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## GOOD MORNING: The Van Trump Report 4-17-20

1 message

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

Fri, Apr 17, 2020 at 5:30 AM

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*"Life is an art of observation. It has little to do with the things you see and everything to do with the way you see them."* - **Elliott Erwitt**

**Friday, April 17, 2020**

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**Morning Summary:** Stocks are higher after a report out of a Chicago hospital shows Gilead Sciences' drug Remdesivir having some positive effects in treating the coronavirus. Keep in mind, the info was obtained via a recorded video discussion about the trial at just one hospital and Gilead has not yet released any official results. While those could come any day now, it's not clear whether more testing will still be required or what exactly "having a treatment" means as far as lifting lockdowns and reopening the economy. It's a hopeful development but it's far from a definitive fix. If it proves to be a strong treatment this market could continue to rally and the S&P 500 at 3,000 could soon be a reality. Bulls are also pointing to President Trump's comment yesterday where he unveiled federal guidelines for reopening parts of the U.S. The 18-page plan for "Opening Up America Again" identifies various conditions that should be met for areas of the country to begin relaxing stay-at-home orders. However, the decision to lift those will be left to state governors and they are not legally required to follow the White House's guidelines. The plan lays out three "phases" but before even entering the first, the guidelines say that the number of cases, positive tests and reports of flu- or Covid 19-like symptoms in a state or region should be trending downward. About half of U.S. states are expected to see cases peak between now and May 1, though around 19 are thought to have

already come through the worst of it. The guidelines also says there should be "robust testing in place", something that remains problematic in all parts of the U.S. In fact, Fed President James Bullard said yesterday that an extensive testing regime for the coronavirus is critical to getting the economy back on track, warning that it is unlikely the U.S. economy could withstand another shutdown like we're currently witnessing if a second wave were to sweep the nation. New York Fed President John Williams weighed in yesterday as well, saying he believes the Fed's strong response to the coronavirus crisis helped get financial markets back on a healthy track, though he warned that "more economic pain is still to come" and that a recovery is likely going to be a long process, possibly requiring both monetary and fiscal policy support for the next couple of years. The Labor Department delivered another blow yesterday showing 5.25 new unemployment claims last week. That pushes the four-week total to more than 22 million and essentially wipes out the last decade of job gains. How many more people will be added to the unemployment rolls remains among the many unknowns. An interesting observation will be what happens out in August after "PPP" employment requirements are met. There's some talk that many employers will hire back their staff after getting "PPP" funding then perhaps have to let them go again at the end of the summer if the economy doesn't fully come back. Just remember, when faced with economic uncertainties the best organizational leaders tend to survive by readjusting and reducing expenses in almost every phase of its business. The play most often called is reducing the workforces to protect profits and cash flows.

As for today, there's nothing really relevant on the economic data calendar but next week will bring a couple of key releases for U.S. housing and Consumer Sentiment for April. Earnings of note today will come from Kansas City Southern, Procter and Gamble, Schlumberger, and State Street. Next week will be a critical one for earnings with releases scheduled from major companies like 3M, ADM, Amazon, American Express, AT&T, Biogen, Coca-Cola, Delta, Eli Lilly, Halliburton, Hershey, IBM, Intel, Lockheed Martin, Netflix, Paypal, Snap, Southwest Airlines, Tesla, Union Pacific, Verizon, and Visa.

**IMPORTANT ADVICE:** *The markets have been very tough to forecast the past several weeks but one bit of advice I can provide that might bring a smile to your face...*



**Interesting... Nasdaq Higher on the Year!****Charlie Bilello** ✓  
@charliebilello**Nasdaq 100, total returns...**

2009: +55%

2010: +20%

2011: +4%

2012: +18%

2013: +37%

2014: +19%

2015: +10%

2016: +7%

2017: +33%

2018: +0.04%

2019: +39%

2020 YTD: +0.5%

**\$NDX**

**Housing Starts Decreased in March but Remain Above Last Year's Level:** *Housing Starts in March were at a seasonally adjusted annual rate of 1,216,000. This is -22.3% below the revised February estimate of 1,564,000, but is +1.4% above the March 2019 rate. Single-family housing starts in March were at a rate of 856,000, -17.5% below the revised February figure of 1,037,000. Building Permits in March were at a seasonally adjusted annual rate of 1,353,000, which is -6.8% below the revised February rate of 1,452,000, but is +5.0% above March 2019. Single-family authorizations in March were at a rate of 884,000, -12.0% below the revised February figure of 1,005,000.*

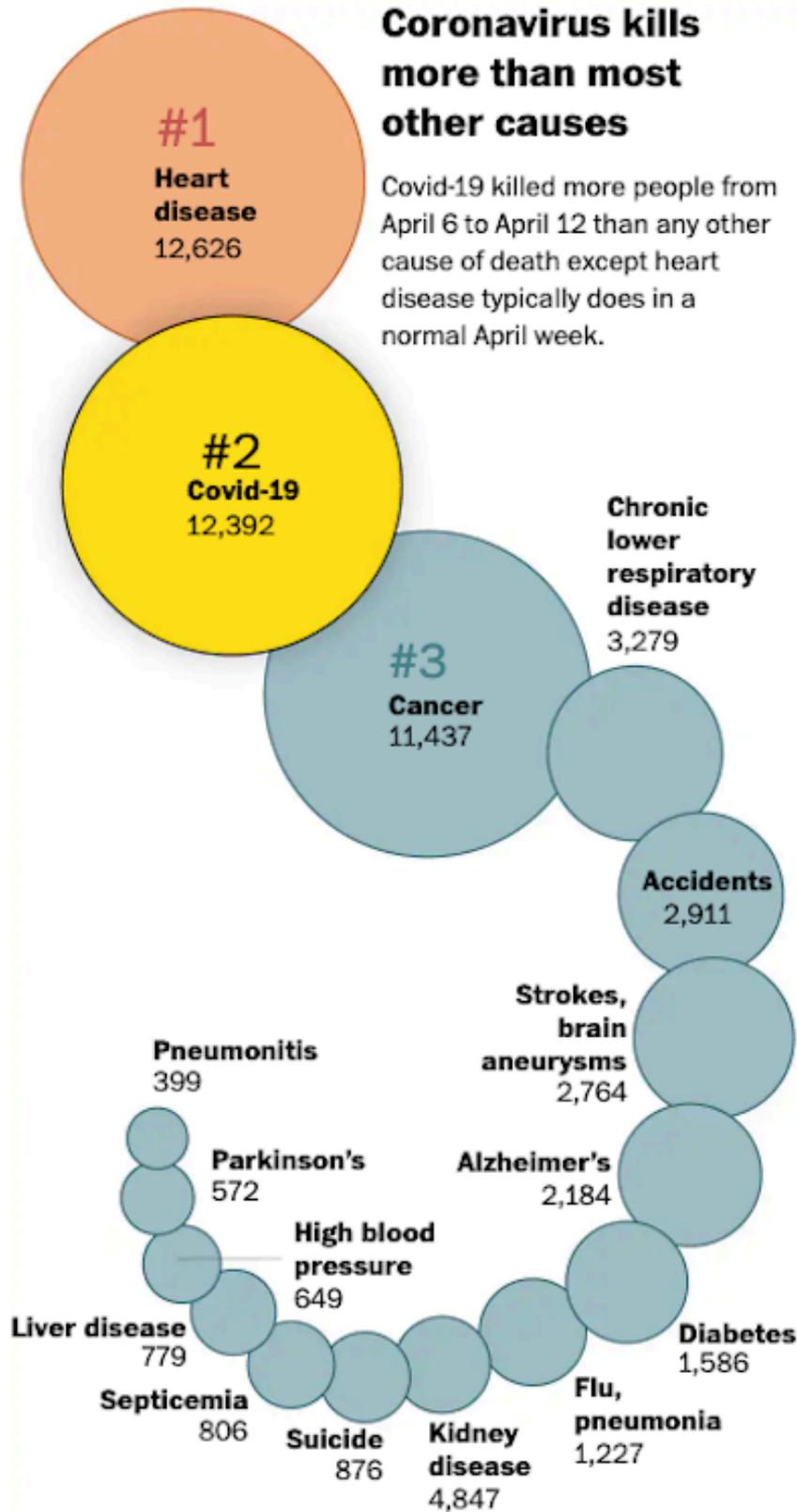
**Big Gains in Havens Stoke Worries About Stock-Market Pullback:** *Safer assets from gold to Treasuries are rising alongside major indexes, a sign that the stock-market rebound hasn't assuaged investors' fears about*

*the world economy. The S&P 500 has rebounded 25% from its March 23 multiyear low. At the same time, gold on Tuesday climbed to its highest level in nearly 7½ years, bringing its gains for the year to 15%. Billions of dollars have flowed into gold exchange-traded funds, and Treasurys prices have also joined the rally. This is a reversal from mid-March, when investors sold a range of risky and safe assets to raise cash. Analysts attributed part of the widespread selling to banks demanding repayment from investors who had used their stock portfolios as collateral to buy other securities. Those margin calls then forced investors to sell unrelated assets. Stock prices suggest a short recession with a swift rebound in corporate profits, while gains in havens signal worries about a longer downturn, highlighting an increasing disconnect between how the economy is expected to perform and what stocks are doing. Read more from [The Wall Street Journal](#).*

