are swaying both ways around here, more corn for the upside yield or less cost in soybeans or wheat. Anyone's guess on that one!*



TODAY'S RIDDLE: If you look you cannot see me. If you see me you cannot see anything else. I can make anything you want happen, but later everything goes back to normal. What am I?



Coronavirus and Crude Oil Casting Dark Clouds Over Farm Income in 2020

I've been on a ton of calls this week and many in the ag space are rightfully worried. If prices remain at these levels or perhaps even lower, many farm families will find themselves in dire financial circumstances. The complications of coronavirus along with the fallout in crude oil has created a dangerous one-two punch for many inside the industry. I would like to tell everyone that it's all going to work out and be fine but I know for some that will simply not be the case.

The good people at the Department of Agricultural and Consumer Economics from the University of Illinois as well as the Department of Agricultural, Environmental and Development Economics at Ohio State University, have put together their outlook for income levels this year based on the facts at hand and projections for how hard COVID-19 may hit the ag industry. You can read it in its entirety [HERE](#).

I can't stress enough, during times like this it is mission-critical to be in full-communication with your lenders, key vendors, customers, and support teams. Keep your head up and have a plan, things are going to move fast! We will get past this but the question for many of us is how much damage will we sustain in the process? Below are some of the conversations I've been a part of and questions that are being asked:

Financial Position Pre-2020: *This is one of the bigger concerns, that many producers already looked beaten up going into 2020. Producers have risen and answered the bell in each of the previous down rounds. The question many lenders and investors are now asking is how beaten-up are the producers and can they handle another flurry of heavy-handed punches? Net incomes on average were down considerably in 2019 as compared to 2018 levels but stayed near the 5-year average with the help of the MFP payments, crop insurance coverage, and additional assistance on Prevent Plant acres through Wildfire and Hurricane Indemnity Program Plus payments. Let's keep in mind, corn prices here in the U.S. have spent the majority of its time sub-\$4.00 since the summer of 2014. Meaning, some producers may have been holding their breath underwater for an extended period.*

Insurance Prices are Lower: *2020 projected prices for crop insurance sold in Midwest states were \$3.88 per bushel for corn and \$9.17 per bushel for soybeans. Both corn and soybean projected prices were below last year's level. The \$3.88 projected price for corn in 2020 is -\$0.12 lower than the \$4.00 projected price for 2019. The \$9.17 soybean projected price for 2020 is -\$0.35 per bushel below the \$9.54 projected price for 2019.*

Is Storage Creating False Security? *Some insiders argue that the massive amounts of storage that*

have been built by U.S. producers the past several years might actually be creating more complications. There's been the argument the past few years by some large market investors that U.S. storage by default is positioning us as the world's ancillary supplier. Producers in Argentina, Brazil, Russia, Ukraine, etc... who have much less on-farm storage simply grow the crop, harvest, and sell it, making it readily available on the global marketplace. Here at home, a larger portion of our crop is being held back on the farm and giving the market a sense of security. Unfortunately, with more global acres of corn being grown at improved yields, we quickly get to the next season and another foreign producer harvests and again floods the market with supply. Look right now, many U.S. producers are still holding old-crop supply, yet both flat-price and the basis have gotten hammered. If you think back in time, rarely was this the case. But now our farmers hold back more supply and we quickly get to the South American growing season, where production has dramatically grown larger.

Strength of the U.S. Dollar: *It goes without saying, the strength of the U.S. dollar compared to our global export competitor's currency has weighed on overall demand and competitiveness. Just look at Brazil, their producers are simply harvesting another record crop, selling it out of the field, and, because of the currency valuations, banking record cash sales. While here at home we can't even come close to breakeven. As producers of commoditized agriculture, we have to remind ourselves we are in the export business. Like it or not we have to stay competitive with our export competition.*

Too Many Acres... *Never before has the world looked to the U.S. as a high-cost producer, but here we are. I've traded a long time and in a lot of different markets, but one rule is constant, anytime a market deems itself as "oversupplied" it has one job and one job only... push prices hard enough and low enough that it drives out the highest cost producer in an attempt to reduce overall global supply and balance the marketplace. There are some arguments circulating that government subsidy and safety-nets are inadvertently helping to keep too many U.S. acres in production. New and improved technology has also helped many producers who are farming on less quality soil become more competitive. At some point, the number of acres will have to come down to work towards balancing supply or prices will simply continue to tumble lower. Look at what's happening in crude oil, the market is now swimming in supply, meaning the world's lowest-cost producers and those with the least amount of debt will be best suited to survive.*

