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GOOD MORNING: The Van Trump Report 4-7-20

1 message

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

Tue, Apr 7, 2020 at 5:30 AM

Reply-To: Jordan <reply-fec411727d660178-1180_HTML-68584704-100003450-11@vantrumpreport-email.com>

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"A pessimist is one who makes difficulties of his opportunities and an optimist is one who makes opportunities of his difficulties." - **Harry S. Truman**

Tuesday, April 7, 2020[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks traders are trying to digest and get their hands around all of the latest headlines. Bulls are pointing to what might perhaps be the peak in the number of daily coronavirus deaths in both New York and California. At the same time, the U.S. government continues to make aggressive moves to help shore up the economy and pave the way for a more rapid recovery. Gold has pushed to a fresh eight-year high and the stock market has bounced by almost +20% from its low. Personally, I think we could still go another +5% to +8% higher as the Fed is buying everything in sight. I'm talking about the S&P 500 pushing to perhaps 2800 or 2850. Think about this, the Nasdaq and the "QQQ" are both higher year-over-year. From my perspective that's nuts! I've been a momentum buyer the past +10-years, buying into market strength, i.e. buying high and selling even higher. Today, I'm sorry, I just can't be a buyer into these bounces. I worry that we are now in a bear market and +20% rallies can't be ruled out. I just see too much economic fallout associated with the global

shutdown and the fact it's going to take "time" to get the U.S. consumer back in rhythm and the global economies fully back online. Perhaps I'm way off base and crazily wrong... but if I can escape this big of a cataclysmic event mostly unscathed I'll take it. Again, I see no need in taking on big bullish risks in the stock market at this level or this stage of the game. I believe there will be bigger opportunities and eventually easier shots further down the road.



NEW "Highly Volatile" Podcast will be released this morning. This is one you don't want to miss as it features our special guest Tom Willis, CEO, Conestoga Energy. Tom is a longtime friend and business partner and in this podcast provides valuable insight and opinion about the future of ethanol, the current fallout in crude oil, and the struggles many in agriculture are currently facing. Co-host Andy Daniels also provides a few of his favorite trades. I tell listeners how I'm now playing the corn market.

If you haven't yet signed up for the podcast series, you can do so for FREE by [Clicking HERE](#), it will come direct to your inbox from our FarmTank team. Wishing everyones family health and wellbeing during these difficult times. Stay strong! Look for the podcast in your inbox.

Annual JPMorgan Chase & Co. Letter to Investors: This letter from CEO, Jamie Dimon is making its way around the trade. Towards the end of the letter, he addresses the future, below are a few excerpts... **Click [HERE](#)** to read full letter.

"Of course, we do not know how this crisis will ultimately end, including how long it will last, how much economic damage it will do, or how fast or slow the recovery will be. We have always been serious about stress testing and run an enormous number of tests per week so that we are prepared for most crises. But as is often the case, this "actual new crisis" – while it shares attributes with what is being stress tested – is dramatically different from the expected.

We stopped buying back our stock: We have always held the position that the highest and best use of our equity is to reinvest it in our own business and, of course, to be able to withstand tough times. Halting buybacks was simply a very prudent action – we don't know exactly what the future will hold – but at a minimum, we assume that it will include a bad recession combined with some kind of financial stress similar to the global financial

crisis of 2008. Our bank cannot be immune to the effects of this kind of stress.

We will share in detail our latest thinking on the impact this crisis will have on our financials in our first quarter earnings release in mid-April;

Additionally, we have run an extremely adverse scenario that assumes an even deeper contraction of gross domestic product, down as much as 35% in the second quarter and lasting through the end of the year, and with U.S. unemployment continuing to increase, peaking at 14% in the fourth quarter.

We applaud and support the recent actions the U.S. Department of the Treasury and the Federal Reserve have taken to try to mitigate the economic impact of the COVID-19 turmoil. The Fed's overwhelming actions have already dramatically reduced the financial stress in the system, and there is still more they could do if they need to.

We have the resources to emerge from this crisis as a stronger country. America is still the most prosperous nation the world has ever seen. We are blessed with the natural gifts of land; all the food, water and energy we need; the Atlantic and Pacific oceans as natural borders; and wonderful neighbors in Canada and Mexico. And we are blessed with the extraordinary gifts from our Founding Fathers, which are still unequaled: freedom of speech, freedom of religion, freedom of enterprise, and the promise of equality and opportunity. These gifts have led to the most dynamic economy the world has ever seen – one that nurtures vibrant businesses large and small, exceptional universities, and a welcoming environment for innovation, science and technology. America was an idea borne on principles, not based upon historical relationships and tribal politics. It has and will continue to be a beacon of hope for the world and a magnet for the world's best and brightest."

The Fed Adding More Firepower: From what I understand, the Federal Reserve yesterday announced a new plan to purchase Payroll Protection Program (PPP) loans from banks that originate them for the Small Business Administration (SBA). In theory, this would free up capital and allow banks to make even more loans to business owners. The program should be especially helpful for community banks who many analysts have worried could quickly find themselves overextended. The PPP is one of six facilities the Fed has launched to combat the coronavirus-related economic fallout. Banks have reportedly been struggling to keep up with the surge in demand for the SBA guaranteed loan program, which was only launched this past Friday. As of Monday morning, the SBA had processed 124,000 loans totaling \$36 billion, from over 2,300 lenders. The Fed's Main Street Lending Facility, which will mostly benefit businesses with between 500 and 10,000 workers, is still in the

works. Fed Chairman Jerome Powell is scheduled to provide an update on the economy on Thursday in a webcast speech hosted by the Brookings Institution.

The World is Closely Watching "Austria"... First EU Country to Bring Economy Back Online: Reuters reported that Austria is preparing for a "resurrection" the day after Easter by reopening and loosening its coronavirus lockdown. The nation was broadly shut down three weeks ago, with schools, bars, restaurants, theatres, non-essential shops and other gathering places closed. The public has been told to stay at home and work from there. The lockdown has helped reduce the daily increase in infections to 1.6%, Health Minister Rudolf Anschober said. The number of people in the hospital has stabilized. There have been 12,206 cases and 220 deaths so far in Austria. But now they are planning to open back up... Denmark, the Czech Republic and Italy could outline similar plans soon. Below are some details, read the full Reuters report [HERE](#)

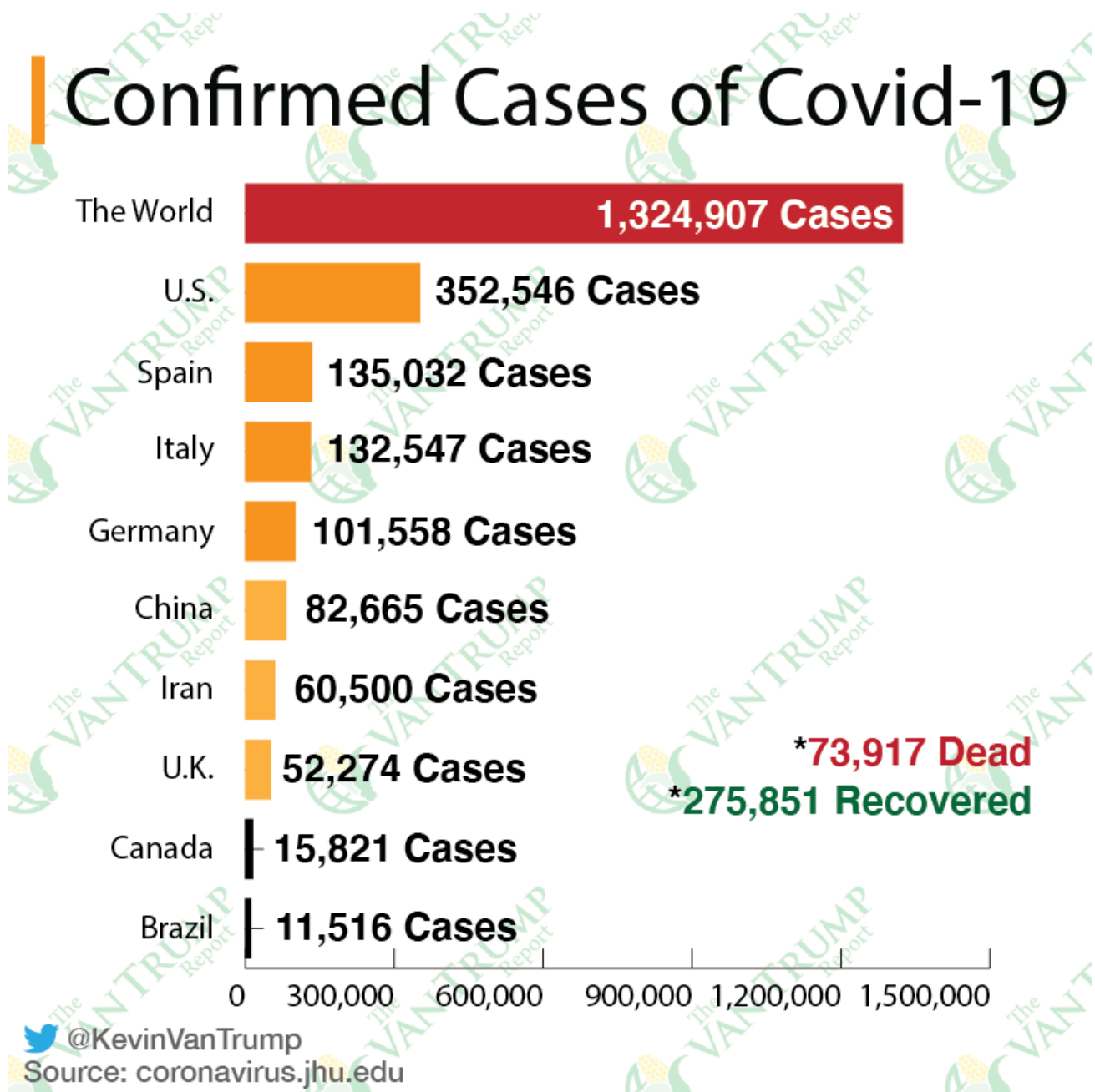
Austria's plan is for non-essential shops of 4,300 square feet or less to reopen on April 14, the day after Easter Monday. They would be followed by all shops, shopping malls and hairdressers on May 1. Restaurants and bars perhaps by mid-May. However, in the beginning only one shopper per 215 square feet of shop space will be allowed. Austria has since required shoppers to wear face masks at supermarkets and drugstores and the government said it would extend that requirement to public transport and shops that are reopening.