**Small Business Rescue Fund Runs Out of Cash For PPP Loans:** *The small business rescue fund set up by Congress has exhausted its \$350 billion funding capacity, as U.S. lawmakers remained in a stalemate over how to allocate more money. Without additional funding, banks and the Small Business Administration will be unable to approve more of the "Paycheck Protection Program" loans designed to avert layoffs during the coronavirus pandemic, which can be forgiven if businesses agree to maintain their payrolls. Lawmakers are continuing to negotiate how to replenish the funds but an imminent deal isn't expected. But Congress is deadlocked over how to allocate more money for the popular loan program, with Democrats continuing to oppose the GOP's \$250 billion infusion for the fund without equal aid for hospitals and local governments. The impasse is now in its second week. (Source: Politico)*

**Coronavirus is Rapidly Becoming the Leading Cause of Death in America:** *In just weeks, COVID-19 deaths have snowballed from a few isolated cases to thousands across the country each day. The U.S. surgeon general had warned that last week would be like Pearl Harbor as he attempted to create context for the threat — but it turned out that more than five times as many Americans died from COVID-19 last week than were killed in the World War II raid. You can grasp the scale when you compare a single week's pandemic deaths with how many people die of major causes in a typical week, represented in the graphic below. In early and mid-March, when America began widespread closures, quarantines and social distancing, COVID-19 caused many fewer deaths than other common causes — fewer in a week than chronic liver disease or high blood pressure, and far fewer than suicide or the common flu. Fast forward to last week and COVID-19 killed more people than normally die of cancer in this country in a week. Only heart disease was likely to kill more people that week. All of those comparisons include only confirmed cases. This week, New York City said at least 3,700*

*additional people have likely died over the last few weeks from COVID-19 but there were no lab tests to prove it so they've not been added to official counts. Read more from [The Washington Post](#).*



# FARM TANK

Tweets of the Day

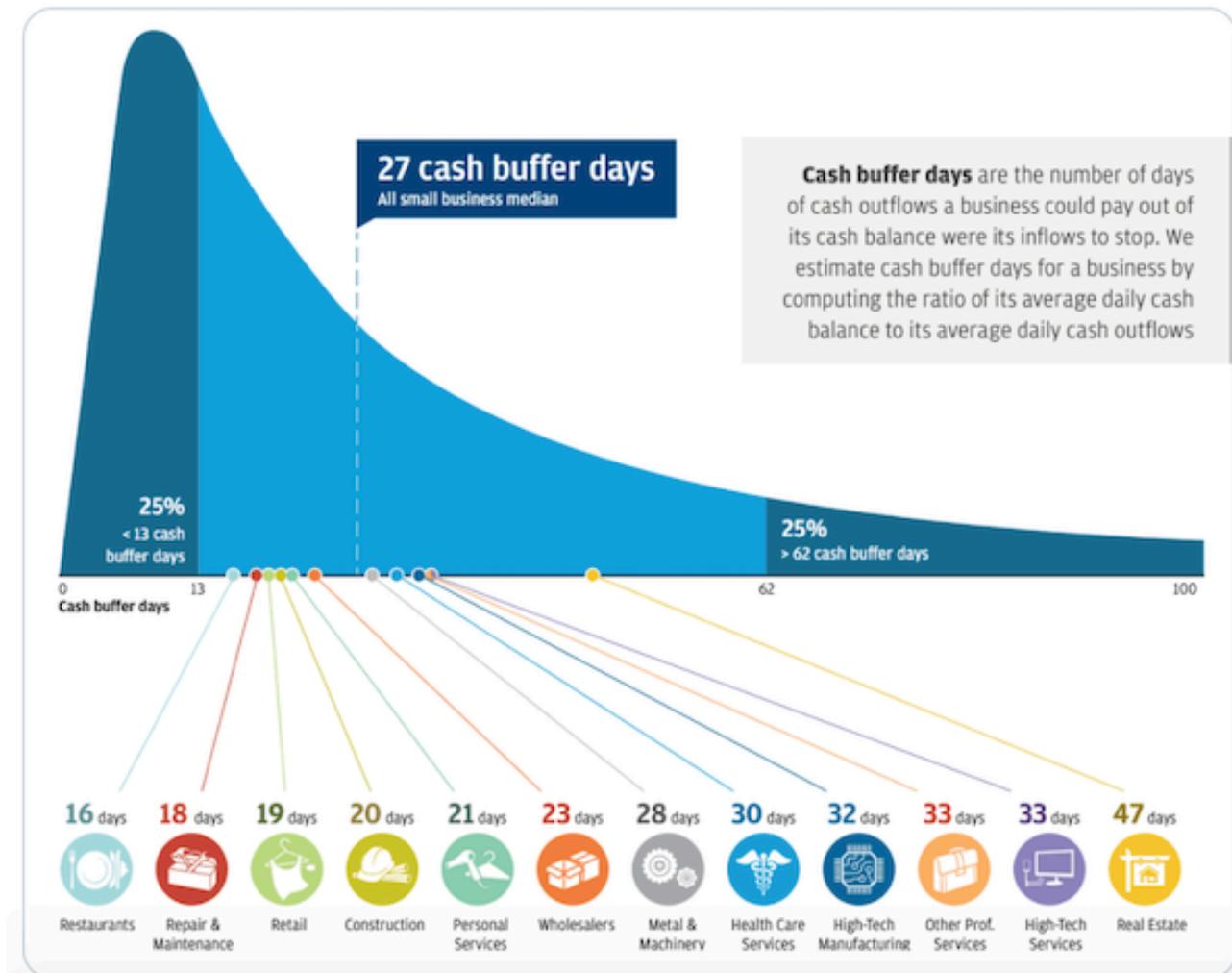




Megh Gupta  
@guptamegh



So this is scary...via @jpmorgan & @nikillinit #COVID19  
#cashflow

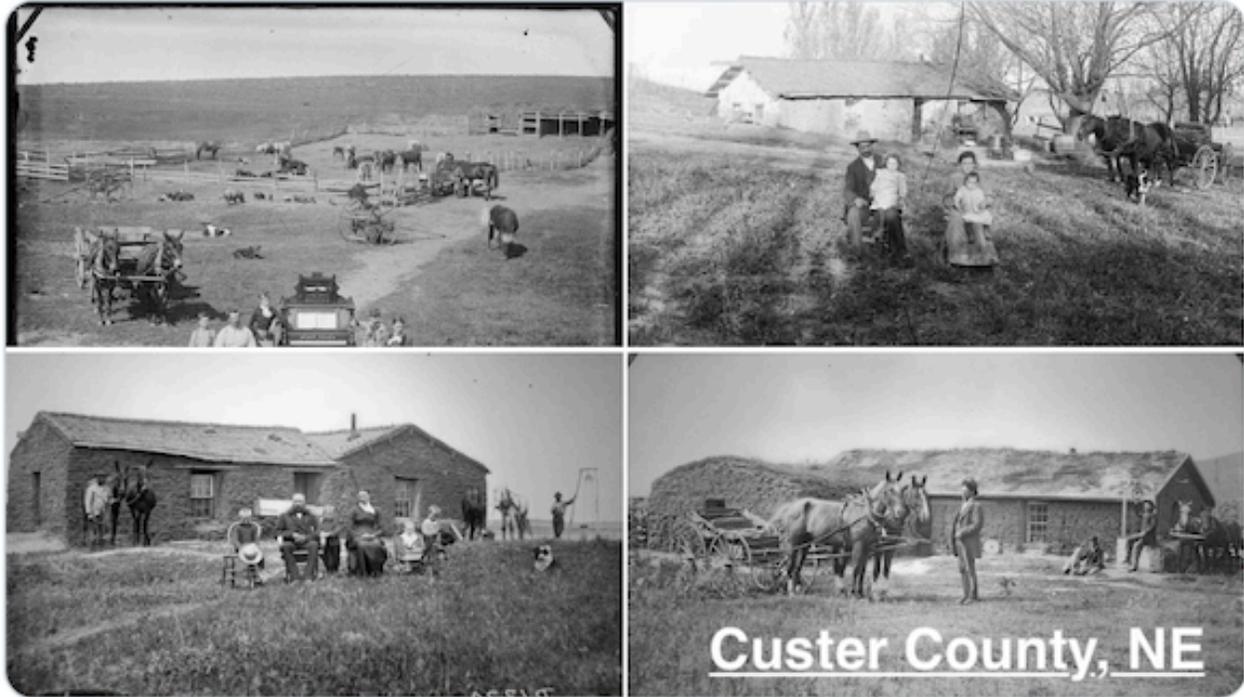




**Casey C.**  
@cattleNcrops83



These pictures are just a few of the original homesteads on our place, many eventually replaced the sod house with a wood structure which are still standing. The lack of trees is so different from now.



**Mike Johnson**  
@mikejohnsonIA



If you wake up to snow on the tractor, it may not be a good day to plant corn.