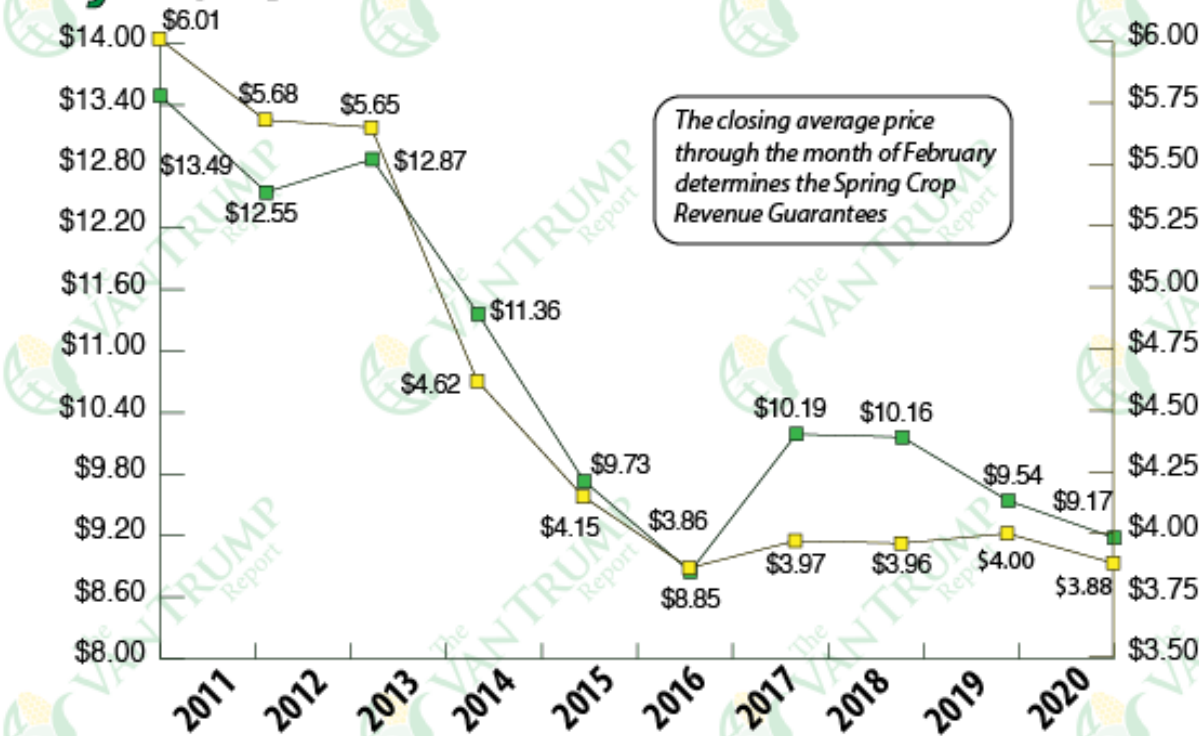
My advice... Hang in there! Even the best and most solvent are having to rethink strategy. I've heard more producers talking to providers of 5G and solar about longer-term leases. I've also heard some producers pivoting back to a bit of livestock and or a few more specialty crops trying to capture a premium. I've also heard more producers trying to find ways to go more direct to end-users to work towards saving some margin. I'm certainly not claiming to have any enlightening insight or magic wand that makes all of this go away. In fact, I'm deeply concerned for many of my farming friends and families. I'm hoping the government can provide some further short-term relief, but unfortunately, I still see deeper long-term problems for those who find themselves in the category of a higher-cost producer in this increasingly competitive global marketplace.

Historical Base Price Guarantees

Soybeans

(Measured in dollars per bushel)