Keeping an Eye on Crude Oil: Investors will continue to closely scrutinize the communications between OPEC and Russia. Oil bulls are still hoping the two parties can reach an agreement to restore the OPEC+ arrangement and implement new production cuts at a meeting scheduled for Thursday. Reuters, quoting three OPEC sources, reported that Thursday's meeting was "conditioned upon the United States joining in production cuts". President Trump says OPEC has not asked him for the U.S. to sign on to any such agreement.

Coronavirus Updates

- *President Donald Trump said Monday he would be granting New York Governor Andrew Cuomo's request to convert a hospital ship docked off of Manhattan to treat coronavirus patients. The President also confirmed that the ship has been approved to treat New Jersey patients.*
- *New York City is considering using temporary graves in its potter's field to handle the deaths from the new coronavirus pandemic.*
- *Wisconsin's Supreme Court blocked Democratic Gov. Tony Evers' order to postpone Tuesday's election, despite his arguments that in-person voting could endanger poll workers and voters because of the coronavirus pandemic.*

- *Washington Democratic Gov. Jay Inslee announced Monday that the state's ban on in-person school classes will continue for the remainder of the school year.*
- *Los Angeles County health officials urged residents to skip grocery shopping this week as the number of coronaviruses cases continue to rise.*
- *The National Restaurant Association expects the industry will shed \$225 billion over the next few months, along with some 5 million to 7 million jobs.*
- *Amazon will delay its annual Prime Day promotion at least until August.*
- *Under Armour is furloughing 6,600 workers at its U.S. retail stores and distribution centers.*
- *Honda has extended its U.S./Canadian Auto Production Halt Through May 1.*
- *Nissan will layoff about 10,000 employees Tuesday at plants in Canton, Mississippi; Smyrna, Tennessee and Decherd, Tennessee.*



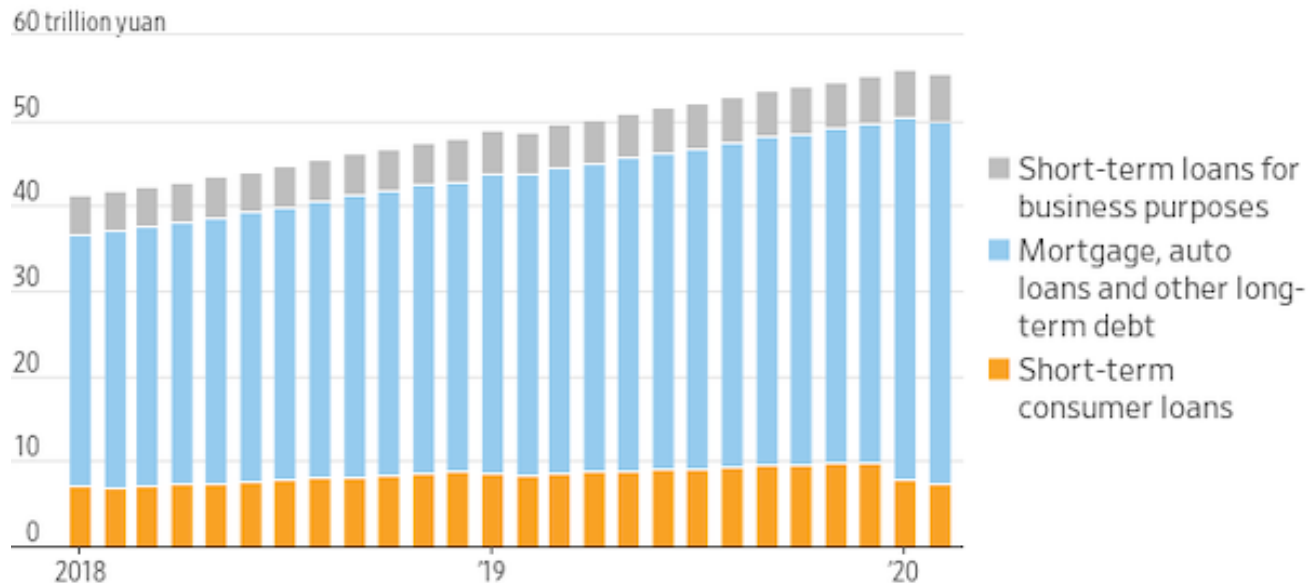
Even Golf is Being Heavily Impacted: *This years British Open Championship is the latest major golf tournament to get canceled due to corona. From what I have learned, the tournament wont happen at all, and the next British open won't be played until July 2021. Meaning at best there will only be three majors played this year. The Masters, which was originally scheduled for this weekend is now on the calendar for November. The U.S. Open at Winged Foot Golf Club in New York was supposed to happen in June and has now been pushed back to September. The PGA Championship is now scheduled for August and the Ryder Cup scheduled for late-September.*

China Faces Credit Downturn as Borrowers Fall Behind on Debts: *China is*

edging toward what could be its first credit downturn in decades. In recent weeks, executives at some Chinese banks and online lending platforms said more consumers have fallen behind on their credit-card and loan payments, which could snowball into higher defaults in the coming months. Some lenders have reduced loan originations as a result, despite regulators' calls to keep credit flowing across the economy. The development could foreshadow what is in store for U.S. lenders in the coming months, as millions of people stay home and struggle with reduced incomes. China Merchants Bank, one of China's biggest issuers of credit cards, said during an earnings call last month that delinquencies on credit-card debt, mortgages and micro loans increased significantly in February. Read more [HERE](#).

Loan Pileup

Chinese consumers were taking on more debt before the coronavirus pandemic dented demand early this year.



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Contact: jordan@farmdirection.com

**SOLD OUT THIS WEEK!
SELECT TIMES AVAILABLE
NEXT WEEK.**



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](#).

Coronavirus and Student Loans: *Part of the coronavirus stimulus package was relief for student loan borrowers. There will be a six month pause on federal student loan payments, from March 13 to September 30. Learn more details as to which types of student loans qualify and what you need to do to take advantage of the new guidelines [HERE](#).*

Allstate to Return \$600 Million in Premiums: *Allstate, one of the largest U.S. auto insurers, said on Monday it would return more than \$600 million in premiums to customers as many Americans drive less due to stay-at-home orders aimed at curbing the coronavirus outbreak. Most customers will receive a*

"payback" of 15% of their monthly premium in April and May, the company said. State Farm and Progressive Insurance, also among the largest U.S. auto insurers, are also looking into the driving decline and its potential impact on premiums. Both companies expect to make decisions soon, they said. Piper Sandler analyst Paul Newsome says auto insurance companies are actually one of the few silver linings out there. Fewer accidents generally lead to a lower claim frequency, and Newsome expects insurance companies with large auto portfolios, such as Progressive, Travelers Companies, and Allstate, to post good first-quarter results. Read more [HERE](#).

Mortgage Industry Seeks New Liquidity for Coronavirus Relief Program:

A broad coalition of mortgage and finance industry leaders on Saturday sent a plea to federal regulators, asking for desperately needed cash to keep the mortgage system running during the coronavirus pandemic, as requests from borrowers for the federal mortgage forbearance program are pouring in at an alarming rate. The Cares Act mandates that all borrowers with government-backed mortgages — about 62% of all first lien mortgages according to Urban Institute — be allowed to delay at least 90 days of monthly payments and possibly up to a year's worth. Those payments would then have to be made at a later time through a payment plan. Servicers are granting the payment deferrals to borrowers with no questions asked, as is required by the law, but the servicers still have to pay mortgage bond holders. In normal times, they have enough to cover these payments, but now find themselves short the cash they need to pay bondholders. You can read the letter [HERE](#).

What to Expect if You Have a 401(k) Loan and Lose Your Job: *If you already are paying on a loan from your 401(k) account and lose your job amid the coronavirus pandemic, that borrowed money could generate a tax bill you weren't expecting. Although the CARES Act makes some changes to 401(k) withdrawals and loans for individuals financially impacted from the coronavirus, the legislation does not cover loans unrelated to the current crisis. Learn more [HERE](#).*

Skype Unveils Free "Meet Now" Video Calls: *There's no question that Zoom has quickly become the leader in video meetings and video calls during the coronavirus pandemic but there are serious concerns about the company's security and privacy. Capitalizing on Zoom's troubles, Skype has rolled out Skype Meet Now calls that don't require a sign-up or installation. Learn more [HERE](#).*

A Support Guide For Parents With Babies and Toddlers: *It is a well-established fact that babies' brains develop at warp speed in the first three years of life, laying critical cognitive, emotional, and social foundations. But what happens when a public health emergency like Covid-19 completely upends*

this time? First, the good news: There is nothing your child needs that you are not capable of giving them within the four walls of your home. Check out this guide with links to tons of other resources specifically tailored to parents whose kids are young and, by definition, very demanding [HERE](#).

FARM TANK

Tweets of the Day





Charlie Bilello ✓
@charliebilello



New York is 5.9% of the US in terms of Population and currently 37.1% of all COVID-19 cases...