**Oskaloosa, IA**



**ben kron**  
@BenKron



More bean planting in Southern Indiana [#plant2020](#)





**Garry Graham II**  
@GSquaredfarms



📍 Taylor Mo

Welcome 31 degrees and round 2 of snow on our plot! 🙄 I don't know what we have done to Mother Nature, but she is after our March planted plot! @PrairieLandFS @JoeHarris86 #plant2020 #prairieLandfstaylor



**Parker Cattle**  
@CattleParker



Shhhhhh gopher hunting



**Farm Wife Mom Life**  
@dlblawrence



You might be a farmer's wife if your children's education happens in the cab of a tractor. #plant20





**DTF COWPUNCHER**  
@dubyardirt



Wonder if i could get some [#plant20](#) sponsors.... this just screams [#MERICA](#)





**Jon Erlichman** ✓  
@JonErlichman



Things that didn't exist when Tiger Woods won his first Masters in 1997:

- iPhone
- Google
- Facebook

Android  
Instagram  
YouTube  
Twitter  
Netflix  
Gmail  
Emojis  
FaceTime  
Skype  
Zoom  
Spotify  
Wikipedia  
LinkedIn  
App Store  
Xbox  
Slack  
Instacart  
PayPal  
iPad  
Snapchat  
TikTok  
Hashtags  
WhatsApp





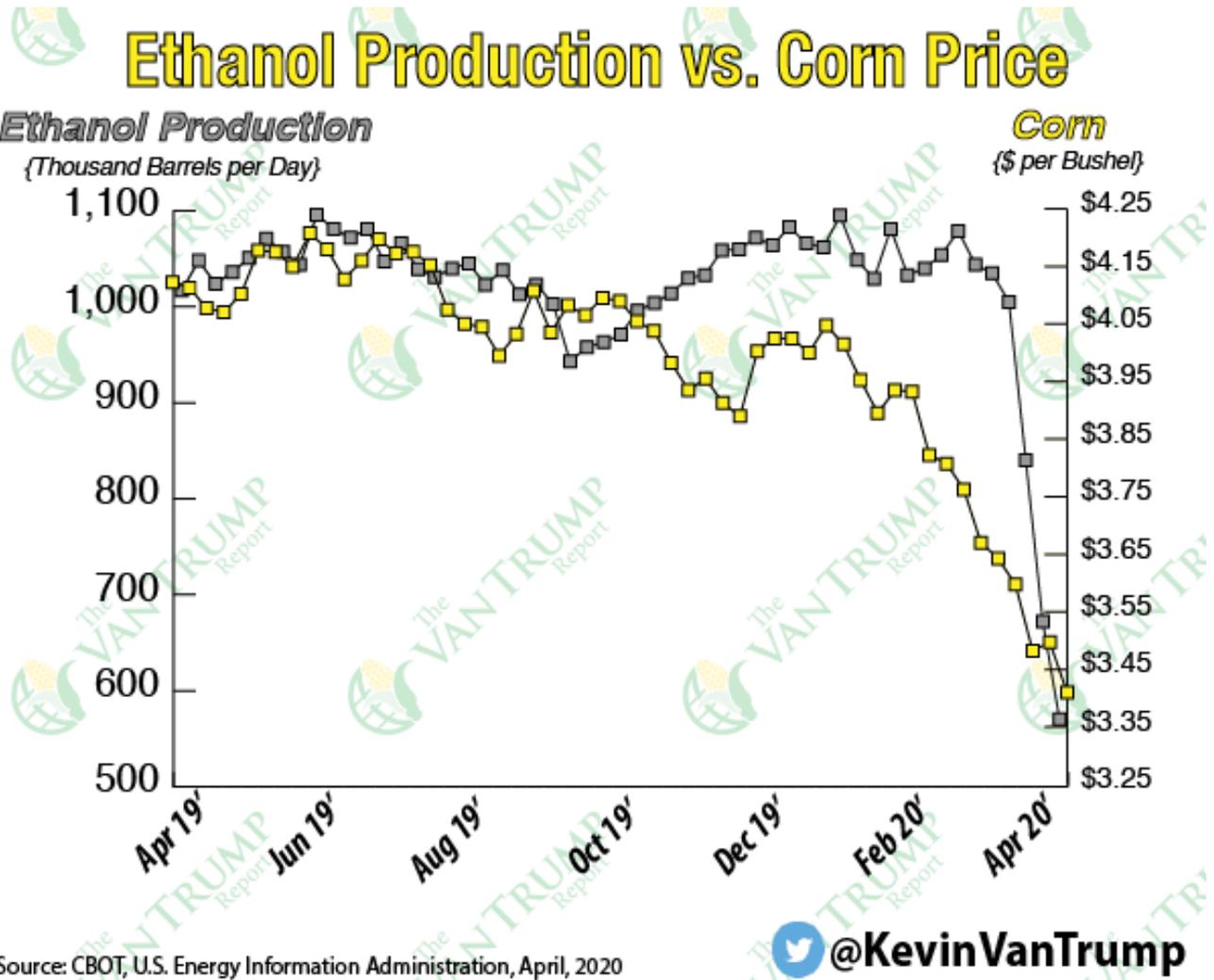
**Mark Cuban** ✓  
@mcuban



When we look back in five years, we are going to realize that there were 10 to 20 amazing companies that were started that changed the world and led us to a brighter future. Ask yourself: "Why Not Me" or "Why Not Us". Now is your time. The world is waiting.

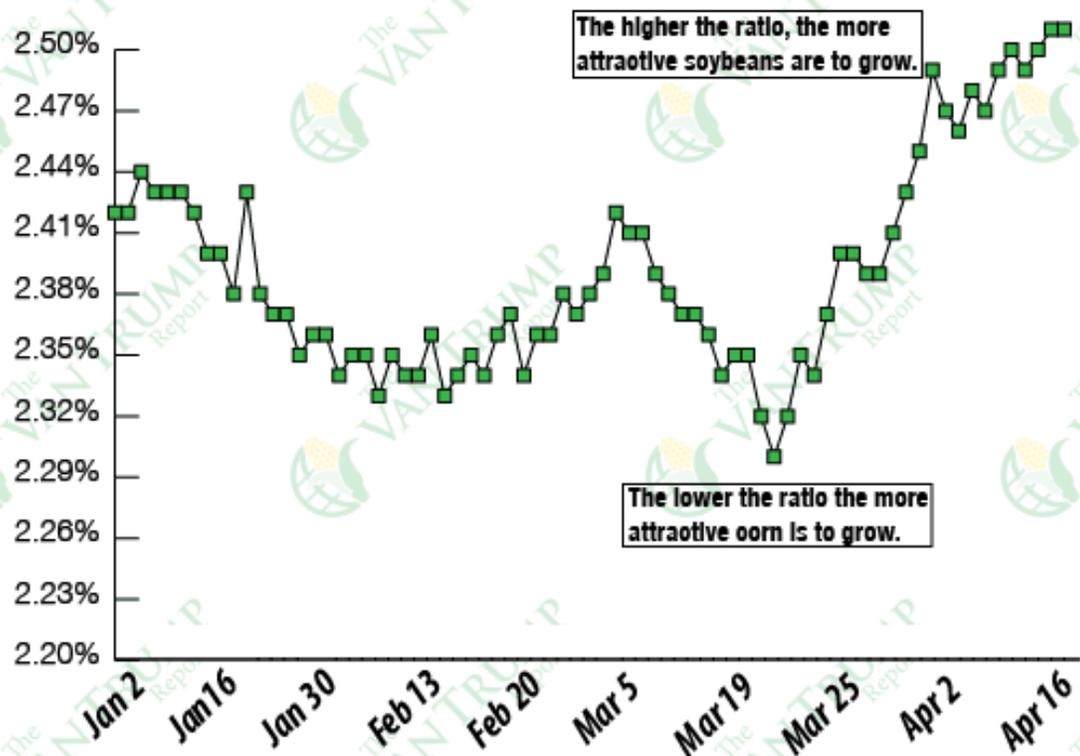
**CORN** bulls are pointing to strong weekly U.S. export sales while bears talk about global buyers soon starting to shift more purchases towards South America. Bears also continue to point to the demand setbacks associated with ethanol and the possibility of +94 million planted U.S. corn acres. As a spec, I remain long and now wrong... I'm keeping a close eye on the weather in Brazil thinking there could be some hiccups with second-crop production if the rainfall disappoints the next few weeks. The crop in Argentina is thought to be in worse shape than last year but the harvest is running ahead of schedule at about 35% complete. The trade seems to be thinking the USDA's current combined estimate for South American production is overly optimistic and will eventually need to be trimmed. Technically, the market continues to push to new contract lows with many bears thinking we could eventually test 2016 lows down at \$3.01, the lowest level in over 10-years. Below that level, it was back during September 2009 that corn traded down to \$2.99<sup>6</sup>. In December 2008 the market traded down to \$2.90 per bushel. If you are looking for prices lower than that we have to go back to before The Energy Independence and Security Act of 2007 which changed and broadened the original RFS guidelines. The changes required by the 2007 legislation are usually referred to as RFS2, which required the use of 9 billion gallons in 2008 and scheduled a requirement for 36 billion gallons in 2022. The quota for 2022 was to allow no more than a maximum of 15 billion gallons from corn-starch ethanol and a

minimum of 16 billion gallons from cellulosic biofuels. In any regard, we could certainly retest the sub-\$3.00 level, but I still don't think we can stay there for an extended period.



**SOYBEAN** bears are pointing to increased demand uncertainties, extremely weak export sales, talk of more U.S. acres in 2020, and the ongoing headwinds associated with the strong U.S. dollar in comparison to SAM currencies. There were more talks circulating yesterday that Chian was in the Brazilian market buying cargoes for Jul-Aug-Sep deliveries... you do the Chinese math! Technically, there's a lot of talk that the JUL20 contract could eventually retest the mid-March lows down at \$8.29 per bushel. Remember, it was in May of last year the soybean market traded down to \$7.80<sup>4</sup> per bushel. From there we have to go all the way back to December 2008 when prices traded down to \$7.76<sup>2</sup>. As a spec, I'm still on the sideline thinking there could be a bit more downside pressure during the next couple of weeks. If we break another -20 to -25 cents I'll probably start building a new bullish position. As a producer, I've been lifting a few hedges on the break and am in absolutely no hurry to make additional new-crop sales.