Corn

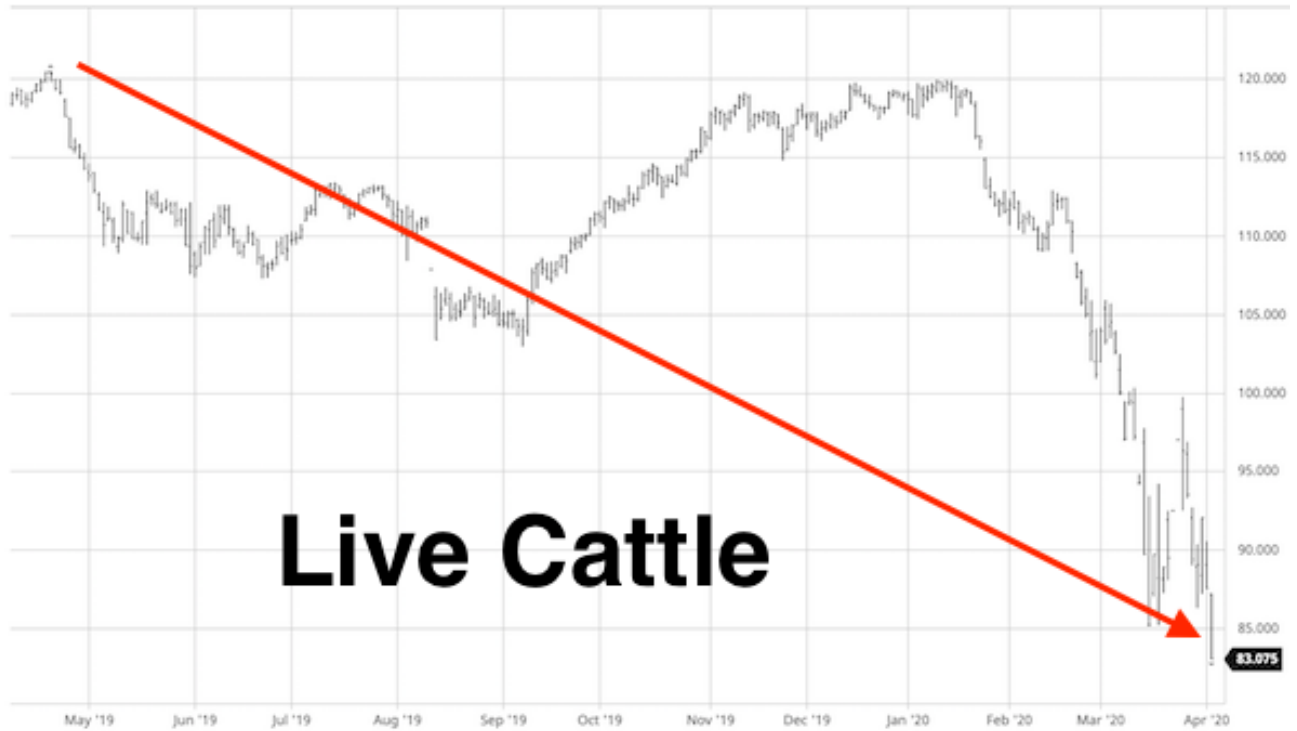


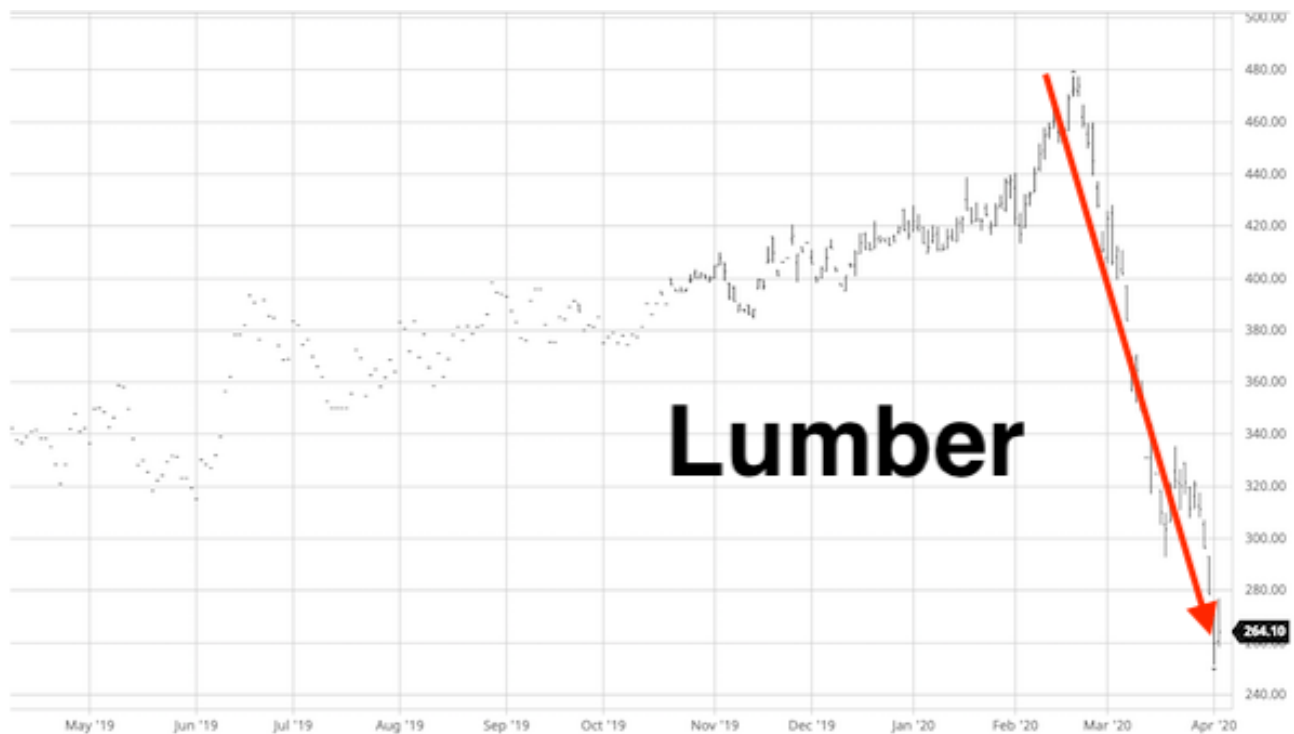
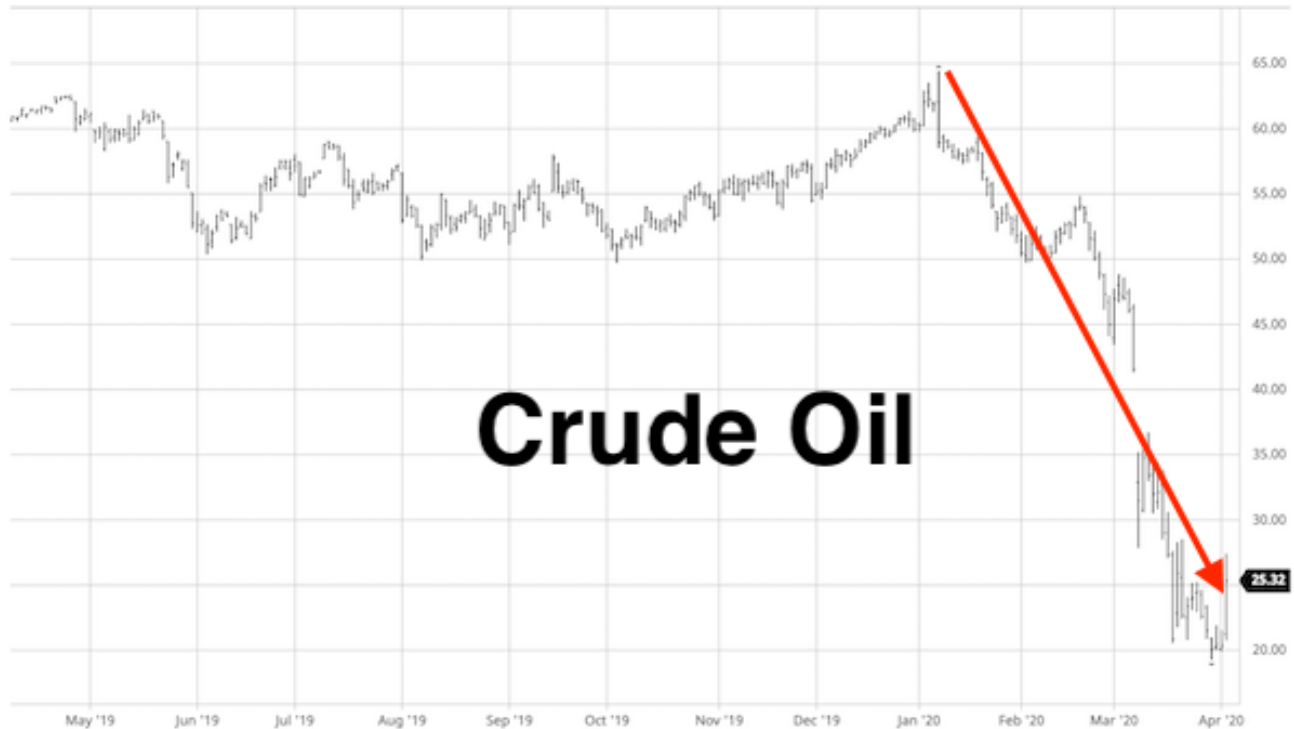
Source: USDA, base price projections, February 2020