| US States - COVID-19 Summary (As of 4/4/20 - 4PM EST) | | | | | | | | | |
|---|---------|------------|-----------------------|-----------------------------|-----------------|---------|------------|-----------------------|-----------------------------|
| State | # Tests | # Positive | # Pos out of Total US | Population as % of Total US | State | # Tests | # Positive | # Pos out of Total US | Population as % of Total US |
| New York | 283621 | 113704 | 37.1% | 5.9% | Alabama | 10906 | 1633 | 0.5% | 1.5% |
| New Jersey | 75356 | 34124 | 11.1% | 2.7% | Mississippi | 6588 | 1455 | 0.5% | 0.9% |
| Michigan | 26118 | 14225 | 4.6% | 3.0% | Utah | 28043 | 1428 | 0.5% | 1.0% |
| Louisiana | 58498 | 12496 | 4.1% | 1.4% | Oklahoma | 2521 | 1159 | 0.4% | 1.2% |
| California | 113700 | 12026 | 3.9% | 12.1% | Idaho | 10261 | 1077 | 0.4% | 0.5% |
| Massachusetts | 68800 | 11736 | 3.8% | 2.1% | Oregon | 18925 | 999 | 0.3% | 1.3% |
| Florida | 105946 | 11545 | 3.8% | 6.6% | Kentucky | 16663 | 917 | 0.3% | 1.4% |
| Illinois | 53581 | 10357 | 3.4% | 3.9% | Minnesota | 25423 | 865 | 0.3% | 1.7% |
| Pennsylvania | 70030 | 10017 | 3.3% | 3.9% | Rhode Island | 6390 | 806 | 0.3% | 0.3% |
| Washington | 87918 | 7591 | 2.5% | 2.3% | Iowa | 10240 | 786 | 0.3% | 1.0% |
| Georgia | 26517 | 6383 | 2.1% | 3.2% | Arkansas | 10370 | 743 | 0.2% | 0.9% |
| Texas | 63751 | 6110 | 2.0% | 8.9% | Kansas | 7578 | 698 | 0.2% | 0.9% |
| Connecticut | 22029 | 5276 | 1.7% | 1.1% | New Hampshire | 8032 | 621 | 0.2% | 0.4% |
| Colorado | 23900 | 4565 | 1.5% | 1.8% | Delaware | 6467 | 593 | 0.2% | 0.3% |
| Indiana | 19800 | 3953 | 1.3% | 2.1% | New Mexico | 16828 | 543 | 0.2% | 0.6% |
| Ohio | 41871 | 3739 | 1.2% | 3.6% | Vermont | 5844 | 461 | 0.2% | 0.2% |
| Tennessee | 41391 | 3321 | 1.1% | 2.1% | Maine | 6544 | 456 | 0.1% | 0.4% |
| Maryland | 25610 | 3125 | 1.0% | 1.8% | Hawaii | 12955 | 351 | 0.1% | 0.4% |
| Virginia | 21552 | 2407 | 0.8% | 2.6% | Nebraska | 5462 | 323 | 0.1% | 0.6% |
| North Carolina | 38773 | 2402 | 0.8% | 3.2% | West Virginia | 7686 | 282 | 0.1% | 0.5% |
| Missouri | 27173 | 2291 | 0.7% | 1.9% | Montana | 6519 | 281 | 0.1% | 0.3% |
| Wisconsin | 25971 | 2112 | 0.7% | 1.8% | South Dakota | 5224 | 212 | 0.1% | 0.3% |
| Arizona | 27160 | 2019 | 0.7% | 2.2% | Wyoming | 3132 | 187 | 0.1% | 0.2% |
| South Carolina | 18314 | 1917 | 0.6% | 1.6% | North Dakota | 6207 | 186 | 0.1% | 0.2% |
| Nevada | 16163 | 1742 | 0.6% | 0.9% | Alaska | 6040 | 171 | 0.1% | 0.2% |
| Data Source: The COVID Tracking Project (Covidtracking.com) | | | | | @CharlieBilello | | | | |



History In Pictures
@HistoryInPics



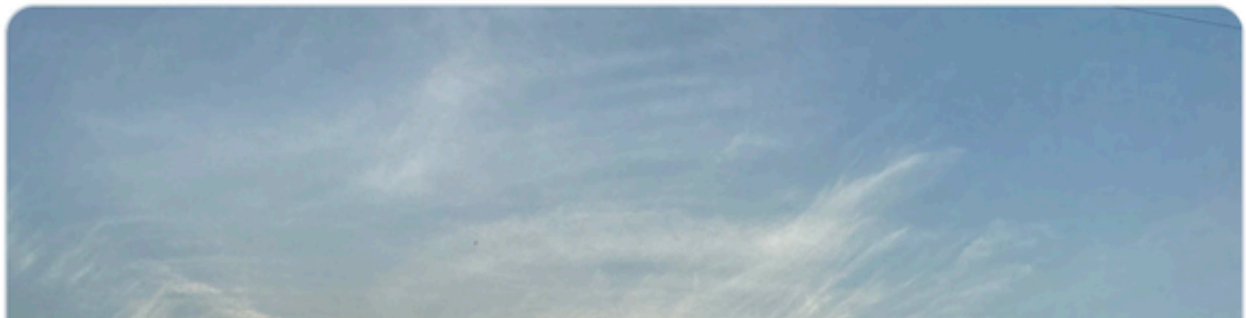
bankrupt investor Walter Thornton attempts to sell his luxury Chrysler Imperial 75 Roadster for \$100 on the streets of NYC, October 29, 1929.



Chad Wright
@chad10wright



Corona can't stop us. [#plant20](#)







owen baigent
@OBaigent



Oats going in today. #plant20 has begun!





Mitch Field
@vacas_negras

Picked up a hitchhiker



Stuart Thornton
@sthornton29

Perfect night for #plant20







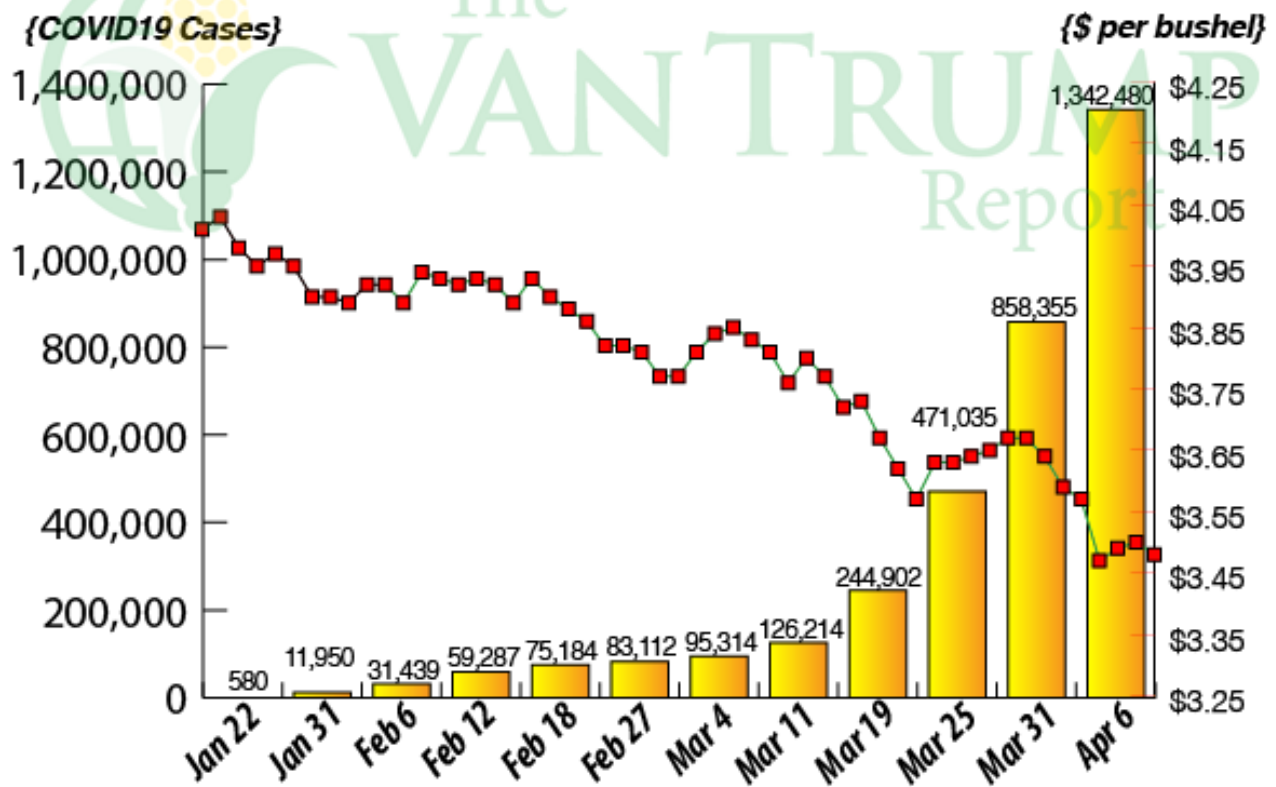
Big Chief
@CJohns27



CORN bulls will again be trying to lift the market from new contract lows. I can go through all the negatives but why? We've all heard and read the bearish headlines for the past several weeks. Corn used for ethanol demand could fall by -300 to -500 million bushels. U.S. planted acres are going to be large. U.S. ending stocks could jump to +3.0 billion bushels. We've heard it all many times... On the flip side, the trade is clearly discounting upcoming U.S. weather risk and what could be improved U.S. exports and overall feed demand. As a spec, I decided to bite the bullet and dip a small toe in the water as a bull. I now have very small bullish positions in the MAY20 and JUL20 contracts. Yes, almost all of the fundamentals and technicals are painting a very dark cloud, but as I've learned many times, "it's always darkest before dawn". In other words, I'm certainly not calling a bottom, but I believe there's a ton of negative news currently cooked into the price and very little weather-related risk or improved demand. Yes, gasoline demand is down an estimated -70%, but is it going to get much worse? Yes, everyone is talking about the major fallout in ethanol but is it going to get much worse than what's already being forecast? Yes, the USDA is forecasting 97 million planted corn acres, but do we believe that number is going to get larger or perhaps significantly smaller? I could go on and on...

Bottom-line, I like the thought of starting to build a longer-term bullish position in corn. Prices could certainly continue to trend lower and might even trade sub-\$3.00 like many bears argue, but I don't think prices can stay down at those levels for an extended period. As a producer, I'm clearly hoping that's the case. If not many of my farming friends are going to be facing serious economic pain. As an end-user, we should be taking slightly larger bites on the breaks and or looking for limited risk strategies that can protect the upside. I should note, there was no update released yesterday by the USDA regarding corn planting progress. Most insiders suspect the U.S. producer is off to a fairly good start and might actually be running slightly ahead of schedule with +4% to +5% planted next week. Last year, by April 15th we had 5% planted and that was slightly ahead of the 3% historical average. I have to imagine the trade will soon start paying much more attention to U.S. weather...