# Soybean-Corn Ratio Spread

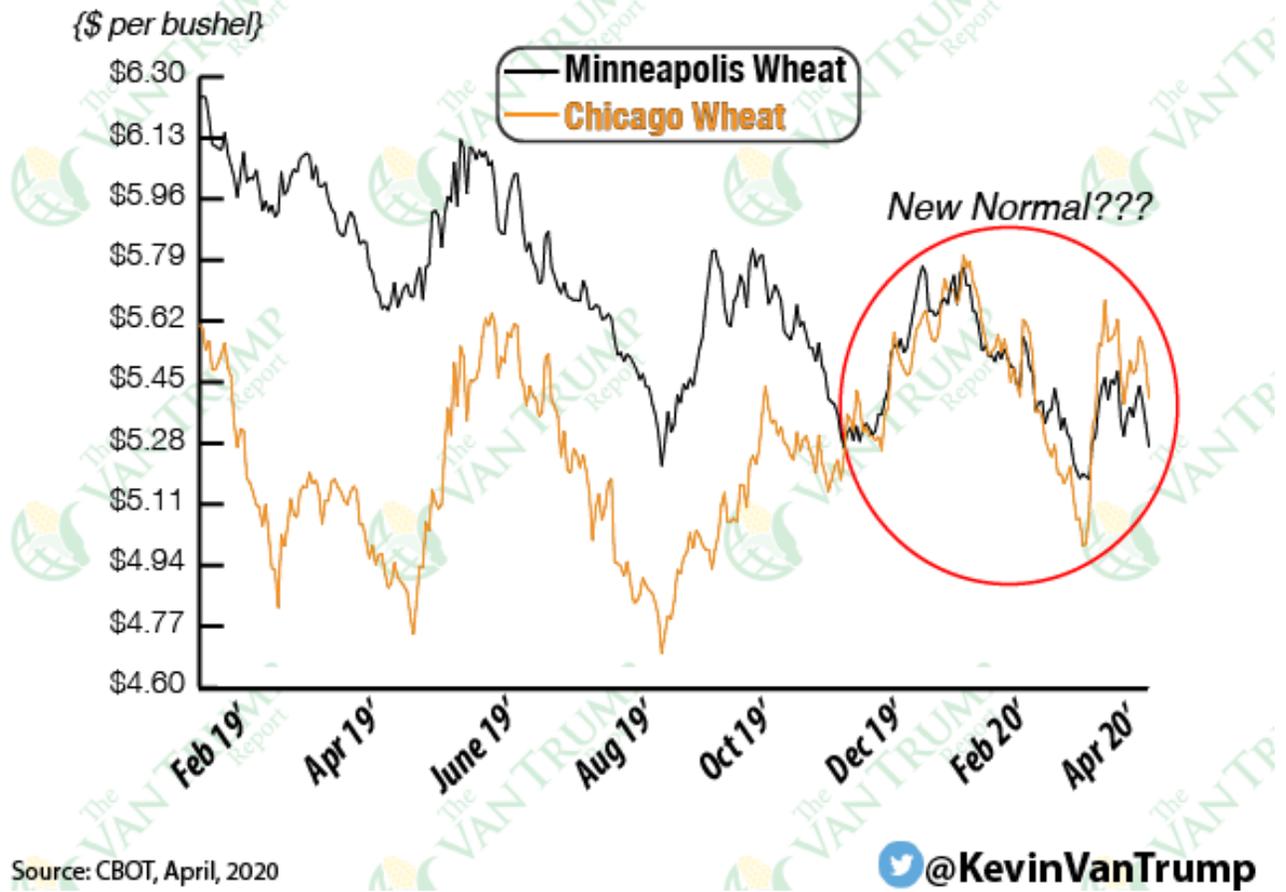


Source: CBOT, April, 2020

@KevinVanTrump

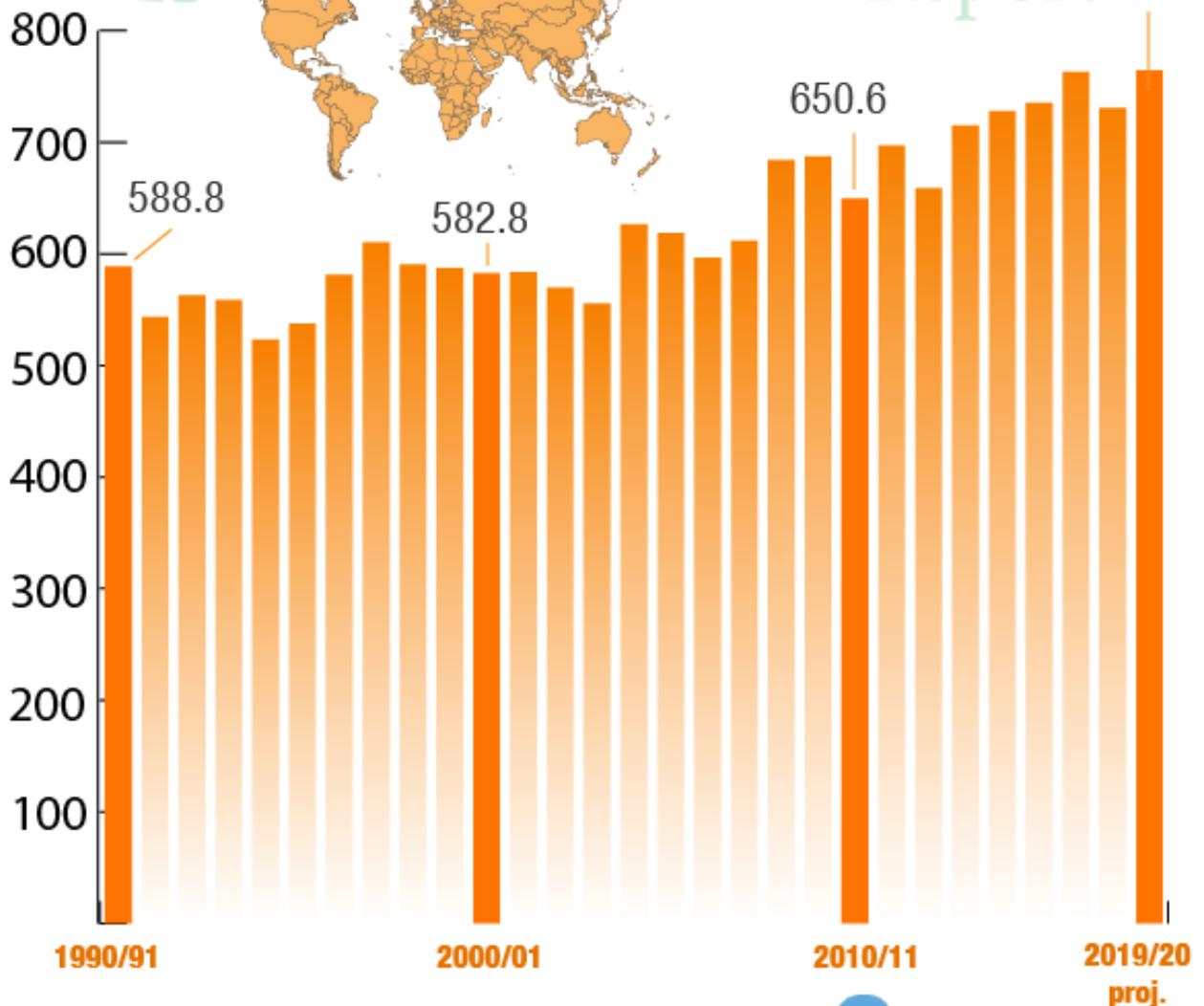
**WHEAT** prices are down roughly -30 cents this week as weather headlines fail to deliver for the bulls. Better rains in the forecast for parts of Russia and Ukraine and limited crop damage here at home has taken some air out of the balloon. At the same time, weekly old-crop export sales data was less than impressive, with new-crop sales running slightly ahead of schedule. Another round of headlines circulated showing that Egypt was again buying Russian and French wheat, U.s. supplies could not compete. As a spec, I'm very glad I banked my bullish profits and moved to the sideline when I did. I've been in no real hurry to re-establish my position, I still think there could be more nearby price pressure. As a producer, I made some 2021 crop sales early this week when JUL21 prices were trading between \$5.50 and \$5.60 per bushel.