@KevinVanTrump









Yeast is SOLD OUT but You Can Still Make Bread!

Managing our everyday lives under coronavirus lockdowns has been made more complicated in some places due to panic buying leaving store shelves empty of many staple items. People are saying even yeast is sold out in some places as a lack of bread is prompting shoppers to make their own, it seems. Normally, yeast

is not a very high-demand consumer item so stores and manufacturers both were really caught off guard with this one. In the places where it's sold out it could be a couple of weeks before grocers will be restocked.

If you really had your heart set on making bread - or you can't find any at the store - never fear! Below are a couple of good yeast-free options.

Irish Soda Bread:

This is by far one of the easiest breads in general to make and will turn out something close to a standard white loaf, though a little denser with a harder crust. Americanized versions usually call for egg and butter. Sally's Baking addiction has a good but simple recipe [HERE](#). The traditional recipe is even more basic, with just 4 ingredients and only takes about 10 minutes to mix up.

*3 1/2 C flour
1/2 teaspoon salt
3/4 teaspoon baking soda
1 1/2 C buttermilk*

- *Heat oven to 450 degrees.*
- *In a large bowl, sift together the flour, salt, and baking soda. Make a well in the center and pour in the milk. Using your hand, mix in the flour from the sides of the bowl. The dough should be soft but not wet and sticky.*
- *Turn the dough out onto a well-floured work surface. Wash and dry your hands. Knead the dough lightly for a few seconds, then pat the dough into a roundabout 1 1/2 inches thick. Place it on a buttered baking sheet and using a sharp knife, cut a deep cross in the center of the dough reaching out all the way to the sides.*
- *Bake for 15 minutes, then reduce the oven temperature to 400 degrees and continue to bake until the top is golden brown and the bottom of the bread sounds hollow when tapped, about 30 minutes longer.*

Sour Dough:

If you've got time and patience, consider building your own sourdough starter. They are made from just flour and water but do require one to two weeks to get going. Sourdough relies on wild yeast naturally present in flour and in the air of your home. As the starter ferments, it negates the need for yeast. After you have the starter, you can make just about anything with it that requires commercial yeast. If you don't have a lot of baking experience, it will be easiest to look for recipes that call for a starter rather than yeast. Below is the basic starter recipe.

*1 3/4 C all-purpose flour (The process will go faster if you use rye or whole wheat flour)
4 T water (preferably filtered, but tap will work)*

- *In a small bowl, stir together 1/2 cup flour and 6 Tablespoons water to form a thick and sticky mixture with no dry lumps remaining. Cover loosely with cheesecloth or a clean towel and set in a warm*

location for 2 to 3 days or until you detect a light, boozy scent and see bubbles breaking the surface. Discard half and add another 60 g / ½ cup flour and 60 g / 6 tablespoons water and stir to combine. Replace the cheesecloth and allow to ferment at room temperature for 8 to 12 hours. The mixture should be bubbly and active after this time.