Total Coronavirus Cases vs. December Corn Price



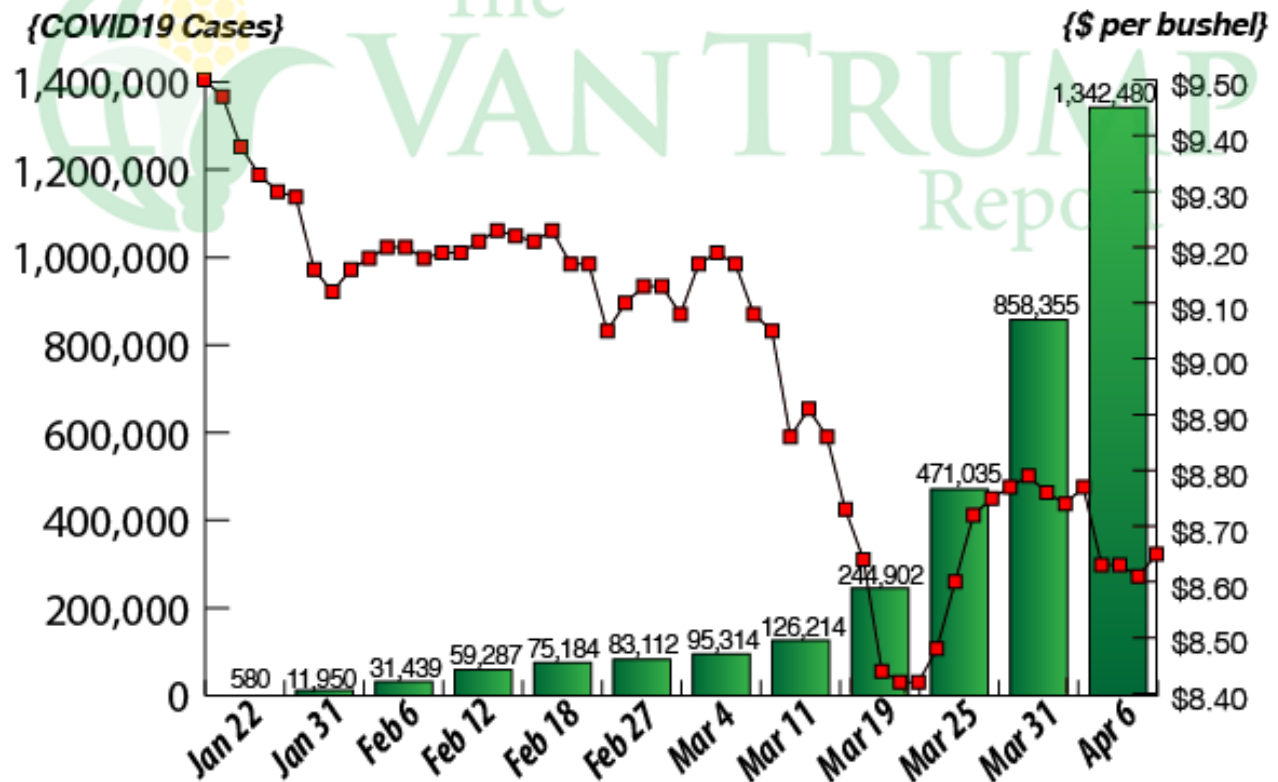
Source: CBOT, www.worldometers.info/coronavirus/

 @KevinVanTrump



SOYBEAN bulls are worried about how meal is responding as of late. The talk that Argentine and Brazilian transportation logistics are holding up well is keeping the bears engaged. Also is the talk that the U.S. planted soybean acres are moving aggressively higher. Export inspections were weaker than we would like to see but crushing facilities continue to talk about strong meal demand as DDGs continue to trade at a premium and in limited supply. As for South American production, I could argue that both Argentine and Brazilian estimates are a bit overly optimistic and might eventually need to be trimmed, not much, but at least not moving higher. As a spec, I remain on the sideline. I had been long the market, banked profits, and now feel most comfortable simply standing on the sideline. Technically, I've listened to some who argue we are now in a range between \$8.20 and \$9.20 per bushel. I suspect if we challenge the lower end I will look to start building a small bullish position. As a producer, I will be looking to lift a few hedges. Bottom-line, I am starting to see a bit more upside potential than downside risk. Yes, similar to corn, there could certainly be more downside as money sloshes around, but I just don't think this market can stay sub-\$8.20 for an extended period.

Total Coronavirus Cases vs. November Soybean Price

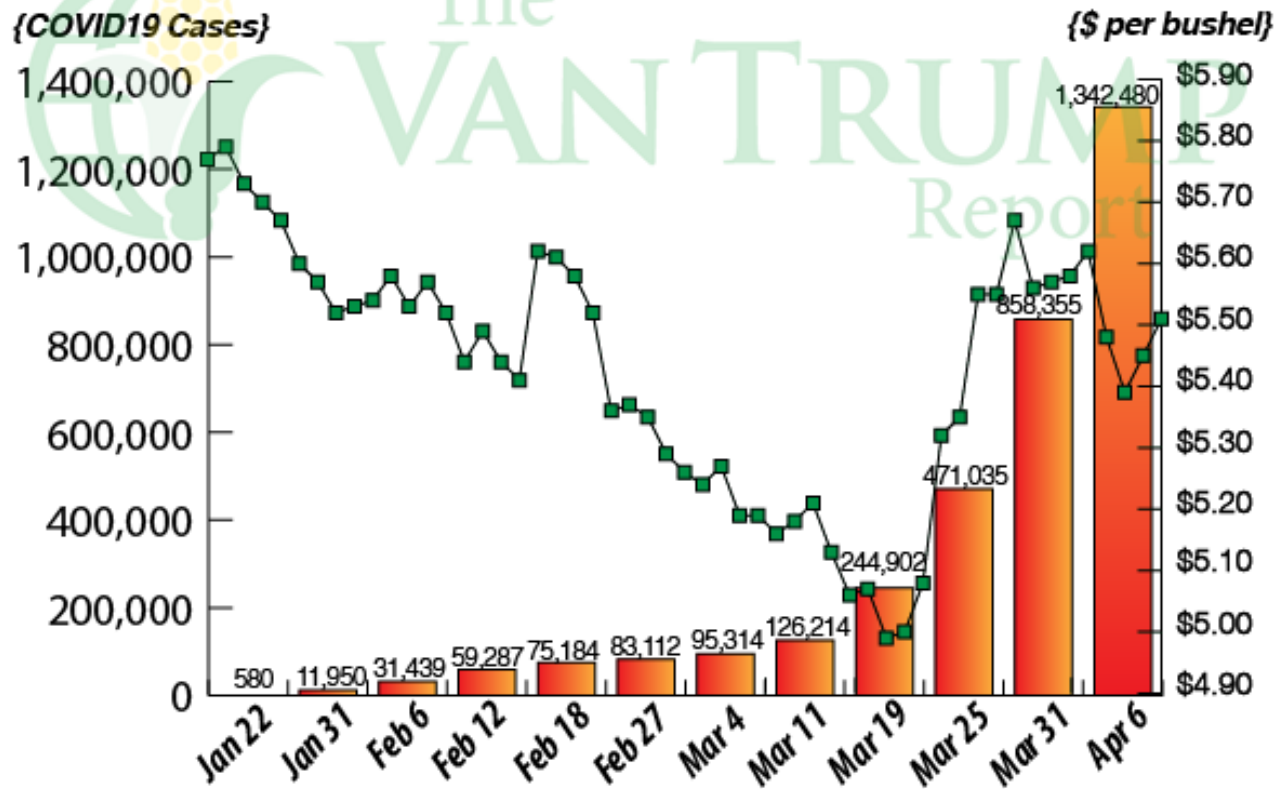


Source: CBOT, www.worldometers.info/coronavirus/

 @KevinVanTrump

WHEAT traders are digesting the USDA's first winter crop ratings with 62% rated "Good-to-Excellent" vs. 62% last year at this stage. Bears are obviously pointing to the +10% improvement from the USDA's last official update they released back in late-November. In other words, the U.S. winter wheat crop has improved during the past few months. Bulls are pointing to more global uncertainty surrounding coronavirus headlines and how countries are responding to exports and purchases. Some exporting nations are starting to talk about more restrictions being put in place and a few more logistic hurdles. Obviously, the current global balance sheet reflects burdensome supply but there are clearly some large and looming unknowns with the coronavirus circulating. As a spec, I recently banked my bullish profits and still remain on the sideline. I would ultimately like to play the game as a bull but would like to enter the market at a better value, so I'm staying patient. Yes, I might miss the move, especially if corn starts to find stable footing and a more widespread weather market develops, but that's the risk I run by staying conservative. I'm just not wanting to take any oversized risks in this environment. I continue to closely monitor global headlines out of Russia, Ukraine, Kazakhstan, and the European Union. Here at home, weather and the overall direction of the U.S. dollar are my top considerations.

Total Coronavirus Cases vs. July Chicago Wheat Price



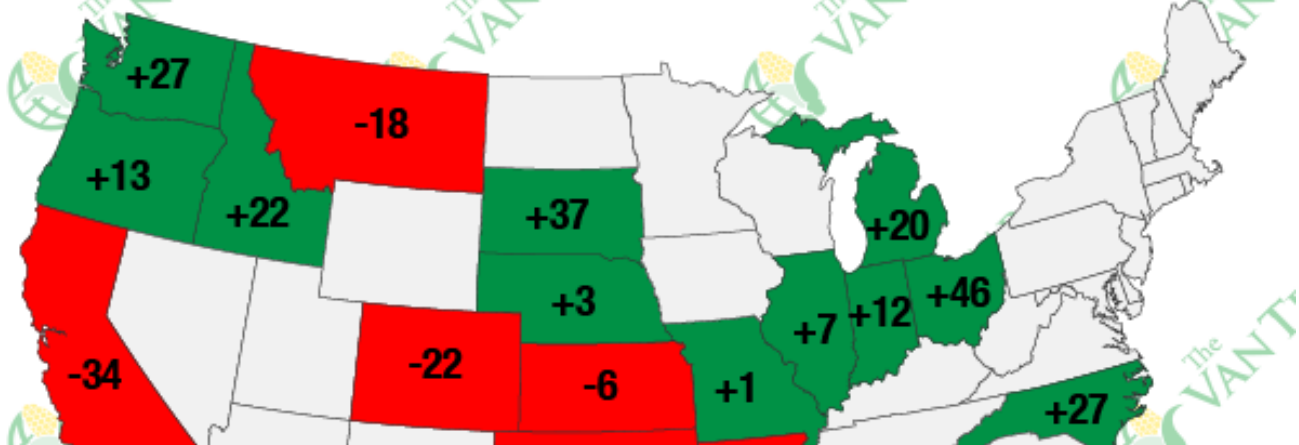
Source: CBOT, www.worldometers.info/coronavirus/

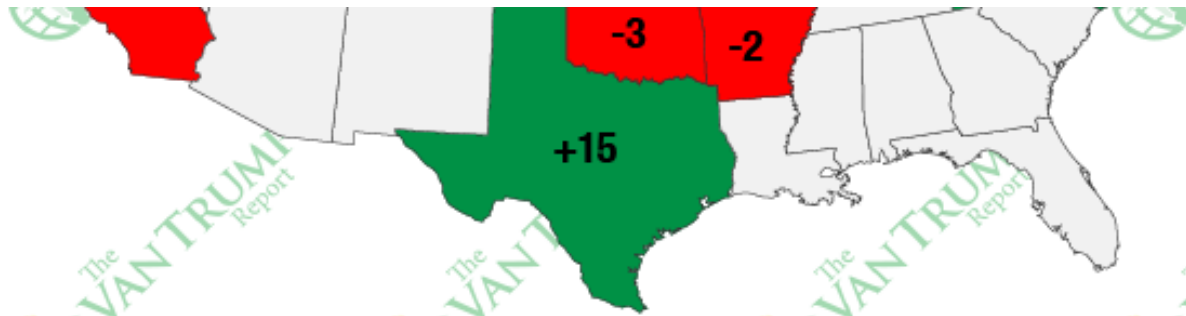
 @KevinVanTrump

U.S. Winter Wheat Good-to-Excellent

April 6, 2020
[Week 14]