# Feed Grade Wheat vs. Milling Quality Wheat



# Global Wheat Production

(in million metric tons)



Source: USDA, PS&D, WASDE, April, 2020

@KevinVanTrump



# FARM TANK

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# WHATEVER FLOATS YOUR GOAT

## A Section for Creative Minds

**> CDC Inspects Smithfield Foods Sioux Falls Facility:** *The Centers for Disease Control and Prevention yesterday was inspecting a closed Smithfield Foods pork processing plant in South Dakota that's turned into a coronavirus hot spot, one day after the company announced it's shuttering two more plants. Smithfield*

*Foods said Wednesday it will temporarily close plants in Cudahy, Wisconsin, and Martin City, Missouri, because of the coronavirus pandemic. The plant near Milwaukee will be closed for two weeks while the facility in Missouri is closed indefinitely. The Missouri plant receives raw material from the company's Sioux Falls, South Dakota facility, which is also closed. "Without plants like Sioux Falls running, other further processing facilities like Martin City cannot function," Smithfield CEO Ken Sullivan said in a statement. The Sioux Falls plant has become the biggest single source of cases in the United States with 518 Smithfield Foods employees who have tested positive and 126 total cases of non-employees who became infected when they came into contact with a Smithfield employee.*

**> Farm Lending Activity Slowed in the First Quarter:** *Prior to the emergence of global economic developments related to COVID-19, growth in farm lending continued to show signs of slowing, according to the Kansas City Fed's latest Ag Finance Databook. While the volume of operating loans in the first quarter of 2020 increased slightly from a year ago, overall demand for non-real estate loans declined. At the end of 2019, delinquency rates on farm loans continued to increase slightly, but agricultural credit conditions and farmland values were holding steady. Capital cushions at agricultural banks, which have increased steadily in recent years, remained at historically high levels through 2019. As the effects of recent economic disruptions materialize in coming months, the current stability of farm real estate values and financial soundness of farm banks may be key sources of support for the sector. Read the full report [HERE](#).*

**> Coronavirus Spurs New Clash Between Big Oil and Big Corn Over Biofuels:** *A fuel demand meltdown caused by the coronavirus outbreak in the United States has started up a new fight between the oil and agriculture industries over the nation's biofuel policy, this time over whether the policy should be suspended or expanded as a result of the crisis. The oil refining industry and its backers have asked the Trump administration to help by suspending blending requirements, arguing it is a cost many facilities can not currently afford. The corn lobby, meanwhile, has been pushing for the blending requirements to be expanded to help farmers hurt by closing biofuel plants across the country. While the refining and corn industries have clashed for years over the biofuel blending requirements, the issue is now being framed as a matter of survival. Read more from [Reuters](#).*

**> Romania Lifts All Wheat Export Restrictions:** *Romania lifted all export restrictions for wheat and other food products to non-European Union destinations, enforced on April 10, Interior Minister Marcel Vela said on Thursday. Romania is a major cereals exporter to the Middle East, with Egypt a key buyer. Egypt was tapping the market on Thursday for wheat, its second consecutive tender this week as it seeks to beef up its strategic reserves. (Source: Reuters)*

**> Does China See a Food Crisis?** *China seems to be worried about a global food*

*crisis on several fronts. Consumers in Jiangsu, Shanghai and Zhejiang Provinces began panic-buying rice in late March, causing prices to surge. Since then, China's news media have issued articles almost daily to dispel panic but in doing so most recite alarming signs of possible spikes in prices and famine. The title of an April 9 essay, "Working Together to Maintain Food Security" published in State media draws an alarming scenario of a global food crisis. Interestingly, soaring food prices have not really materialized in China, aside from meat prices but that topic is supposedly off-limits in discussing the "food crisis." The Dim Sums blog ponders why China might be worrying about a possible food crisis, and why the government in particular seems to be trying to raise the alarm in a backhanded way. Are Chinese officials trying to scare their farmers to get them out into their fields? Do they know something we don't? Is China looking for a better deal from the United States, or a way to wriggle out of Phase I? Is China maneuvering to position itself as the new benevolent protector of global food security? Read more [HERE](#).*

**> Assessing Coronavirus's Impact on Your Business Model:** *When a crisis like the coronavirus pandemic hits an organization, its executives need to assess the impact on their business model, both immediately and over the long term. Two Harvard Professors share a framework they've developed over the last decade that can help executives identify the business-model risks and opportunities that the crisis presents. To start, you'll look at the four core dimensions of your business model: customers, value propositions, value demonstrations, and capabilities. Second, you'll analyze the connections between these dimensions. Third, you'll define realistic objectives for your organization, during and after the crisis. Check it out [HERE](#).*

**> A Retirees Financial Checklist for Volatile Times:** *If you're many years from retirement, coping during a down market is primarily a mental exercise. But if you're retired, a down market is apt to feel more distressing than when you were working because your portfolio basically is your paycheck - or at least part of it. Coping during a period of market weakness requires mental fortitude, just like when you were working, but it may also require course corrections to help ensure that your portfolio can sustain withdrawals throughout retirement. If you're already retired or retirement is close at hand, Morningstar has a checklist to use to make sure your plan is on track [HERE](#).*

**> Microsoft Land NBA Deal to Use Azure and Surface Starting with the 2020-21 Season:** *The National Basketball Association will adopt Microsoft's Azure cloud to enhance the online experience for fans, and will use Microsoft Surface tablets in unspecified ways, starting in the league's 2020-21 season, the parties announced Thursday. The duration and terms of the deal were not disclosed. Given that teams could be holding games without crowds for some time, NBA Commissioner Adam Silver told CNBC it's even more important that the league's*

*engineers start assembling the new system. Azure will be the exclusive cloud partner for the NBA's direct-to-consumer service. Microsoft and the NBA began discussing the effort before the company sent home nonessential workers to prevent further spread of the coronavirus. Read more from [CNBC](#).*

**> YouTube Launches a Free, DIY Tool for Businesses in Need of Short Video Ads:** *YouTube is launching a new tool aimed at small businesses that need a simple, low-cost way to create videos, but may not have the creative experience or technical know-how required to do so. The YouTube Video Builder, as the new tool is simply called, has been in testing with a small group of customers for months but has been rushed to launch more publicly in light of the COVID-19 pandemic, where in-person video shoots are no longer an option, and many small businesses are strapped for cash. To gain access to the tool, the business will need only a Google Account that can be used to log into Google's services, like Gmail and YouTube. If they don't have one, they can link their non-Google email address to a Google account instead. And to save and publish the video, the business will need its own YouTube channel. Learn more [HERE](#).*

**> Starved for Sports? Here Are 5 Options That Aren't N.B.A. Classic:** *With no live competition to show, broadcasters are offering a buffet of leftovers — "classic" games, old poker tournaments, spelling bee marathons — and constantly replenished chatter about what's not happening. But there is a better way to go. The New York Times has compiled a list of some current or recently available shows — a pair of documentaries, a pair of dramas and a nonfiction series — that offer the thrill of victory and the agony of defeat without the stale taste of a reheated meal. Check it out [HERE](#).*

**> Anonymous Local Businesses Pay a Month of Bills in Small Indy Town:** *As the residents of Fortville opened up the town's Facebook page Friday night, they saw a post from the town saying, "Don't worry about paying your April water and sewer bill. Every resident's has been paid in full by an anonymous donor." "The town has received a gracious donation with the stipulation that it be used to pay for April water/sewer bills. If you have already paid your April bill, you will see a credit on the May billing," Fortville's Friday Facebook post read. The total donation was more than \$210,000. The town went on to share the note it received from the donor: "This gift was made by local businesses as an encouragement that we all might look out for one another, find the needs of our neighbors, neighborhoods and do our part in helping them through this uncertain and unprecedented difficult time...and the good times that will soon follow," the donor wrote. "Thank you and God bless our people and our nation." (Source: [IndyStar](#))*

**> Quarantined Family Re-Creates Journey's "Separate Ways" Music Video:** *Steven and Jana Heller's family battled boredom while stuck in their home during the coronavirus lockdown by taking a trip with Journey. The family of six perfectly*

re-created the rock band's 1983 "Separate Ways (Worlds Apart)" video shot for shot around their Maple Valley, Washington, home. They dubbed the lip-sync extravaganza the 2020 "Heller Quarantine Edition." "It was all my wife's idea," Heller tells USA TODAY. "She was trying to find a way to stave off the boredom so she decided, 'Why not make a music video?' " Heller initially just posted it for family and close friends but their video has since gone viral "Everyone keeps saying, 'Do another!' But it would be good to be that family that did something cool that one time, rather than following it up with something not-as-cool," says Heller. "We made some great memories off of this experience, maybe that's good enough." There's also a video showing the Hellers' version side-by-side with the original Journey video - the Hellers' nailed it! You can read more about the family's fun project and watch both videos [HERE](#).



**Southeast Nebraska** - *We planned on putting seed in the ground today but the snow put a stop to that. We should warm up next week and get it all in the ground quickly. Initially, we were going heavier on the corn but the shutdowns in the ethanol plants have caused us to rethink that strategy and we will now go back to 50/50. I believe or at least hope we will see the ethanol demand come back online at some point, but we couldn't wait it out with minimal storage capacity. I'm changing that soon enough. We just got word of our first positive testing for the virus in our small town, so everyone is paying extra attention on their movements. We are not seeing anyone at our seed dealership and we are happy to say we have everyone taken care of. We will look to lock in some corn prices if prices move up enough when the shorts start to take some profits off the table. It's a good year to be very nimble and make sure you're still farming next season.*

**Southern Illinois** - *The wheat sure looks good in this area even with the recent cold weather that we have had. It didn't come near any damaging temperatures so we really do not have any worries at this point. We have rain in the forecast and the potential to very briefly get down to 30 degrees, but it will not be long enough to do any major damage. After Friday, we do not have any cold weather in the picture. The conditions are far better than last year, it's not really even comparable at this point. I guess it has the chance to start raining but most guys are already done with most of their corn prep and there are soybeans that are already planted.*

**Southwest Missouri** - *With school being on a wellness break since the middle of March, it's given me lots of time on the farm. I walk our show pigs multiple times a day. I spend more time checking our cows and calves and weeding our 1,200 blueberry plants that are now officially blooming. Just yesterday I helped the old man plant our last 80 acres of 2,200 acres of corn. It all went in really well. The picture below is a quick snapshot of our blueberry patch.*





**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:** What force and strength cannot get through, I with my unique teeth can do. What am I?



### **Did You Know a Fatal Strain of Bird Flu was Confirmed Last Week in U.S.?**

The US Department of Agriculture last week reported a deadly case of H7N3 bird flu in a turkey flock in Chesterfield county, South Carolina. The virus killed 1,583 turkeys and the remaining 32,577 birds have since been euthanized. In a statement, USDA said there was no immediate public health concern and that no human cases of the virus had been detected.