- *Discard half of the mixture and add another ¾ cup flour and ½ cup plus 1 Tablespoon of water. Allow to ferment again for 8 to 12 hours. Once it is fragrant with a creamy, yeasted scent, perform the float test by dropping a dollop of the starter into a cup of water. If it floats, the wild yeast is active enough to produce carbon dioxide gases as a byproduct of fermentation. If it sinks, perform one or two more feedings or extend the feeding time before trying again.*
- *Once your new culture passes the test, feed it daily with equal parts flour (you can use any type of flour for feeding) and water to the weight of the starter. (a 1:1:1 ratio.) Feed it daily if kept at room temperature, or store it in the refrigerator and feed it weekly, always discarding (or using!) some, but not all, of the original starter before each feeding. If you frequently use it, bakers recommend keeping at least 2 heaping tablespoons of starter on hand.*
- *Store your starter in a jar with a loose-fitting lid to prevent it from drying out. Mason jars with a flip-top lid are excellent, as the rubber gasket can be removed, allowing the lid to be fully closed but still loose.*

NOTE: For more detailed instructions or to dive into the chemistry behind sourdough, click [HERE](#).





A Good Time to Revisit... "Stupid"

I thought as we head into another Spring weekend on lockdown, we should revisit the term "stupid".

Psychologists have often wondered what prompts people to do stupid things? From criminals and politicians to friends and family, all sorts of people do stupid things every single day.

But what exactly makes an act "stupid"? It's a harder question to answer than you might think. Rather than formulate a textbook-style response, many have preferred to simply reply: "You know stupidity when you see it." And we've seen a ton of these acts as of late with individuals fighting over toilet paper, people completely disregarding the call for social distancing, etc...

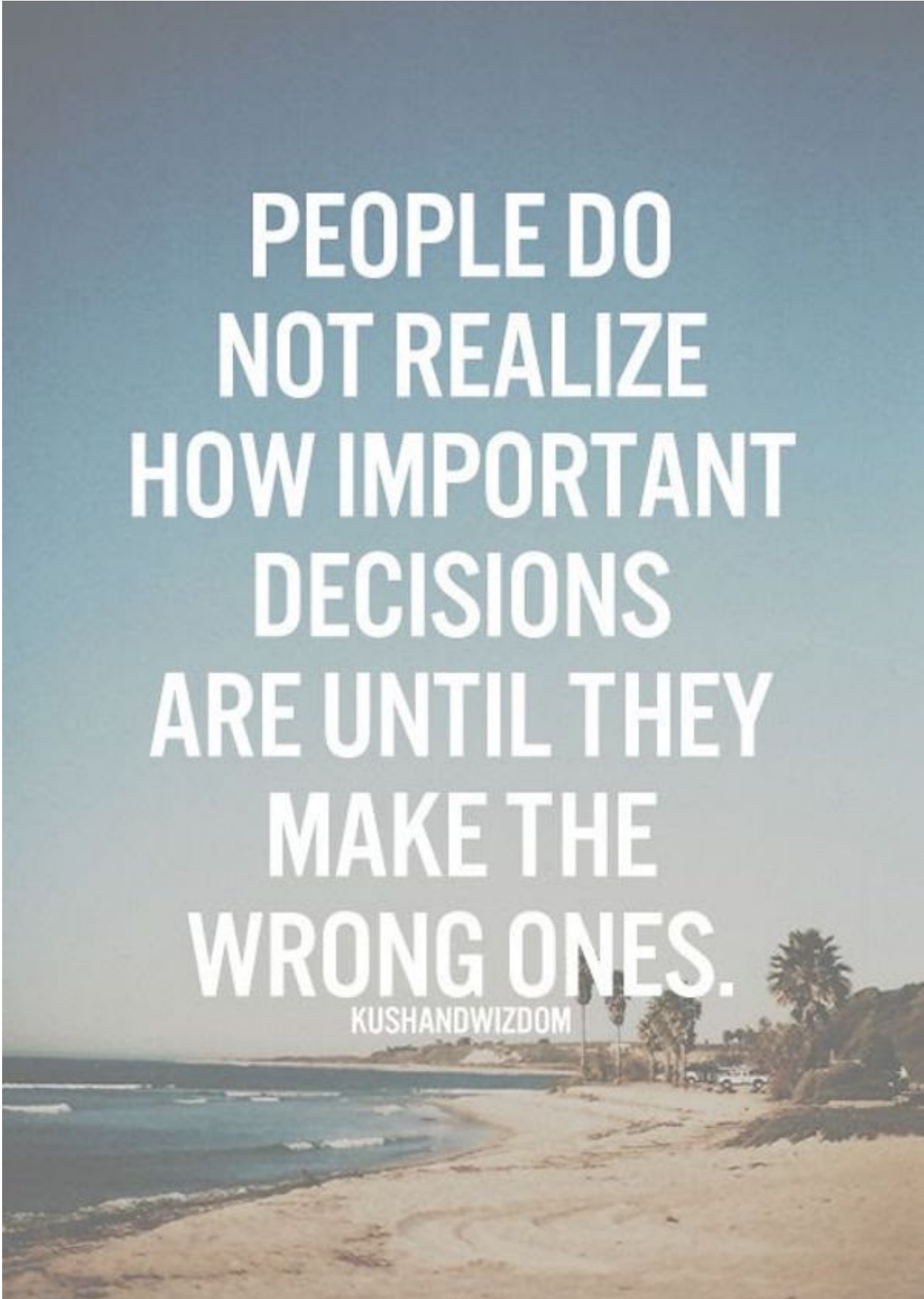
Interestingly the team at Journal Intelligence, Balazs Aczel and Bence Palfi of Eotvos Lorand University recently teamed up with Baylor University's Zoltan Kekecs to come up with a more complete and empirical answer. To uncover what defines an act as "stupid," the researchers analyzed thousands of real-life examples of stupidity. A summary of the work – entitled "[What is Stupid?: People's Conception of Unintelligent Behavior](#)" – published by Scientific American outlines the "Three faces of stupid".