Good-to-Excellent vs. 5-year Average





Wheat % Good-to-Excellent

| | 2018 | 2019 | 5-yr avg | This Week | Change vs LY |
|----------------|-----------|-----------|-----------|-----------|--------------|
| Arkansas | 52 | 50 | 55 | 48 | -2 |
| California | 75 | 95 | 88 | 61 | -34 |
| Colorado | 39 | 70 | 52 | 48 | -22 |
| Idaho | 63 | 59 | 67 | 81 | 22 |
| Illinois | 46 | 55 | 59 | 62 | 7 |
| Indiana | 59 | 55 | 73 | 67 | 12 |
| Kansas | 65 | 58 | 40 | 49 | -6 |
| Michigan | 45 | 25 | 53 | 55 | 20 |
| Missouri | 58 | 40 | 51 | 41 | 1 |
| Montana | 51 | 70 | 61 | 52 | -18 |
| Nebraska | 67 | 74 | 55 | 77 | 3 |
| North Carolina | 75 | 48 | 58 | 75 | 27 |
| Ohio | 65 | 29 | 65 | 75 | 46 |
| Oklahoma | 9 | 76 | 45 | 73 | -3 |
| Oregon | 82 | 63 | 67 | 79 | 13 |
| South Dakota | 17 | 46 | 43 | 83 | 37 |
| Texas | 15 | 47 | 41 | 62 | 15 |
| Washington | 77 | 65 | 66 | 82 | 27 |
| Total | 32 | 60 | 49 | 62 | +2 |

U.S. Grain Ending Stocks

(million bushels)

| | April #'s | Avg. Trade Estimate | Range of Estimates | March Estimates |
|----------|--------------|------------------------|-----------------------|--------------------|
| Corn | ??? | 2,004 | 1,792 - 2,150 | 1,892 |
| Soybeans | ??? | 430 | 385 - 475 | 425 |
| Wheat | ??? | 940 | 890 - 973 | 940 |

World Grain Ending Stocks

(million metric tons)

| | April #'s | Avg. Trade Estimate | Range of Estimates |
|----------|--------------|------------------------|-----------------------|
| Corn | ??? | 298.50 | 293.0 - 301.0 |
| Soybeans | ??? | 101.10 | 97.0 - 104.85 |
| Wheat | ??? | 287.37 | 285.0 - 291.0 |

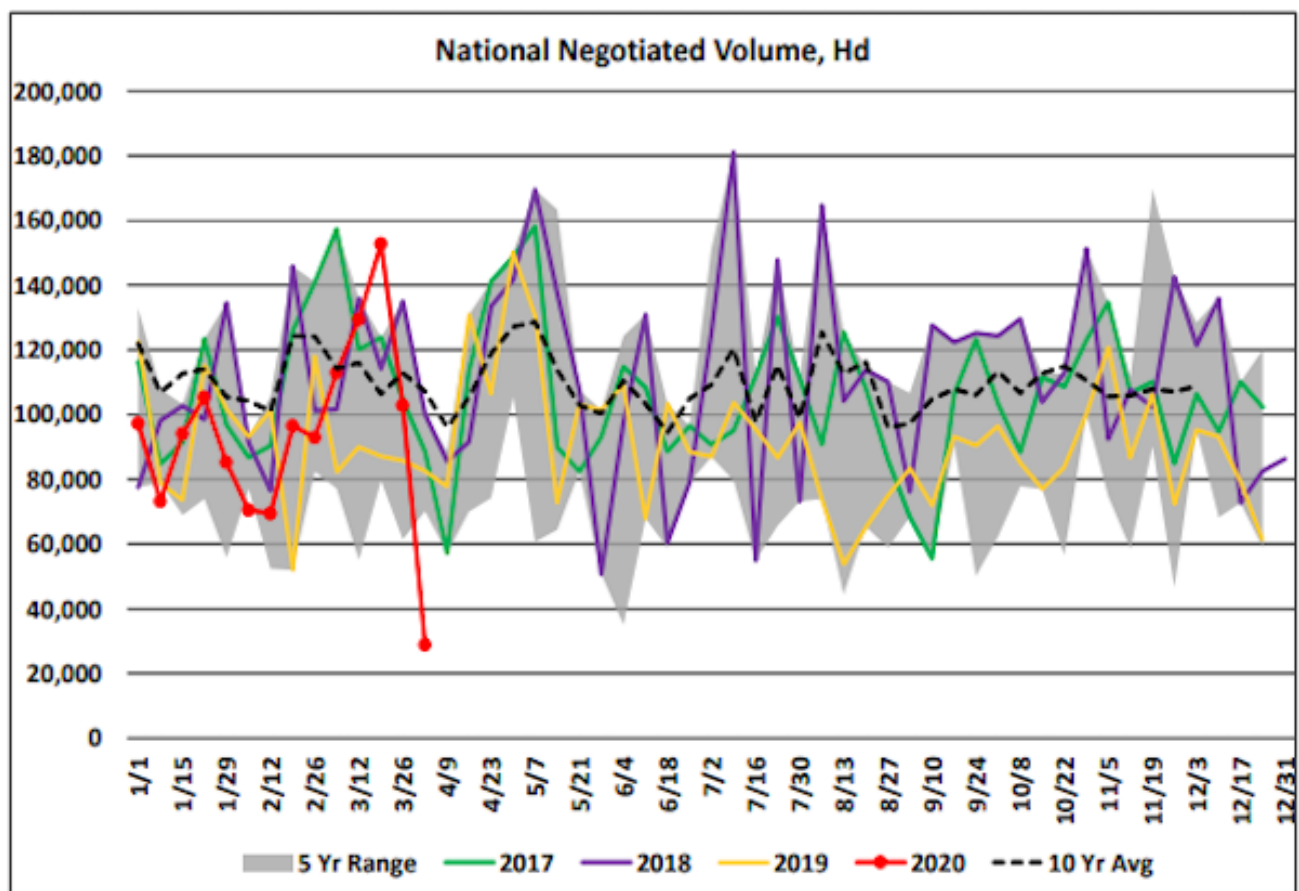
South American Production

(million metric tons)

| | April #'s | Avg. Trade Estimate | Range of Estimates | March Estimates |
|-----------------------|--------------|------------------------|-----------------------|--------------------|
| Argentina Corn | ??? | 49.60 | 48.0 - 51.7 | 50.00 |
| Argentina Soybeans | ??? | 52.49 | 50.0 - 54.0 | 54.00 |
| Brazil Corn | ??? | 100.56 | 98.0 - 103.0 | 101.00 |
| Brazil Soybeans | ??? | 123.88 | 122.0 - 126.0 | 126.00 |

Cattle markets remain thin and emotional. Cattle, much like many other markets, are suffering from a variety of things. However, as we start a new week the one thing that really stands out is communication and transparency. It has become extremely difficult for the market to distinguish what is fact from what is rumor and beyond that, it's problematic to understand what portions of the rumors are legitimate. From a pricing standpoint the packing entities have continued to pay a premium to the futures but premiums and other monetary additions to base

negotiated cash, formula and contract prices have again confused the futures to a degree. Moving past the panic associated with a health crisis and economic uncertainty will help markets broadly, but adding in some solid communication amongst major players within the beef industry will add long-lasting transparency. Cash traded lightly last week at 110-111/CWT on average. Show lists were much larger this week with Texas oddly enough printing a sharply higher negotiated list. Market ready numbers likely tighten in some feeding regions coming up and may balance the hand to mouth action from packers. Weekly comprehensive beef reports showed a solid 10/CWT higher trade versus a year ago but on a much smaller volume. My intuition tells me that product movement will be very choppy for a while as retail and wholesale players work to track uneven demand pockets created by our unprecedented times both domestically and globally. Futures spun off a tremendous amount of energy today with limit down open then trading much higher in the deferred contracts. I don't know where the low is and I know that I don't know where the low is, however, an action, like we saw today, is usually indicative of a market that is trying to turn. We will have expanded limits again tomorrow with Apr settling limit ask. What will this week bring? Likely cash steady to lower but still premium the futures, possibly lower kill with steady to firm beef market. It is sure to be volatile and remember that if you make sound business decisions it is hard to get into too much trouble. Trey Warnock - [Amarillo Brokerage Company](#)



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WHATEVER FLOATS YOUR GOAT

A Section for Creative Minds

> **Tyson Suspends Operations at Iowa Plant:** *Tyson Foods said Monday it suspended operations at its Columbus Junction, Iowa, pork plant after more than*

two dozen cases of Covid-19 were reported among employees there. The Arkansas-based company, the largest U.S. meat supplier by sales, is diverting hog deliveries from that plant to other nearby facilities, and employees are being paid during the anticipated one-week closure. Tyson is performing extra cleaning that has required some other plants to close for a day. The shutdown is the latest meat-plant disruption being reported as coronavirus cases rise, now affecting not only cities but also spreading to rural areas that are the heart of U.S. food production. Sanderson Farms Inc. said last week that 15 employees tested positive for the virus at a Georgia plant, and sent over 400 workers home. Perdue Farms Inc. and JBS SA have also experienced disruptions. Read more from [Bloomberg](#).

> FDA Relaxes Nutrition Labeling Rules for Eggs: The FDA is loosening packaging and labeling rules for eggs sold in retail, which weren't covered by the agency's action last month to relax certain nutritional info requirements. Besides the annual pre-Easter surge in sales, eggs were flying off shelves as people stuck at home started baking more, out of necessity or for leisure. "Additional shell eggs for consumers are available, but appropriately labeled retail packaging is not available for all such shell eggs," the FDA wrote in guidance released over the weekend. The agency "does not intend to object" to retailers selling eggs in cartons or flats without labels, as long as stores clearly display certain information like the manufacturer/distributor and safe handling instructions re: salmonella. (Source: Politico)

> Rural Jobs Wiped Out by Coronavirus, Says Survey: Of rural Americans surveyed in the past week, 15% said they had either lost their job or were laid off because of the coronavirus pandemic, and an additional 14% said they were worried they would lose their jobs, according to the results of a survey released on Thursday. Eight of 10 respondents said the pandemic had affected their lives, most frequently in the form of low inventory in stores and online. The survey was commissioned by RuralOrganizing.org, which describes itself as a network of rural progressives. Matthew Hildreth, executive director of the group, said the survey of registered voters showed they have broad concerns about the pandemic. Read more [HERE](#).