The European Union banned all U.S. poultry products last Friday, but it already restricts most imports over using chemicals to sanitize chicken carcasses. China, Canada, Mexico and others have only banned poultry slaughtered and processed in South Carolina or the county where highly pathogenic avian influenza was confirmed in a turkey flock on April 8. Globally, more than +60 cases of highly pathogenic avian influenza (HPAI) have now been confirmed in Hungarian poultry flocks in less than one month. Bulgaria, Taiwan, and Vietnam have also reported new cases.

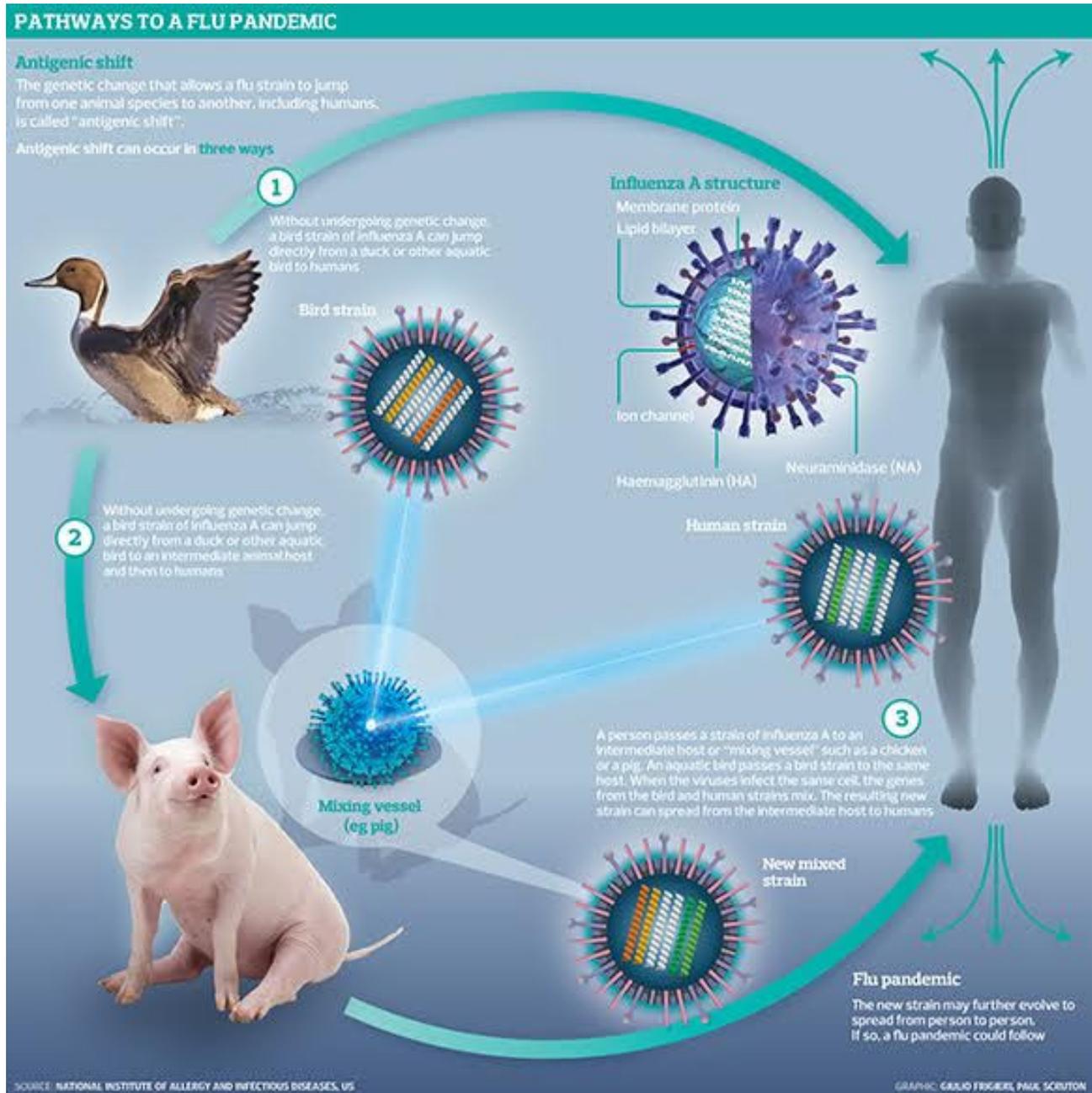
With the fatal strain of bird flu confirmed here in the U.S., many are now wondering if they need to worry about the pathogen transferring or jumping to other species. Wild waterfowl and swine can harbor strains of the fast-mutating influenza A that are distinct from the strains that cause cases of seasonal flu. When a strain jumps from animals to humans, it can be particularly dangerous. Perhaps the best-known example of this is the 1918 flu pandemic, which killed between 50 and 100 million people around the world.

Chinese authorities fear a new virus outbreak after a three-year-old girl recently contracted the N9N2 strain of avian influenza, as the country emerges from the coronavirus pandemic. The child in Guangdong province had been in contact with domestic poultry before she fell ill, according to the World Health Organization (WHO). Bottom line, the recent emergence of the coronavirus behind the COVID-19 pandemic has thrown a spotlight on the risks that animals can now pose to humans as the source of new viruses.

From research over the past few decades, scientists now understand some of the mechanisms that contribute to virus jumping between species. Influenza virus is a classic example... The virus contains eight genome segments and if two different viruses infect the same cell, segments from both can mix to create a novel virus species. If the proteins on the surface of the new virus have significantly changed from currently circulating influenza virus strains, then no one will have immunity and the new virus can easily spread.

Humans have always come into contact with new viruses as they have explored new areas and spread across the globe. It's unclear what changed in the recent viruses to allow them to more easily infect humans. However, given that three major diseases have emerged from the coronavirus family in the last 20 years – SARS, MERS and now COVID-19 – it is likely that this will not be the last time a coronavirus jumps into humans and causes a new disease outbreak. There's just a lot here we still don't know and fully understand. It feels like we are just seeing the tip of the iceberg...





### How Coronavirus is Impacting the Used-Car Market

It's no surprise car sales have taken a massive plunge in this new coronavirus economy. While new car dealers aren't exactly moving a lot of units, the car industry is more concerned about a potential price collapse in the used car market. Analysts say consumers can expect some pretty good deals in the pre-owned market once dealerships are operating again. At the same time, it could spell big trouble for parts of the auto industry.

The biggest issue at play is cars coming back from leases which have few if any potential buyers right now. As with so many other parts of the economy, the wholesale auctions where dealerships get a large chunk of their used-car inventory

are mostly frozen due to stay-at-home measures. Some automakers are trying to curb lease returns by offering customers one-month extensions, though such moves are only delaying the inevitable. Rental-car companies, which make money on both the rentals and sales, also have massive inventories sitting dormant.

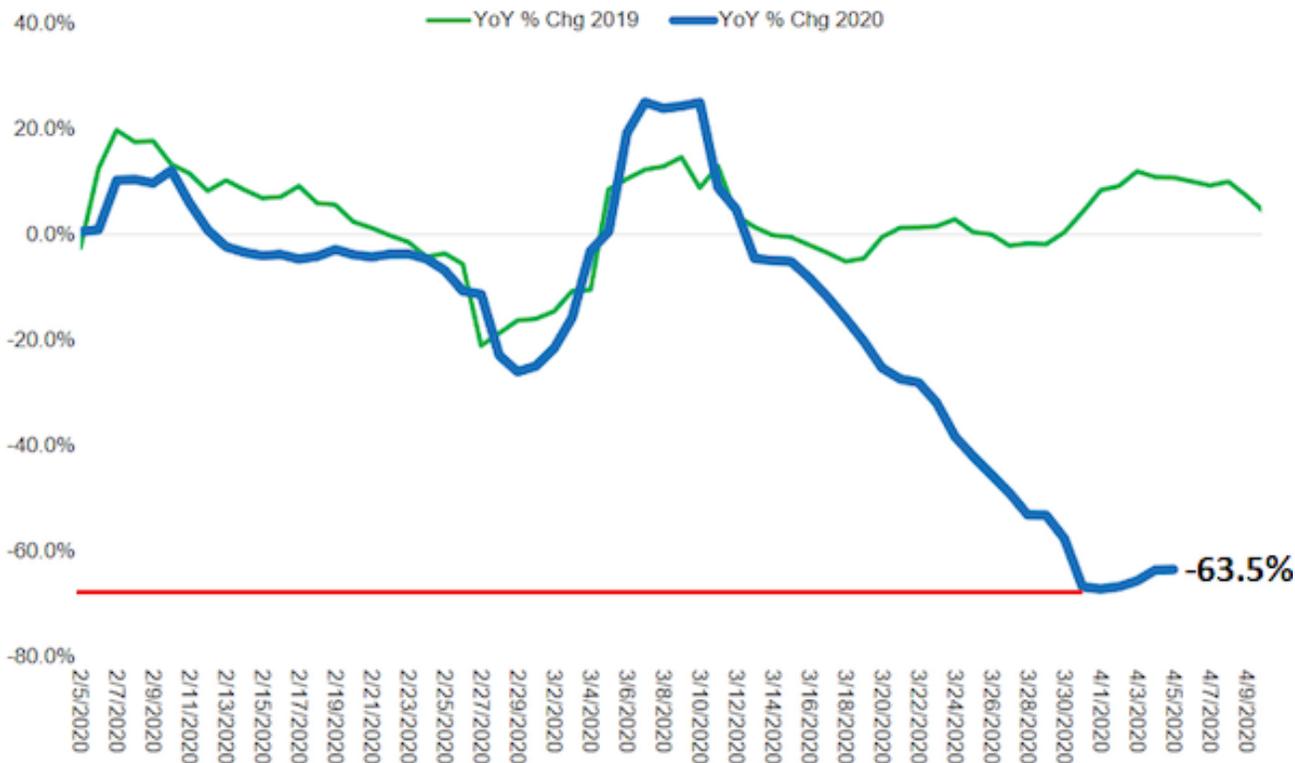
Industry experts predict that once social distancing measures are relaxed and people are ready to hit car lots again, there will be a huge level of wholesale supply on the market. That inventory will likely continue building for months, resulting in lower prices as the imbalance works itself out - something that could take many more months.