Despite the obvious limitation, the researchers should be applauded for blending an unlikely cocktail of science and stupidity. Now, if you have to go out this weekend and you call someone stupid, you can explain to your family and friends exactly why your assessment is correct, and provide a dash of evidence to back it up. (Source: [RealClearScience](#)) Below are the three unique faces of stupid that make someone qualify. Check these three boxes and you could end up on the slippery slope of "stupid". Stay mindful and stay safe!

Excessive Confidence: *You can find millions of examples of this on Youtube. The failed bicycle jump over a group of unwitting friends. The high dive at the public pool gone horribly wrong. The guy at the wedding who really can't dance, but somehow thought he could.*

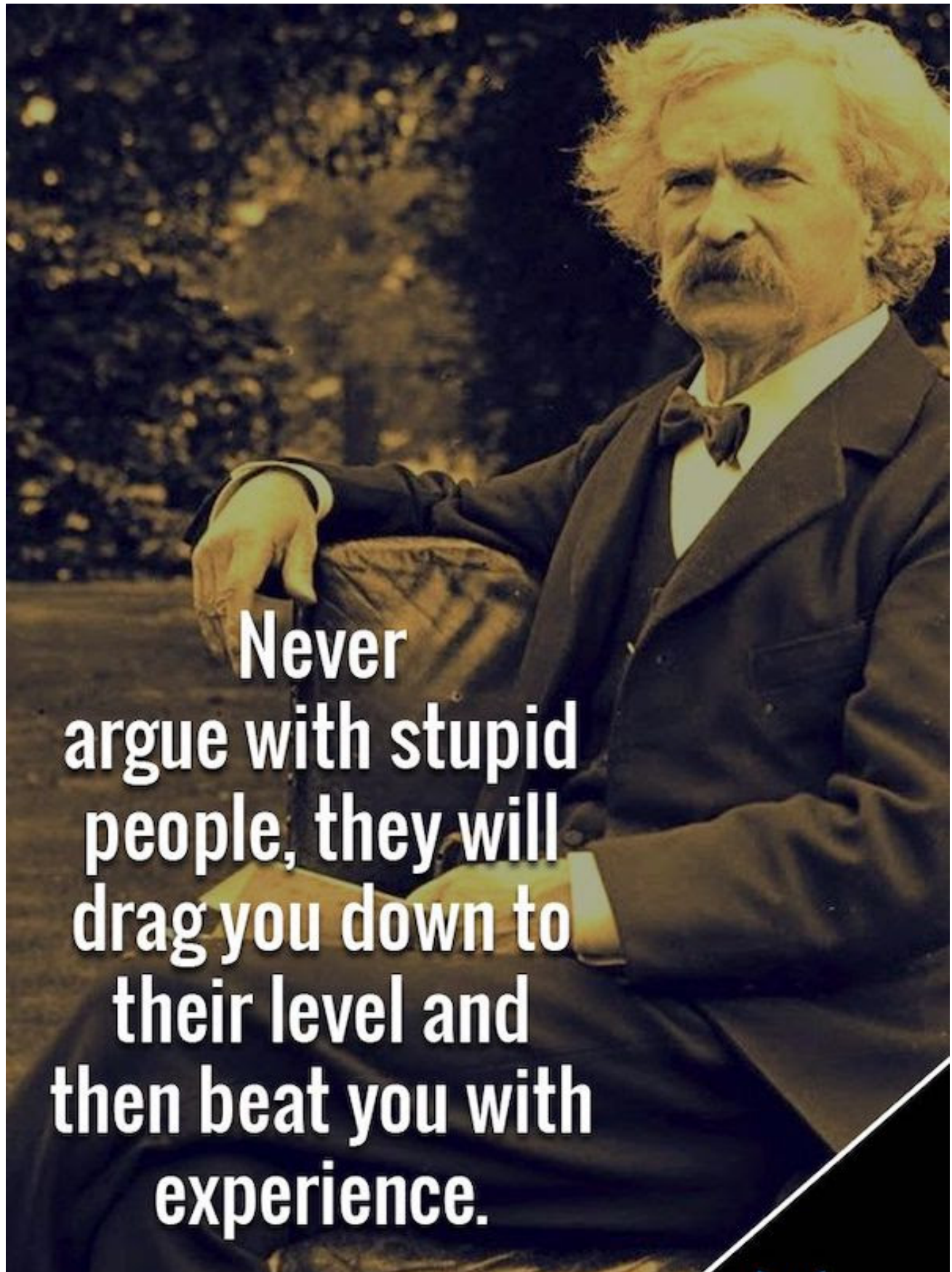
Impulsive Acts: *Everyone enjoys a bit of spontaneity in his or her lives, but go too far over the line and you'll earn your "Stupid" merit badge in a jiffy. This class of errors differs from the first in that it is clear that the person involved did not misjudge their abilities. Rather they simply did not think very much about the outcomes of their actions. "What's the worst that could happen?" are some of the most dangerous words in the English language.*