> Australia's Farmers Use Billboards to Calm Panicked Shoppers: Australia's farmers are turning to billboards to try and calm residents as grocery stores continue to see waves of panic buying by shoppers worried about food supplies. The National Farmers Federation is aiming to reach commuters directly in Melbourne with advertisements that read "Don't panic. We're experts at working from home." "Farmers want all Australians to know that running out of food is one thing they don't need to be worrying about in these challenging times," the federation's president Fiona Simson said in a statement. (Source: Bloomberg)

> Bank of America Has Received Over 170,000 Apps for Small Business Loans: *Bank of America that it's seen fierce demand for rescue loans with applications already accounting for nearly 10% of the entire amount allocated by Congress. The bank confirmed that it has received applications from 177,000 small businesses for a total of \$32.6 billion in financing. The current Bank of America numbers are its applications and do not represent the sums the Small Business Administration has approved. The bank was the first major lender to set up and launch its portal for the Paycheck Protection Program though it was quickly inundated with requests. Bank of America CEO Brian Moynihan told CNBC on Friday that the bank would focus on "borrowing clients" before turning to other small business customers and new clients. Read more [HERE](#).*

> Will COVID-19 Herald and Automation Boom? *The coronavirus pandemic has pushed the world into uncharted territory — and in some industries, that's leading to an automation boom. But when the dust settles, will robots have replaced those jobs for good? The answer is complicated and differs by industry, but one thing is clear: Automation trends that were already on the horizon will happen faster now, according to a recent article over at Protocol. The crisis isn't just accelerating the transition to automation: According to experts, it'll also boost investments powering that change. Read more [HERE](#).*

> Big Tobacco Joins Race for Vaccine: *The race to find a vaccine for the novel coronavirus has an unlikely new entrant: tobacco companies. Lucky Strike owner British American Tobacco PLC is developing a potential vaccine grown in tobacco plants, while Medicago Inc., a biotech firm partly owned by Marlboro maker Philip Morris International Inc., is pursuing a similar effort. BAT this week said its Kentucky BioProcessing subsidiary had identified an antigen—a protein it hopes will stimulate an immune response to the virus—and was reproducing it in tobacco plants. If early tests are successful, human trials could start by June, it said. The unit previously manufactured a drug for Ebola, which was only moderately successful, using a similar method. Read more from [The Wall Street Journal](#).*

> Isopropyl Alcohol has Tripled in Price: *A key ingredient in hand sanitizers and medical disinfectants has become hard to obtain, triggering its price to surge to an all-time high. Isopropyl-alcohol prices have more than tripled in the U.S. since March 10. They reached \$3,160 a metric ton Tuesday, according to S&P Global Platts, the highest price on record dating back to 1986. The spike in demand has strained a small corner of the petrochemical industry, prompting a race to maximize production by manufacturers including Exxon Mobil Corp. and Dow Chemical Co. Shortages have been most acute in Europe, where restrictions on border crossings designed to contain the virus have made it harder to move alcohol around the continent by truck. (Source: Wall Street Journal)*

> Masters, U.S. Open, PGA Rescheduled, British Open Cancelled: *Golf's four*

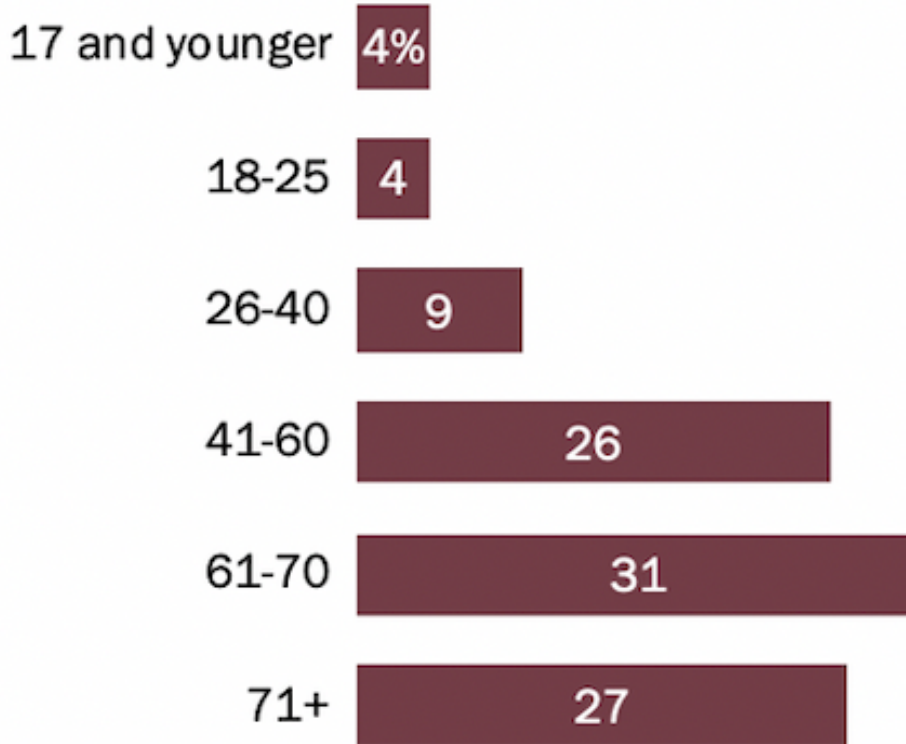
major championships will look quite different this year ... the ones that take place at all, that is. The new dates, announced Monday morning by many of golf's major organizing bodies, are as follows: Masters, Nov. 9-15; PGA, Aug. 3-9; U.S. Open, Sept. 14-20. The British Open has been cancelled entirely for this calendar year; it will be played at Royal St. Georges in 2021. The 150th Open, slated to take place next year at St. Andrews, will now take place in 2022. This is the first Open to be canceled since 1945. The new calendar preserves the Ryder Cup weekend as originally scheduled, albeit one week after the U.S. Open. The PGA Championship's date means that the PGA Tour will move its regular-season finale, the Wyndham Championship, and all three FedEx Cup playoff events one week later. The Tour Championship will now finish on Monday, Sept. 7, Labor Day. More details are available [HERE](#).

> Biggest Supermoon of the Year Happens Tonight: *In North America, we often call the April full moon the Pink Moon, Grass Moon or Egg Moon. In 2020, this April full moon also presents the closest (and thereby largest) supermoon of the year. This full moon more closely coincides with lunar perigee – the moon's closest point to Earth in its monthly orbit – than does any other full moon in the year 2020. Will you notice that the moon is larger than usual? Probably not ... unless you're a very experienced and discerning observer. On the other hand, you'll probably notice the full moon of April 7-8 is particularly bright. Supermoons can be up to +15% brighter than an average-size full moon. Learn more [HERE](#).*

> Older People Account for Large Shares of Poll Workers and Voters in U.S. General Elections: *The coronavirus pandemic has prompted several states to postpone their presidential primaries, citing restrictions on public gatherings. While the postponements will affect people of all ages, they may be particularly relevant for older adults, who tend to account for large shares of both poll workers and voters in general elections in the United States. In the 2018 general election, around six-in-ten U.S. poll workers (58%) were ages 61 and older, including roughly a quarter (27%) who were over 70, according to a Pew Research Center analysis of government data. The same pattern appears in earlier elections. If older Americans are unable to leave the house and serve as poll workers this year, it could exacerbate a common problem with the administration of elections. In the 2018 Election Administration and Voting Survey (EAVS), a biennial study of states' administration of federal elections, roughly two-thirds of jurisdictions (68%) said it was very or somewhat difficult to find enough poll workers for that year's general election. Even if polling places can be staffed, the outbreak may also restrict Americans' willingness to come out to vote. Read more from [Pew Research](#).*

Majority of U.S. poll workers are over 60

% of U.S. poll workers in the 2018 general election who were ages ...



Note: Not all jurisdictions reported poll worker age; based on all poll workers whose age was known. See 2018 EAVS report for details.

Source: 2018 Elections Administration and Voting Survey.

PEW RESEARCH CENTER




North central Indiana - *There are a few guys putting anhydrous down but nothing has been planted from what I see. It is still terribly wet here and the forecast has a flood warning included. We are getting everything we need still and my buddies who work for a major player in the seed space said their trucks were out early and ahead of this thing, so no worries. I don't hear of any changes to rotation...no one knows for sure what they are going to plant! There was talk earlier in the year for more bean acres but that seems to have lessened. We have one bank I know of that is only giving \$300-\$350 an acre as they've had a few big players get a bit stretched lately. I'm told if you need more than that, you're on your own. We have a ton of ethanol facilities around us and they are all slowing down to the point only one pit is open on a lot of them. I can remember not that long ago when basis was at 35 to 45 over. Miss those days. I work a few hours a week at a home improvement store and things are crazy here as daily traffic has increased 15-35% during the week and more on weekends.*

Southern Illinois - *I'm trying to cut costs this year. For our no-till ground, I was looking at glyphosate and LV-6 burndown and coming back with glyphosate and a group 15 for broadleaf and grass control. I hope to be doing the burndown after planting and before emergence. The post at about V3 would be ideal. The main weeds I'm looking at controlling are Marehail, Waterhemp, and some grasses. I'm already up to about \$34 an acre including the atrazine in cut costs. I've wondered about our chemical prices and why they seem more expensive. I am buying in 2.5 jugs since we don't have enough acres to warrant buying in totes. I'm going to keep looking to cut what I can without hurting my yield in a big way.*

Eastern Indiana - *Finally got dry enough this weekend to work down some stalks. I have some ground that will be corn on corn. I try to do as little tillage as possible. I run all the older equipment. I ran over this ground 2x with a disc. Usually, I will make a final pass with my field cultivator before planting. I'm torn between making that final pass or just planting. The field is pretty smooth. I plant with a CaseIH 56 with wavy no-till colters. Can't decide whether to make another pass or just plant. I am thinking of adding a disc chisel for next year. I have had good luck with old iron in the past. I have had good stands with my planter and for the little that I do, it will probably be a couple of years before I upgrade. I planted beans no-till into sod last year and was impressed with the results.*



neuro mining



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

TODAY'S RIDDLE: I'm made for one but meant for two; I can be worn for many years but usually just a few; You won't ever need me unless you say you do. What am I?



Will Food Nationalism Disrupt Supply Chains

Grocery shoppers are not the only ones panic buying and hoarding staple food items during the current crises. Some governments are moving that direction to secure their domestic food supplies, and that has some raising the question if this is the start of a wave of food nationalism that could disrupt supply chains and trade flows?