It's really hard to get a handle on how the industry is faring right now, but in the last week of March, used-car sales plunged -64%. Don't forget most big auction houses are closed and used car inventories are backing up.

Remember, the price drops due to an oversupplied market will come on top of the normal depreciation that vehicles experience with the passage of time. This is bad news for companies sitting on large inventories, obviously. But it could also have long-term consequences for automakers' finance arms. They need to account for those depreciations, which will result in large losses. These hits could eventually result in lease payments getting more expensive.

Another problem for consumers to consider is that as used-car values go down, those that still have loans on their vehicles could find themselves underwater (where the loan balance is greater than the trade-in value) when they go to make a trade-in. At the very least, that trade-in is worth a lot less than owners would have been expecting just a few months ago. (Sources: Bloomberg, Jalopnik, Kelly Blue Book)

### Daily Used-Vehicle Retail Sales % Chg YoY vs Same Day of Week



COX AUTOMOTIVE™

Source: Cox Automotive



### 25 Years Have Passed... A Look Back at The Oklahoma City Bombing

My family and I have visited the site a couple of times. To say a strange feeling comes over my body each time would be a huge understatement. If you get a chance to take your kids or grandkids to the site in Oklahoma City, I would highly recommend visiting the site, its truly a moving experience!

It was on this day in 1995, just after 9 a.m., a massive truck bomb exploded outside the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma. In a matter of seconds, the blast destroyed most of the nine-story concrete and granite building, instantly killing more than 100 people and trapping dozens more in the rubble. The surrounding area looked like a war zone. Dozens of cars were incinerated, and more than 300 nearby buildings were damaged or destroyed. Emergency crews raced to the rescue but in the end, the death toll stood at 168 people, including 19 young children who were in the building's day-care center at the time of the blast.

Today it's considered the worst terrorist attack ever committed on U.S. soil by an American. Both Timothy McVeigh, and Terry Nichols were found to be members of a radical right-wing survivalist group based in Michigan.

From what we have learned McVeigh parked a Ryder rental truck loaded with a diesel-fuel-fertilizer bomb outside the Oklahoma City Federal Building and fled. Minutes later, the massive bomb exploded. Within 90 minutes of the explosion, McVeigh was stopped by Oklahoma Highway Patrolman Charlie Hanger for driving without a license plate and arrested for illegal weapons possession. Forensic evidence quickly linked McVeigh and Nichols to the attack.

McVeigh was said to be wearing a printed T-shirt with the motto of the Commonwealth of Virginia, *Sic semper tyrannis* ("Thus always to tyrants", according to legend what Brutus said as he assassinated Julius Caesar, also shouted by John Wilkes Booth immediately after the assassination of Abraham Lincoln) and "The tree of liberty must be refreshed from time to time with the blood of patriots and tyrants" (from Thomas Jefferson). He also carried an envelope full of revolutionary materials that included a bumper sticker with the Thomas Jefferson slogan, "When the government fears the people, there is liberty. When the people fear the government, there is tyranny." Underneath, McVeigh had written, "Maybe now, there will be liberty!"

Two years later, McVeigh was convicted on 15 counts of murder and conspiracy, I'm not sure why it wasn't more, but regardless the jury sentenced him to die by lethal injection. Terry Nichols was found guilty on one count of conspiracy and eight counts of involuntary manslaughter and was sentenced to life in prison. In December 2000, McVeigh asked a federal judge to stop all appeals of his convictions and to set a date for his execution. Federal Judge Richard Matsch granted the request. On June 11, 2001, McVeigh, 33, died of lethal injection at the U.S. penitentiary in Terre Haute, Indiana. He was the first federal prisoner to be put to death since 1963.

Today, in Oklahoma City on the site of what was once the Federal Building, there is a fitting memorial and museum honoring the significance of that tragic day. The

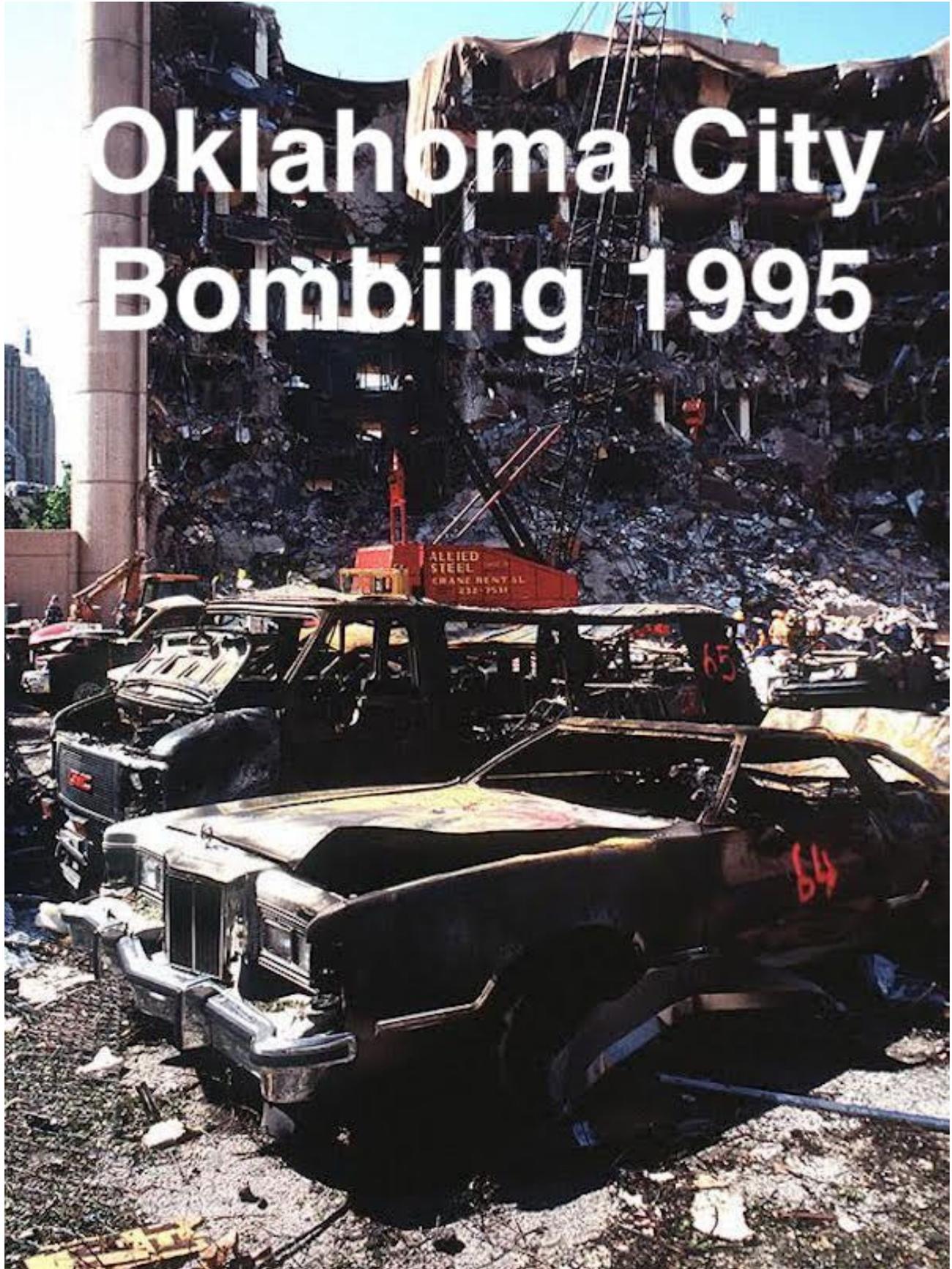
Oklahoma City National Memorial & Museum was dedicated on April 19, 2000, five years to the day after the bombing. "The memorial is really built to remember those who were killed and those who survived and those who were changed forever."

Two towers on either side of a reflecting pool where the Murrah building stood show the time immediately before and after the explosion. In the museum, visitors can see a room of twisted metal and concrete fragments left untouched after the bombing, along with a variety of interactive exhibits. In the memorial area, there is a chair for each of the 168 victims. Between the memorial and museum stands the Survivor Tree, which survived the blast and subsequent fires and symbolizes the notion that good will always triumph over evil.