Lapses in Attention: *Examples in the Scientific American article highlight seasoned football players who run the wrong direction on the field and cost their team an important game. In the heat of the moment, a lot can go wrong if you aren't laser-focused on the job at hand. For what it's worth, the subjects in the study found that such goofs are the "Least stupid" of the three error types they identified.*

The background of the image is a photograph of a beach. In the foreground, there is a wide expanse of light-colored sand. To the left, the ocean waves are breaking onto the shore. In the distance, there are palm trees and some buildings under a clear blue sky. The text is centered in the upper half of the image.

**PEOPLE DO
NOT REALIZE
HOW IMPORTANT
DECISIONS
ARE UNTIL THEY
MAKE THE
WRONG ONES.**

KUSHANDWIZDOM



**Never
argue with stupid
people, they will
drag you down to
their level and
then beat you with
experience.**



It has been said that the gate of history turns on small hinges, and so do people's lives. The choices we make determine our destiny.

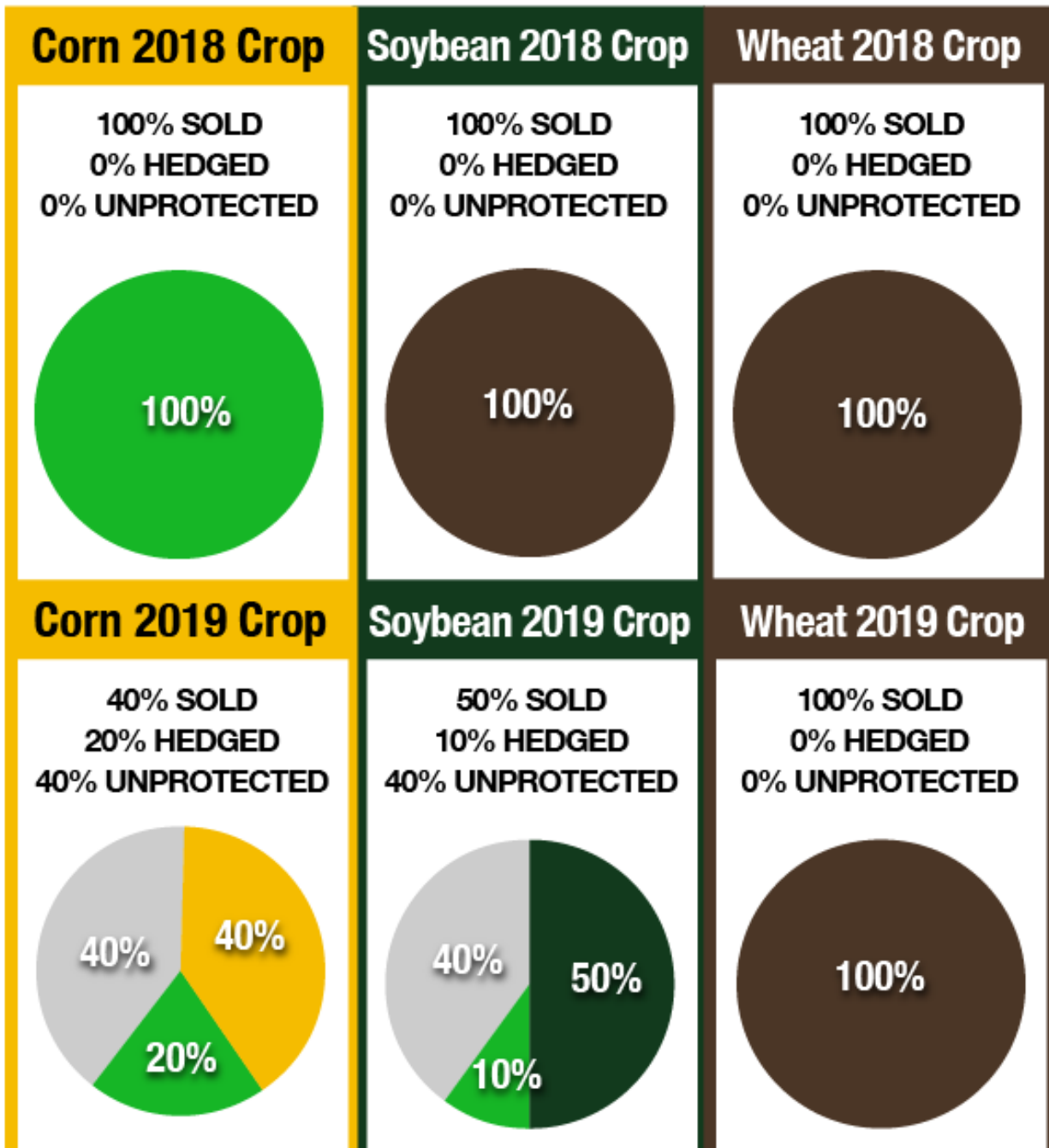
Thomas S. Monson

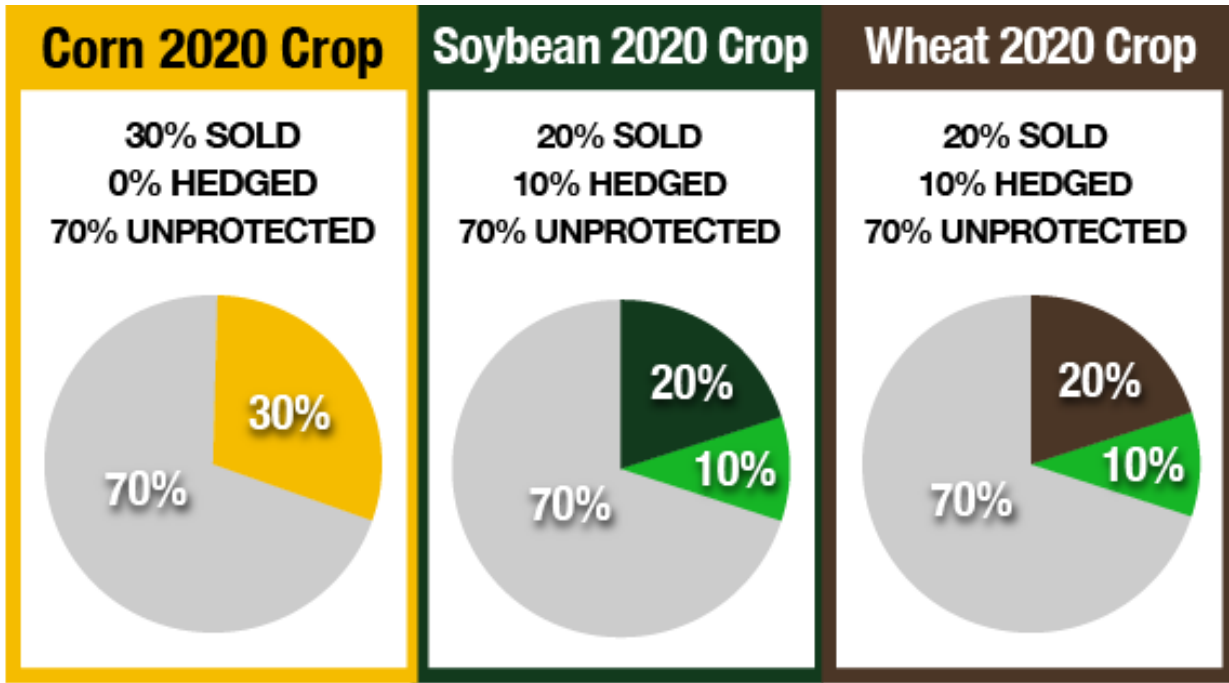
quibbly

ANSWER to riddle: Your imagination.

CASH SALES & HEDGING TOTALS

PLEASE READ The Van Trump Report is a publication intended to give analytical research to the Agricultural community. The Van Trump Report is not rendering investment or hedging advice based on individual portfolios or individual business operations. Kevin Van Trump is NOT registered as a stock or commodity advisor in any jurisdiction. You need to consult with your own registered advisor for specific strategies and ideas that are appropriate to your specific portfolio or business entity. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete. This report is not intended, and shall not constitute, or be construed as an offer or recommendation to "buy", "sell" or "invest" in any securities or commodities referred to in this report. Rather, this research is intended to identify issues and macro situations that those invested in the agricultural industry should be aware of to help better assess and improve their own risk management skills. Please read the entire [DISCLAIMER PAGE](#) for full risk-disclosure and copyright laws.





AgSwag



Bold. Fast. Fun

Sponsored by **AgSwag**

Tired of battling poor customer service, poor quality and lack of premium selection in the swag space?

AgSwag now offers our members the latest fashions and trends from brands such as: Branded Bills, Carhartt, Champion, Cutter & Buck, Drake, Fairway and Greene, Filson, Ice Shaker, Marmot, New Era, Nike, North Face, Pacific Headwear, Under Armour, Yeti... and more

Swag should NOT be considered a "cost" or an expense for business owners. When used properly in a well thought out campaign "corporate swag" can dramatically reduce the cost of new customer acquisition, client churn and retention, expedited development of brand ambassadors, etc. The Van Trump family believes their AgSwag business can deliver on those promises.

AgSwag is not trying to be the lowest cost supplier. We are trying to partner with "best-of-practice" and like-minded businesses to bring a better "return-on-

investment” by designing and helping to implement a well thought out corporate swag strategy and campaign. There are hundreds of online companies that offer quick ways to throw a corporate logo on a cheap hat or t-shirt. AgSwag offers the best in selection, design, implementation, and service! Click [HERE](#) to learn more!

Call to order your AgSwag today @ 816-221-SWAG!



Can't see the images? [View As Webpage](#)

This email was sent by: Farm Direction
1020 Pennsylvania Ave, Kansas City, MO, 64105 US

Privacy Policy

Update Profile

Manage Subscriptions