Currently, there are a handful of countries that have already started making restrictions. A list recently released from Reuters includes the following (read the full-report [HERE](#)):

EURASIA: *The Eurasian commission, which unites the customs zone of Russia and Kazakhstan, has decided to restrict exports of sunseeds, buckwheat, rice and rye until June 30 due to the coronavirus. This customs union, which also includes Belarus, Armenia and Kyrgyzstan, will also not be supplying soybeans and some vegetables such as onions outside of the union until June 30. The measure will come into force on April 12, Interfax news agency reported on Thursday.*

RUSSIA: *The Russian government Thursday adopted an agriculture ministry proposal to limit grain exports to 7 million metric tons from April through June.*

UKRAINE: *To defend the local market from excessive demand, Ukraine has banned buckwheat exports until July 1. Ukraine's biggest grain traders agreed on Monday to an economy ministry proposal to limit wheat exports to 20.2 million tonnes in the 2019/20 season to avoid a rise in domestic bread prices. Bakers and millers in Ukraine, a major global grain exporter, last week asked the government to limit exports of grain and related products to maintain bread prices in the event of the coronavirus spreading.*

KAZAKHSTAN: *The country will allow exports of 200,000 tonnes of wheat and 70,000 tonnes of flour this month, the country's agriculture ministry said on Friday. The ministry said Kazakhstan was also introducing quotas on exports of buckwheat, sugar, sunseeds, and certain vegetables such as potatoes and onions instead of earlier announced export bans. The country had banned flour exports last month to ensure steady domestic supply before saying it would replace the ban with quotas for*

flour and wheat exports.

VIETNAM: *The world's third-largest rice exporter, which temporarily suspended rice export contracts.*

CAMBODIA: *Some rice exports will be banned to ensure local food security during the coronavirus crisis.*

INDIA: *Rice traders have stopped signing new export contracts due to labor shortages and logistics disruptions that have also hampered the delivery of existing contracts.*

EGYPT: *Exports of legumes will be halted for three months to preserve local supply.*

From my perspective, we are still in the early stages of the economic fallout from the virus, and no one can be sure of how countries will react as the virus spreads or when we come out on the other side. Trade restrictions created out of fear and leading to protectionism can often take time to reverse and can often cause more harm than good. At the moment, we have no wide-spread global crop failures or other significant supply problems, but who knows as we move forward.

Weather could ultimately become a huge "wild-card"... What happens if nations start to encounter weather-related production hiccups?

Another problem that could threaten the world's food supply is the stay-at-home orders by countries across the world. Even though there are varying levels of enforcement, if agriculture workers are legally unable to harvest crops, it could cause a lapse in food flow. This is definitely a fluid situation that I am keeping my eye on.

Officials are also concerned that frenzied shopping coupled with protectionist policies could eventually lead to much higher food prices, meaning the public, as well as governments, could create a self-perpetuating cycle that ultimately leads to higher prices. As a producer, we would certainly welcome higher prices! Just a lot of things to think about and consider as a producer and trader of agricultural commodities. (Source: The Wall Street Journal, Reuters; TheHill, Bloomberg)





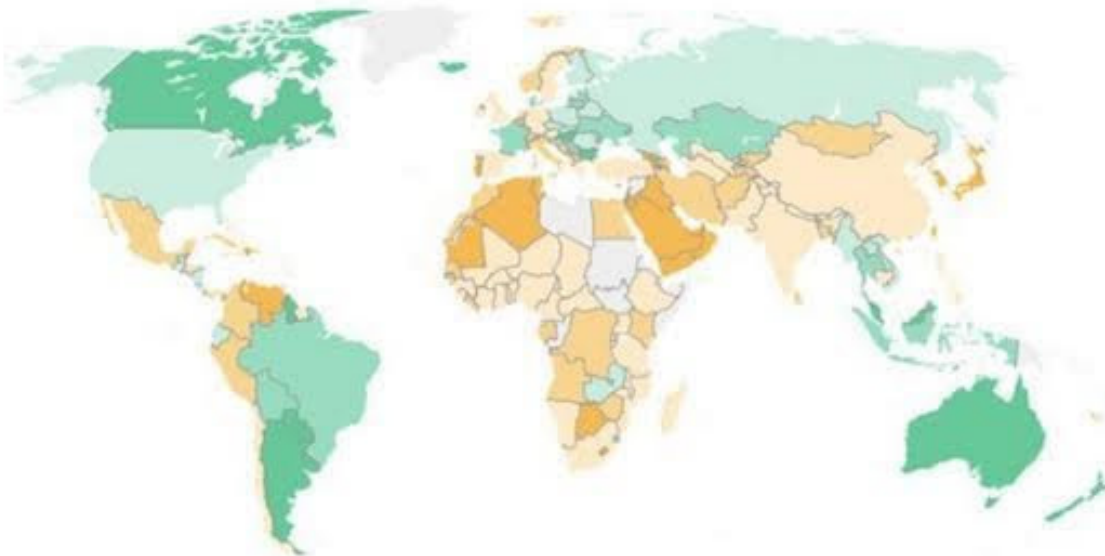
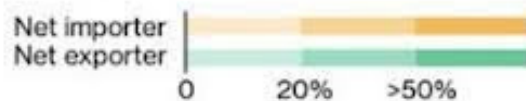
"Countries Are Starting to Hoard #Food, Threatening Global #Trade," [bloomberg.com/news/articles/...](https://www.bloomberg.com/news/articles/...)

* Some early bans on exports raise questions about protectionism.

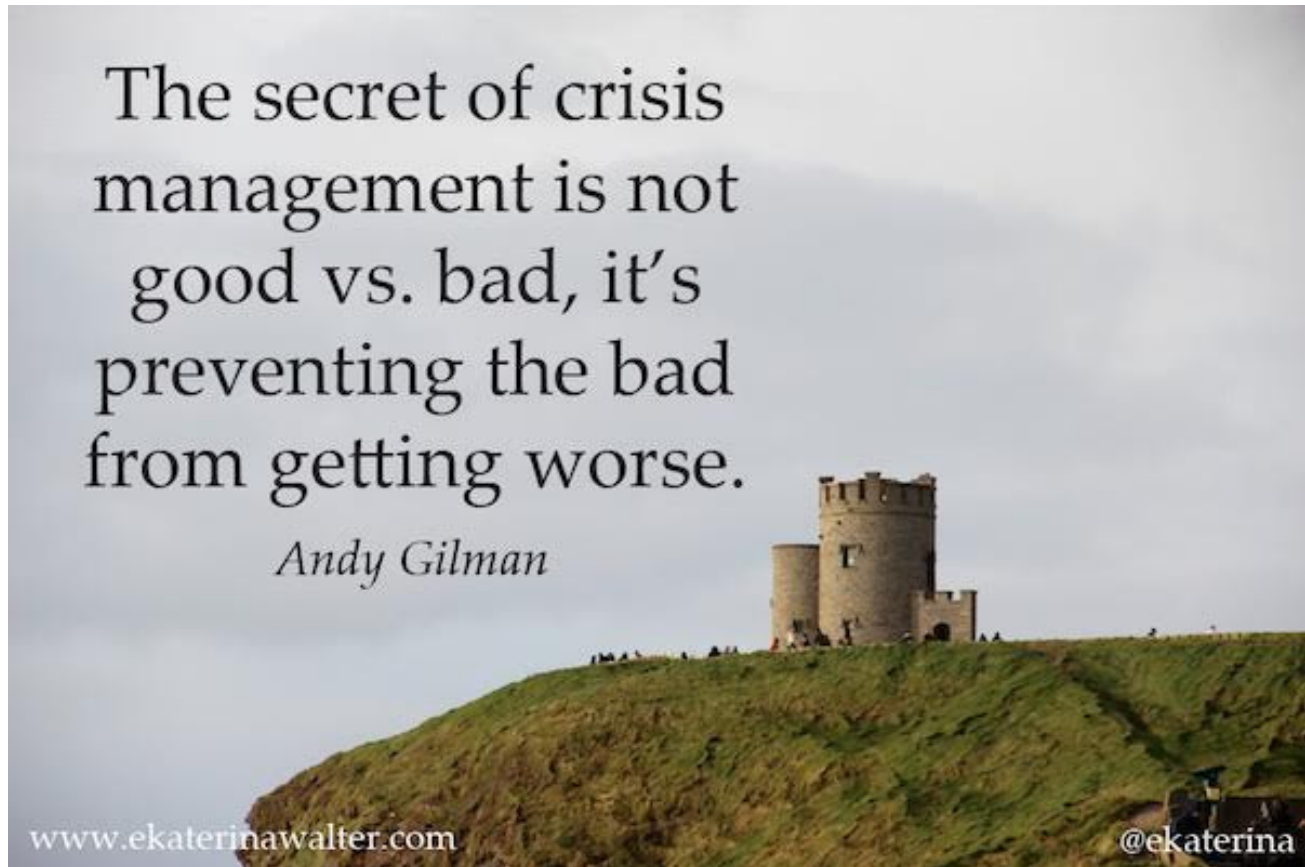
* 'Without the food supply, societies just totally break.'

Food Dependence

Trade as a share of domestic food supply



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



"Delivery Drones" Might Come Out Big Winner with Stay-at-Home Orders

Millions of people around the world have been told to stay at home in an effort to slow the spread of the coronavirus. We still need food and medicine, though, meaning trips to the store are unavoidable. For vulnerable people like the elderly or chronically ill, these trips are especially dangerous. The use of delivery drones, which have had difficulty gaining traction amid regulatory hangups, could be perfectly poised to help solve this problem.

Drone startup Manna Aero began a trial delivery service of medications in Moneygall, Ireland, at the end of March. About a dozen households are participating in the trial and if it's successful, it will be rolled out for the whole country. The drones would also be capable of handling food deliveries.

Here in the U.S., a company called Zipline is hoping to gain approval for its medical drone delivery service from the FAA. The company is based in the U.S. but operates in Rwanda and Ghana, and had plans to come to the U.S. later this year. Zipline says it is now working with government regulators to move that launch up as soon as possible.

In response to the coronavirus outbreak in Ghana, the company is handling deliveries of personal protective equipment like masks and gloves to hospitals.

Zipline holds all the supplies in its own warehouses, ensuring they can be delivered to medical facilities within minutes. The drones can also handle deliveries of other critical items, such as blood and specialized medical supplies, as they have already been doing in Rwanda and Ghana for several years.

Justin Hamilton, the company's head of communication, says Zipline's service has also expanded the range of service available at smaller clinics located far from major hospitals. "In the past, if you needed a certain level of care, the only place you could get it was the hospital. Now, because you can go to a clinic closer to home, that helps free up capacity at the hospital to deal with larger emergencies and make sure that that bed space is reserved for somebody who might need it." Combining a delivery service with telemedicine might be a good solution for rural areas in the U.S. that are seriously short on medical capacity.