**About The Bomb** - Several agricultural laws involving fertilizer were changed following the bombing. Reports show both McVeigh and Nichols purchased or stole many of the materials they needed to manufacture the bomb, which they stored in rented sheds. On September 30, 1994, Nichols bought forty 50-pound bags of ammonium nitrate fertilizer from a Coop in McPherson, Kansas, enough to fertilize about 10-15 acres of corn farmland. Nichols bought an additional 50-pound bag on October 18, 1994. McVeigh planned to construct the bomb containing more than 5,000 pounds of ammonium nitrate fertilizer, mixed with about 1,200 pounds of liquid nitromethane and 350 pounds of Tovex. Including the weight of the sixteen 55-U.S.-gallon drums in which the explosive mixture was to be packed, the bomb would have a combined weight of about 7,000 pounds. McVeigh said he had originally intended to use hydrazine rocket fuel, but it proved to be too expensive. During the Chief Auto Parts Nationals National Hot Rod Association Drag Racing Championship Series event at the Texas Motorplex, McVeigh posed as a motorcycle racer and initially attempted to purchase 55-U.S.-gallon drums of nitromethane on the pretense that he and some fellow bikers needed the fuel for racing, despite the lack of nitromethane-powered motorcycles at the meeting, and not having an NHRA competitors' license. Denied by one representative, after being suspicious of McVeigh's actions and attitudes, he then moved on and was eventually permitted to purchase three barrels from another dealer. McVeigh went on to assemble the bomb of ammonium nitrate fertilizer, nitromethane, and diesel fuel mixture, in the back of a Ryder truck. Once detonated, the federal building was destroyed by the explosion, [which created a 30-foot-wide, 8-foot-deep crater on NW 5th Street next to the building. The blast destroyed or damaged 324 buildings within a 4-block radius, and shattered glass in 258 nearby buildings. The broken glass alone accounted for 5% of the death total and 69% of the injuries outside the Federal Building. The blast destroyed or burned 86 cars around the site. The destruction of the buildings left several hundred people homeless and shut down a number of offices in downtown Oklahoma City. The explosion was estimated to have caused at least \$652 million worth of damage. The effects of the blast were equivalent to over 5,000 pounds of TNT, and could be heard and felt up to 55 miles away. (Source: Wiki)

You can find a lot more information about the bombing at the [FBI website](#).



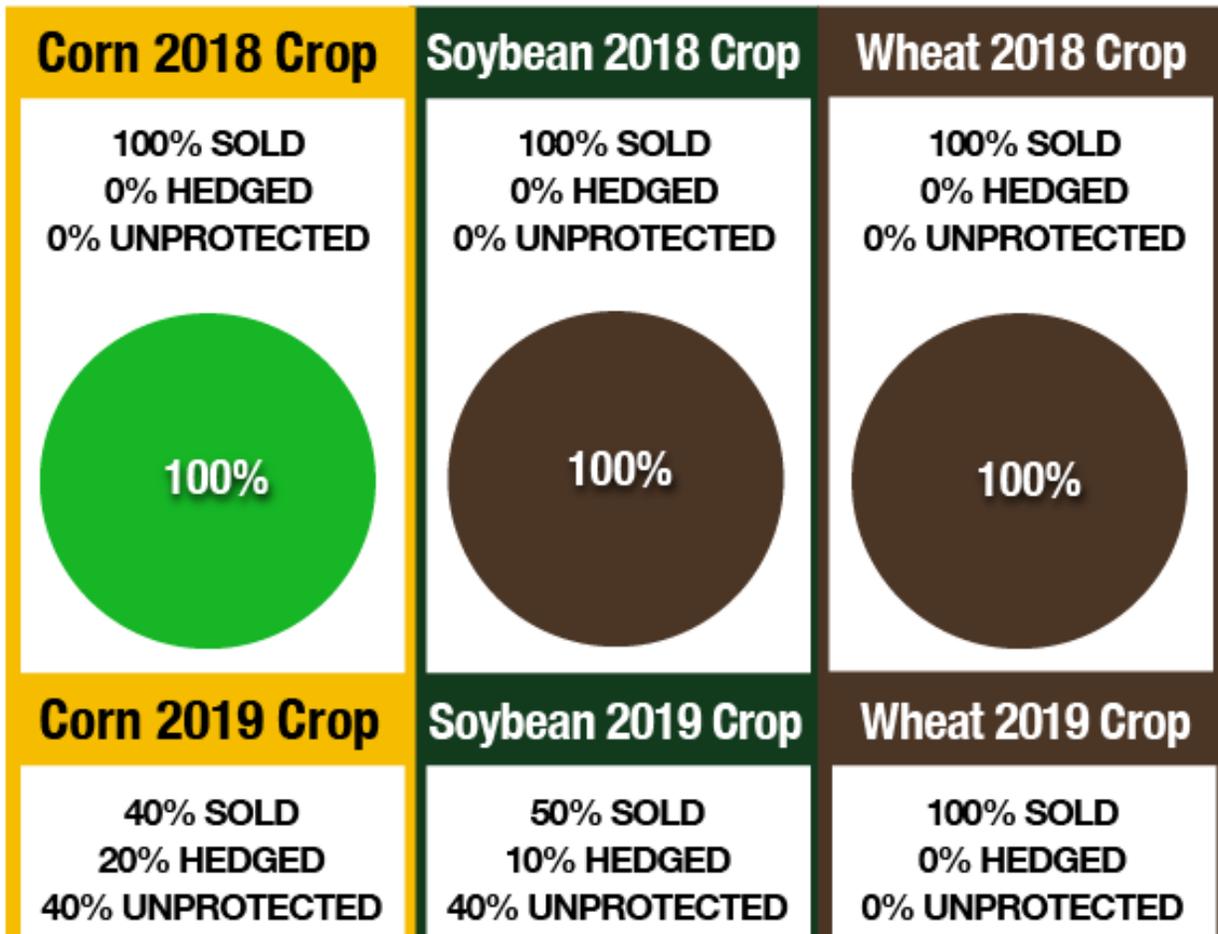


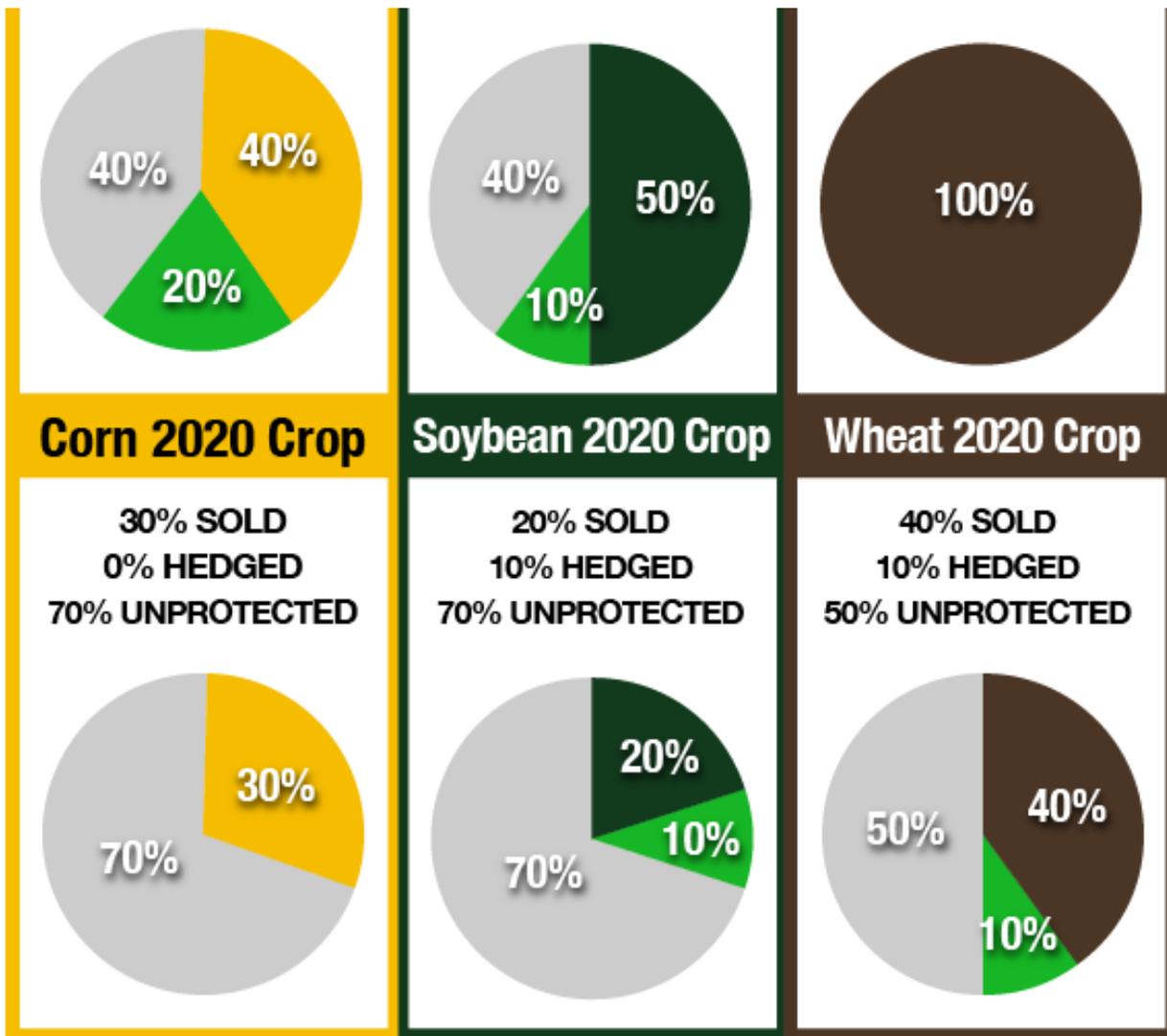


**ANSWER to riddle:** A key.

# CASH SALES & HEDGING TOTALS

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