Spyridoula Maraka, assistant professor of internal medicine at the University of Arkansas, and help design the emergency medical delivery system in Ireland, says delivery drones could also offer a way to get future COVID-19 tests or vaccines to people. He adds, "The one thing that is important to remember is that drones could be used when traditional modes of medical care delivery are disrupted." Learn more about Zipline [HERE](#). (Sources: Fast Company, Forbes, Inverse)



**What the people need is a way to make them smile...**

The Rock and Roll Hall of Fame is yet another event lost to the coronavirus shutdowns. The institution announced it is canceling its 2020 induction ceremony because its Cleveland home is under a civil emergency. The Hall of Fame ceremony was set for May 2 but was recently shelved. The Hall of Fame said additional details, including new dates and ticket information, will be announced when they learn more.

This year's inductees are extremely diverse including: T. Rex – the British glitter band that was essentially a one-hit-wonder in the U.S. with the song “Bang a Gong” but a phenomenon in England – and the Doobie Brothers hail from the '70s; Depeche Mode, Whitney Houston, and Nine Inch Nails were at their peaks in the '80s and '90s; and Notorious B.I.G.'s rap popularity and influence outlasted his death in 1997.

To be eligible for the Hall of Fame an individual artist or band must have released their first commercial recording at least 25 years prior to the year of nomination. Ballots were cast by an international voting body of more than 1,000 artists, including current living Inductees, historians and members of the music industry. Factors such as an artist's musical influence, body of work, innovation, style and technique are taken into consideration with the voting, according to the organization. Four of the Inductees this year were on the ballot for the first time: The Doobie Brothers, Whitney Houston, Notorious B.I.G. and T-Rex. Meaning they were all inducted the first year they were nominated.

Below are a few fun facts about my favorite inductee "The Doobie Brothers"

The Doobie Brothers - I remember their early albums being some of the first 8-Tracks and cassette tapes I owned as a kid. The band started out in California back in 1970. Their next-door neighbor came up with the band's name after saying, "Why don't you call yourself the Doobie Brothers because you're always smoking pot?" Everyone in the band agreed that "Doobie Brothers" was a "dumb" or "stupid" name and the band intended to use the name only for a few early performances until they came up with something better, but they never did.

The Doobie Brothers improved their playing by performing live all over Northern California in 1970. They attracted a particularly strong following among local chapters of the Hells Angels and got a recurring gig at one of the bikers' favorite venues, the Chateau Liberté in the Santa Cruz mountains, playing there through the summer of 1970.

In the summer of 1972, the band released an album called, "Toulouse Street" which contained the hits "Listen to the Music" and "Jesus Is Just Alright". The rest seems to be history.... as a string of hits starts to follow. In 1973 the band releases "Long Train Runnin'" and "China Grove". In 1974 it was a B-side song called "Black Water" that ultimately made the band a household name and blew up on the radios across America.

In the Spring of 1975 while on tour, the band's lead singer and songwriter Tom Johnston's health condition requires emergency hospitalization for a bleeding ulcer. With Johnston convalescing and the tour already underway, guitarist Jeff Baxter proposed recruiting a former fellow Steely Dan alum to fill the hole: singer, songwriter and keyboardist Michael McDonald. The band welcomes McDonald to the group and asked if he would temporarily sing Johnston's parts on tour while Simmons and Baxter shared lead guitar chores.

Under contract to release another album in 1976, the Doobies were at a crossroads. Their primary songwriter and singer remained unavailable with major health complications, so they turned to Michael McDonald for material to supplement the band. The resulting album was called, "Takin' It to the Streets," and debuted a radical change in their sound. McDonald's voice became the band's new signature sound and the title track "It Keeps You Runnin'" became a massive hit. That same year, a greatest hits compilation, "Best of the Doobies," was released, which went on to sell millions of copies.

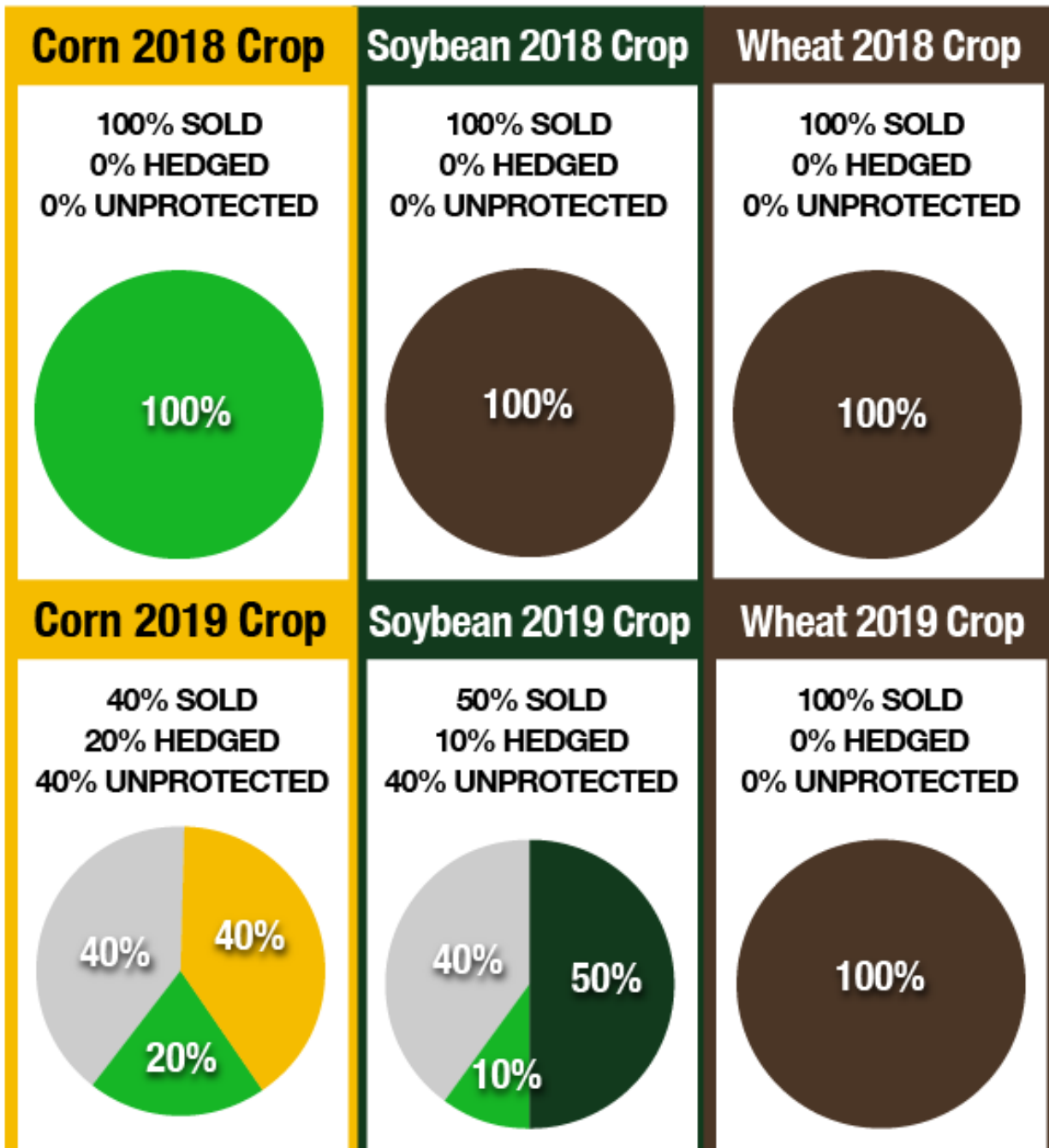
One of my favorite Doobies song "Listen to the Music"... my Mom played this a lot in the car when I was a kid. It seemed like there for a while it was either the Doobies or Fleetwood Mac. Hope you enjoy! **Click [HERE](#)**

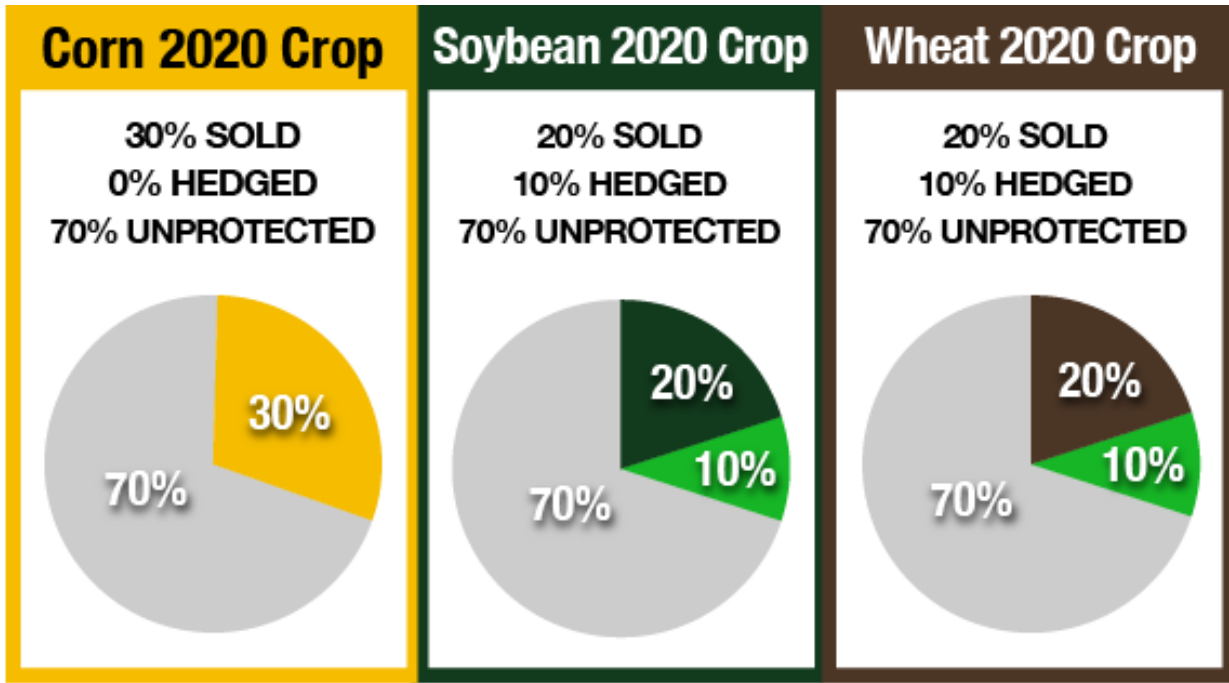


ANSWER to riddle: A wedding ring.

CASH SALES & HEDGING TOTALS

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